

THE SHRINKING DOLLAR IN LIFE INSURANCE.

Extract from address by Alfred Hurrell, Associate General Solicitor, Prudential Insurance Company, before the Association of Life Insurance Presidents:

Owing to the operation of economic law we have the strange paradox that while the cost of life insurance the last ten years has steadily decreased, which means that a dollar will purchase more insurance to-day than it would have done ten years ago, the value of the same amount of insurance is less than it was ten years ago on account of the increase in the value of everything else which the insurance money provided is designed to buy. Conservative statistics from authoritative sources have recently been published which show that in the last ten years the purchasing power of the dollar has shrunk fully a third. This is when applied to the purchase of necessities only. If luxuries were included, the shrinkage would be much greater. In fact, one comparative compilation of prices as between this year and last as to some twenty-five articles of necessary food shows an increase in price of a third over last year. The meaning of this is very clear, and should be brought home to every one who by life insurance is honestly trying to provide an adequate estate to support his dependents.

Policyholders throughout this country must face the fact that the steady increase in the cost of living, for which neither they nor the companies are responsible, has steadily cut down the value of their insurance, even though the cost of the insurance itself has been cheapened by reduced premiums and the larger privileges and guarantees in the policies. Leaving out the abnormal increases from last year to this and considering only the normal increases of the last decade, a thousand-dollar policy of to-day is actually and relatively worth no more than was one for about \$500 in 1906. The solution of the problem, of course, is for the policyholder to insure his dependents also against this increased cost of living by providing an additional amount to cover it. Being responsible by solicitation for these policyholders in the first instance, it is the duty of the companies to drive this fact home to them by every conceivable means in their power.

The foregoing, it seems to me, is very obvious in view of the creeping palsy which in the last few years has laid hold of our dollar. Equally important, however, is the necessity of making the great majority of the policyholders see that in any event, and without reference to the definite depreciation of the dollar about which we have been talking, the insurance carried by them falls far short of being sufficient to discharge the obligation they owe to their dependents.

A new power plant, which will include a dam 100 feet high, cost \$100,000,000 and develop 2,000,000 horse power from Niagara Rapids, has been proposed by engineers and the proposal sent to the Canadian Government for approval.



SEPARATE SEALED TENDERS, addressed to the undersigned, will be received at this office until 4.00 P.M., on Monday, February 12, 1917, for the supply of: "Brooms and Brushes", "Chain", "Coal", "Hardware", "Hose", "Oils and Greases", "Packing", "Paint and Paint Oils", "Manilla Rope", "Wire Rope" and "Steam Pipe, Valves and Fittings" for the requirements of the Departmental Dredging plant in Ontario and Quebec during the fiscal year 1917-18.

Each tender must be sent in a separate envelope and endorsed: "Tender for Hardware, Ontario and Quebec", "Tender for Chain, Ontario and Quebec", etc., etc., as the case may be.

Persons tendering are notified that tenders will not be considered unless made on the printed forms supplied, and signed with their actual signatures. These forms can be obtained at the Department of Public Works, Ottawa.

Each tender must be accompanied by an accepted cheque on a chartered bank, payable to the order of the Honorable the Minister of Public Works, for amount stated in form of tender, which will be forfeited if the person tendering decline to enter into a contract when called upon to do so, or fail to complete the contract. If the tender be not accepted the cheque will be returned.

The Department does not bind itself to accept the lowest or any tender.

By order,
R. C. DESROCHERS,
Secretary.

Department of Public Works,
Ottawa, January 17, 1917.

Newspapers will not be paid for this advertisement if they insert without authority from the Department.



MR. H. B. SHAW,
General Manager of the Union Bank of Canada.

LIABILITY INSURANCE WRITTEN AT A LOSS IN UNITED STATES.

The principal American companies writing liability insurance in England, last year, excluding the few which have recently engaged in this branch, wrote some \$22,313,000 premiums and paid for losses and adjustments \$15,340,000. This is a loss ratio of 69 per cent. New York companies write nearly one-third of the total.

Foreign companies, including some with a relatively short experience, wrote \$8,344,609 premiums and paid \$5,591,066 losses and adjustment expenses, a loss ratio of 67 per cent.

The total liability premiums of companies which have been engaged in the business long enough to incur an average loss experience were \$30,657,000, with \$20,931,000 losses and adjustment expenses. This is an average loss ratio of more than 68 per cent. The increase in unearned premiums is not taken into consideration. The actual loss ratio is probably more than 70 per cent. of the earned premiums.

Management expenses are, on the average, more than 43 per cent. of the earned premiums for casualty companies. Apparently, last year, companies writing American liability business had an average loss and expense ratio of 113 per cent. of the earned premiums. This is indeed a bad showing. —Coast Review.

ELECTED VICE-PRESIDENT.

At a meeting of the Directors of the Canadian Pneumatic Tool Company, Limited, recently held in New York, Mr. George J. Sheppard, of Montreal, who has been connected with the concern as manager for a number of years, was elected vice-president of the Company.

PROSPEROUS and PROGRESSIVE

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances totalling over \$265,000,000—much the largest amount carried by any Canadian Life Company.

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COMPANY OF CANADA
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Capital - - - \$1,000,000.00
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President Managing Director

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MONTHLY INCOME PLAN

Backed by a deposit of \$1,688,902.65 par value with the DOMINION GOVERNMENT in cream of Canadian Securities.

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The largest general Insurance Company in the world

Capital Fully Subscribed	\$14,750,000
" Paid Up	1,475,000
Life Fund and Special Trust Funds....	74,591,540
Total Annual Income Exceeds	47,250,000
" Funds Exceed	142,000,000
" Fire Losses Paid... ..	183,000,690
Deposits with Dominion Government ...	1,225,467
(As at 31st December, 1915.)	

Head Office, Canadian Branch:—Commercial Union Bldg
232 236 St. James Street, Montreal

Applications for Agencies solicited in unrepresented districts.

J. MCGREGOR - - - Mgr. Canadian Branch
W. S. JCFL NG - - - Asst Manager

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We teach a man the Insurance Business, which offers permanent success, does not fluctuate, is a professional occupation, and has been truly named "The best paid hard work in the world."

This is done by a correspondence course and personal assistance, free of charge.

When he is fully prepared for the work, we place him in a position and help him to make good.

The first two lessons of the Company's correspondence course will be sent to anyone interested. It will pay young men who desire to get on in the world to look into this.

All correspondence strictly confidential.

CANADA LIFE ASSURANCE COMPANY

Head Office, Toronto.

