

**MISLEADING LIFE RATIOS.**

Some years ago, when competition in the life insurance business was not conducted, in general, on any very lofty plane of ethics, much time and ingenuity were expended in the preparation of ratios for the purpose of demonstrating the superiority of a company over its competitors; and it was generally possible for a resourceful agent, no matter what company he represented, to discover some ratio making for it an apparently very fine showing. Some of the comparisons thus instituted were on an absurd basis, but that was a matter of little concern. This sort of competition has almost entirely disappeared, but, even now, comparisons are sometimes instituted, not always in bad faith, which give a wrong impression of the facts. Thus comparisons of loss ratios in different companies do not necessarily indicate anything more than a difference in the average of the insurance in force. And a comparison between the expense ratio of a successfully established company and that of a company in the early years of its existence would also lead to erroneous impressions. Such comparisons have fallen into general disrepute, and in one state are not allowed to be made. Some misleading ratios, however, still linger in the gain and loss exhibits of department reports, and being thus given official sanction are apt to be used unfairly. The official publication of the ratios ought certainly to be discontinued. It does not follow that agents should be debarred from making legitimate comparisons, or a company from reaping any advantage secured by superior management. The difficulty of making comparisons absolutely fair is, however, so great, that few agents are in a position to make them.—Boston Standard.

**INSURANCE COMPANIES' EXPERIENCE ON WAR BUSINESS.**

It is announced by Vice-President Woodward of the Metropolitan Life of New York that on the 7,800 policies issued by it on the lives of Canadian soldiers, there had been reported to date 283 claims, involving payments of \$187,696. Other casualties among the soldiers covered, it is expected have not yet been reported.

The Aetna Life reports the total amount of its war claims so far as \$20,000.

The above figures refer to insurance purchased on soldiers' behalf by the city of Toronto and other public authorities. The total insurance procured in this way was \$9,050,000, the greater part being with the Metropolitan Life, though the Aetna and the State Life of Indianapolis also shared in it. The total first year cost of the policies was \$380,550.

Windsor, Ont., has lately announced that it will insure citizens who join the colours, giving a \$500 policy to unmarried men with dependents, \$1,000 to married men, and \$1,500 to married men with three or more children.

The Yorkshire Insurance Company, in announcing a subscription of £250,000 to the new War Loan by itself and affiliated companies states that this subscription is made not only as a matter of patriotic duty, but because the investment is of the highest class yielding a high rate of interest over a long period.

**POLICYHOLDERS' DEATHS IN EARLY INSURANCE YEARS.**

The Travelers of Hartford has compiled the following statistics regarding deaths among its policyholders during 1914:—

	No.	Amount.
Died in first year of policy .....	37	\$117,649.73
Died in second year of policy .....	47	124,216.01
Died in third to fifth year of policy ....	125	345,682.43
Died in sixth to tenth year of policy ....	189	543,821.88
Died in eleventh to twentieth year of policy .....	334	1,059,250.57
Died after twentieth year .....	344	695,946.51
	1,076	\$2,886,567.13

3.4% died within first year of insurance.  
7.8% died within the first two years of insurance.  
19.4% died within the first five years of insurance.  
37.0% died within the first ten years of insurance.  
68.0% died within the first twenty years of insurance.

Every man included in this list was under the necessity of undergoing a physical examination and consequently each and every one was in good physical condition at the time he took out his policy, yet 7.8 per cent. of the total number of deaths were of policyholders who died during the first two years of insurance. The advantage of selection is presumed to continue for a period of about five years, and yet during this five-year period 19.4 per cent. of all the policyholders who died had carried their insurance only from one to five years. The danger of postponing the purchase of life insurance is evident.

**CAREFUL SELECTION OF EMPLOYEES.**

A business firm cannot well be too careful of the class of employees which it takes on, when it is considered that a bonding company will consider the personnel of employees when agreeing to issue a blanket fidelity bond protecting the employer.

This is particularly true in the case of banks where there is such an excellent opportunity furnished for defalcations to occur if the bank is not careful in selecting its help.

One or two irresponsible clerks in any kind of a financial institution are bound to upset the moral poise of all the other employees. This information was brought out recently in talking to a surety inspector of many years' experience in the business.

It is impossible, of course, for a surety company to know personally the habits of all the employees covered in a blanket bond, but a surety company can insist that a certain standard requirement of fitness shall be held to by the corporation bonded, otherwise the business will be turned down. While there is much competition for first class fidelity business, there are few companies which do not agree that it is better to be safe than sorry.—Insurance Age.

Through the courtesy of Mr. Arthur Barry, manager for Canada, we have been favored with a copy of the Royal Exchange Assurance Magazine, the house organ of the staff of the Royal Exchange Assurance. The present number is thoroughly patriotic in tone, including as it does, a list the length of which is eloquent of the spirit of the R. E. A. staff, of those now serving with the forces, and extracts from a number of letters from the absent ones, duly passed by the censor. Both in contents and arrangement the Magazine reflects the greatest credit upon its producers.