

### The Practicability of Life Assurance.

Until recently life assurance has been regarded as possessing chiefly a domestic function, writes the Oracle in Insurance Press. Its accepted object has been the preservation of family unity and independence. The affections of man have been appealed to; the sense of duty to his family has been aroused; his emotions have been stirred. Heretofore life assurance has made progress largely by its appeal to sentiment. The human heart has been touched.

Of late, however, the scope of life assurance has been considerably broadened. Its usefulness is no longer confined to the home. It is now recognized as of great importance in the business world. It is adaptable to business affairs in various ways. It may take the form of partnership assurance, or policies on the lives of individuals, securing the firm against a possible loss consequent upon the sudden death of a member. This form of assurance is rapidly growing in popularity. It is but reasonable to believe that business houses in which the members are jointly assured enjoy a better credit and a higher rating thereby. Neither could it be disputed that the existence of partnership assurance has saved many a firm from peril and perhaps failure.

A partnership policy is evidence of good faith. It is equivalent to a declaration that the firm is in business to stay, and is desirous to protect its creditors to the fullest extent.

In an indirect manner life assurance for the benefit of families affects business affairs. For where a business man, who is a husband and father, has provided for his family by life assurance, not only is his mind better fitted to cope with busi-

ness problems, but he is enabled to put into his enterprises practically his entire resources. Unquestionably life assurance has been the means of producing better business men, and releasing a considerable amount of money that would otherwise be tied up for the security of families.

However, there is another phase in connection with the relation of life assurance to business affairs that is attracting considerable attention of late; that is, the value of a life assurance policy as a borrowing medium. It is not always an easy matter to secure credit. Many a man has been sorely embarrassed by his inability to negotiate a loan. Inasmuch as a large part of the business of the world is conducted on credit, the man who is unable to procure any is seriously handicapped.

Frequently a life assurance policy has been the only relief a business man has had. It has been his one resource, and undeniably has saved many a business enterprise from disaster.

It may not be generally known to what extent loans are negotiated under life assurance policies. For the year 1903 the total amount of money invested by the life assurance companies in premium notes and loans was \$158,567,609. This amount, of course, does not include the loans which have been placed through individuals who accept policies as security. No way could be devised to estimate the grand total, but nevertheless it is a most impressive testimonial to the usefulness of assurance that policyholders were able to borrow over \$150,000,000 upon their policies as sole security.

This loan privilege is yearly becoming more appreciated. Five years ago the total amount of premium notes and loans was \$70,000,000. Each year it has steadily increased, the amount gaining at the rate of about \$20,000,000 a year.