

LIFE INSURANCE THE INDISPENSIBLE.

Life insurance is one of the indispensable things in modern life. There is no condition of life from the cradle to the grave where its protection is not required; no time when it cannot give a peace of mind to which those beset by financial worries are necessarily strangers. Consider how the life insurance practice of the present day covers the whole of the individual's life. At the outset of life it provides for education; it pays for a lad's career at the university or a girl's expenses at a "finishing school." It starts the young man in business and provides the bride with a marriage dowry. To the young business or professional man who marries, life insurance is a means by which in the early years he can protect his wife and children from the risk of poverty following his early death, or, if he survives, a means to lay the foundations of an estate. To him who does not marry, it is equally of service. He will, probably enough, have obligations to parents, and life insurance is the only way by which he can provide for them in their decline against the risk of his early death. In the days of a man's business prosperity, of his greatest earning power, life insurance enables him to make such provision for others, for those who survive and who are dependent or have a claim upon him, as is suitable, and yet give away in his own life-time what he desires to give away. If the young man does not enter business, but follows a profession of more honor than material wealth, life insurance is the best means by which he can provide for his old age.

Thus life insurance contributes its service during the whole of the individual life. But it goes further than that in these modern days. It not only protects the individual; it protects whole groups in society. Consider the present-day ramifications of business insurance; the multitudinous uses to which when applied in this way, life insurance can be put. Consider its service in safe-guarding a company's credit, its utility when death removes a valued partner or a man upon whom the success of a business largely depends, its value where a company is backed by a man of financial strength, whose death would mean withdrawal of banking accommodations given on the strength of such backing, its necessity so that cash may be available for an emergency which may arise at any time. In these and a score of other ways life insurance is now being recognised as a necessary part of business operations.

In all these varied uses, life insurance has one primary purpose. That primary purpose is protection. It is because it protects that life insurance is indispensable to modern life. It may or may not be a good investment in particular cases. That is really comparatively an unimportant matter. Its real *raison d'être* is protection. It seems not improbable that it is because this primary aspect of protection is not

brought strongly enough forward that many people fail to realise the necessity of life insurance. It is suggested to them as an investment or as a quasi-investment and naturally enough, in view of its comparatively small return as such, is rejected. But place before the same man who rejects it as an investment the arguments that life insurance means protection, point out to him why he needs protection, and to what extent, and the labour of the insurance agent will not be in vain.

FEDERAL LIFE ASSURANCE COMPANY.

The Federal Life Assurance Company of Hamilton, Ontario, again comes forward with a cheery report showing a thoroughly successful year's operations. One of the notable features of the newly issued statement is that the percentage of general expenses to premium income showed the large reduction of 3.4 per cent. The actual expenditure was, in fact, considerably less than in 1911, in spite of the fact that new business was on a record scale and that there was a large advance in business in force. This is excellent evidence of efficiency of management and must be distinctly gratifying to the Federal Life's officials, of whom Mr. A. N. Mitchell is the able assistant general manager. The new insurances issued and insurances revived during 1912 totalled \$4,819,129, a figure which shows a substantial advance over 1911. This increase in new business was accompanied by a marked advance in the total assurances at risk, these going up by \$1,668,126 to \$25,555,267. Cash income from premiums, interest, rents, etc., also showed the solid advance of \$130,000, the income going up to \$1,164,666. The total payments to policyholders during last year were \$436,176, of which cash dividends absorbed \$27,665. In this connection it is interesting to note that the income received from interest and net rents, \$247,528, exceeded the amount paid for death claims during the year by \$28,745. As a result of the year's business, the assets are increased by \$440,648, and totalled as at December 31 last, \$4,887,617. This, after increasing the policyholders' reserves to \$4,406,130, gives a surplus over liabilities of \$266,360, an increase over 1911 of \$66,386, while had the company taken advantage of the deduction from reserves allowed by the Dominion Insurance Act, the surplus, excluding paid-up capital stock, would have amounted to \$353,931.

Mr. C. L. Sweeney, 180 St. James Street, is the Federal Life's district manager for Montreal.

Mr. A. E. Ham, inspector of insurance for Manitoba, recommends the following amendment to the insurance act of the province:—"That every underwriters' agency whose policies are guaranteed by a company holding a license from the Dominion of Canada or this province, for the transaction of insurance in the province of Manitoba, shall pay an annual license fee of \$100 and file appointment of attorney and furnish the inspector of insurance with a sworn statement of all premiums of the said underwriters' agency included in the returns made to the provincial treasurer of Manitoba, under the Corporation Taxation Act, of the company guaranteeing their policies."