

PLAINTIFF'S EXHIBIT

MET-983

REPORT ON
HEALTH AND WELFARE SERVICES

1947

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REPORT OF HEALTH AND WELFARE SERVICES

1947

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It is our privilege to present below a summary of the principal activities and quantitative measurements of the Health and Welfare services in 1947.

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I. Costs (More details in certain regards are to be found in the budget report and in the monthly cumulative summary statement.)

1. 1947 total costs are as indicated below, representing an increase of 11% over 1946 costs.

	<u>Curative Aid</u>	<u>General Welfare</u>	<u>Total</u>
Eastern Office	\$2,755,093	\$1,340,603	\$4,095,696
Pacific Coast			
Head Office	333,969	73,971	407,940
Canadian Head			
Office	377,261	62,913	440,174
Entire Company	3,466,323	1,477,487	4,943,810

2. This total expense for 1947 is .04% less than the 1947 budget which totaled \$4,945,668.
3. The budget as submitted and approved for 1948 totaled \$4,980,223. When submitted this was .7% below the 1947 expenses estimated on a nine months' basis. It is .7% over the final 1947 expenses.
4. The 1947 costs are estimated as 1.09% of the Industrial premium income as regards Industrial charges. The 1948 budget is 1.077% of anticipated income.

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II. Main Quantitative Data

1. Nursing visits in 1947 totaled 1,765,342 - a 2% increase over 1946; total visits amounted on January 1st to 100,936,127.
2. Literature distribution amounted to 28,522,615, a 5% increase, entirely due to the growth in Group use. The total for literature distribution to date is 1,391,770,435.
3. Film attendance amounted to 4,474,552, a 93% increase over 1946; total film attendance to date is 141,670,107.

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III. Mortality and Statistical Bureau Materials

As indicated by Statistical Bureau reports, 1947 was an outstanding year as regards mortality in all departments. Certain death rates in the Industrial Department, as contrasted with earlier years, particularly for conditions against which the Company, with cooperating agencies, has carried on extensive educational and preventive campaigns, are shown in the following table:

Death Rates per 100,000 from Certain Specific Causes in 1947
and Earlier Years - Weekly Premium-Paying Industrial Business

Cause of Death	Death Rate per 100,000		Improvement
	At Start	To Date	
1. Puerperal Diseases	1911 - 19.8	1947 - 3.1	84.3
2. Tuberculosis	1911 - 224.6	1947 - 33.8	85.0
3. Typhoid Fever	1911 - 22.8	1947 - 0.2	99.1
4. Communicable Diseases of Childhood*	1911 - 58.9	1947 - 1.3	97.8
5. Diarrhea and Enteritis	1911 - 27.9	1947 - 2.8	90.0
6. Diphtheria	1925 - 10.6	1947 - 0.5	95.3
7. Appendicitis	1933 - 13.2	1947 - 3.1	76.5
8. Motor Vehicle Accidents	1934 - 22.2	1947 - 15.7	29.3
9. Home Accidents	1934 - 14.9	1947 - 9.4	36.9
10. Pneumonia	1936 - 69.8	1947 - 22.6	67.6
11. Syphilis	1940 - 12.0	1947 - 7.7	35.8
12. Diabetes	1940 - 29.8	1947 - 26.7	10.4
13. Occupational Accidents	1942 - 7.1	1947 - 5.2	26.8

*Measles, Scarlet Fever, Whooping Cough, Diphtheria

It of course goes without saying that the information assembled and often reprinted from the Statistical Bulletin, the Statistical Bureau's ingenuity and skill in preparing charts and exhibits, its statistical facilities for the analysis of our nursing records and for planning studies in the nursing or safety, or other fields, continue to be of inestimable value in our nursing program, our correspondence, in literature preparation, in lay and professional educational programs, in special studies, and in the interpretation of results or findings.

IV. Nursing

1. Visits by office and department, cases by salaried service and affiliations, costs and cost per visit, and certain other items are indicated in the tabulation below.

Visits	1,765,342
By Office	By Department
Eastern Office .. 1,402,199	Industrial 1,655,011
Pacific Coast ... 128,368	Intermediate .. 41,740
Canada 234,835	Group 68,591

Cases 435,050

M.L.I. Co. Salaried Service 168,115

V.N.A. Affiliations 266,935

Cost \$3,466,323

Percent of Industrial Expense

to Premium Income86%

(For All Health & Welfare Activities) 1.09%

Cost per visit \$1.96

Metropolitan Salaried Nursing Staff	411
Automobiles Operated by Salaried Staff	352
Affiliated Public Health Nursing Organizations	768
Cities and Towns Covered for Nursing Service	7,381
Cases Nursed Per 1,000 Policies	19*
Average Visits Per Case	4.1

*Estimated

2. The volume of visits, considerably in excess of 1946 earlier in the year owing to the birth rate, finally exceeded 1946 by only 2%. Maternity visits showed an excess of 20%, while general visits had a decrease of 11%.
3. Toward the end of the year the trend was definitely downward. In December various units showed decreases under last December as follows:

Maternity	20%
General	9%
Salaried Services	20%
Associations	12%
Total	15%

In fact, December presented the lowest total for that month for many years. The birth rate is beginning to decline, and very good health conditions prevail everywhere, with the exception of mild but extensive influenza outbreaks in California.

4. The distribution of nursing cases by classes of disease and condition, in contrast with twenty years ago, brings out the shift in service from acute infections to the chronic, older age degenerative conditions. The increase in maternity and newborn reflects the high postwar birth rate.

<u>Classes of Diseases</u>	<u>1927</u>	<u>1947</u>
Communicable	45.5%	12.6%
Non-communicable	5.1%	20.5%
Maternity	22.1%	29.4%
Newborn	16.3%	26.3%
Injuries and All Others	11.0%	11.2%

5. Special efforts at economy - one featuring the last year, and the other going back over a decade:

A. Elimination of high cost, low inforce services.

This was one of our principal interests during 1947. With the cooperation of our Territorial Nursing Supervisors and our Field staffs, considerable progress has been made, to be carried forward aggressively in 1948.

During 1947 we succeeded in closing 51 such services. We also eliminated certain nurses in multiple staff locations, resulting in the discontinuance of a total of 61 salaried nursing positions. This is reflected in an over-all reduction of total Welfare staff positions, Home and Read Offices, including Field, and also including approved vacancies, from 672 to 632.

Several small nursing units have been transferred from a salaried to an affiliation basis. At the same time we have terminated 28 small and inactive affiliations.

The net reduction in cost in 1947 from this effort amounted to \$99,000. It is estimated that the 1947 terminations will have the affect of reducing our net costs in the calendar year 1948 by \$176,400. It is also roughly estimated that we should be successful with additional terminations in 1948 to the extent of a further saving of \$100,000, making the combined two-year total from this effort \$375,400.

B. Control of Group nursing costs.

A little over a decade ago our nursing volume in insured Groups was high and still expanding. A study indicated that a large fraction of it resulted from the inappropriate use of nursing service for non-professional purposes. An earnest and persistent effort has been carried out to eliminate this factor, with the complete cooperation of the Group Division, including the Home Office executives and its Field staff. Miss Striegel, our Group Nursing Assistant, has been particularly active and successful with this program.

The results statistically may be indicated as follows: In 1937 we made 145,216 Group nursing visits, while in 1947 this figure was 68,591. During this same period the Group certificate inforce, I am told, has increased from 1,974,286 to 3,124,616 as of November 30, 1947. The accumulative saving in visits and costs represents a very substantial sum. In fact, if visits in 1947 had been made at the visit rate of 1937, on a basis of the current certificate holder exposure, they would have totaled approximately 229,800, or 161,209 in excess of the actual 1947 figure. At the present cost per visit (\$1.95), this excess would have meant an outlay of over \$314,400. The accumulative saving over the decade would certainly be in excess of a million dollars. At the same time we are now, more than ever before, giving real nursing care to actually sick certificate holders, who need, want, and value the service.

6. As to salaries, the 1946 staff salary increases seemed to be adequate, and no change was made in the general salary scale for field staff nurses in 1947. A moderate increase was approved, to be effective on January 1, 1948, in salaries for the supervisory staff.

office layout, furniture and fixtures, expense controls, etc. It also administers the Division's central filing and mail service, handles the Company's suggestion program, supervises the Reception Room and the handling of visitors, which number in the neighborhood of 5,000 annually.

2. As regards Home Office payrolls (excluding field nursing), this office processed, in 1950, 14 new inductions; 19 resignations, retirements, or transfers; and handled personnel arrangements for an active group of 163 - 5 less than in 1949.
3. The following data indicate the number and percentages of changes in staff in the Home and Head offices, central and field, nursing and welfare, in 1950, as compared with 1949.

<u>Office Staffs</u>	<u>1949</u>	<u>1950</u>	<u>% Change</u>
Nursing Bureaus	73½	67	- 9%
Welfare Bureaus (including Officers)	100	96½	- 4%
Library and Archives	19	21	+11%
Total	192½	184½	- 4%

<u>Field Staffs</u>			
U.S. and Canadian Field Nurses	373	341	- 9%
U.S. and Canadian Field Clerks	15	16	+ 7%
Total	388	357	- 8%

Total - Health & Welfare Division			
Employees - all Offices	580½	541½	- 6%

The decrease in total staff is chiefly due to resignations and retirements in the nursing service, with some slight coincident curtailment in clerical office staffs.

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XVIII. Pacific Coast

1. The work of the Division at the Pacific Coast Head Office under Dr. Shepard has been maintained on a high level, with the assistance of Mrs. Roberts, the Nursing Director, and the Head Office staff.
2. An increased budget for literature and printing in 1949 and 1950 made it possible for the Coast Office to be somewhat more liberal with literature requests from our Field staffs. There was a 28% increase in literature distribution in 1950 over 1949. Individual requests increased by 51%, due mainly to the radio and advertising programs. Mass tuberculosis chest X-ray surveys in large Coast cities used quantities of an inexpensive leaflet, resulting, in Los Angeles alone, in the filming of 2,000,000 persons.
3. In contrast to Company experience, film showings showed a 4% increase over 1949, due mainly to a later date in completing the theater showings for BE YOUR AGE, and in releasing 16 mm. prints of this film to health and educational agencies.

4. In nursing, the program toward liquidation is proceeding on the Coast along lines similar to the Home Office. 2 salaried services have been closed. 4 nurses have resigned, and 2 will soon retire. Nursing cases decreased by 10%.
5. Dr. Shepard continued his many important outside activities including the Presidency of the American Public Health Association, Clinical Professor of Public Health at Stanford Medical School, Member of the American Board of Preventive Medicine and Public Health, member of the Health Resources Advisory Committee of the National Security Resources Board, etc.

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XIX. Canada

1. The Health and Welfare Division at the Canadian Head Office will suffer the loss of the services of Dr. Burnette, who retired at the end of the year. Fortunately, arrangements have been made by which Dr. Troup will give part time to the direction of Health and Welfare activities, thus more closely integrating these with the Medical Division interests, and affording experienced medical supervision for Health and Welfare services. Dr. Troup will be ably assisted by Dr. Benson, Assistant Medical Director, who came to the Company with some public health background and experience.
 2. Dr. Troup is enlarging the scope of his interests in the public health field, having developed new contacts with the Canadian Health League, the Victorian Order of Nurses, and having joined the Canadian Public Health Association. He also became a member of the American Public Health Association. It is anticipated that his leadership will mean a more vigorous use of our educational and health campaign materials and data, perhaps initially in the 1951 Weight Control Campaign, in connection with which medical relationships are of vital importance.
 3. On the educational side, when the new Overweight film is available, Dr. Troup will take steps, for which preliminary plans have already been made, to arrange for joint sponsorship in Canada similar to the set-up in the United States, namely with the Canadian Medical Association and with the Canadian Federal health authorities.
 4. The nursing liquidation program is going forward satisfactorily in Canada along lines similar to the United States. The Victorian Order of Nurses understands and sympathizes with our objective, and is cooperating to the full. The organization is represented on our Nursing Advisory Committee and is in close touch with this program. On the salaried nurse side, Miss Girard is taking energetic steps to encourage the development of adequate visiting nurse associations in communities where we have a large salaried staff, particularly Montreal and Quebec City - arrangements which may involve temporary loan of certain members of our salaried staff, as has been done in two or three instances in the United States.
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XX. Research, Studies, and Demonstrations

1. The Company's principal research investment continues to be the \$100,000 contribution to the Life Insurance Medical Research Fund for work in the cardiovascular field.
2. A contribution of \$7,566 was made to the Public Health Committee of the Canadian Life Insurance Officers Association, largely for research in health and medical problems.
3. In nursing, special studies were made in Philadelphia and New York to determine the approximate loss in income that is apt to be experienced by visiting nurse associations when our services are withdrawn, as a guide in the planning of these and other associations, community chests, etc.
4. Cooperation was continued with the National Organization for Public Health Nursing in its cost analysis study, and grants were made to this Organization to aid in its development of more adequate local nursing facilities.
5. The Industrial Hygiene Laboratory engaged in a number of studies having to do with toxic industrial hazards, methods of determining air contamination, etc.
6. The Company continued certain contributions to national agencies, part of which goes to research, including the American Public Health Association, American Social Hygiene Association, National Safety Council, National Arthritis and Rheumatism Foundation, American Cancer Society, American Heart Association, National Organization for Public Health Nursing, New York Academy of Medicine, etc.

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XXI. Home Office Health Education

1. This activity was continued, as in recent years, under the auspices of a committee representing the Personnel Division, the Medical Division, the Policyholders Service Bureau, and the Health and Welfare Division, under the chairmanship of Dr. Wheatley.
 2. Pamphlets, posters, and exhibits have been made available in various places in the Home Office buildings, accompanied by announcements in Home Office magazines and bulletins. In 1950 the Home Office employees on their own initiative selected and took away for reading 36,456 Company health educational pamphlets, on colds, heart disease, overweight, cancer, safe driving, home safety, vacation hazards, hay fever, child safety, nutrition, diabetes, dental health, and the cook book.
 3. Arrangements have been made to introduce some discussion on health and the use of health literature in the training program for supervisors as carried out under the supervision of the Personnel Division. A study is also being made of the possibility of a health poster contest to stimulate employee interest and participation.
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XXII. Library and Archives

Library

1. The Library operates through a number of sections, including the Loan Desk, Research and General Reference, Insurance, Public Health and Medicine, and Cataloguing.
2. In 1950 books circulated by the Home and Head Office Libraries totaled 104,168, as compared with 104,593 in 1949. At the Home Office, periodicals routed were 78,290, as compared with 76,713 in 1949. There was a falling off in the use of fiction in 1950, but an increase in books for business and for serious personal reading.
3. Concentrations of interest in 1950 were upon atomic bombing effects and pension information.
4. In cataloguing, the Home Office Library added a total of 4,401 items, and discarded 5,552. The total number of books, reports, and pamphlets now in the Library is 99,882.
5. Management research and general reference questions totaled 1,966 in 1950. These questions came from nearly all Sections of the Company, listed by frequency of inquiries as follows:

Coordination	Home Office Buildings
Ordinary	Accident and Health
Group	Statistical
Health and Welfare	Medical
Law	Accounting and Auditing
City Mortgages	Business Research
Treasurer's	Purchasing
Field Management	Farm Mortgages
Personnel	Check Writing
Secretary's Office	Gymnasium
Actuarial	Housing Projects
Officers and Administrators	Investigation
Publication	Mail
Industrial	Supply
Claims	Personal Adviser

6. The Library handled a corresponding number of requests from outside agencies, including insured Groups and individuals. Among these agencies in 1950 were:

Consolidated Edison Company
General Motors Corporation
New York Life Insurance Company
Institute of Life Insurance
Provident Mutual Life Insurance Company
Penn Mutual Life Insurance Company
Home Life Insurance Company
Life Insurance Adjustment Bureau

International Ladies Garment Workers Union
United Nations Headquarters
Pittsburgh Glass Company
U. S. Children's Bureau
Health Insurance Plan of New York City
Metropolitan Industrial Bank of Brooklyn
Time, Incorporated
Community Service Society

Archives

1. The Archives attendance totaled 3,939, as compared with 5,031 in 1949. It included, however, 950 visitors conducted through the Archives by the Field Management Division, and many Agents and Managers attending Home Office classes.
2. The Archives received a total of 150 reference questions from nearly all Departments of the Company, and 12 from outside agencies, including banks, commercial enterprises, etc.
3. The more important special exhibits prepared during the year included the display for A. M. Best Company, and a holiday attraction displaying the Company's Christmas cards dating back to 1886. With Mr. Taylor's assumption of the Presidency, plans are being made for a special case of material concerning his career.
4. One of the most important acquisitions during the year was the report on Metropolitan activities during World War II, coming from Mr. Taylor's office.
5. The plan to move the Library and Archives to more adequate and appropriate space in the new unit may possibly facilitate a better display of Archives and may stimulate attendance.

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XXIII. Staff Changes and Vacancies

1. Dr. Burnette, in charge of Health and Welfare at the Canadian Head Office, retired at the end of the year. As suggested by the undersigned several years ago, the general administration of the Health and Welfare activities in Canada has now been assumed by Dr. Troup, with the assistance of Dr. Benson and Miss Girard.
2. No replacement has as yet been made for Dr. Allen, who served in part as an assistant to Dr. Wheatley. It has also been impossible so far to secure an assistant to Miss Craig, to fill a vacancy when Miss Craig succeeded Miss Williamson as Director of the School Health Bureau.
3. Several members of the staff of the Industrial Hygiene Laboratory resigned or were transferred, or are anticipating resigning, incidental to the termination of the Industrial Hygiene Laboratory services.

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4. Dr. Wheatley's activities at the Home Office and in the field, and his outside public health relationships continue to grow in variety and significance. Notable among his outside contacts are - Chairman, Committee on Rheumatic Fever of the American Heart Association; Chairman, Committee on Accident Prevention of the American Academy of Pediatrics, in liaison with the National Safety Council; Chairman, Executive Committee of the American Council on Rheumatic Fever; member of the Governing Council and the Committee on Professional Education of the American Public Health Association; Chairman or member of committees for the New York City Board of Education, New York Heart Association, New York County Medical Society, New York City Department of Health, and the New York State Medical Society.

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XXIV. Aid from Other Divisions

The Health and Welfare Division has numerous working contacts with other Divisions of the Company, which have been most effective for the Division activities in 1950. Most frequent and essential of these contacts include the following:

1. The Statistical Division - The advice and guidance of Dr. Dublin and his staff, on public health and statistical activities, exhibits, etc.
2. The Medical Division - with the advice of Dr. Bonnett and his staff on research, the aid of Medical Examiners in campaigns, etc.
3. The Coordination and Advertising Division - Patient and helpful assistance in office layouts, moving office units, etc.; and a practically daily check on text for magazine advertisements, radio spot broadcasts, scripts, and other educational materials.
4. The Actuarial Division - Particular aid in working out modified retirement plans and discontinuation allowances pertinent to the nursing and Industrial Laboratory liquidation program.
5. Equally courteous and generous aid and advice along logical lines from other Divisions, such as Publication, Field Management, Law, Personnel, Group, Accounting and Auditing, and Purchasing.

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XXV. 1951

1. The new film on Overweight will constitute a major new educational device for this and subsequent years. This will be launched following the Annual Convention, with the collaboration of the U. S. Public Health Service, the American Medical Association, the American Heart Association, and other agencies. It will materially stimulate Company film showings and attendance through theaters, television, and educational channels.
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2. In the educational field, principal campaign interests during 1951 will deal with weight control, in cooperation with the American Medical Association, the U. S. Public Health Service, and other agencies. A special exhibit symposium with these agencies is being developed for the scientific exhibit of the American Medical Association meeting in Atlantic City in June. The Company's overweight research findings and its plans for lay and professional education will also be presented in a paper at that meeting.
3. The cooperation with the American Red Cross in the promotion of Red Cross home nursing classes will constitute an important nursing staff activity during 1951, possibly of special significance in view of disaster threats.
4. It is anticipated that literature volume will continue on about the present level. New titles were referred to under the "Editorial Bureau," it being anticipated that as older publications are revised more appropriate recognition can be given to the importance of the mental and emotional factors that bear upon physical and general health.
5. In nursing, it is expected that the volume will continue to decline, particularly on the salaried nursing side as members of the staff seek other positions. It is likely that the visiting nurse association volume will show less shrinkage comparatively.
6. Further consideration will be given to other suggestions for new activities when the nursing volume has been markedly reduced, including projects in the industrial hygiene, child and home accident, residual tuberculosis, and other fields.
7. The only major staff change contemplated at this time is the retirement of Miss Crosby, Director of the Social and Health Agencies Bureau, at the end of 1951. It is expected that the activities of this Bureau will then be incorporated partly in the Field Service Bureau and partly in the Editorial Bureau. A member of Miss Crosby's staff is in training to fill, in part at least, her most valuable social agency contacts.

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XXVI. The National Emergency

In the current defense or possible future war situation, whether or not the Company takes any policyholder educational procedures regarding atomic hazards, etc., either by printing or purchase or cooperative distribution, it can be said that most of the Health and Welfare Services now contribute to meeting the national emergency, and can be even more directly shaped to that purpose.

Through Dr. Shepard in the Health Resources Advisory Committee of the National Security Resources Board, we are in close touch with Federal developments. Our nurses, both in the Home and Head Office administrative units and in the field, are taking courses dealing with medical and nursing emergency procedures as offered by state and city authorities.

The services of our Industrial Health Bureau, especially bearing in mind Dr. McConnell's Army experience in the last war, are being called to the attention of our insured Groups as they may bear upon factory safety and the health of the environment as it affects employees. Our nutrition program, the work of the Group Nursing Consultant, as it bears on nursing in the factory or in the home, and our general health educational facilities are basic to the maintenance of national stamina. Our anticipated new film on Overweight should be a major contribution not only to the preservation of health and a reduction in the burden of unnecessary illness, but also to the conservation and proper utilization of our food resources. Our cooperation with the Red Cross in home nursing class instruction is another very pertinent contribution.

Modifications in our program may be necessary. For instance, paper shortages and cost may dictate some further literature curtailment, which will mean the selection of materials that are designed to contribute most to meeting individual health needs in the national emergency.

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XXVII. Welfare Service Officers and Bureau Heads

Aiding the Officers concerned with Health and Welfare Services (Shepard, Troup, Benson, Cole, McConnell, Wheatley, Dublin, and Armstrong) are the following Bureau Heads in the Health and Welfare Division, including Dr. McConnell and Mr. Cole in their operating capacities.

Mr. Jerome Apfel, Welfare and Nursing Accounting Bureau
Miss M. R. Bonnell, Library and Archives
Miss A. June Bricker, Home Economics Bureau
Mr. W. Graham Cole, Safety Bureau
Miss Marjorie L. Craig, School Health Bureau
Miss Helen M. Crosby, Social Agency, Exhibits, Motion
Pictures Bureau
Miss Ruth Doloboff, Management and Personnel
Miss Alma C. Haupt, Nursing Bureau
Mr. Arthur Kneerim, Field Service Bureau
Dr. William J. McConnell, Industrial Health Bureau
Mrs. Dorothy Whyte, Editorial Bureau

XXVIII. The Future

In medicine, public health, and preventive medicine there is always a changing picture with disappearing, persisting, residual, developing or newly arising problems, affecting the country, and also affecting program and cost factors for the Company itself, in its experience as regards underwriting, insurance coverage, mortality, disability, claims, and educational activities.

It is customary to assume that communicable disease problems have been largely conquered, but the mystery of certain virus diseases, such as poliomyelitis, is still with us. Our biological defenses against epidemic influenza are still defective. Other baffling respiratory conditions, such as the common cold, are still costly and uncontrollable. There are residual tuberculosis problems of epidemiological importance, affected by housing, nutritional customs, economic conditions, migrations and population concentrations of non-white groups, etc.

In the field of accident and disease, in all areas - childhood, adulthood, and older ages - home, school, and industry, there is one largely unexplored element of great importance, namely the degree to which prevention and control can be influenced by a better understanding of the emotional and psychological factors involved.

Accidents as a whole, except in the home area, in spite of all the studies and the efforts by many agencies at control through education, law enforcement, and environmental improvement, reached a peak for all time in 1950, indicating that very much indeed remains to be done to control wastage in this field. The problem of the disabled grows, as the handicapped are ground out by the nations' war machines, or are contributed to by industrial injuries, by neurological diseases, such as polio and multiple sclerosis, by the rheumatic diseases, or by the general process of aging. All of this leads to the need for more knowledge and its application in the field of physiotherapy, and more stress upon the program for rehabilitation.

Medical education is another important field, calling for more adequate facilities, and particularly more emphasis upon preventive medical instruction - an aspect of medicine that is vital to Company interests in its examining procedures, in early disease detection, and in professional health guidance for its policyholders. Basic, too, is more adequate public health machinery for large units of the population, on a state, and particularly on a local basis, where we are at the moment especially concerned with more dependable, permanent community nursing facilities, incidental to the Company's nursing withdrawal.

Important also is an extension of the principle of insurance coverage for illness and accident, with preventive medical features, and with medical, nursing, and hospitalization benefits, through commercial and voluntary cooperative channels, not only for the protection of an increasing percentage of the population, but also as a measure against the stateism threat of compulsory regimentation in this field.

The aging of the population itself involves the uncovering of new areas calling for health research and preventive medical effort. It involves an inevitable increase in chronic disease, and a growing incidence of cardiovascular, malignant, and diabetic conditions, together with the necessary adaptation of older groups to industry and community life generally. Related to this social change is the

need for greater guidance in nutrition, in personal health habits, in weight control, and the relation of overweight at older ages to health and disease.

Altogether, the situation calls for constant review and evaluation, in order that the Company's program may be kept in balance and in order that we may use our resources for health and welfare most appropriately, and to the best advantage of our staffs, our policyholders, the Company as a whole, and the country at large.

Respectfully submitted,



D. B. Armstrong, M.D.
Second Vice-President,
Health and Welfare
