**EXPENDITURES OF YOUNG CANADIAN LIFE COMPANIES.**

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All this has gone and how long it will be before it is replaced in the Company's surplus and the shareholders receive an adequate return upon it can only be a matter of conjecture.

THE CAPITAL LIFE.

The Capital Life of Ottawa was started early in 1912 and thus far appears to have made very fair progress. At the end of 1915, it had its capital of $129,080 intact and a surplus as well of $17,954, representing the remains of $118,370, premium on capital stock paid in by policyholders. Just over $100,000 of the shareholders' money has gone. Its last year's net premium income was $77,876 and during 1915 it increased its business in force to $2,779,898.

THE SASKATCHEWAN LIFE.

The Saskatchewan Life of Regina, Sask., commenced business in May, 1914, three months before the outbreak of war, and at December 31st, 1915, reports a surplus above all liabilities and $100,000 paid-up capital of $36,356. The amount of premium on capital stock paid by shareholders to the same date was $90,334, so that about $54,000 of this premium had gone up to the end of last year. The Company reports a 1915 net premium income of $22,205 and business in force at the end of last year of $1,039,096. Agency commissions, salaries and advances exceeded the amount of the premium income, which looks as if the Company is "paying too much for its whistle." Head office salaries at $9,000 also are high. Considering the times and Western conditions, the Company appears to have made fair headway in regard to placing business on its books but at an agency expense which is simply preposterous.

LA SAUVEGARDE LIFE.

La Sauvegarde is a Montreal French-Canadian organisation and differs from other companies in the group in point of age. It was incorporated originally as a provincial concern in 1903, and incorporated again by Dominion Act in 1911, its Dominion license being issued in 1912. At December 31st, 1915, it had $6,573,443 business in force and for 1915 a net premium income of $212,617. At the end of 1914, the Company had a surplus over all liabilities and capital of $15,649, but by the end of 1915, this had been reduced to $5,193. As the shareholders paid up $57,429 premium on the capital stock of $178,425, it is evident that considerable progress will have to be made before the shareholders obtain adequate returns for their investment. The Dominion blue-book recently issued says:—"There has been declared and paid during 1916 a six per cent. dividend to shareholders, the amount of which exceeded the Company's surplus on the Department's basis as at December 31st, 1915. The directors of the Company have been advised that the payment of dividends to shareholders should be discontinued, until warranted by the Company's condition." There are some curious-sounding items of expenditure for last year—special loans to shareholders, $1,045; advances to Bureau General, $13,881; expenses in connection with Cafe du Palais, $2,503. Presumably, however, the Insurance Department is acquainted with the character of these expenditures.

## DISABILITY INSURANCE.

A careful examination of the various "Disability Clauses," issued by the life insurance companies either as an integral part of their policies or as a rider thereto must, we think, convince the student of Life Insurance who has an open mind on this question that there is a fundamental defect in this comparatively new addition to life insurance protection.

The companies may have been forced to adopt this added inducement to their regular contracts as a matter of competition with companies engaged in kindred lines. They may, and we hope they have, adopted it as an established improvement and an actual development of their ordinary contracts. If the first theory be correct, we have nothing to say except that the mere attempt to compete is oftentimes suggestive of a very uncomfortable road—*facilis descensus Averni*. If the second idea holds good, we can only express profound regret that the "Disability Clause" of nearly all companies withdraws with one hand what it gives with the other. The main defect in almost all clauses that have come under our notice is the limitation of the benefit to those who are totally disabled from earning a "living," quite regardless of the normal occupation of the insured or the kind of "living" he may be enabled to make if accident or disease render him unable to follow his accustomed avocation. Imagine an artist who is so crippled with rheumatism that he cannot draw, paint or design but can still sell matches and thereby engage in a "gainful occupation"!

Statistics show very clearly that the largest classes contributing to the unfortunates who become totally disabled are consumptives and lunatics. Cases caused by accidental injury cut a comparatively small figure. This fact adds force, we think, to our conclusion that there remains a large need for inquiry into this important matter and that a great deal of verbal skill commixed with common sense and fair play is yet needed if a real and sensible and honest Disability Clause that shall safeguard the companies *and still be fair to the honest insurer* is to be drafted. The receipts and disbursements on "Disability Account" of the companies that have adopted the clauses now in use are illuminating. If Disability Insurance in connection with life insurance policies is desirable, let the companies give the real thing—and charge a fair price for it.

We suggest that this matter is well worthy of consideration by the Association of Life Insurance Presidents.

J. L. K.

Mr. O. R. Rowley, chief inspector of the Bank of British North America, has been appointed superintendent of Eastern branches in succession to Mr. H. A. Harvey, who retires on pension at the end of this month.