

### GROWTH AND WASTAGE IN CANADIAN LIFE INSURANCE.

The annual table given on another page of the details of life insurance issued and terminated in Canada shows again considerable increases in its totals. A marked advance in life business was to have been expected, in view of the favouring conditions of 1909—a year of general recovery in trade but without abnormal speculation—and it is satisfactory to see that the various classes of

life offices doing business in the Dominion have benefited to so marked an extent from these favouring conditions. In new business the advance is particularly noticeable, new policies issued aggregating upwards of \$130,000,000 compared with \$100,000,000 in 1908. A better test of progress, perhaps, is the gross amount in force at the end of each of a series of years and following is a table giving the totals for the last five years for the three classes of companies working in Canada:

| GROSS AMOUNT IN FORCE, DECEMBER 31 <sup>st</sup> . |               |               |               |               |               |
|----------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                                    | 1905.         | 1906.         | 1907.         | 1908.         | 1909.         |
| Canadian Companies.....                            | \$403,999,360 | \$426,870,465 | \$459,611,902 | \$488,067,595 | \$523,797,364 |
| British Companies.....                             | 44,747,307    | 46,393,020    | 47,194,818    | 46,926,264    | 47,827,133    |
| American Companies.....                            | 188,852,110   | 189,953,631   | 188,705,976   | 193,238,826   | 218,102,831   |
| Totals.....                                        | \$637,598,777 | \$663,217,116 | \$695,512,696 | \$728,232,685 | \$789,727,328 |

The gain for 1909 over 1908, it will be seen, is over \$61,000,000, by far the largest gain in any year of the five-year period. It is notable, however, that throughout the period, the annual totals in "gross amount in force" show consistent advances in spite of the fact that the period includes the "insurance scare" of 1906 and the autumn crisis of 1907. From 1905 until 1907, it is true, the American companies were almost marking time, a fact which the events referred to sufficiently account for, but the Dominion companies have been piling up increased totals during the whole of the period—they were not affected to any great extent by the flurry south of the boundary line.

But while these figures of "gross amount in

force" are satisfactory enough evidence of progress there are other totals in this week's table, which are by no means pleasing. A year ago, THE CHRONICLE, in discussing these figures for the year 1908, called attention to the extraordinary growth of recent years in lapses, surrenders and decreases. In 1908 admittedly, the bulk of the wastage was practically unavoidable, owing to the fact that many had been "hard hit" by the depression in trade and commerce. But 1909 was a normal year—a year of expanding trade and conditions which were generally favourable to the insurance business. But in spite of these facts, the figures of lapses, surrenders and decreases for 1909 reached a new high record.

| LAPSES, SURRENDERS, AND DECREASES. |              |              |              |              |              |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                    | 1905.        | 1906.        | 1907.        | 1908.        | 1909.        |
| Canadian Companies.....            | \$28,027,778 | \$33,230,519 | \$33,195,767 | \$37,454,230 | \$38,587,036 |
| British Companies.....             | 1,503,648    | 1,794,346    | 2,175,451    | 2,648,174    | 2,272,236    |
| American Companies.....            | 20,425,947   | 19,413,940   | 16,219,664   | 19,473,526   | 22,691,200   |
| Totals.....                        | \$49,957,373 | \$54,438,805 | \$51,590,882 | \$59,575,930 | \$63,550,472 |

Moreover, these large totals, the 1909 figure showing an advance of \$4,000,000 upon 1908, do not represent the whole of the wastage in the Can-

adian life insurance field. The following table shows the amount of policies "not taken up" in the five-year period:—

|                         | 1905.       | 1906.       | 1907.       | 1908.        | 1909.        |
|-------------------------|-------------|-------------|-------------|--------------|--------------|
| Canadian Companies..... | \$6,846,561 | \$6,719,325 | \$6,715,622 | \$8,492,947  | \$7,968,438  |
| British Companies.....  | 259,426     | 280,560     | 266,133     | 334,052      | 618,868      |
| American Companies..... | 1,808,509   | 1,586,450   | 1,603,825   | 1,823,700    | 3,632,976    |
| Totals.....             | \$8,914,496 | \$8,586,335 | \$8,585,580 | \$10,650,699 | \$12,220,282 |

The advance in this class of wastage for 1909, it will be noticed, actually exceeds that of the admittedly difficult year 1908 over 1907. In the

following table the totals of the two classes of wastage for the last five years are placed together so that we get an annual wastage aggregate:—

|                                        | 1905.        | 1906.        | 1907.        | 1908.        | 1909.        |
|----------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Surrenders, Lapses, and Decreases..... | \$49,957,373 | \$54,438,805 | \$51,590,882 | \$59,575,930 | \$63,550,472 |
| Not Taken.....                         | 8,914,496    | 8,586,335    | 8,585,580    | 10,650,699   | 12,220,282   |
| Totals.....                            | \$58,871,869 | \$63,025,140 | \$60,176,462 | \$70,226,629 | \$75,770,754 |

These large totals speak for themselves, and do not require further comment. "Lapsing," we read in the field staff journal of an English company, "causes annoyance and loss to the people, vexation and loss to the agent, irritation and loss to the officials, and trouble and loss to the company. We cannot avoid lapses alto-

gether, but we can avoid many lapses which need not occur." THE CHRONICLE repeats that a more determined coping with the lapsing difficulty is possible on the part of many companies. What is being done now to ensure that the figures of 1910 shall make a more satisfactory showing than those of 1909?