

LIFE INSURANCE AND THE WAR LOAN.

Writing in the London Post Magazine, Mr. Edgar Stephens points out that the life insurance man is vitally interested in the condition of things developed as a result of the new standard of investment set by the British Government's war loan.

There can be no two opinions, writes Mr. Stephens, as to the wisdom of widely and authoritatively informing the public that the Offices are placing the money now entrusted to them in the shape of premiums at the service of the country in the shape of contributions to the new War Loan. This is due to those to whom a life policy is an actual immediate necessity (and even in these stagnant days of business their name is Legion), for in this time of crisis it may be said that, *pro bono publico*, they would deprive themselves willingly of this requirement. It is up to the Life official to convey to them that their intentions will be carried into effect by the Offices on their behalf. Life assurance institutions are once again giving a lead to the country, and the payment of premiums to them is as good citizenship as subscribing to the War Loan.

REVIVAL OF AN OLD ARGUMENT.

The second point that forces itself on one's mind is that the old stock argument "I can do better with my money" will take a new and more vigorous lease of life. Assurance as an investment will have to stand its trial with all other forms of securities and it must be admitted at once that $4\frac{1}{2}$ per cent. on British Government security is a high rate to compete with. Less income tax, of course, it drops to the region of 4 per cent., and he would be a bold man who would venture to foretell what the net yield may be a year hence. With the further saving of tax on the premiums payable, the Office representative still has a shot in his locker, but, unfortunately, competition in even the immediate future, in this connection, will not confine itself to British Government securities. If the Government could raise money a few years ago on a 3 per cent. basis, and now offers $4\frac{1}{2}$ per cent., a proportionately higher return will be looked for from other securities. Can it reasonably be expected that Life Offices, even allowing for the advantages of income tax, can in the immediate future show such improved results?

Calm review of the value of life assurance to the individual and to the country—for, as Mr. Lloyd George recently pointed out, it is a valuable contribution to the life of the State—serves to put a new aspect on the matter. Life assurance is not only an investment, and should not be so regarded; it is a necessity of modern life, and, in common with other necessities of life, its value has risen during the War. The increased cost of living has its reflection in the slightly lower comparative value of a policy as an investment; but the point to be insisted on is that the rise in its cost is a comparative one and that there is no rise in the first cost of life assurance.

IMPORTANCE OF THE LONG VIEW.

To the Life man, engaged in the task of securing new business, there may seem little comfort to be derived from the foregoing remarks. We live in times of stress, and, unfortunately, that which

does not make its urgency immediately felt must often be dispensed with. But a long view is the only sensible view to take, and the long view is typical of everything connected with Life work. Can it be doubted that the importance of making family provision by life assurance—the only really effective method—is being driven home more forcibly than ever before by the calamities of the War? Is there any question that the whole country is becoming more alive to its responsibilities? Hearts are not worn on sleeves in England, but those who have eyes to see will have discerned the growth of a new attitude to duty, and indeed to practically everything in life that really matters. And in our work, inasmuch as it goes to the heart of life, there will in due season be a response to the new impetus.

EFFECT ON BONUSES.

To return to the situation brought about by the Loan and the consequent lowering of the basis of investment values, further serious depreciation will have to be faced by the Offices and it is idle to deny that the question of the maintenance of bonuses is now commonly raised by the public. It is a tribute to the trust reposed in the Offices that so many with-profit policies are still being used, and it is a trust that is not likely to go unrewarded. Whilst the next bonus of some Offices may have to be reduced, it is unlikely in the extreme that the future will fail to bring its compensations. The remedy for depreciation will probably be found in the high interest yields which will be obtainable. This point has already been laboured but the demand for capital after the War will be stupendous, and the Life Offices, with their great resources, will be in a position to deal with the new conditions as the ordinary private investor could never do. As a member of a powerful organisation, the latter is likely to pass through the troublous times still in store far more successfully than as a mere unit. That the future is a good deal more hopeful for life assurance than some may think may be inferred from the fact that one well known Life Office has recently reduced its non-profit rates for both whole-life and endowment assurance. Its action is eloquent of belief in itself, and in their own ways the majority of our Offices will doubtless be able to convey to their connexions throughout the country a similar faith.

THE ROLL OF HONOR.

English insurance exchanges contain references to an increasingly large number of insurance officials who, having given their services to King and Country, have subsequently made the supreme sacrifice or have been severely injured. The latest list includes Captain E. S. Humphrey, of Manchester, killed in the Dardanelles, who had attained at the early age of 24, the responsible position of surveyor with the Northern Assurance Company; Captain E. R. Mackay, Argyle and Sutherland Highlanders, killed in the Dardanelles, foreign inspector of the Law Union & Rock, and youngest son of Mr. Alexander Mackay, late general manager of the Law Union & Rock; Lieutenant B. W. Noble, Honorable Artillery Company, wounded at Hooze, elder son of Mr. Noble, of the Union Assurance Society; A. R. Anderson and B. F. MacSwiney, King's Liverpool Regiment, killed at Hooze, both members of the head office staff of the Royal of Liverpool.