

WANTED, PERMANENT BUSINESS.

The Insurance World, of Pittsburgh, makes some sensible remarks apropos of the frenzied efforts which are made, particularly at this time of the year, by some life companies to increase largely the volume of new business written. It is pointed out that present production should not be encouraged at the expense of permanence. "If one cares to take the time to go over the records of companies as a whole," says the World, "it will be noted that the percentage of what may be termed permanent builders is altogether too small. What is the use of putting business on the books if it is not there to stay? or unless there is a reasonable measure of assurance that it will stay? True, it aids in making a showing, but not such a showing as would stand analysis by one sufficiently posted in the details of management. The showing may even fool a board of directors, but certainly not for any great length of time. During the next two months, there will be a great "drive" for business by most companies. It may be termed "the home stretch" in the race for showing, but it differs from the race by athletes on the race track, because the company must immediately enter upon another "mile," during which it must expect to at least equal, if not exceed the record of the one just finished. In such a race it would seem the part of wisdom to run the "race" as though it was for a long distance instead of a single year. Business that is sure to lapse without the payment of the second premium—and in many companies by the refusal of the policyholder to pay the note given for the first premium—would best be let alone. In other words, cut out the "show" or "wind" part and record results that count for permanency."

With the tenor of these observations we cordially agree. The endless "hustling" of agents by some of the life companies in their worship of the false gods of big figures of new business results in the most prominent of the existing evils in the business, particularly in the swelling of the lapse ratio and the unnecessary increase of expenses. The man who writes \$200,000 or \$300,000 new business every year is held up to the rank and file of life insurance agents as a great hero. But if 50 or 60 per cent. of his business lapses in the first year or two, his real value to his company is nothing very wonderful, and the wide advertisement of his doings results in an immense amount of harm by giving the rank and file of agents the idea that the quantity and not the quality of the business they write is what matters. In point of fact, a good many companies by their methods above noted, do directly encourage this idea. If they would think a little less about the amount of new business written every year and a little more of the consistent increase of their business in force, it would be considerably better for them and for the insurance business as a whole.

NORTH AMERICAN LIFE APPOINTMENTS.

Mr. J. H. Lipsett has recently been appointed district manager for the Counties of Grey and Bruce, with headquarters at Chesley, Ont.

Mr. H. W. Partlo, of Woodstock, has been appointed district manager for the Counties of Oxford and Perth.

Mr. W. D. McBride has been reappointed district manager at Regina, Sask.

LIABILITY ON CANADIAN LIFE POLICIES.

A circular has been issued by the Dominion Superintendent of Insurance (Mr. Finlayson), calling attention to the fact that life companies other than Canadian companies licensed under the Insurance Act, 1910, are required by that Act to include in their Canadian annual statements the liabilities under their Canadian policies, and section 42 requires the department to value at least once in every five years on the prescribed basis, the Canadian policies of such companies.

Section 2 (o) of the act defines a Canadian policy as a policy issued in favor of a person resident in Canada at the time of issue and the holders of such policies are given a first claim on the deposit of the company maintained under the Act with the receiver general or with Canadian trustees.

The requirements of the Act therefore are, that the Canadian annual statements of such companies and the policy lists submitted by them for valuation by the department, shall include all policies issued on the lives of persons resident in Canada at the time of issue.

TRANSFERRING POLICIES.

In some cases it has been found, says the circular, that when Canadian policyholders have left Canada to reside elsewhere, the companies have transferred their policies to the branches located in the new place of residence of the insured, and have not thereafter included such policies in the Canadian lists. They have likewise transferred to the Canadian lists policies of persons coming from other countries to reside in Canada.

Justification for this practice has been sought in the fact that as a rule the transfers to Canada will exceed the transfers from Canada and that therefore the method is advantageous to the Canadian policyholders.

While this contention, the circular continues, is probably correct so far as the number of transfers is concerned, the fact must not be overlooked that the reserves on the policies transferred to Canada may not exceed, but may fall short of, the reserves on those removed from the Canadian lists.

The department therefore asks that the lists of Canadian policies of such companies be hereafter maintained in strict accordance with the provisions of the Act, and that the lists at present maintained be revised in order that any Canadian policies heretofore transferred from those lists may be restored.

Transfers to the Canadian lists of policies held by persons coming to reside in Canada, may, of course, be permitted if the company so desires, but if this practice is adopted such policies should be clearly distinguished from the remainder of the list in order that they may be separated at any time.

The foregoing, the circular concludes, is not designed to prevent the companies making whatever arrangements for the payment of premiums and the filing of claims may best suit the convenience of Canadian policyholders leaving Canada to reside abroad, but solely to ensure the maintenance of their policies on the Canadian lists in order that they may continue to enjoy the protection afforded them by the deposits maintained by the company in Canada.

H. R. H. the Governor General will head the list of subscribers to the forthcoming National War Loan.