

POINTS FROM THE LIFE COMPANIES' REPORTS.

With the record of the Canadian life companies' reports for 1917 almost complete, it is possible to get a fair idea of the outstanding characteristics of their experience last year. It is obvious that on the whole the year was a most successful one for the companies, the one serious drawback being war claims, which were naturally encountered in considerably larger volume than in previous years. A minor drawback, that of the depreciation in securities, was met through a modification of the Dominion Insurance Department's customary requirements regarding valuations for the annual statement, market values as at December 31, 1916 being generally allowed, save in cases of obvious intrinsic depreciation, while for securities purchased during 1917, their book value as at December 31st last was allowed.

NEW BUSINESS IN LARGE VOLUME.

The aggregate of new business secured undoubtedly marks a very considerable advance over the total reported for the year preceding, which itself showed great growth over 1915. Industrial and trade activity, and the prosperity of the agricultural sections of the country, where in the last year or two, the growth in appreciation of life insurance has been very marked, are doubtless the main factors contributing to the forward strides made by the life companies last year. Among subsidiary factors may be mentioned an increasing use of life insurance by self-supporting women. Several of the companies specifically mention in their reports, development of business in this connection, and it seems that in this respect, a start has been made in what is likely to become, under the new conditions which will exist after the war, an increasingly important element in the business. Business insurance and monthly income policies have been pushed by some of the companies with considerable success. The year also was marked by an increased number of large policies taken out by wealthy men. One Montreal millionaire took out a \$1,500,000 policy during 1917, and by all accounts, there is a steadily increasing appreciation in Canada of the attractive possibilities of life insurance in providing for succession duties and other charges falling upon a rich man's estate, which charges under present circumstances, do not tend to become lighter.

What the effect may be on the new business of the companies of the commitments recently undertaken by a considerable proportion of the Canadian population in connection with the Victory Loan, remains to be seen. It appears, however, that the companies generally speaking, have made a good start for 1918, and the ultimate effects of present-day lessons in practical thrift should be most beneficial to them.

BUSINESS BETTER MAINTAINED.

Coincidentally with the brilliant record of the companies in the matter of new business, there was last year a marked improvement in the matter of lapses and surrenders. Practically all the companies show last year a gain in business in force as in a larger proportion to new business than in 1916, which in turn revealed an appreciable improvement over the preceding year. While the showing in regard to surrenders is not quite so uniform, on the

whole it seems that less insurance has been terminated in this unsatisfactory fashion than formerly. Favorable economic conditions naturally constitute the main factor in this improved persistence of business in force. But a number of the companies are devoting increasing effort to the conservation of their business, and while there are still signs of slackness in some quarters in regard to this matter, the tendency towards an increased efficiency is undoubtedly well marked.

WAR LOSSES AND INVESTMENTS.

The effect of war losses has been well summarised by Mr. J. B. McKechnie, general manager of the Manufacturers Life. He suggests that while some companies have been more fortunate than others, the 1917 death rate will average about 11 per cent. This compares with a fairly stationary rate up to and including 1914, of between seven and eight per 1,000, increased slightly in 1915 and 1916. The most serious effect which war claims can have, however, is to cut into profits to some extent. The financial strength of the life insurance companies is such, Mr. McKechnie points out, that a mortality of 100 per cent. could be experienced for many years, and still very fair dividends be paid to policyholders. An increased death rate may possibly have the effect of lowering the dividends to policyholders, but the reserve necessary to mature the policy is left unimpaired. Policyholders, therefore, may rest assured that the life insurance companies will continue to serve them as in the past, and that they will be able to carry out their obligations to the fullest extent.

(Continued on page 241.)

ESTABLISHED 1873.

The

Standard Bank

of CANADA

Head Office, TORONTO



Collections

Business Houses will find our facilities for making collections particularly favorable.



Montreal Branch: 136 ST. JAMES STREET
E. C. GREEN, Manager.