

NAMING THE BENEFICIARY.

(W. H. Somerville, A. I. A., Associate Secretary, Mutual Life of Canada).

There is an idea, more or less prevalent, that the assured may have his policy written payable to his executors, administrators or assigns and later sign declarations in favor of his wife and that it makes no difference whether these declarations are sent to the Company or whether they are simply attached to the policy, the Company being kept in ignorance of them. I do not know that there is any objection to the practice if the transaction turns out as intended, the declarations being presented to the Company on the death of the assured. But suppose the declarations are lost? The insurance is not then for the benefit of a preferred beneficiary and so is not protected from creditors. If prior to his death, the assured should become a bankrupt and if the declarations were not presented to the Company, the policy would be subject to the claims of creditors. Until the Company has received the original or a copy of the instrument in writing affecting the insurance money, it may deal with and obtain a valid discharge from the assured or from his executors, administrators or assigns, in the same manner and with the like effect as if the instrument in writing had not been made, but this would not affect the right of the person entitled by virtue of such instrument to recover the insurance money from the person to whom it had been paid by the Company. Hence the adoption of this plan involves the danger of the assured's nominee not receiving the benefit, and there are also the other considerations mentioned, but apart from these, the plan would seem to leave the assured free to deal with the policy and dispose of it as he pleased throughout his lifetime.

THE IDEAL ARRANGEMENT.

Having a policy made payable to the executors, administrators or assigns and disposing of it by will seems to be a good plan to adopt because the disposition by will is a good and effectual one; but the prompt settlement of claims is a valuable business asset and as there is usually considerable delay in getting the will probated, the disposition by will involves delay in settlement and is thus apt to be annoying to the beneficiary. There are a few criteria by which the policyholders and the public measure a Company's efficiency. The prompt payment of claims is one of these, so anything which is going to involve delay in payment of claims had better be avoided. When it comes to paying a death claim or a matured endowment, the ideal arrangement is to have some one person, such as a wife, entitled,—one who can give release and take the proceeds of the policy immediately.

Sometimes declarations are signed in favor of two beneficiaries, making the disposition of the insurance by amounts as, "\$300 to my wife and \$700 to my son." This is not a desirable form of disposition because there may be additions or deductions to the face amount. It is much better to indicate proportions as 3/10's and 7/10's.

CLEAR DECLARATIONS DESIRABLE.

Friction is sometimes caused between the Company and a policyholder because of looseness in drawing up a declaration. Thus, an endowment policy may be written payable to the assured if

living at the end of the endowment term or in the event of his prior death to his mother. He will inform the agent that he wishes to make his wife the beneficiary and a declaration is drawn up to the effect that the insurance shall henceforth be for the benefit of the assured's wife. What he wants is that the insurance shall continue to be for the benefit of himself if living at the end of the Endowment term, but that in the event of his prior death only it shall be for the benefit of his wife. When the policy matures he expects to receive the money himself and is sometimes disappointed to find that it is his wife who receives it.

It is well, too, to avoid complicated or more or less, remote contingencies in writing policies or completing declarations. It is better to have the beneficiary clause in as simple terms as possible and to make any necessary alterations when the need for them arises. Thus if a beneficiary dies, it is well to complete new declarations, whether there is or is not a surviving beneficiary, because the surviving beneficiary will not necessarily take the deceased beneficiary's share of the insurance.

In some of our Provinces we find it a safe rule of practice to get the beneficiary's signature to documents, when this would not be necessary in other Provinces, but it precludes any possible claim, and while, doubtless, in a great many cases, we would be within our legal rights not to require the signature of the beneficiary and to deal directly with the insured, yet it is a safe rule and ordinarily it can be done without friction.

THE BANK OF HAMILTON.

Profits of the Bank of Hamilton for the year ended November 30 last, are reported as \$424,274, compared with \$485,265 in 1914, a decrease of \$60,991. The ratio of earnings on the total investment of the stockholders was 6.42 per cent.

The year's profits were sufficient to pay the usual dividend at the rate of 12 per cent. per annum, and provide for war tax on note circulation, \$26,526, and the regular allocation to the pension fund of \$19,000, the carry-forward on profit and loss account being increased by \$18,000 to \$175,821.

In order to provide for depreciation in securities and for contingencies, the sum of \$300,000 has been taken from the reserve and applied to this purpose. At its reduced level the reserve is \$3,300,000, or \$300,000 in excess of the paid-up capital.

That Bank's balance sheet shows that deposits increased \$3½ millions to approximately \$38 millions, Circulation increased about half a million to \$3,500,000, the greater part of the excess circulation being covered by a deposit of \$400,000 in the Central Gold Reserve. Readily available assets total \$17,134,000, equal to over 41 per cent. of the liabilities to the public as against 35 p.c. last year. Of this amount over \$10,800,000—about 25 per cent. of liabilities to the public—is in actual cash on hand or deposited in banks or with the Government. Total assets show an increase of nearly \$4 millions to \$48½ millions.

Montreal's bank clearings during 1915 were \$2,628,122,219 compared with \$2,631,354,533 in 1914. After heavy decreases during the first seven months of the year, the turn came in August, and December clearings were more than one hundred million dollars in advance of those for December, 1914.