

Industrial life insurance, that is to say, the issue of policies of small amounts at weekly or monthly premiums paid to collectors or agents of the company who call at the home of the insured, is transacted along the same general lines as in other English-speaking countries. The unit premium is 5 cents per week, the sum assured, not the premium, varying with the age at issue of the policy. Children and the aged are alike insured. In some companies the business is written without any medical examination or inspection, other than inspection by the agent who procures the application, or in some cases by a salaried official. In some other companies, a simple medical examination is required for amounts of over, say, \$300, but for smaller amounts applications are accepted from the agent as above, or the applicant may be required to appear before the medical examiner, but is not examined, as ordinarily understood. The amount of the individual policy is small and the total amount on any one life under several policies is usually not large. It, in fact, provides burial insurance for the poorer industrial classes. By reason of the frequent calls of the collectors and the small amount of each policy, a large proportion of the premiums is absorbed in expenses. The companies concerned have been devoting their energies to devising ways and means of reducing the expense ratio, and with success, thus making possible better returns to policyholders. There are at present one Canadian, two United States and one Australian company transacting this business in Canada.

Two other phases in the development of life insurance in Canada require notice, namely, "assessmentism," as practised for a period by a few companies, and "fraternalism," as practised by friendly societies.

Assessmentism was an attempt to obtain life insurance protection at the lowest possible cost. In its cruder forms the age of the individual insured was ignored, except that entrance was restricted to fairly early life, a uniform, and usually low assessment being charged. There was provision in the contract for making additional assessments in certain contingencies—excessive deaths or reduction in funds of the company. It was held that as the means were thus at hand for meeting the exigencies of the business at any time, the companies were sound; and they seemed to be sound, even prosperous, to those unable to see beneath the surface of things, so long as a large proportion of the lives assured were at the early ages, say under 40 or 45, where the rates of mortality are low and increasing but slowly with the age. But, after a considerable proportion of members had passed to the middle and old ages, the weaknesses of the system soon began to be disclosed. The "new blood" theory was then developed, which, stated in simple terms, meant that enough young lives were to be induced to insure to keep the average mortality of the company as a whole at a low rate, thus obviating the necessity for excessive assessments. These young lives, however, in turn grew old and thus the aged became too numerous to be neutralized by "new blood"; assessments became frequent and consequently burdensome; healthy lives, especially the young, soon found they could get insurance much cheaper in ordinary companies and declined to pay the assessments. With their withdrawal, mortality, with no adequate reserves built up to draw upon, soon became unmanageable, and the final *débâcle* was in sight. It is impossible here to follow assessmentism through all its modifications in practice—merely attempts, perhaps generally honest enough, to bolster up an unsound system. The first of these companies appeared in Canada in 1885 and the last disappeared about 1907. Legislation in respect of these companies required that they should represent the nature of their business correctly to the public. A deposit of \$50,000 was obligatory; death benefits were to be a first charge on all assessments; each policy had to state,