

events of 1913, 1914 and 1915, already referred to, appear more clearly than in the previous table.

It is evident, therefore, that policy loans are being more and more sought by policyholders and that Canadian companies must be prepared to invest a still greater proportion of their funds in this way. While in times of financial stress exceptional calls for large sums at short notice are nearly sure to be made.

#### How Age Affects Companies.

The following table constructed from the figures of six representative Canadian companies of varying ages and stages of development shows, as might be expected, that these percentages increase with the age of the company.

They also serve as a warning that in a group of companies, the younger ones reduce the average percentage of the group and, therefore, that before making exact deductions it is important to investigate the data of each company.

#### Percentage of Policy Loans to Total Assets.

Company.	Started.	1905.	1910.	1915.
Canada .....	1847	11.97	14.41	15.93
Mutual .....	1870	10.94	12.54	14.28
Sun .....	1871	8.13	10.89	12.05
Great-West ....	1892	6.36	10.04	14.33
Imperial .....	1897	4.42	9.21	14.29
All Canadian companies ....		9.45	11.95	14.34

The figures are consistent and increase with the growth of the company. The case of the Sun Company at first sight appears to be an exception, but this is due to the fact that the total assets include reserves for annuities granted. The Sun is the only company that has granted very considerable annuities. Its reserves on this account amount to over \$11,000,000. If this is allowed for and the percentage calculated to the balance of the assets, the proportion is normal. The absorption by the Sun of other and younger companies has also tended to keep down the percentage shown by this company.

#### United States Life Companies.

The following table has been compiled from the compendium of official life insurance reports relating to some 250 American life companies, published by The Spectator Company of New York.

#### United States Life Companies.

Year.	Total Assets.	Policy Loans.	American Percent- age.	Canadian Percent- age.
1904 ....	\$2,498,960,968	\$189,738,779	7.59	9.7
1905 ...	2,706,186,867	225,568,149	8.33	9.4
1906 ...	2,924,253,848	265,902,863	9.06	9.7
1907 ...	3,052,732,353	348,458,980	11.41	11.2
1908 ...	3,380,294,090	414,259,309	12.25	12.1
1909 ...	3,643,857,971	446,276,468	12.25	12.0
1910 ...	3,875,877,059	495,099,854	12.77	12.0
1911 ...	4,164,491,688	541,789,999	13.10	12.0
1912 ...	4,409,292,521	587,704,733	13.33	12.23
1913 ...	4,658,696,337	657,994,947	14.12	13.24
1914 ...	4,935,252,793	735,348,014	14.90	14.04

As already explained, a closer analysis of the individual companies included in the group would be required

before any but general deductions could safely be drawn from these figures.

It is plain, however, that the increase in proportion of these loans to total assets is marked and continuous, as in Canada.

#### Proportion of New Loans to Annual Surplus.

The next table of annual increases in total assets and policy loans, with percentages, shows this still more clearly.

Year.	Increase in assets.	Increase in policy loans.	American Percent- age.	Canadian Percent- age.
1904 ...	\$233,739,775	\$31,171,170	13.34	....
1905 ...	207,225,899	35,829,370	17.29	....
1906 ...	218,066,981	40,334,714	18.50	10.82
1907 ...	128,478,505	82,556,117	64.26	27.94
1908 ...	327,561,737	65,800,329	20.09	20.23
1909 ...	263,563,881	32,017,159	12.15	10.84
1910 ...	232,019,088	48,823,386	21.04	11.75
1911 ...	288,614,629	46,690,145	16.18	12.81
1912 ...	244,800,833	45,914,734	18.76	13.96
1913 ...	249,403,816	70,290,214	28.18	23.11
1914 ...	276,556,456	77,353,067	27.97	21.69

The figures for 1915 are not yet available.

The percentage of increase is noticeably greater in the United States than in the Canadian companies. In the absence of a complete analysis of the individual companies in the United States group, the true reason for this is not clear.

Again, a feature is common, however, to both groups. In years of exceptional economic disturbance, the increase in assets shrinks, while the demand for policy loans greatly expands. This is very noticeable in 1907, the year of the last financial panic in the United States market. It must, however, also be remembered that in that year the companies felt the aftermath of the government investigation of certain prominent United States life companies, which may be responsible for some of the exceptional increase.

In 1907, the increase in assets was nearly 60 per cent. less than the increase in 1906; while policy loans jumped from 18.50 per cent. of the 1906 increase, to 64.26 per cent. of the increase in 1907. This is probably the most significant feature of the tables.

The disturbance due to the war in 1914 and its fore-shadow in 1913, is seen in the large amounts loaned in those years.

#### Selected United States Companies' Experience.

The following table is compiled from the figures of three large United States ordinary life companies, to illustrate how the percentages compare with Canadian companies to-day.

Company.	Founded.	1914.	1915.
Equitable of United States	1843	16.48	17.85
New York Life .....	1845	18.45	19.40
Mutual of New York .....	1843	14.53	14.88

These figures, in two cases, show a higher percentage than the oldest Canadian companies and so indicate to what a much greater extent these loans may increase in Canada as the domestic companies increase in age. The reason the figures are lower in the third case has not yet been investigated by the writer.

This table is based upon figures given in a recent issue of the London Statist.