

Service Performed by Life Insurance Companies

From a Paper by Haley Fiske, Vice-President Metropolitan Life Insurance Company, Read at the World's Insurance Congress, San Francisco, October 5, 1915.

Consider first how widespread in the community is the insurance of lives. At the end of 1914 there were 40,391,856 policies in force in the United States and Canada, as compared with a population of, say, 110,000,000. We estimate that these forty millions of policies were upon twenty-five to thirty millions of lives, and, therefore, that about a quarter of the population is insured. These are the figures of 244 regular reserve companies. The insurance in force was \$22,342,611,750. The companies are exceedingly active and energetic in prosecuting the business. There was a gain of nearly two and a half millions in number and nearly two billions of dollars in amount of insurance in force during the year 1914.

To realize the significance of these figures, consider next what life insurance is. Fundamentally it is the association of numbers of people who realize that while nothing is more certain than death, nothing is more uncertain for each healthy individual than the date of death; that death is a pecuniary loss to the dependents; that there is a necessity to tide over a period during which new adjustments can be made in the lives of the survivors; that for this period assistance is needed. The contributions of these numbers of people go into a fund out of which this help is furnished. Though the date of the individual death is uncertain, the number of deaths in the year among the contributors is quite certain. There is, therefore, a mathematical relation established between the amount agreed to be contributed and the amount of the fund to be drawn upon death. The uncertainty of the date of death makes life insurance a very human thing. It used to be called a gamble. Surely it is not that. We have a right, after all these years and the tremendous extent of life insurance, to say that the system is the result of conscious mutual helpfulness. It is a social institution. The family which draws a death benefit after a single premium is not drawing charity. The obligation of the holder of the policy was undertaken in good faith with the view of helping others, and the help from others arising from the unexpected death is the mere fulfilment of an obligation which was reciprocal. No doubt when a man insures his life he does it to protect his family in the event of his death; but he neither expects nor desires his own death, and he has a consciousness that he is making a mutual bargain to give or take help as the event may prove. Life insurance is, therefore, a brotherhood whose operations are intensely practical.

These companies distributed during 1914, \$527,535,935. Somebody has said this is over one-half of the national debt. Think of the excitement the Government would arouse if it undertook to pay its debt in a single year! Think of the taxation necessary to enable the Government to do such a thing. Yet the distribution by life companies of over half a billion dollars in a year causes no comment. It enters into the common life of the people, affecting enormous numbers of them. We may take it that this money went to the families of nearly a million persons, and, therefore, affected four or five millions of individuals. And this is an annual experience. Multiply it by ten years and consider what a common daily experience is the knowledge by our people of the results of this system of association for mutual help.

It would be mere commonplace to dwell upon the good done by this enormous distribution of money, in relieving want, paying debts, furnishing future support.

It is probable that 35 per cent. of these assets are loaned on bonds and mortgages. That means that communities have been built up by insurance funds. It is estimated that 10 per cent. of the funds are invested in state, county and municipal bonds and bonds of public improvements. That

means that communities have been furnished with the convenience of modern life and with material facilities for the education of children by the insurance companies. This constructive work is continuous. Under the reserve system of insurance more than four-fifths of the assets are subject to reserve liabilities—the total reserves of the companies amounted to over four and a third billions of dollars at the end of 1914. The investments are stable. They increase automatically, like the rolling of a snowball. More than three-quarters of the semi-annual interest receipts are added to the reserve and in turn invested and held. Moreover, the investments are made where they are most needed. This arises from self-interest, because obviously the best rate of interest is obtained, as a rule, where capital is scarcest.

—Coast Review.

INSURANCE NOTICES.

"The Union Marine Insurance Company, Limited," has been licensed under the British Columbia Fire Insurance Act to transact in British Columbia the business of fire insurance, limited to insuring automobiles against loss or damage by fire, and under the Insurance Act to transact marine, inland marine, inland transportation, accident and automobile insurance. The Provincial Head Office is located at 414 Seymour Street, Vancouver. C. H. Macaulay of the same address is attorney for the Company.

INSURANCE COMPANY IN LIQUIDATION.

Notice is given by the liquidator, Theodore Meunier, 2 Place d'Armes, Montreal, to creditors of The Rimouski Fire Insurance Company to file claims.

RECENT FIRE LOSSES.

Recent fire losses reported to Superintendent of Insurance, Victoria, B. C.:—

Chilliwack, Sept. 30.—Owner, Fanny A. Hemphill; occupant, Thomas Hemphill; wood dwelling; value of building \$2,200, insurance on same \$1,400; value of contents \$1,500, insurance on same, \$1,000. Total loss, \$3,600. Cause, unknown. Aetna-Phoenix-Fidelity.

Vancouver, Sept. 14.—1936 White Avenue; owner, Mrs. Payne; occupant, D. Galloway; one-storey frame dwelling; value of building \$600, insurance on same, nil; value of contents \$600, insurance on same \$600. Total loss, \$498. Cause, wallpaper in contact with stove-pipe. Anglo-American.

Vancouver, Sept. 15.—2306 McDonald St. Owner, H. Shultz; occupant, R. A. Ballentine; two-storey frame dwelling; value of building \$3,600, insurance on same \$2,500; value of contents \$3,000, insurance on same \$1,500. Total loss, \$425. Cause, defective wiring. Fidelity-Phoenix, Germania.

Vancouver, Sept. 24.—North end Rupert St., Burrard Inlet. Owner and occupant, McDonald. Frame and corrugated iron saw-mill; value of building \$1,500, insurance on same \$1,000; value of contents \$3,500, insurance on same \$2,000. Total loss, \$5,000. Cause, unknown. Anglo-American, Factories, Minnesota.

Victoria, Sept. 15.—Harriet Road and Burnside Road. Owner, J. G. Miller (Saskatoon, Sask.); occupant, F. J. Burr; one-storey frame bake shop; value of building \$350, insurance on same, nil; value of contents \$350, insurance on same \$350. Total loss, \$600. Cause, bake oven insufficiently protected. Svea Ins. Co.

Victoria, Sept. 17.—148 South Turner St. Owner, James Lauderdale (Caveross, Yukon); occupant, Henry Hobbs; two-storey frame dwelling; value of building \$3,500, insurance on same \$1,500; value of contents \$1,200; insurance on same \$1,000. Total loss, \$300. Cause, sparks from bonfire in yard. Norwich Union, Western Ins. Co.

Burnaby, Oct. 7.—Queens Ave., corner McGill St. Owner and occupant, Oscar M. Winthers; wood dwelling; value of building \$600, insurance on same \$560; value of contents \$400, insurance on same, \$240. Total loss, \$990. Cause, elbow becoming detached from stove pipe. Commercial Union.

Vancouver, Sept. 17.—71 Hastings St. West. Owner, A. Grossman; occupants, King Footwear Co., Royal Jewelry Co., and others; one-storey brick bldg., stores; value of building \$15,000, insurance on same \$12,000; value of contents \$27,700, insurance on same \$20,000. Total loss, \$2,361. Cause, unknown. Union Insurance Co. Contents, 71 Hastings St. West: King Footwear Co., value of contents \$7,000, insurance on same \$5,000, loss \$1,636; Philadelphia Underwriters, Commercial Union. Royal Jewelry Co., value of contents \$2,000, insurance on same \$1,500, loss \$125; Royal Ins. Co.