

MONTREAL LIFE UNDERWRITERS.

At the monthly dinner of the Association, held on May 18, the President was in the chair, with an attendance of over 60. The speaker of the evening was Mr. T. B. Macaulay, Managing Director of the Sun Life Assurance Co. of Canada, whose subject was "The New Insurance Bill."

In introduction, Mr. Macaulay referred to the wonderful improvement he had observed during his 37 years' experience in life assurance, in the relations between life companies, both in office and field departments. Bitterness and unfairness had disappeared, and one sign of the better spirit was the meeting together of agents of all companies.

Coming to the bill, Mr. Macaulay said he wished to give information as to what had been done, and what was intended in connection therewith. The hard three-year struggle, 1907-1910, had given Canada one of the best life assurance measures in the world, but amendments had been required as a result of the Union Life experiences—which had been both remarkable and disgraceful.

In the case of the Union Life, there had been disclosed extravagance, bad investments, unwise contracts, excessive commissions for capital stock, misrepresentation in prospectuses, a loss of \$800,000 to English shareholders and of \$2,500,000 to the public as a whole. Further, the management had found weaknesses in the Act and had defied the Insurance Department. The Metropolitan Life had saved the name of Canadian Life Assurance by taking over the Union Life, but it was necessary to strengthen the Insurance Department's hands for the future.

By the Act, the only way open to put the Union into liquidation was to value policies and assets, to pay death claims to date and the expenses of liquidation, and then to distribute the cash realized in proportion to the reserves. This method was too expensive, too slow, and unjust. The only proper method was to reassure the company as a whole, and in the amendment now proposed the Insurance Department was given power to force reassurance upon a company.

Similarly, other weak points which had developed in the Act had received consideration in the new Amendments as a result of the co-operation of the various insurance interests and the Insurance Department.

Fraternal societies and labour unions had attacked the provisions for group assurance. Mr. Macaulay stated as his opinion, however, that the companies had full authority for issuing group assurance in the Act already, so that the provisions in the Amendment were unnecessary.

It was of course still a question whether this Bill would pass, but he greatly hoped it would, as it would in his judgment give Canada one of the finest laws in the world for winding up weak companies.

The President, Mr. Williams, expressed to Mr. Macaulay the warm thanks of the members for his illuminating address, and called upon Mr. John A. Tory for a few remarks, which were much appreciated.

CORPORATION INSURANCE.

A firm or corporation very much resembles a family. When the head of a family dies it is well to have some financial reimbursement for the great loss that always ensues, and the same is equally true of a business house or corporation.

There is greater danger of a partner dying than of the stock being consumed by fire, and the consequences of each catastrophe should be discounted in advance.

The president of a New York Company discloses a somewhat new phase of the question in a recent letter. He says: "The writer already carries \$50,000 on his life for the benefit of the company. We believe the brains or guiding factor of every business or corporation should carry adequate insurance to offset the mistakes of new minds that have not had the same amount of business experience or judgment to make the business successful."

Increased credit at the bank is another direct result of partnership insurance that will appeal to many. Any banker will corroborate this. Banks often nowadays suggest life insurance before they make a loan, and the credit men of the wholesale houses of the country are more and more demanding that life as well as fire insurance be carried before extending credit to merchants, business men and corporations.

The cost of such insurance is inconsiderable in comparison with the benefits derived. Annual dividends, if taken in cash, reduce the cost, whatever it may be, below the tabular rate, and the growing cash and loan values should always be taken into account, and may be carried on the books as an asset.

Separate policies for each responsible head are preferable to joint life policies for the reason that the death of a single individual terminates the joint life policy for all; also if the remaining partners should desire to renew the joint life contract, some one or more of them might not be able to get new insurance, and even if they could get it they would have to pay the higher rate of an older age.

Business insurance may take the form of ordinary life or limited payment life policies (annual dividends) at low net annual cost, or of endowment policies (annual dividends) at a higher annual premium, but under which—and this is most important—a sinking fund may be established, offering all the advantages for a firm that endowment insurance offers to the individual. The latter is real investment insurance and returns at maturity all the money paid in premiums with annual dividends besides.—*New York Life Bulletin.*

THE BLESSINGS OF INSURANCE.

Looking at the heart of the matter, we may say these large figures represent an even greater mass of well-being and happiness. Millions do not always bring happiness, but your millions do. It would be pleasing if we could know the sum of comfort and prosperity, fruitful prudence and assured futures which these millions represent. How many marriages have you made possible? How many declining years have you soothed with the reflection that death will not mean poverty to the survivors? How much manly thrift have you fostered. All this is beyond computation.—*Lord Rosebery at Scottish Widows' Fund Meeting.*

Mr. D. R. Wilkie, at the annual meeting of the Imperial Bank this week, expressed the opinion that at an early time it will be necessary to establish a bank of re-discount in Canada, under Dominion Government patronage, with somewhat similar powers to those of the new reserve banks in the United States.