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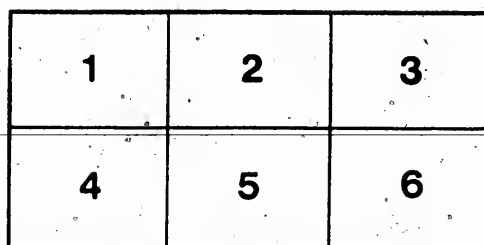
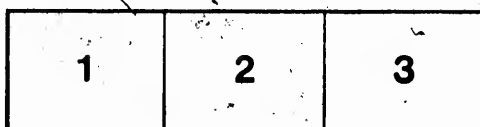
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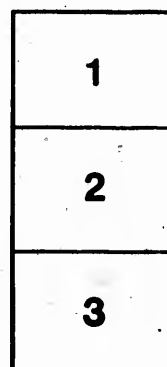
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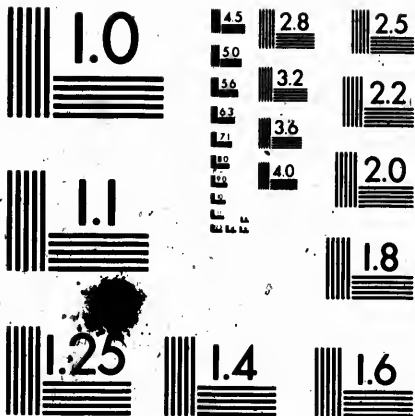
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*Life Insurance and the Relations
Existing between it and
Medical Men.*

BY

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(Read at meeting of Ontario Medical Association, 1888.)

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LIFE INSURANCE AND THE RELATIONS EXISTING BETWEEN IT AND MEDICAL MEN.



LIFE insurance is now one of the principal institutions of the civilized world, whether we view it financially or as a provision to succor and maintain those who depend upon the heads of families for their present and future support as well as comfort and happiness, or to maintain one's self in after years, when unable, from various causes, to battle with life. The history of it is interesting and instructive.

In earlier years annuities were common, and these were granted by Jews and usurers, and extortion and vice of all kinds prevailed. Policies of all kinds were issued, not only for mercantile purposes, but also against wind and weather, against particular diseases, providing safe passes even through purgatory, etc. Intrigue and wars, with pestilence, carried off tens and hundreds of thousands, and there was no provision for those left behind. In its infancy life insurance was conducted in a hap-hazard style, and partook very much of a gambling nature. Often the healthy and strong died

suddenly. It is only within the last century that anything like a scientific basis has been established. The observations of medical men and statisticians have deduced the probable duration of human life to an exact period of time, for while nothing is more uncertain than human life taken individually, yet with a vast number of men, say 100,000, or better still, 1,000,000, the expectation amounts almost to a certainty. The early insurers lived on the follies of fools, and many were made to feel the power of the insurer when once in his clutches.

Pascal was the first to introduce the study of probabilities. The Breslau tables, formulated by Dr. Hally, were the first of any importance mentioned on the expectation of life. In the year 1697 a policy was issued on the life of Sir Robert Howard for one year from the 3rd of September, and on the same day a year from date Sir Robert died. The merchant refused to pay the policy, on the ground that it had expired. Lord Holt, however, ruled that from the day of date excluded the day itself, and that the underwriter was liable. This is the first insurance on a life of which there is any positive legal record.

I might mention many frauds that have occurred in the history of life insurance; but the study of early insurance, how and where it originated, is of no practical importance to us at the present time. It is now before us as one

of the greatest financial-saving institutions of the world, and speaks much for the thrift and unselfishness of man in providing for breakers ahead and in alleviating distress and poverty. Man does not live for himself alone, and he who does not provide for his dependents falls short of his moral obligations. And here life insurance shows itself as a most valuable institution. For many years, from small beginnings, surrounded by enemies and ignorance, superstition and vice, its progress was spasmodic and slow; but as man became more intelligent and civilized, ignorance disappeared, and we now find it a valuable humane institution, the widow's hope and help, the orphan's protection and salvation, and the enfeebled and aged insurer's maintenance, in thousands of instances.

The growth of life insurance during the past thirty years, more especially on this continent, has been something wonderful. In the year 1859, the date of the earliest American official reports, there were only fourteen Life Companies doing business in the State of New York and one Home Company here; there are now twenty-nine in that State, and during the intervening years the number of companies has fluctuated from fourteen to seventy-one, the latter number being that for 1870. The greatest increase in the number occurred during the inflation period, following the close of the American civil war, when men, without any

knowledge whatever of the science of life insurance, undertook to speculate in Life Companies, as they had done in railroad and mining stocks, with the usual consequences resulting from inexperience.

In 1859 the true purpose and great benefits of life insurance were but little known by the general public. In that year the total amount of business written, namely, a little over \$30,000,000, would scarcely now satisfy a single company for one year's transactions, and the entire amount of insurance then in force, about \$141,500,000, is but little more than was written by one company alone last year. During the last thirty years there has been an increase of nearly five hundred per cent. in the number of policies and amount of insurance in force, while the gain in assets has been somewhat greater. During 1887 the official reports show that twenty-nine United States companies wrote \$531,170,773, while the amount in force at the close of the year was \$2,837,926,053, being an improvement over the record of the previous year of \$82,556,541 in amount of insurance written, and of \$252,094,070 in the aggregate amount of insurance carried by these companies.

In Canada the amount of new business written last year was \$23,560,849 by the Canadian Companies; \$3,112,160 by the British Companies; and \$11,435,721 by the United States Companies, and the total amount in

force \$191,679,852. Of the newly-issued business our Home Companies did over twice the amount done by the United States Companies, and nearly eight times that of the British Companies.

A most rapid growth in the business done on this continent has taken place during the last few years. For example: in round numbers the new insurances written in 1885 by the United States Companies was \$400,000,000; in 1886 it was \$600,000,000; and in 1887 it exceeded \$700,000,000. The total amount of insurances in force in them is now \$2,837,926,053, which comprises a larger amount than has been in force for many years and proves that the people believe in it, because, as a whole, it has proved itself trustworthy, a quality which distinguishes it from the worthless counterfeit furnished by companies doing business on the co-operative system.

During 1887 the total payments made to policy-holders by the United States Companies amounted to over \$70,750,000, and their gross assets amounted to over \$614,000,000. The payments made to policy-holders by our Canadian Companies in 1887 amounted to \$1,405,417, and their aggregate assets to \$14,352,475.

In former times any adult in apparent good health could be insured without a medical examination, and, as a consequence, many doubtful and bad risks were accepted. The

~~Came from~~
praved habits and tainted constitutions.

The history of life insurance reveals many instances of gross frauds perpetrated upon Life Insurance Companies. Personation, forgery, and murder have been employed, and frequently with success. The medical man must weigh carefully the statements of the applicant and friends. Many persons of intemperate

influence, pecuniary or otherwise. He is the official of the company, and while paying due respect to all information received from the applicant and friends, as well as from physical examination, he must bear in mind that to the company alone is he responsible. This is sometimes a difficult matter for the medical examiner, as his decisions may affect him pecuniarily

given, or is not willing to give, care, time and study to it.

It is important that the medical examiner should carefully consider the statement of the applicant and his friends. They often conceal important facts, especially in reference to habits, and any answers that are not explicit should be carefully examined into. The medical man must not think that his duties are finished when

considerable importance, hence companies divide risks into different classes. Chiefly through the instrumentality of the medical men the mortality of the trades has been materially diminished; the mortality from sickness of the British army has been reduced one-half during the last few years.

The surroundings of an applicant are most important in arriving at a correct conclusion.

of the heart and circulation are often handed down from father to son. The occupation of an applicant sometimes tends to shorten life, as that of a painter or plumber, which is due to the absorption of lead. Seamen, miners, engine-drivers, brakesmen, hotelkeepers and bartenders are all risks that should not be taken at ordinary rates. Among the best risks are professional men. The question of epilepsy is one in

had suffered from paralysis, the effect, say, of diphtheria or typhoid fever, all indications having been removed for at least upwards of a year, the life would be insurable. It is customary for insurance companies to exchange with each other their decisions in rejected cases, when required, and by this means frauds, made either purposely or in ignorance, are frequently detected. Hence the importance of the medical

Puerperal fever 98

Total 283

or, in other words, 1 death for childbirth in 200 cases of labor. How many of the above cases were affected by phthisis is not given. The population of Ontario was 2,000,000.

Life insurance is a contract entered into by an applicant or his friends and the company to

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~~... it is added that, where representation~~
amounts to a warranty, it must not only be substantially but literally true." The same judge further on states that the responsibility of giving full information rests with the proposer: "If the proposal leads the insurers into error by inducing them to compute their risks upon circumstances not founded in fact, so that the risk actually run is different from that intended to be run, the contract is as much at an end as if

it must be assumed upon authority that the office or relation of a medical examiner to his company is one of agency for certain important purposes." Further on he sums up his case in the following manner: "To the medical examiner, however, these judicial definitions have a special present necessity and value, for they declare what his true office is, what his limitations are, and in what relations he stands to a company and his statutory disqualifications as a

~~any person guilty of a misdemeanor~~, and on conviction thereof shall be liable to a fine not exceeding \$1,000, or to imprisonment in the county jail not exceeding three months, at the discretion of the court, and he shall also be liable to the company for an action on the case for the full amount of any insurance obtained from such company by means, or through the assistance, of such false statement or report."

In conclusion, gentlemen, I hope that I have

