

MORTALITY TABLES.

A study of the mortality records of any community shows that the mortality is governed by a law which is practically invariable; that the possibility of death increases with the age and that the extreme limit of life is in the neighborhood of one hundred years. It is through the study of mortality records from various sources and the consequent determination of the laws relating thereto that the business of life insurance has become possible. Tables of Mortality form the scientific basis of life insurance. They are constructed to show how many persons, out of a large number starting at a certain age, will be living at the end of each successive year, also the number dying in each year and the average duration of the life remaining to those still alive.

There are two principal sources for obtaining the information necessary to construct a reliable mortality table, namely, the records of life insurance companies and population statistics. The earliest known tables, of course, were based upon statistics of the latter kind. Many other tables have been constructed from the observations of special groups of individuals, as for instance, the Peerage Table, which was taken from the records of the families of the British Peerage. The tables now used by life insurance companies are naturally constructed from the records of such companies, these records being comparatively free from the many errors to which population statistics are liable; besides which, the resulting tables are exhibits of the actual mortality experienced in the business and are therefore the proper tables to use for computing premiums. The first table of this kind was published in 1834 and was based upon the experience of the old English Equitable Society. A number of mortality tables based upon population statistics were in existence long before this; one of the best known and earliest being a table published in 1692 which was compiled from the population statistics of the town of Breslau, in Silesia.

THE BRITISH TABLES.

The most recent tables to be constructed are the British Offices Tables which are the most extensive and scientifically constructed tables in existence. Practically all the British insurance offices contributed their experiences for the thirty year period between 1863 and 1893 and the number of insured lives under observation was over one million. The work involved in the construction of these tables occupied a large staff of clerks almost ten years. The mortality rates for the different classes of insurance and for male and female lives were investigated besides the rates for persons buying annuities. As a result it was clearly established that the more expensive forms of insurance, such as Endowments, were subject to lighter rates of mortality than the cheaper forms, like the whole life plan. One of these tables has been adopted by the Dominion Government as the Standard table for valuation purposes and it is so designated by the Insurance Act of 1910.

THE AMERICAN EXPERIENCE TABLE.

In the United States the table mostly used is the American Experience Table, an old table published in 1868 which was partially constructed from the Mortality Statistics of the Mutual Life Insurance Company of New York, by Sheppard Homans. The author never gave full particulars as to the methods employed. This table is now recognized as the Stan-

dard in the United States but the need for a new table is felt, however, and the American Insurance Companies are at the present time preparing for an investigation which will furnish them with a modern table exhibiting the actual results of their past experience.

Besides the tables showing the rates of Mortality amongst insured lives, several tables have been compiled showing the rates among persons purchasing English Government Annuities. These tables have exhibited practically the same rates of mortality and clearly show that purchasers of annuities are subject to lighter rates of mortality than persons buying insurances. It would be well to mention here that comparatively few annuities are sold in this country by life insurance companies, whereas the British Companies do a very extensive annuity business.

The determination of the laws of mortality, as displayed in the new tables now available, has made a certainty out of what a few hundred years ago was often a feeble and unsuccessful effort in obedience to the natural instincts of mankind. Help for the helpless is not now an expression signifying an action whose accomplishment is often doubtful or impossible, but one signifying an ultimate condition, the realization of which is absolutely certain if the desire exists.—*W. G. F. in Northern Life Items.*

POOR RETURNS FROM MISCELLANEOUS INSURANCE.

Elaborate statistics of the underwriting and investment profits and losses of American casualty and miscellaneous insurance companies in the ten years, 1906-15, have been compiled by the New York Spectator which states that during the period thirty-one out of ninety-four companies experienced underwriting losses. Considering this feature in conjunction with the fact that the gross underwriting profit was only one per cent., it is apparent, says the Spectator, that the conduct of miscellaneous insurance as a whole does not offer a sufficient remuneration to the capital invested. A profit of 1 per cent. upon \$868,000,000 of business during a period of ten years does not render the outlook for the future attractive to capital. This is particularly true in relation to the casualty companies, whose business constituted three quarters of the total underwriting income and yielded a profit of but one one-hundredth of one per cent. From the viewpoint of the policyholder, says the Spectator, it is better that the companies should be reasonably well compensated for the assumption of great risks, so that their surplus funds may be gradually augmented for the protection of policyholders.

It takes imagination to sell stock in a new insurance company.—*Rough Notes*

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