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CANADIAN LIFE INSURANCE.

Considering the difficult circumstances under which the business of the year was carried on, the showing of the life insurance companies carrying on business in the Canadian field during 1914, as revealed in the preliminary report of the Dominion Superintendent of Insurance, is on the whole a satisfactory one. For the first year since 1907, as was to have been anticipated, there was a falling-off in the aggregate amount of policies new and taken up, but the decline is apparently to be accounted for mainly by a sharp falling off in the volume of industrial new business transacted by one of the large American companies in Canada. The difficulties of carrying on business of that kind under such conditions as have existed in Canada recently are readily appreciated. The high-water mark in the matter of policies new and taken up was reached in 1913, with a total for all companies—Canadian (Canadian business only), British and American—of \$231,608,546, though the Canadian companies alone reached their maximum in 1912. Last year there was a falling-off for all companies of \$14,706,730 to \$216,901,816. On the whole, ordinary business appears to have been well maintained. The Canadian life companies (including two unimportant fraternal), report \$125,357,824 policies new and taken up against \$131,493,582 in 1913; and the American companies, \$82,267,302 against \$93,164,260, the falling-off in their case being accounted for, as suggested above, by a sharp decline in the industrial business of one company. The British companies, reinforced by an Australian company which has opened up an industrial branch here, report an actual gain of \$2,325,995 over 1913—\$9,276,690 against \$6,950,695.

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The exhibit of gain in insurance in force is much less satisfactory and it is apparent that, even making the most liberal allowance possible for compulsory surrenders, reductions and lapses owing to stress of financial circumstances, that there is a very large amount of waste, which there ought not to be. The Canadian companies report a net gain in business in

force of \$42,727,539, from \$771,379,634 to \$814,107,173—about 33 per cent of the business new and taken up. The amount of their policies terminated during the year by death, maturity and expiry was only 11 millions, leaving some 72 millions to be accounted for by surrenders, decreases, lapses, etc. The American companies raised their insurance in force from \$300,056,410 to \$387,031,397, also about 33 per cent. of their business new and taken up. In their case, industrial insurance cuts considerably more of a figure in proportion to the whole business than in the case of the Canadian companies and it is notoriously difficult to avoid a very large lapse ratio in that business, particularly where, as in Canada, a large proportion of the population migrates very freely. The British companies' returns under this heading are incomplete, but the figures given are sufficient to show the extent of the evil. The companies themselves are partly to blame. As long as some of them continue to worship blindly the false gods of big new business, and make contracts with their agents on a brokerage basis, it is only to be expected that the lapse evil will persist. They would in the long run be a good deal better off, if they contented themselves with less new business and remunerated their agents on a basis which would encourage them to look after renewals. It is more true in the case of life insurance than in anything else that "the business that stays is the business that pays."

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There was a further large increase last year in the amount of policy loans outstanding. In the case of the Canadian companies this increase (including premium obligations on policies in force) amounted to \$5,333,157, bringing up their total at December 31st last, to \$36,208,469. Including the British and American companies, the total increase in these loans in 1914 approaches \$6,800,000. A good many business men had reason to thank their stars last year that they could obtain ready cash so easily and cheaply by pledging their insurance policies, but there is only too

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