Committees of both Houses of Parliament in 1846. This was to have the Committee-work only done in a separate office, and the assent of the two Houses and of the Crown still required, as at present. This would realise the greater part of the proposed advantages, and would not offend the usual prejudice concerning the privileges of Parliament. But I see no valid objection, and much substantial advantage, in transferring the whole business to an independent department :* for it is a generally received principle, that in every parliamentary constitution there ought to be an Upper House. A municipality is a small Parliament : but the materials for local Upper Houses scarcely exist. Under the proposed system, however, the central government would be the Upper House of every municipality. It is true that the British people have a somewhat superstitious prejudice against the creation of new Departments of State. But, in so far as this is a mere prejudice, it can be easily evaded by endowing the old departments with new powers; and, on the merits of the case itself, the best way will probably be to transfer that part of the business of Parliament, which has to do with railway and other companies, to the Railway Department of the Board of Trade; and the municipal part of the business to the Home Office for Britain, and to the Irish Secretary's Office for Ireland.

The advantage of a really efficient municipal system is a vast subject, to which now, at the end of my paper, I could not possibly do justice.

III.—*On the Advantages of Policies of Insurance terminable at the age of 63 or at death, instead of at death only.*—By W. Neilson Hancock, LL.D.

[Read April 21st, 1856.]

THERE are few of the institutions of modern civilization more important in their effects on the well-being of society, than the system of Life Insurance.

By means of insurance, duly proportioned, the productive members of each family are enabled to make a certain provision for all their relatives, whose support would be placed in jeopardy by their death. This notion of life insurance being the means of discharging a solemn duty is most important to keep in view, as it teaches those who propose to effect insurances to look to the safety of the companies on which they rely for enabling them to discharge their duty—to avoid Mutual Insurance Companies, and Participation in Profits; as no bonus, or increase on the sum insured, is, to those who insure from the highest motives, equivalent to the slightest risk

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* For information concerning the Resolutions of these Committees, see the article on Private Bill Legislation already referred to.

of failure in the sum required for the discharge of the duty of providing for their relatives.

The common mode of life assurance is subject to one defect. If the insured should happen to attain a considerable age, he changes, as time advances, from being a productive member of society, to a state of inability for laborious exertion.   His duties generally change too; the relatives whom he was at first bound to support have either died already, or have become themselves productive members of society, or have passed by marriage to the care and protection of others.   Thus, men of advanced life often require assistance instead of being bound to give it; and the longer they live, the more they require to be supported and the fewer claims have others upon them.   Now, by the common mode of insurance, the same premium continues payable every year until death, and the sum assured cannot be realized until that event.

To avoid the burden of paying premiums in old age, tables have been calculated of premiums payable for a fixed number of years, after which no premium is payable.   This, however, is obviously only a partial remedy; it removes the burden, but does not provide assistance.

The further step, of making the sum assured payable when old age makes any payment of premium a burden, has been provided for by other tables, which show the rates of insurance payable upon policies effected at each year of age, for a sum of money payable at a specified year of age, or at death, if it should happen sooner.

The specified ages in the tables for which calculations are made, are fifty, fifty-five, sixty, and sixty-five, and there is no principle stated by which any one can be guided in determining which of these ages to fix upon.

It is obvious that as the scheme of insurance proposed in these tables is intended to provide against a contingency in human affairs, the age to be specified is not arbitrary, but can most probably be discovered by consideration.   And the object of this paper is to show whether the exact age can be fixed.

Now there are many indications of human life being divided into periods of seven years; and the most remarkable of these divisions are twenty-one, (three times seven), the legal period of manhood; and sixty-three (nine times seven), the grand climacteric of human life, beyond which the majority of mankind cannot be certain that their powers of active exertion will be so strong as to be entirely relied on.

A distinguished French philosopher, M. Comte, has elaborately investigated this septennial theory.   He shews that the most natural period of marriage among men is from twenty-eight till thirty-five, and that marriage at that period allows of children being well reared before sixty-three; at which period he thinks men more suited for dignified and easy labour—advising and guiding the rising generation, rather than being themselves engaged in the more severe pursuits of active industry.   The period that he has fixed on coincides with the old notion of sixty-three being one of the grand climacterics of human life, and with the medical theory of a change

in the constitution taking place at that age. In a fragment of Solon, contained in the Stromata of Clemens Alexandrinus, the septennial theory is noticed, and the age of marriage stated at the same period as by Comte. Solon also states that sixty-three is the commencement of the final period of life.

For the purpose of life insurance, it may be safely stated that sixty-three is in general the most suitable age to fix on for the termination of paying premiums, and for the payment of the sum assured. Mr. Wilson, one of our members, and Manager of the Patriotic Assurance Company, has accordingly calculated a table of annual premiums payable on a policy effected at each age to insure £100 at sixty-three, or at death, if it should happen sooner; and a comparison of this table with the ordinary table will show for what a slight increase of premium an insurer can combine a provision for himself, if he should live beyond sixty-three, with a provision for his family should he die before that period.

I may notice, as an advantage of the method of insurance to which I have directed attention, its peculiar applicability to one of the largest classes of insurers—those having permanent appointments in the public service, with retiring allowances less than their salary. The common method of insurance must operate as an impediment to officers retiring on such allowances, as large premiums of insurance operate as a serious deduction from their pensions; but the payment of the sum assured at sixty-three would, in the case of large insurances, make the retiring allowance, with the interest of the sum assured, nearly equal to the salary with the premium deducted. A banker has called my attention to the advantages of such insurances as a security for advances to men in business. Such advances are generally safe so long as the head of the firm continues able to actively watch over the details of the business; but the greatest risk to bankers is in continuing advances when the business is carried on by a man advanced in life, who is gradually becoming less and less able for active superintendance, and whose successors or subordinates may not be equally trustworthy.

APPENDIX.

Rates by Annual Payments for an Assurance of £100, *to be paid to the assured on attaining the age of* 63, *or to his heirs at his death, if it happen sooner.*

AGE NEXT BIRTHDAY.	ANNUAL PAYMENT.			AGE NEXT BIRTHDAY.	ANNUAL PAYMENT.		
	£	s.	d.		£	s.	d.
21	2	1	5	32	3	0	9
22	2	2	9	33	3	3	0
23	2	4	2	34	3	5	7
24	2	5	9	35	3	8	4
25	2	7	4	36	3	11	4
26	2	9	0	37	3	14	6
27	2	10	10	38	3	18	0
28	2	12	9	39	4	1	8
29	2	14	7	40	4	5	8
30	2	16	6	41	4	10	0
31	2	18	7	42	4	14	6