expense ratio is only 15.5 per cent. As a matter of fact, however, Company B would be by long odds the better company in which the policyholder could invest, for while he would be charged 100 per cent. for expenses on his first premium in Company A, he would be charged only 90 per cent. in Company B; while he would be charged 15 per cent. for expenses on each subsequent premium paid in Company A, he would be charged only 10 per cent. for expenses on subsequent premiums in Company B.

(To be continued)

INSURANCE JOURNALS.

Every life agent subscribes for and is a regular reader of one or more of the up-to-date insurance journals. There is now quite a long list to choose from. We subscribe for more than sixty, the latest issues of all of which may be found on file in the Editor's sanctum. It is one of his duties to look through these journals, blue pencil items of more than ordinary interest and start each journal on its trip through the Home Office, where it is read by quite a large number of the officers, department heads and other employes.

We have always regarded knowledge as a fundamental requisite for the accomplishment of large success in any line. No man knows his profession or business as he should unless he be a reader of trade papers. We would not care to employ any business or professional man for any important service if we knew that he does not keep abreast of the times in his own calling. This should apply to insurance men. Service is the keynote of the present day, a word that will be written in still larger letters as time advances. Knowledge is the handmaid to service. Therefore, read.

In the foregoing we have advised you from the standpoint of your own interests. Viewing the subject from another angle, we feel warranted in saying that our trade papers are entitled to your support as subscribers. As a class they occupy advanced ground and stand for progress and sound principles in the great business of insurance. Their influence, and it has been no small factor, has been lined up in support of sane legislation and wise reforms. They have combatted wrong principles in the practice of the companies as well as in legislative halls. This certainly entitles them to the support of agents and companies as well, in whatever way it can be consistently given.—*Federal Life Ins. Co., Chicago.*

RE-INSURANCE ARRANGEMENTS.

In regard to the increase in income reported by the majority of the British fire insurance companies for 1915, the London Times points out that undoubtedly a factor in this increase of income was the cutting off of the German and Austrian markets, where before August, 1914, a large amount of British re-insurance business had been effected. This has been the opportunity of the young British re-insurance companies. In addition to giving off business to these institutions, the great fire offices have sought to place re-insurance in France and Russia, and in certain cases are understood to have retained larger lines themselves which would help to swell their premium incomes.

BANK MANAGERS AND INSURANCE AGENCIES.

The following is from the Grain-Growers' Guide:—

"We recently received a letter from a farmer who requested a loan from one of the branch banks in Western Canada. The manager of the bank, the farmer tells us, was also agent for a hail insurance company and a life assurance company. Before the farmer was able to get the loan he required he was forced to take out a hail insurance policy with the company represented by the banker, although he said there had never been any hail in his district and he had never required hail insurance. He was also compelled to take out a life insurance policy with the company represented by the banker. The farmer needed the loan and was forced to submit to these impositions before the bank would fulfil its proper function of loaning money to him. Life insurance is something which every farmer should carry, but this Prussian method of imposing it will hardly commend itself in a democratic country. The business of banking in this country should not include hail insurance and life insurance nor any other business except banking, unless it is on a different basis. This will undoubtedly be a matter of discussion between the leaders of the organized farmers and the Western superintendents of the chartered banks at their convention to be held in the course of a few weeks in Winnipeg."

SURETY BOND RISKS.

An element of risk in every form of surety bond, and one that is sometimes lost sight of by the agent writing the business, is the time involved—the term of life of the bond. As every surety underwriter known only too well, long-term bonds, such as guardian, appeal, contracts covering operations extending over a period of years, maintenance of any portion or all of any building, street pavement, or other work, have an increased element of risk. Though a man or corporation may be financially responsible beyond question at the time the bond is executed, and amply able to carry out the obligation for which he or it is guaranteed by the surety company, there is no knowing what his or its financial condition or responsibility may be in a few years.

In the case of guardian bonds, the risk lies in the fact that it not infrequently happens that a guardian of a ward seems to think it perfectly proper to use the funds entrusted to his care in the development of his own business. In many such instances, when called upon to make good his stewardship the guardian is found to have made poor investments of the moneys entrusted to his care, with the result that a part, if not all, of the fund has been dissipated. Joint control of all such funds and securities should be insisted upon by the agent writing the bond, in order that the guarantor may exercise supervision over the expenditures and investments. The applicant's financial standing and his ability to carry out his undertaking is the first measure of risk in the writing of a contract bond. The small contractor, or the one with limited resources, is a poor risk when he assumes to handle a big job. Even the comparatively large contractor who has several uncompleted jobs on hand may find himself financially embarrassed because of the retained percentages on the unfinished work.—*Insurance Post.*