Mr. G.W. Fitzhugh
Supervisor

Re: 5-44-G - The Ruberoid Co.

This policy was issued at the "T" rate, but effective December 31, 1931 we increased the rate to T.+$2.00 because of an unfavorable experience.

For the 5 years since the increase in rate, we have a profit in 4 years and a loss in one year, and the claim rate for the period is 72%. Our profit under the coverage from 1931 to date is approximately $15,000. Also we have transferred $14,000 from the Accident & Health coverage, that is packaged with the Life coverage, giving us a total profit on the Life coverage over the last 5 years of approximately $29,000.

The Life coverage showed a loss the first year after the rate was increased, but there is a profit in each of the last 4 years, and for this period the claim rate is 62%. Our surplus for the 4 years, excluding redistribution, is slightly more than $22,000.

The group is coded as a textile, and the extra premium based on this is $1.00. However, the company is engaged in the manufacture of rubber coated asbestos materials and shingles, and I doubt if an extra premium is really required.

Mr. Bradley of the Administration Bureau advises me that he expects a broker in to see him within the next day or two, regarding the cost of the coverage, and he would like to be prepared to offer a reduction in rate. I see no objection to reducing the rate to T.+$1.00. CK 22-1/2

The present coverage provides Total & Permanent Disability Benefit, and I do not think it advisable to recommend the elimination of these benefits, unless we offer the "T" rate for the Extended Death Benefit. The disability claims are not excessive.

Attached is a copy of the dividend card. You will note that we are now paying dividends under both coverages.

February 10, 1937
DCB/HM

Actuarial Division
Group Life & Health Section

METROPOLITAN LIFE INSURANCE COM