Co-operation of Life Assurance

Poverty of Old Age—Absolute Security—Helps Credit—All Records Broken.

By H. B. Andrews, Winnipeg

Notwithstanding the fact that there are many interesting features in connection with the great and growing business of life assurance, it must be admitted that the basic principle of this great system is protection—Protection for mother, protection for wife and home, protection for credit, protection for business, and protection against poverty in old age.

To realize the necessity and universal need for this protection, one has only to consider the conditions of people here, elsewhere or anywhere, for the experience of all countries are about the same. In the United States, 90 per cent. of the 3,000,000 widows lack the common comforts of life. Eight million women must work to earn a living. Ninety per cent. of men engaged in active business life fail to reach old age with sufficient to live on. Ninety-five per cent. fail to produce for old age or for their families. At age forty, 97 per cent. of men meet with reverses and lose their entire accumulations. At age forty-five, 97 per cent. have lost all. After the age of fifty, but one in 5,000 can recover their financial footing. At age sixty, 95 per cent. of men are dependent upon their daily earnings or their children for support.

The records of the Surrogate Office of New York over a period of five years show the following facts of estates left by adults dying during that time: Eighty-five per cent. left no estate. Nine per cent. left from $300.00 to $5,000.00 and only one per cent. left over $25,000.00.

Do not these facts show the necessity for this protection and saving that the service of life assurance only can provide?

Practical Solution of Many Social Ills.

It is also well to remember that the best thought of the age considers that life assurance is the practical solution for most of the economic ills of society, and I believe most business men realize this potent factor, and to what extent it enters into the domestic, commercial and civic life of the people of this continent. It is the circulating blood of our country's business life, and it has proved and is proving itself each day a real service to humanity. The liberal and flexible terms of a life assurance policy contract, together with the solidity of a matured, well-managed company, backed by honest, thorough, Government supervision gives the holder of a policy something that will not only protect his family but help him over a hard and anxious period, protect his estate while he is struggling to keep his head above water, will give him such guarantee that he can rest under the absolute assurance that all is well, will satisfy his banker, will warrant the creditors in giving him another chance, and will provide a substantial competency for his old age. Where on earth or what institution on earth renders a similar service? It is your protection, your banker, your safeguard, your Big Brother in the time of need. For the young man it is a systematic saving. If he will determine that he will deposit a certain sum each year he will some day find that he had made one of the grandest investments that man ever made, and that thereby he has been encouraged to save money for the business he is looking forward to entering, that otherwise would have been wasted and thrown away.

No Estate More Secure

No portion of a man's estate can be more secure, dollar for dollar, than his life insurance. So absolute is this security that it is practically impossible for a policyholder to lose a dollar of the face value of his policy, if he is insured in a legal reserve company licensed by the Dominion Government. The Dominion Government has not only prescribed an absolutely safe standard of solvency for the life companies but through its system of supervision it makes sure that the companies conform to the prescribed standard. This supervision is carried out by the Dominion Insurance Department, which is manned by experts capable of examining into the affairs of the companies and ascertaining if the requirements of the strict Dominion insurance laws are being complied with in every particular.

While these strict insurance laws and close government supervision may not be needed in the case of the great majority of our life companies, which are soundly managed and give more ample security than our laws call for, they furnish a guarantee that all licensed life companies are safe to insure with.

It is well also to note that the policy must contain the whole contract between the company and the assured. Estimates are forbidden of the profits or dividends expected to be received under any policy. Rebates or discrimination in favor of individual policyholders are forbidden and premium rates must be filed with the Superintendent of Insurance.

Some Things Policies Must Have

Surplus must be ascertained and distributed to policyholders at least once every five years, except in case of deferred dividend policies, where the surplus must be ascertained and apportioned and must constitute a liability and be charged in its account accordingly. No policy of life insurance can be sold in Canada until a copy of the form has been sent to the Superintendent. It must contain provision for thirty days of grace for payment of premium; permission to engage in the active service of the Militia of Canada, at such extra premiums as may be fixed; that the policy shall be incontestable after at least two years, must have tables of surrender, loan and installment values and reinstatement provision. Separate accounts of participating and non-participating business must be kept.

The chief value of the life insurance contract to the modern business man is the real support it gives to his credit with the banker, the wholesaler and the investor.

Many business men have been saved from ruin in recent years by the fact that they have carried a substantial line of life insurance, and when hard pressed, have been able by use of the insurance contracts assigned to bank or creditors to secure an extended line of credit until the time of difficulty has been safely passed.

The whole plan of life assurance including home assurance or business assurance is one of mutual helpfulness conducted on a scientific basis, and tends to stimulate and help mankind, because of the family that draws a death benefit after only a few premiums have been paid is not placed in the position of accepting charity, but of receiving the fruit of the prudent foresight of the one who has just been taken away. When one man or one family has to carry a tremendous financial loss, it becomes a burden unbearable and often impairs or wrecks the lives. There is something impressive in the fact that over 30 million of men and women have banded themselves together through Life Insurance to help carry the burdens of the unfortunate.

A Great Community of Interests

Life insurance is really a community of interests in which many are associated to protect the individual, as all are exposed who receive the benefits of the protection, which protection is guaranteed in a certificate of membership called a "Policy of Insurance." The amount of this protection varies according to the amount contributed from the humblest industrial policy of $50 taken by the poor man to the million taken by the capitalist. In each case the