

assumed approximates that realized. The mortality tables usually adopted for these calculations either embrace, at the various ages, both new and old business, or deliberately ignore the favorable experience of the first five or more years after medical selection. This is, of course, a measure of safety which is reasonable, and which at the same time helps to offset the initial cost of placing the business. Then, again, so far as business in Canada is concerned, it is generally acknowledged that the conditions are such that a favorable mortality experience may always be expected by all companies doing business with proper care. There has been but one table published showing the mortality experience under assured lives in Canada—that of the Canada Life Assurance Company. The result of this investigation indicated a mortality of less than three-fourths, on the whole, of that provided under the usual standard tables. That experience is now more than twenty years old, and it is a satisfaction to feel that a new table is now in course of preparation which will give accurate and up-to-date information in regard to this interesting feature of our work.

Rate is Conservative.

"As to the rate of interest of $3\frac{1}{2}$ per cent. authorized by the insurance act, no one would be likely to suggest that it is not sufficiently conservative even for the longest term contracts. In the meantime the actual rate earned in excess of $3\frac{1}{2}$ per cent. has left a much wider profit margin than was anticipated.

"I have, so far, dealt entirely with what is usually called the net premium. That is to say, the purely mathematical premium which, according to the table and the rate of interest used, will just meet the benefits conferred without making any provision for expenses. On non-participating business it is becoming the practice to make the loading, that is, the addition to the net premium added ostensibly for expenses, very light. This addition is, indeed, in the majority of cases, now too small to cover the expenses without drawing upon the gains from favorable mortality or from extra interest earnings. Where 10 per cent. formerly was, perhaps, a common loading for non-participating business, about 5 per cent. seems to be the rate favored at the present time. Sometimes the loading takes the nature of a percentage plus a certain constant addition to the premium, and this latter method is the usual one adopted in loading net premiums for the purpose of obtaining gross participating premiums. Such a combination more nearly meets the actual requirements, for every policy, irrespective of plan, entails a degree of clerical work in the office for which, irrespective of the size of the premium, a constant charge ought to be made. On the other hand, commission expenses usually form a percentage of the premium, and for this element of expense a percentage loading is, of course, proper.

"The loading on participating policies is ordinarily much heavier than the non-participating plan, and various reasons may be assigned for this. Under a participating policy the policyholder enters into partnership with the company, and, theoretically, must share the profits and the losses as well. For this reason such ample premium has been, in the past, charged as would likely enable the company to meet any unforeseen emergency by simply reducing dividends, or, in other words, increasing the premium actually paid up to the rate originally quoted. The difference between the standard non-participating and participating rates seems, however, to be larger than conditions now warrant. On the other hand, the inducement to save by putting aside safely from year to year that much more is a benefit to a large portion of policyholders that should not be ignored."

LICENSING OF LIFE INSURANCE AGENTS

A special committee, composed of Messrs. W. Lyle Reid, Sun Life, Ottawa; A. Homer Vipond, New York Life, Montreal; A. J. Meiklejohn, Confederation Life, Montreal; and A. S. Wickware, Imperial Life, Ottawa, was appointed to wait upon Premier Hearst, of Ontario, to urge the amendment of the insurance law to make it possible for any citizen of Canada recommended by his company, should be able to obtain a license to write insurance business in Ontario. The committee will also endeavor to arrange for a conference of the insurance superintendents of the various provinces with a view to obtaining uniformity of practice in the licensing of agents.

OUR NICKEL NOT REACHING GERMANY

Solicitor-General Meighen Makes a Positive Statement and Defends Government's Policy

That not a pound of nickel refined from the ore of Canada has reached Germany since the war began was the positive assurance made by Hon. Arthur Meighen, solicitor-general in the Canadian cabinet, at the banquet of the life insurance men at Hamilton last week. This statement, he said, was made to the people of Canada on the assurance of Major Bell, the government's supervisor of our nickel supply and its destination, an officer described by Mr. Meighen as capable, true and trusted. "All the Canadian nickel that gets over to Germany will not save the face of the Kaiser in this war," said the speaker.

Government's Three Alternatives.

Mr. Meighen outlined the three alternatives which confronted the government on the nickel question when war broke out. First, they could have prevented entirely the export of nickel, but the refinery was already established in the United States. To prevent the export would have stopped the flow of nickel to Great Britain and the allies. It would have slackened the speed of the munitions industries in Canada, the United States, Great Britain and the allied countries.

The second course, which seemed to have more friends now than a little while ago, was to have expropriated by an act of government the natural resources and establish a refinery of our own in Canada. To have done this the nation would have had to purchase the properties at a price based upon the nickel company's earning power. Otherwise, it would have meant confiscation, and confiscation was not the practice of British countries. This course would have involved a colossal expenditure, at a time when we were confronted with a financial responsibility as great as we desired. It would have entailed a delay of a year in order to establish here a refining plant, a delay at a time when it would mean the loss of thousands of lives. We would still have had to permit certain exports to feed certain industries in the United States.

Strictest Possible Supervision.

"The third alternative was to allow the flow of nickel to proceed, but to see to it by the strictest possible system of supervision that the policy of feeding our friends and starving our adversaries was continued. The government had chosen this, the third course, and that had the government's approval to-day."

Mr. Meighen then read a cablegram just received from the secretary of state for the colonies, Hon. Bonar Law, to the effect that the British government was satisfied with the precautions taken to prevent nickel from reaching the enemy. Mr. Meighen then gave a graphic description of our far-flung battle line, a dramatic touch being given to his conclusion by darkness coming over the banquet hall as the lights gradually faded and went out.

BUSINESS MEN HEAR PROMINENT LIFE INSURANCE SPEAKERS

The suggestion of *The Monetary Times*, in a recent issue, that the public should be permitted to attend at least one session of the life insurance convention at Hamilton, was adopted, the subject being introduced to the gathering by Mr. T. J. Parkes, Sun Life, Sherbrooke. The business men of Hamilton were invited to attend the Saturday morning session, when Mr. Edward A. Woods, Pittsburg, president of the National Association of Life Underwriters of the United States of America, and Mr. George T. Wilson, vice-president of the Equitable Life of New York, addressed the convention.

The suggestion of *The Monetary Times* was made in the following words: There are too many who still have an insufficiently intimate acquaintance with the life insurance agent and his policies. It might prove an interesting and instructive innovation were the life insurance men to arrange their programme so as to give an afternoon session for the benefit of the general public. Special talks and topics could be chosen for that session and free discussion allowed.