

INSURANCE COMPANIES DISTRIBUTED NEARLY SIX HUNDRED AND THIRTY MILLION DOLLARS

This Was in Canada and the United States—Analysis of Returns—Some Big Payments

The amount of life insurance in force in Canada, according to recent government returns, increased last year by over \$120,000,000. The total for 1912 was \$1,070,265,556, and for the previous year \$950,220,771. The total sum distributed by life insurance organizations in the Dominion and the United States was \$626,350,000. The payments in the two countries for death claims, matured endowments and other benefits under the policies of level-premium companies and the certificates of various life insurance organizations—assessment and the like—amounted to \$413,350,000. The estimated total of the amounts paid by regular companies as savings for policyholders, cash values on surrender, annuities and on claims in foreign countries was \$213,000,000.

Here is the summation of the Insurance Press, of New York, of life insurance payments of all kinds in 1912:—

Claims paid in the United States and Canada..	\$413,350,000
Payments for premium savings and surrender values, and to annuitants and foreign policyholders (partly estimated)	213,000,000
Grand total	\$626,350,000

Benefits Increased.

All benefits under policies—death claims, endowments, savings—in the transactions of the regular companies increased in 1912. The life insurance written and revived in the United States, by the regular companies alone, was nearly \$3,233,000,000, or about \$355,500,000 more than in 1911. The statistics of fraternal insurance associations continued to indicate the effects of the disruptions of organizations and decreases of memberships.

The transactions of the Canadian and American insurance companies in Canada in 1912 increased in volume to a notable extent. The increase of the new insurance was about \$40,600,000. The payments for death claims and other benefits were larger than in the previous year. The distributions of premium savings were liberal. Although the general business conditions of the United States were sound and prosperous, some features of the life insurance business indicated embarrassments for individuals, due in part to the high cost of living, sacrifice of securities and reduction of earning power, continues that journal, the disbursements for lapsed, surrendered and purchased policies by companies that had 90 per cent. of the insurance in force at the close of 1912 amounted to \$84,000,000, an increase of about \$8,300,000 over 1911. This is to be compared with an increase of \$2,853,000 in 1911, a decrease of \$187,000 in 1910, an increase of \$3,059,000 in 1909, and an increase of \$14,543,000 in 1908.

Endowments Held to Maturity.

The net gain of increase of payments by the companies referred to for death claims and endowments in 1912 was about \$1,400,000. For death claims the increase was about \$9,200,000, compared with an increase of about \$12,743,000 in 1911, showing a loss of increase to the amount of about \$3,600,000. For endowments the increase was about \$5,700,000, compared with an increase of about \$736,000 in 1911 showing a gain of increase to the amount of nearly \$5,000,000.

The holding of endowment policies to periods of maturity continued to be a notable feature of the insurance business, as participated in by policyholders showing an appreciation of the efforts among the people to promote habits of thrift and provisions for income in periods of advanced age.

The gain (about \$5,400,000) of increase of the amount of payments for policies that were lapsed, purchased or surrendered in 1912, compared with the loss (about \$3,600,000) of increase of the amount of payments for death claims, is indicative to some extent of misfortunes or other influences adverse to policyholders, in their own affairs, on account of which many families are to be deprived of benefits. Millions of dollars have been paid each year to the beneficiaries of policyholders who died after paying first premiums for insurance; millions upon millions of dollars have not been paid to the dependents of policyholders who lapsed or surrendered their insurance investments.

At Termination of Tontine Periods.

Policies of millions of dollars worth of insurance were surrendered at the termination of tontine periods last year. The returns to the policyholders were in the nature of the results of investments of surplus earnings, but the accompanying withdrawals of insurance protection were unfortunate proceedings in the light of experience.

The surrender of a life insurance policy is termed a selection against the company. More so is it adverse to dependents.

A policyholder is not subject to taxation on the amount of the surrender value of his policy until he elects to abandon

his insurance. Then the claim for the value is taxable as personal property. An official opinion on that subject was filed recently.

Policyholders continued to receive large amounts in the form of savings, derived from interest, favorable mortality experience and economical management. The companies mentioned distributed the savings to the amount of \$88,354,000 last year, in comparison with \$80,095,000 in 1911, or an increase of \$8,259,000. As in previous years, millions of dollars of savings were applied for the purchase of annuities and paid-up additions to insurance carried.

Borrowings Increased in Volume.

The amount of the payments of savings exceeded, by more than \$4,350,000, the amount of the disbursements for lapsed, surrendered and purchased policies. "You must hold on, to win" now takes the place of the old-time saying, "You must die, to win."

In addition to \$88,354,000 of savings paid in 1912, more than \$94,682,000 was set aside to cover savings declared or apportioned for payment in 1913. Other savings in 1912 to the credit of policyholders, but not paid, including those left on deposit, amounted to \$12,321,000. The sum to the credit of the holders of policies that had deferred accumulations of savings at the close of the year was \$289,404,000, an increase of nearly \$69,330,000.

Larger Volume of Policy Loans.

Borrowings on life insurance increased in volume in 1912. The amount of the increase of outstanding loans was \$43,243,000, against an increase of \$40,949,000 in 1911. The policy liens at the close of the year amounted to \$525,589,000. In other words, that vast sum had been withdrawn in the course of years in anticipation of settlements under the contracts.

Conservation of Health.

The loans obtained by the borrowers must be paid at the convenience of the policyholders or deducted from the proceeds of endowment policies at the periods of maturity or from other policies at periods of death. If deducted from death claims, so much the worse for beneficiaries.

In several instances of large payments business interests were protected by life insurance disbursements last year. Such protection was sought to a large extent in the course of the year, as in 1910 and 1911, when the development of that branch of the life insurance business arose from active efforts. The tendency at present is to be conservative in issuing policies of large amounts.

The wide-spreading movement for the conservation of health and the prolongation of human life and the discussion on eugenics continued to be interesting. To a sentimental reason for the presentation of a life insurance policy to a bride has been added the practical reason for the exhibition of it to the clergyman previous to the wedding. Medical examinations for life insurance are thorough.

Heights and Weights of Policyholders.

The first results of the medico-actuarial mortality investigation, that was begun in 1910, were published in book form in 1912. The main feature of the book is a series of tables of the heights and weights of men and women. The investigation covers the experience of forty-three life companies in the United States and Canada during a period of twenty-four years, 1885-1908.

The average height of men in the United States and Canada is 5 feet 8½ inches; women 5 feet 4¼ inches. Between the ages of 35 and 39 a man, 5 feet 8 inches tall, weighs 157 pounds; a woman, 5 feet 4 inches tall, weighs 136 pounds.

According to the compilations, the human race, on the North American continent, is not increasing in weight nor changing in stature, materially.

The second volume will cover the influence of build on mortality among men, the causes of death among men, mortality among women, influence on mortality among women and causes of death among women.

Large Payments in Canada.

The following are some of the payments made in Canada during 1912:—

Beauceville—P. F. Renault, \$20,943.
Belleville—Frederick R. Lingham, \$46,678.
British Columbia—G. A. Keefer, \$10,000.
Collingwood—William G. W. Begg, \$14,881.
Dawson—Joseph F. Burke, \$10,000.
Glace Bay—Robert A. H. MacKeen \$23,000.
Halifax—Benjamin F. Pearson, \$143,750.
London—C. W. Leonard, \$17,500.
Montreal—Hudson J. C. Allison, \$30,000; H. J. Beemer, \$50,000; Richard Boronow, \$17,250; James C. Cameron, \$15,200; George W. Cooke, \$40,000; T. Davidson, \$20,000; Magloire E. Duchesneau, \$13,000; E. L. Garmaise, \$10,000; Charles M. Hays, \$80,212; F. J. Jacob, \$10,000; Allan R. Macdonell \$30,951; Adolphe Martin, \$13,630; Henry E. McIntosh, \$10,000; Frederick W. Thompson, \$136,352; Alexander Woods, \$15,000; name not given, \$14,345; name not given, \$14,345; name not given, \$13,770.
North Hatley—F. C. McNeil, \$450,000
Oak Bay—J. C. Davie, \$23,126.