

quiet. We cannot afford to give cake to everybody." Surely, the companies will be glad to get away from such a humiliating position, but if not, if any company still thinks it can secure an advantage by continuing these rates, then we will have to pursue another course, as an alternative remedy.

(2) Legislative measures. Take the necessary steps to obtain an amendment to the insurance act whereby it is provided that no plan of insurance can be issued in Canada under which the loading is appreciably lower than on other plans in the same section non-participating or participating. The determination of the limitation herewith referred to is one that would not be difficult to ascertain (practically).

"I do not believe," said Mr. Machum, in conclusion, "in seeking legislation until it is necessary to do so, but if the forms of insurance which we have been considering are not voluntarily withdrawn by the companies issuing them, then I hold it is the duty of the Life Underwriters' Association to take the steps necessary to promote legislation along the lines which are being followed by the National Association of Underwriters of the United States."

"Nice Way of Rebating."

Mr. F. J. Reid, North-American Life, Brantford, thought that the cheap policy which had been introduced by some companies, "is a nice way of rebating and always was."

Mr. G. E. Williams, North American Life, Montreal, suggested that the executive committee of the association should see the heads of the companies issuing cut rates, asking them to discontinue the practice. If that did not effect the remedy, he suggested that legislation should be secured to stop the evil.

Mr. T. J. Parkes, Sun Life, Sherbrooke, took a similar view. "Anything which puts out of business men who are trying to insure the public by clean methods, is not in the interests of the public," he said. "A policy which does not support itself, should be prohibited by law."

Mr. Morwick, Mutual Life, Hamilton, thought the evil was curing itself. He had never failed to write the business in competition with cheap rates. Mr. E. R. Machum, Manufacturers Life, St. John, was opposed to any legislation until absolutely necessary.

The matter was left to the executive committee to deal with.

WHY A MAN MUST INSURE

Economic Value of Life Insurance to the Family— Two Examples

The economic value of life insurance to the family was a topic ably treated by Mr. C. D. Devlin, district manager at North Bay of the Confederation Life. "The business of life insurance, being founded on well ascertained natural laws, and on principles of finance which, in their broad aspect are of the simplest description, there exists no necessity for discussion as to the safety of life insurance for the family. The economic significance of life insurance lies in its distinct recognition of the principle of association for the distribution of losses.

"The man who has insured his life pays a comparatively small sum over a term of years at a time when he can do so without encroaching on the comforts of his family, thereby assuring to the family in the event of his death, a payment of money at a time when the loss of the earning power of the head might otherwise mean want and destitution, thus averting damage of a serious kind, affecting the comfort, conveniences, or even the necessities in the standard of life of his family.

"If a wife holds insurance on her husband's life, the consequence is that, although what her husband gives her during his life is somewhat diminished, her income will not suddenly cease at his death. The tendency of insurance is therefore to make regularity out of irregularity, relative certainty out of relative uncertainty.

Life Insurance and Family.

"Each family requires for its subsistence, a certain sum of money, which varies, both as to its amount and the length of time during which it will be needed, according to the circumstances which surround each individual case. This income is, in some cases, derived from the invested funds inherited or accumulated, but, in general, it represents the earn-

ings of that one upon whom rests the responsibility of supporting the various individuals who have the right to look to him for maintenance. The relations between life insurance and the family spring from this state of affairs, and depend upon the value which one human life has to another.

Law of Mortality.

"But what of life itself? Has it a value beyond what it provides in a day, a month, or in a year, which can be measured with any degree of accuracy? Supposing its possessor to be of good constitution and free from hereditary taint, it is well known that he, or others of his class, will be governed as to the length of their lives, by a law of mortality so certain that their average lifetime may be measured with as much precision as that which governs any series of future events. For example; a man is 30 years old, in good health, married, and has a small family, and his surplus earnings are \$1,500 a year, and money is worth 4 per cent. per annum.

"By a standard mortality table, the present value of the future surplus earnings of this life is \$25,560. It is true that this is based on averages, and the assumption that he will, through his life, receive and spend just the amounts as here estimated, yet this value will not probably be realized. It is well nigh certain that his death will occur either before or after the date expected. Disease or accident may rob him permanently of his productive power. Circumstances which no skill, guided by research, can calculate, and no judgment foretell, may change the current of his life, and enhance or diminish the value of his efforts. And yet this value rests upon a foundation composed of elements no more uncertain than those which determine the worth.

An Economic Loss.

A hardware merchant in a prosperous community was apparently making a financial success of his business, and no doubt was well able to provide life insurance for the protection of his wife and two children but, unfortunately for them, he preferred to postpone the time of providing the protection, and the best answer he would give was a promise that he would apply for a policy of insurance in two months' time. Before the two months had passed by, that young hardware merchant was suddenly taken ill, and in a very few days death occurred. His two children are now living with their grandmother, his wife, formerly used to the comforts of a home with family surroundings, is now a waitress in a hotel. All of which is an economic loss, especially so as the children will not have the advantages of the education they should receive or would have received, if their father had lived and was able to provide as he had at one time anticipated.

Insurance Came The Start.

"Here is the experience of a machinist with a wife and family, who, under ordinary circumstances, lived well, and saved a small amount each year, part of the savings being used to pay the premium on a one thousand dollar, twenty-year endowment policy. The husband, however, was taken ill, the usual pay cheques were no longer available, and it was necessary to draw on the savings in the bank, with the result that the account was soon depleted. The husband and wife as a last resort took advantage of the loan value on the policy, borrowed from the company, and opened up a very small store which was attended to by the wife, until her husband was able to assist her. The business prospered, further insurance on the life of the husband was in later years added, and when the endowment policy matured, the proceeds were applied to help pay off the mortgage on a business block purchased a short time before. The husband is now dead, the widow carries on the business as usual, has \$10,000 on her own life, is able to have her daughters educated in the best colleges in the United States and Canada, while her only son is doing his "bit" with the Canadian boys in France, and has recently received high military honors. Insurance gave this family a start in life, when all other funds were gone, when they had no friends to lend financial assistance, it assisted in paying off a mortgage, it protected a business when the husband died, and best of all, it is helping the children to receive the education which will fit them for higher and better duties in the future.

"Life insurance in its final analysis is simply a business method to make the world a better and happier place for families to live in, than which no purpose could be higher or more worthy."

Mr. John R. Reid, Sun Life, Ottawa, continues as chairman of the grievance committee.