

HEAVY BORROWING ON LIFE POLICIES.

It appears that the present tightness of money is resulting in a considerably increased demand upon the life insurance companies for loans on policies. The chief agent for Canada and manager at Montreal of one of the prominent American companies informed *The Chronicle* this week that in the first four months of the current year the number of loans granted upon policies through his agency exceeded by 25 per cent. the number granted in the corresponding period of 1912. This is a heavy increase and is indicative of the exceedingly wide-spread character of the present urgent demands for funds. It does not appear that pressure in any particular direction is responsible for the large increase noted. A proportion would be due, no doubt to obligations connected with the purchase of real estate, but in general it may be said that the loans are in demand for the purpose of meeting obligations of many kinds. A few borrowers indeed, seem to have no other motive than the desire to see how easily and simply they can borrow upon their policies.

LARGE INCREASE IN POLICY LOANS.

It is well-known that during recent years there has been a very great increase in the demands for loans upon policies. So much has the demand increased that some of the companies in the United States have taken steps by the raising of the interest rate and in other ways to check this movement, which in practise has the effect of neutralising very consider-

ably the financial protection given by the policies, for it has been found by many companies that a comparatively small proportion of loans are ever repaid. The following figures show the loans and premium obligations upon policies of the Canadian life companies since 1901 and the proportion such loans and obligations bear to the companies' funds:—

	Amount.	Proportion.
1901.. .. .	\$ 6,437,682	9.7
1902.. .. .	7,044,111	9.6
1903.. .. .	7,942,580	9.7
1904.. .. .	8,812,029	9.7
1905.. .. .	9,679,244	9.4
1906.. .. .	11,091,446	9.7
1907.. .. .	14,057,512	11.2
1908.. .. .	16,750,846	12.1
1909.. .. .	18,409,651	12.0
1910.. .. .	20,409,223	12.3
1911.. .. .	32,960,040	12.0

Prior to 1907, so far back as *The Chronicle's* figures go, the proportion was far more often under 10 per cent. than over that figure. It was really in the troublous times of 1907 and 1908 that the heavy borrowing upon life insurance policies, which has been so marked a feature of life insurance history during recent years, began. Many business men then discovered for the first time that in circumstances of great financial difficulty, borrowing upon their life policies was not only the easiest but also the cheapest method by which they could raise ready cash. Once begun and appreciated, the practice has been continued.

COMPARATIVE FIRE LOSSES.

The subjoined table compiled by the committee on statistics of the National Board of Fire Underwriters of the United States shows very clearly the immense differences existing between the fire loss *per capita* on this side of the Atlantic and the other. Canada does not make a showing to be proud of in this tabulation; there is only one worse figure, that furnished by the Argentine Republic. It is pretty obvious from these statistics that the newly-formed fire prevention associations in Montreal and Toronto have plenty of educational work to do, if the Canadian

fire loss is to be reduced even to the level of that of the most benighted of European countries. The excellent German results should be particularly noted. It is well known that the German law regarding fires is particularly stringent, and the results produced in comparison with those of some other European countries show that a rigid law and a strict administration of it find much to do even when building conditions are favourable, and the extraordinary carelessness which prevails on this side in regard to fire has not to be contended with.

	NUMBER OF CITIES REPORTING LOSS			POPULATION		PER CAPITA LOSS		
	1910	1911	1912	1910	1911	1910	1911	1912
United States.. .. .	297	298	300	29,996,723	31,210,084	32,326,633	2.39	2.62
England.. .. .	11	12	12	2,335,847	9,898,317	7,164,849	.44	.54
France.. .. .	8	3	6	4,392,529	3,518,493	4,425,696	.92	.81
Germany.. .. .	13	8	9	5,616,822	2,306,354	2,659,575	.19	.21
Ireland.. .. .	2	2	2	657,680	694,272	699,802	.45	.58
Scotland.. .. .	..	2	2	..	484,190	485,091	..	.56
Italy.. .. .	..	6	3	..	1,373,995	282,082	..	.31
Russia.. .. .	..	2	2	..	3,483,291	3,485,583	..	1.17
Austria.. .. .	..	1	4	..	2,031,498	2,658,078	..	.08
Canada.. .. .	..	1	5	..	125,000	957,372	..	2.61
Belgium.. .. .	..	..	1	..	..	166,445	..	.69
Norway.. .. .	..	..	1	..	..	250,000	..	.69
Sweden.. .. .	..	..	1	..	..	351,500	..	.13
Switzerland.. .. .	..	..	1	..	..	140,000	..	.04
The Netherlands.. .. .	..	..	2	..	..	417,693	..	.12
Argentina.. .. .	..	..	1	..	..	1,428,042	..	3.58