

PERMANENT PROTECTION AT MINIMUM COST.

With the rise in recent years of endowment insurance and the multiplication of insurance plans, plain old-fashioned whole-life without profit policies have been relegated to something like a back seat. It will be a pity if they tend to fall into obscurity, since they have a peculiar field of their own, and fill certain needs in a much more effective way than can any other policy. Where permanent protection at the minimum of cost is the essential; where it is necessary that the largest amount possible payable at death should be obtained for a given annual premium, there is no policy that so admirably fills the need as that under the whole-life without profit plan.

It appears that in England, there has been a pronounced revival in this form of contract during recent years, partly as a result of the large assurances which have had to be made in order to meet the claims for death duties, etc. The increased demand has led to increased competition among the life offices for this class of business. Rates have been reduced, and various schemes for special non-profit policies have been devised, involving guaranteed surrender values and fixed options, to meet the requirements of those members of the public who prefer to pay a low premium for a settled contract rather than take the chance of a better result under a with-profit policy.

A paper read by Mr. F. J. Cameron at a recent meeting of the Institute of Actuaries on this subject discussed interestingly some of the technical aspects of these policies. He pointed out that the assumption which might easily be made that calculation of premiums for non-participating whole-life policies would offer less difficulty than in the case of with-profit policies was erroneous. Whereas, in the latter class any wrong assumptions can be rectified at periodical divisions of profit, in the case of non-profit policies there is little scope for re-adjustment, and Mr. Cameron remarked "it, therefore, behoves us to be particularly careful in making our estimates in the case of premiums for non-participating assurances." In the past, it appears to be admitted that owing to lack of competition, the rates for these policies have been kept at a rather high average figure. But recent Finance Acts with their enlarged taxation and consequent opening of the field to provide by insurance against the incidence of that taxation, have considerably altered matters, and competition is now a factor of as much importance in non-profit business as in any other class of assurance, as is seen by the divergence in the rates of premium quoted. The idea that there should be an agreement between the offices upon a uniform scale of premiums for whole-life non-profit assurance does not, however, find favor. It is regarded as at the present time impracticable. Competition will continue to ensure to holders of these policies full value for their money.

WANTED, A REAL INVESTIGATION.

There are not wanting signs that an attempt will be made to pass over the demand for a real investigation into the whole question of Montreal's water supply and its management in favor of a white-washing enquiry which will have no effect in particular, except to quiet down the citizens until the next occasion that there is an "accident" to the water supply. It was to be expected that such an attempt would be made. The only way to meet it is for the leading citizens, business and professional men who have large interests at stake, to bring all the influence they have to bear in favor of an investigation which will be a real investigation. The proposal put forward by the representatives of a number of the leading organisations in the city that an investigation should be held by a judge of the Superior Court, and two independent engineers who should be empowered to enquire into the whole question of the city's water supply, past, present and future appears to meet requirements and it is to be hoped these proposals will be pushed with such vigor as to compel the city authorities to accept them.

GOVERNMENT DEPARTMENT AS BOND DEALER.

With a view to facilitating the sale of school debenture of the province of Alberta, the department of education is perfecting plans whereby it will act as a clearing-house for these issues of debentures and supervise them. Until the present time, it is explained by the minister of education, many of the smaller school districts have been a prey for none too scrupulous financial men, who have succeeded in tying up the school authority to a bargain by no means equitable.

The board of education, in order to remedy this condition of affairs will become a sort of clearing house for the sale of debentures. The board will carry on their negotiations for sale direct with the purchaser, and in this way it is hoped to effect sales on behalf of the school districts at reasonable prices and reasonable rates of interest. A banker has been appointed to take charge of this work, and he will actively supervise both the extent of the borrowings of the school municipalities and their conduct in paying coupons promptly. In order to facilitate the prompt payment of coupons, the school districts will be advised to issue their debentures with the debentures payable December 1, no matter what time of year they may be issued. By this arrangement the coupons will fall due at a time when the taxes will be available and the district will be able to meet its indebtedness promptly.

The Minister states that a number of people, who have been in the habit of purchasing these school bonds are willing to continue to purchase them through the department. Presumably these prospective purchasers include some of the insurance companies, several of whom are at present very large holders of Alberta school bonds.