THE MUTUAL LIFE OF CANADA'S REPORT.

The statement for 1915 of "Canada's only mutual" should prove distinctly gratifying both to the policyholders and the management. The year witnessed the achievement on the part of the Company of $100 millions of insurance in force, while in the important matters of surplus earnings, the stability of the business, the rate of interest earned, and the ratio of expenditure to income, the record of the year is essentially indicative of sound management, producing results upon which Mr. George Wegenast (the managing director) and his staff may be cordially congratulated.

1915's RECORD.

New business written amounted to $13,757,987, a figure which is particularly satisfactory in view of the fact that many of the Company's aggressive and efficient agents themselves went to the Front during the year. The amount in force was brought up to $101,092,030. In this connection, it is noted by the Company that lapses are less than in the preceding year by over $500,000, while there is also a gratifying decrease amounting to $267,000 in "not accepted" policies. Under the circumstances of last year, these figures are distinctly satisfactory in character.

Net premiums amounted to $3,524,562, compared with $3,281,885 in 1914, while interest income showed an advance of about $190,000 at $1,448,220. Total payments to policyholders amounted to $2,035,814, an increase of nearly $450,000 in comparison with 1914, and are specified as follows:—Death and disability claims, $745,702; matured endowments, $439,730; surrendered policies, $338,680; surplus distribution, $502,310, an increase of some $75,000 over 1914, and annuities $9,391. In spite of war claims, the ratio of the actual mortality to the expected was only 55.69 per cent. Expenses, taxes, etc., absorbed $815,164, the ratio of expenses to income being further reduced from 17.00 per cent. in 1914 to 16.39 per cent. The net ledger assets are accordingly raised from $23,332,626 at December 31st, 1914, to $25,454,430 at December 31st, 1915.

LARGE SURPLUS EARNINGS.

The reserve against liabilities calculated on a 3½ and 3 per cent. basis is $21,174,359, an increase of $1,550,000 on 1914. Despite the additional outgo caused by war claims, the surplus earned during the year amounted to $1,158,210, an increase of slightly over 10 per cent. on the earnings of the preceding year, and an indication that in spite of present-day unsettled conditions the Company is well able to maintain the liberal rate of dividend distribution for which it has gained such an enviable reputation. Total assets are $26,894,524, compared with $24,642,314, giving a surplus to policyholders calculated on the basis of the market value of bonds of $4,258,738. The showing is an admirable one, and should be a great aid to the Mutual Life's agents in their efforts to roll up the second hundred millions of business in force.

Economy, exercised by all classes of the population, is not only necessary in the interests of the State, but will be of the greatest benefit to the individuals themselves and save them from trouble and hardship in the future.—*Sir Felix Schuster.*

INSURANCE COMPANIES AND NEW TAXATION.

It is difficult to state immediately what is likely to be the effect upon the fire and casualty insurance companies of the new tax of 25 per cent. of profits in excess of 7 per cent. upon paid-up capital. What all these companies, and particularly the fire companies, will eventually pay is very much of a gamble, dependent upon the experience within the period to be covered by the new tax. It does not seem probable that the fire companies will be allowed to deduct a reserve against the conflagration hazard before their declaration of net profits, though as the building up of these reserves is essential to their continued ability to carry on business, in strict equity, perhaps, such an allocation should be allowed.

CONDITIONS AFFECTING NON-CANADIAN COMPANIES.

The British, French and American fire companies, which transact the bulk of the fire business in Canada, and also the British and American casualty companies, being "non-Canadian" companies, are affected by the following definitions in the new legislation:—

2. The profits of a non-Canadian company shall be such proportion of the net profits as shall bear the same proportion to the total amount of its net profits as the capital of the company as defined herein bears to the total amount paid up upon its capital stock.

7. That the capital employed in the trade or business of a non-Canadian company shall be such portion of the amount paid up on its capital stock as shall bear the same proportion to the amount paid up on its entire capital stock as the value of its assets in Canada bears to the value of its assets outside Canada.

To illustrate:—A non-Canadian company's paid-up capital is $2,000,000; its total assets, $40,000,000; its assets in Canada, $5,000,000; its net profits $200,000; then its capital for the purpose of this taxation would be reckoned as $250,000 and its net profits as $25,000, the amount of the tax payable being $1,875—that is, if conflagration funds are not allowed as capital.

SOME PROBLEMS.

There are a number of British companies which in Canada transact fire insurance only but in England and elsewhere transact all kinds of business, the paid-up capital being equally available as a backing for all the business. How capital and consequently profits will be computed in these cases remains to be seen. There are the cases also of British and other companies transacting two or more kinds of insurance in Canada. How are capital and profits to be reckoned in those cases?

Apparently the insurance companies have the satisfaction of knowing that the amounts which they have already paid under the 1 per cent. war tax on premiums imposed last year go to their credit in the new taxation. They seemingly have not to pay entirely over again for 1914 and 1915 though some of them may have to pay an additional amount.

CANADIAN ASSOCIATION OF AUTOMOBILE UNDERWRITERS.

The annual meeting of the Canadian Association of Automobile Underwriters will be held in Ottawa on the 25th instant at 10 a.m. at the "Chateau Laurier." The Montreal and Toronto manager will be present.