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WHOLE LIFE AND ENDOWMENT.

In common parlance, whole-life insurance and endowment insurance are at opposing poles. They are regarded as being in a sense antagonistic. Each has its ardent partisans. There is the man who can't see the good of paying an insurance premium to secure a benefit which will only accrue when he is dead, and there is the other man who doesn't see why on earth he should content himself with the modest investment return which an endowment policy gives him when he can secure for himself all sorts of glittering returns—per prospectus estimates. Both these partisans take an entirely wrong point of view. The truth is that whole-life insurance and endowment insurance are not antagonistic; they are mutually complementary and that to a remarkable extent. The outstanding good points of each of them dovetail into the other admirably, and together they make an impregnable combination. The main argument for endowment insurance is that it is the safest possible investment while also affording protection; the main argument for whole-life insurance is that it gives the best possible protection while in certain circumstances becoming an amazingly good investment.

Want of realization of the fact that endowment insurance and whole-life insurance are thus complementary to each other leads often to lamentable results in the way of ill-fitting policies. A man who ought to put protection first will get the idea that he can do something for himself as well as for others at the same time and proceed to buy endowment insurance when he ought to have whole-life; on the other hand, a man who is fully aware of the value of protection will proceed to fritter away in speculation what he has left over after paying his life insurance premiums instead of using it to make an absolutely safe investment thrrough an endowment policy. The arguments used by both these people can easily be over-stretched.

Take the case first of the man who favors endowment insurance. He has not perhaps at the time any very heavy responsibilities in the way of dependents. The prospect of paying a certain sum for an indefinite number of years without ever seeing himself the chief results from it is not attractive. He will be hopeful and enthusiastic regarding his business prospects, and confident of eventual success in his career, and he will be able to adduce in support of his position the fact which occurs occasionally that owing to change of financial circumstances, those for whose benefit whole-life policies have been effected are not in need of financial assistance when the policies fall in. Would it not be better, he will say, that he should himself be able to reap the advantages of his own thrift, at say, age sixty or sixty-five, and then be relieved of the necessity for continuing to pay premiums at a period of life when his earning power is declining. There is much to be said in justification of this view, but against the carrying of it too far are some very awkward facts. How many of the young men who start out in business confidently make anything of a success of it by the time they are forty, or even fifty? How many are there who find themselves harassed in early middle life by increased responsibilities? Do not the death rate statistics of this continent show that the mortality of men in middle-age is actually on the increase, in spite of everything that medical and sanitary science can do, owing to the fact that modern conditions, particularly in business and affairs, result in men being compelled to live at tremendously high pressure and under conditions which are in the main unfavorable for robust physical health? Consideration of these questions will suggest to the man who regards whole-life insurance as unsuited to his circumstances that there is, in fact, something to be said for it after all.

The man who takes whole-life insurance for purposes of protection, while despising endowment insurance is wont to argue that he can do much better with his spare money by investing it himself. Perhaps he can, but does he? All experience is against his argument. It is not for nothing that the Stock Exchange cartoonists picture the public as lambs. Real estate lots do not always go sky-rocketing in value according to anticipations. Mines and industrial enterprises are alike notorious avenues for the loss of the private investor's ready money. For the average man who has every year only a small surplus, there are in fact few avenues of safe investment open. There are savings banks, of course, and the bonds of sound mortgage companies—excellent investments which are available now for even the man who has a hundred dollars. But they lack in one respect: they have not that element of compulsion which an endowment insurance policy possesses. Once a man takes out an endowment policy he is compelled to save, unless indeed he lapses his policy and so makes a loss.

At the present time, the life insurance of a good many men is one-sided. There are few circumstances in which the ideal combination would not be whole-life insurance plus endowment insurance. With such a combination both the individual and his dependents would obtain perfect protection.