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state of mind, and to distinguish it from the other phase of moral hazard this is sometimes called the "temperamental" hazard. Such hazard is found not only in the individual, but also to run through whole industries, and is expressed in bad housekeeping conditions, due, perhaps, to the class of men engaged therein or to the class of labour performed. Furthermore, there are certain races of people whose factories, stores and homes are habitually dirty and ill-kept and fires follow as a natural consequence with greater frequency than where such conditions are unusual.

A bad moral hazard, as with a bad physical hazard, is a menace not only to the property immediately concerned, but also to all others exposed thereby, and that is one of the reasons why a building with many tenants is usually considered less desirable than where there are but one or two, A great financier once said that he was willing to take long chances in lending money to men of good character, and likewise in our business personal character counts very largely, for if we can be sure of the moral hazard we can take great chances on the physical side.

From all of this we may see that insurance underwriting has many sides and angles. It is not wholly a question of moral or physical hazard, of construction or occupancy, or care or location, of exposure or protection, of line or rate, but a blend of all of these things, of which the rate is the greatest factor.

The power of observation and assimilation, the habit of thought and study, an analytical and practical mind, a retentive memory, thoroughness and plenty of common sense; these are the traits of a good underwriter to which experience puts the finishing touches.

GREAT WEST LIFE RESULTS.

The annual statement of the Great West Life for 1918, while indicating vigorous management, on the other hand, the new business issued in 1918 totalling $30,659,557, shows an increase of only $350,015 over the previous year, 1917, as compared with an increase of $4,734,169 in 1917 over 1916. The business in force advanced to $170,863,673 from $152,643,165 in 1917, a growth of $18,220,508. This may be considered highly satisfactory in view of the abnormal mortality which affected all companies during the past year. Income shows the substantial increase of $692,866 to $7,129,105, and assets were enlarged by $3,047,158 to $27,432,824. The results were secured incidentally with a reduction in the expense ratio.

Total death claims incurred were $2,012,240, of which amount nearly 50 per cent. arose from the epidemic; the war accounted for $382,935,, leaving ordinary claims at $679,790, a very normal figure. The total amount paid to policyholders in 1918 was $2,541,467, as compared with $2,154,083 in the previous year. Expenses, commissions, etc., totalled $1,375,265. The surplus of the company as at December 31st last, amounted to $2,883,439, after providing for death claims and profits to policyholders. At December 31st, 1917, the surplus of the company stood at $3,074,958, indicating the necessity of drawing on the surplus, owing to the heavy losses incurred during the year, in common with so many companies. The Contingency Reserve has been drawn on to the extent of $75,000 and now stands at $225,000.

More than half of the Company's business is stated to be written in the territory west of the great lakes, where as a Western organization it is firmly entrenched. However this may be, nearly one-fourth of its business is written through its branch office, in the Metropolitan City of the Dominion, Montreal, under the popular management of Mr. C. A. Butler, Provincial Manager, 160 St. James Street.