PLAINTIFF'S EXHIBIT

MET-981

Dr. McConnell,
Welfare Division,
Industrial Health Section

Re: Johnson's Company, Thetford Mines West, Quebec

We cover the employees of the above company for group life insurance, and to date the claims amount to 83% of the premiums. Several years ago the experience was unfavorable, and we referred the group to you because there was a substantial number of claims for lung diseases. There has been an improvement in the experience in recent years and the coverage has shown a profit since 1935.

In 1936 the question of offering this company Accident & Health benefits was considered and we asked you to make an inspection of the properties. You reported that the employees were French Canadians and looked undernourished and that in your opinion the claim experience would not be very good. On the basis of this report, we decided not to offer Accident & Health coverage.

Our representative has again raised the question of Accident & Health coverage and advises us that the company has appropriated a considerable sum of money for mine improvements. Possibly this will improve the group as a risk for group coverage.

We would appreciate a further inspection of this company's properties and a report from you at your convenience. The group is not large enough to justify the expense of a special trip for this inspection, but possibly you will have someone in the vicinity soon and can have him make a report.

In advising us whether you consider this company an acceptable risk for Accident & Health coverage, you will want to take into consideration that for this industry (asbestos mines) we load our standard rates 40%. In other words, if you think the claim rate will be less than 140% of the claim rate in a non-hazardous industry, our normal rate should be adequate. Of course, the plan we will offer will not provide benefits for occupational accidents.

D. C. Bull

Actuarial Division
Group Life & Health Section

August 22, 1939
DCB/HM

Discussed with Bull over phone

Told him bad experience was due to French Canadians & not to industrial process

MET 1060

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