

HEALTH INSURANCE.

Considerable interest is attached to the proceedings of the Convention of the American Medical Association held in Atlantic City last month. Some of the most learned medical men in the country expressed their views regarding the 1918 epidemic of influenza, its causes and effects, and the probable return of the epidemic this fall. The opinions of these medical men, on the outlook, affords health insurance men much food for thought, as they were anything but optimistic.

The recent advance in health rates in the United States by all companies was due in a great measure to the repeated assertions of leading physicians that the "flu" will pay a return visit to this continent the coming fall. Medical men who had considerable experience with the epidemic last fall, express the opinion that deep mystery still shrouds the cause of the influenza and that an outbreak of the disease might be again expected this year. One of the officials of the United States Public Health Bureau sounded a solemn warning that all epidemics in this country in the last century have taken two or three years to completely "burn out" when medical science had failed to determine and defeat the malady. Exhaustive laboratory and research work will be undertaken by the medical men this year in the hope of discovering a cure for the disease. The doctors told of their experience with those who had recovered from attacks of the "flu," saying that in most cases the patient was greatly weakened in vitality.

The deliberations of the eminent doctors have added to the worries of the health insurance companies. It is apparent that while the haunting specter of the "flu" remains in this country that health rates never will be lower, and they may be materially higher than at the present time. As a result of the experience by all companies in the Dominion writing personal accident and sickness business, earnest consideration is now being given to a suitable increase in sickness premiums to compensate for the disastrous experience of the past few years.

FIRE INSURANCE ASSETS.

Through the nature of their business, the fire insurance companies do not constitute so important a factor in the investment field as do the life insurance companies. The attached tables, summarising their assets in Canada, indicate, however, that the fire companies' services in this direction are by no means negligible, and that in addition to their vital function of protection of the industry and commerce of the Dominion, they exercise a considerable influence in forwarding Canadian economic development through the investment of the funds held for the purpose of that protection.

The assets of the fire insurance companies in Canada divide themselves into two classes, those connected with and arising from the business actually transacted by the companies in Canada,

(and under this heading are included practically all of the assets of the Canadian and foreign companies), and those which are investments of outside funds in the Dominion. In this latter category are included large amounts of funds invested by the British companies in Canada. The official returns take cognizance of both these classes of assets, but do not separate them. As regards the second class of assets, it is to be remembered that while they are available for the protection of Canadian policyholders, they are also subject to the same conditions as any other investment funds sent from abroad—to withdrawal from the Dominion if circumstances or policy make such a step necessary or desirable.

In the attached tables, the assets of the companies are given for the year 1913, the last complete year before the war, and also for the years 1917 and 1918. It will be seen that during the five-year war period there was a very large growth, approaching 50%, in the assets of the fire companies transacting business in Canada. Part of this growth, in the case of the foreign companies especially, is accounted for by transfers from provincial to Dominion licensing, as a result of the legislation of a year or two ago which compelled that course. But it is evident also that with the marked expansion of the business in Canada during the war-period, there has been a large proportionate growth of the companies' investments in Canadian securities, particularly bonds. For instance, between 1913 and 1918, the Canadian companies expanded their bond holdings by \$6,300,000; the British companies by almost \$9,000,000, and the foreign companies by \$6,000,000, the total expansion in these holdings in the five years being over \$22,000,000.

In this connection, it is pleasant to note the substantial progress reported by the British companies, which continue to occupy their time-honored position as the backbone of the fire insurance business in Canada. This progress between 1913 and 1917 in this respect was very marked, and the decline in 1918 is, we believe, more apparent than real, being very likely the result of defective returns. This progress during the war-period represents almost wholly from investments arising out of the expansion of the British companies' Canadian business, since during the war they have not been able to add to the very large amounts of purely investment funds sent from abroad—the second class of assets referred to above. There has doubtless, in fact, been a considerable withdrawal of these funds, owing to the war-time necessity of concentration of funds in Great Britain, so that the present figures really represent a net increase, after very considerable deductions as a result of these withdrawals.

It is to be noted also that in the case of the British companies, the present figures do not show by any means the whole service rendered by these companies to the Dominion through invest-

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