

CANADIAN AND AMERICAN LIFE INSURANCE ASSETS COMPARED.

A feature of the Association of Life Insurance Presidents' meeting in New York last week was the presentation of an elaborate statistical record of the assets of the American life insurance companies and the methods of their investment. From this, we have extracted the summary table given below and added, for purposes of comparison, the corresponding figures of the Canadian companies' assets. The two sets of figures make an interesting study. As regards amount, the assets of the American companies were at the end of last year about one-twentieth of those of the American companies. Proportionately to population, this is about what might be expected. It must be remembered that the assets of the Canadian life companies do not represent the whole of the assets for which life insurance in the Dominion is responsible. To obtain an accurate total of these, it would be necessary to ascertain exactly what assets are represented by the life business in Canada of British and American companies—a total which it is probable would exceed the assets represented by the business abroad of the Canadian companies which are, of course, included in the present figures,

CANADIAN.

	Dec. 31, 1904	Dec. 31, 1914	1904 p.c.	1914 p.c.
Real Estate.....	\$ 4,893,608	\$12,773,617	5.37	4.96
Real Estate Mortgages.....	23,573,875	94,765,472	25.85	36.76
Bonds and Debentures.....	44,286,555	77,436,286	48.55	30.03
Stocks.....		17,445,625		6.77
Collateral Loans.....	2,908,205	2,132,153	3.19	0.82
Policy Loans and Premium obligations.....	8,812,029	36,204,417	9.65	14.04
Cash.....	1,916,798	4,163,749	2.10	1.61
Interest due and accrued.....	1,301,399	5,839,838	1.43	2.27
Outstanding and def'd premium.....	3,150,131	6,776,990	3.45	2.63
Other Assets.....	369,749	288,791	0.41	0.11
	\$91,212,350	\$257,826,938	100.00	100.00

AMERICAN.

	Dec. 31, 1904	Dec. 31, 1914	1904 p.c.	1914 p.c.
Real Estate.....	\$ 180,875,032	\$ 171,173,551	7.24	3.47
Real Estate Mortgages.....	671,577,813	1,706,365,407	26.88	34.58
Bonds.....	1,067,027,851	1,981,751,698	42.69	40.16
Stock.....	172,582,975	82,552,532	6.91	1.67
Collateral Loans.....	42,715,261	20,351,766	1.71	0.41
Policy Loans and Premium Notes.....	189,738,779	735,348,014	7.59	14.90
Cash.....	104,027,124	95,160,368	4.16	1.93
Deferred Premiums.....	45,879,455	68,832,680	1.83	1.39
All Other Assets.....	24,636,705	73,716,779	.99	1.49
Total Admitted Assets	\$2,499,060.99	\$4,935,252,793	109.00	100.00

as are the assets represented by the foreign business of the American companies.

INCREASE IN MORTGAGES.

As regards the distribution of these assets among various classes of investments, the practice of the American and the Canadian companies approximates fairly closely. In both cases, during the last decade there has been an increase in the proportion of assets invested in mortgages at the expense of the proportion of bonds and stocks held, while some minor forms of investments also show a sharp proportionate reduction in both instances. Between 1904 and 1914, the mortgages of the American companies were increased by about one and a half times, representing an increase in proportion from 26.88 per cent. to 34.58 per cent. The Canadian companies, attracted by the high interest rates in the West, have entirely surpassed the American companies in the proportion of their increase in mortgages, these having been quadrupled during the decade from \$23,573,875 to \$94,765,472 and their proportion to the whole of the companies' assets increased from 25.85 per cent. to 36.76 per cent.

It has been previously noted that last year the fervour of the companies for this form of investment abated somewhat in favor of bond investments. We are by no means blind to the general advantages accruing to the Dominion as a whole by an active policy of lending on mortgage on the part of the life companies, but we still believe that some of the companies have not perhaps been quite as conservative as they might have been in regard to Western mortgages during the boom years, and that in certain cases, the policy of investing in mortgages has been carried altogether too far. For a life company, as for any other investor, the policy of putting all the eggs into one basket is a very poor one, and when practically all a company's available assets are invested in mortgages, it begins to look as if a sense of investment proportion were being lost. Possibly, present-day circumstances will tend to correct this error. Certainly, in these days of high yields from absolutely the best class of securities, there is little excuse for those in charge of the investment of life insurance funds, if they do not follow a well-balanced investment policy giving satisfactory returns.

BOND AND STOCK INVESTMENTS.

As things are, it will be seen that the bond and stock holdings combined of the American companies considerably exceed in proportion those of the Canadian companies, the figures being 41.83 against 36.90. Ten years ago, the proportions were about equal—49.60 and 48.55. Of bonds only, the American companies hold proportionately fully 10 per cent. more than the Canadian companies—40.16 per cent. against 30.03 per cent., while their