Over 500 Millions of New Life Policies

Life insurance never before witnessed such a year as 1919. According to estimates of well-informed officials the Canadian, British and American companies operating in Canada will show an increase of at least 60 and possibly 65 per cent over 1918 in their new business. This will give it a total of over 500 million dollars of new policies "taken and paid for in cash," against 313 millions in 1918 and 282 millions in 1917 an amount greater than all the companies had in force twenty years ago.

Inflation was undoubtedly the primary cause of this wonderful record. Incomes have increased and the country is in a period of wild extravagance. Men had the money with which to buy insurance if they wanted it, and they were in a spending mood. It required only strong solicitation to get part of this money, which would have been spent anyway, invested in life insurance. While inflation was making it easier to sell life insurance, it was also creating a demand for it. The careful man who thought he had provided for his family as well as his means would permit saw that provision shrink, and he was obliged to buy more insurance in order to make good that shrinkage. If he were a laborer, a business man, a farmer, in fact almost any kind of a man except one on salary, he had the ability to make this additional investment and he acted accordingly.

Average Size of Policies Larger.

While figures on the average size of policies are not yet available, the testimony of agents and managers indicates that the average size has grown materially. The man who would have purchased $1,000 of insurance before the war is a $3,000 or $5,000 prospect now. The increase in average size of policies is due in part to the public's increased buying ability and in part to the fact that agents have been educated to solicit prospects for larger amounts. Another factor is the very large policies which men of wealth have taken.

Life insurance was purchased at one time almost solely for family protection. Now its functions are broadened and an immense amount is sold to protect partnerships and corporations in the event of the death of partners or officers. In these days of large profits this class of life insurance has grown rapidly.

Recognized as an Institution

Interesting among the developments of the past year has been the greater recognition accorded to life insurance as an institution. It is a business by which men earn their living, but it is more than that. It touches the lives of the people and affects the greater activities of the country in so many ways that its influence is felt in all directions. In its control of vast amounts of the nation's wealth, life insurance stands among the leaders. Yet this wealth consists mainly of trust funds, belonging to the millions of policyholders. As the trustee representing these millions of investors, life insurance must stand for economic order as against chaos, for conservatism as against radictlism. In times like the present it becomes a great stabilizer. It is the connecting link through which the holder of a life insurance policy becomes a part owner of the transportation system, a factor in agriculture development. a lender of money for building homes. Those who would undermine the safety of investments or weaken the earning power of industrial institutions are attacking the interests of millions of every day citizens who have savings invested in life insurance. When the officers of the life insurance companies urge a certain governmental policy they speak for thousands or millions for whom they are acting as trustees.