

A CURIOUS COMPENSATION QUESTION.

Is a man who loses one arm before the compensation law becomes effective and then loses another arm after the compensation law became effective entitled to receive the full compensation for total disability or is he entitled only to compensation for loss of one arm? That is the question that the New York compensation commission will have to settle, and the entire State will be interested in the outcome of the case.

On July 6, a week after the compensation law became effective, Jacob Schwab lost an arm while employed by the Emporium Forestry Company at Conifer, St. Lawrence County. In 1892 Mr. Schwab lost an arm and the loss of his second arm totally disables him. The question which the commission will have to pass upon, therefore, is whether he is entitled to compensation for the loss of one arm or for total disability. It is argued on one side that he is entitled only to compensation for the injury occurring since the law became effective. On the other side it is claimed that inasmuch as he was able to work before the last accident occurred, he is now totally disabled and, therefore, entitled to compensation for total disability.

UNBUSINESSLIKE MUNICIPALITIES.

The annual report of the Department of Municipal Affairs of the Province of Saskatchewan says: "Temporary loans have been more difficult to secure during the past year than for some time previous. One cause of this condition lies in the fact that municipal authorities very often incurred debts too freely, actually found it more convenient in many cases to borrow than to collect taxes. Quite frequently, too, a rather care-free attitude was assumed in regard to the prompt payment of current loans. One result was sure to follow, the money-lending institution closed down on granting loans until the municipality would collect its available assets in the form of taxes and clear up all old indebtedness, a course with which it is hard to find fault. The municipality which is businesslike in securing amounts due to its office and prompt to meet its obligations has little difficulty even at this time of financial depression in obtaining reasonable accommodation at any chartered bank. Our municipalities and their respective ratepayers are rising to meet the occasion, however, and the latter are finding it much more profitable to pay their taxes before they fall in arrears, while the former are rapidly improving in their methods of financing."

A FILLIP TO ANNUITIES.

A section of British insurance business that has received a decided fillip as a result of the war is the "immediate annuity." The doubt with which all manner of securities is regarded is perhaps greatly responsible for this tendency on the part of the public to give attention to annuities. But the improvements that have been effected in this class of contract in recent years is undoubtedly a large contributing cause. The objection that an annuity may turn out a bad bargain in the event of the early death of the investor need no longer hold good—for up-to-date plans enable the annuitant to secure a return to his estate at his death of a portion of the capital sunk. Furthermore, an advantage not likely to be overlooked by investors is that special terms are offered to annuitants whose health is impaired.

THE QUESTION OF HABITS.

(By Percy C. H. Papps, Actuary).

One of the most difficult questions to pass upon in the acceptance of applications for insurance is the question of habits. A statement of some of the difficulties experienced at the home office may enable some of our agents, with the help of the medical examiners, to avoid delay and possible rejection of cases which might otherwise be promptly accepted.

We have an application, let us say, from Smith, who is a young man 21 years of age. The doctor has known him for 10 years, and the agent for perhaps longer. We are told in the application that he is a total abstainer and that he has never drunk to excess. The risk, so far as the application and medical examination are concerned, appears to be first class in every respect. Upon investigation we find that the young man has been in the habit of going out with the boys three or four times a year, probably at Christmas, Thanksgiving Day, and similar occasions, and has drunk intoxicating liquors to such an extent that he has been incapacitated for a day or a few hours on each occasion. The probability is that the agent knows of these lapses from the straight and narrow path, but assumes that they are errors of youth and that the young man will not in the future offend in a similar manner. He therefore decides that he won't mention the matter in his report, and it is quite possible that the doctor takes a similar view. So far as the home office is concerned, we find that the statements made by the applicant in his answers to the doctor are not true, so far as our information goes. We are then forced to realize that if the applicant is untruthful in some particulars he may be equally so in others. Doubt is therefore immediately cast upon the whole application.

DIFFERENCE BETWEEN CASES.

Of course, if the applicant is still inclined to get drunk on the occasions mentioned, we don't want the risk. If his foolishness is over and done with and a sufficient time has elapsed to assure us that we are not taking much risk in accepting the case, we are far more likely to do so if he attempts not to deceive us by withholding the truth.

It is probably true that many young men before they come to years of discretion have, on one or two occasions, drunk to excess, but have realized the dangers and given up the use of liquors. When this fact is fully established there is no reason why they should not obtain insurance. On the other hand, where we have an applicant 40 years old who gets drunk several times a year, it is safe to conclude that he is not likely to give up the habit. It is far more likely to grow upon him with the result that his health will be completely undermined by the time he is 55 years old, if he is not taken off before by pneumonia or some other acute disease in which bad habits tell against recovery.

From the above it will be seen that a young farmer 25 years of age who a few years before went on an occasional spree when coming to the country town, but who has married and settled down, is a very different risk from the farmer of 40 who at that age has not sense enough to keep sober when paying his periodical visits to the nearest town. The company should not be put to the expense of a medical examination in the latter case.