

## CANADIAN LIFE COMPANIES AND THE WAR CONTINGENTS.

The very Honorable Mr. McGarry has no doubt discovered in the action of the Canadian life companies, which did not make a single response to the advertisements of the city of Toronto for life insurance on the third contingent from the city for Europe, another instance of the machiavellian and grossly unpatriotic methods of their administrations. This delusion may very possibly be participated in by some members of the public with whom agents are brought into contact. For their benefit we set out plainly here the case for the companies, whose action has been dictated not by any sordid motives, but by a high sense of duty to their policyholders, which must appeal to any mind that is not warped by prejudice.

### MILLIONS AT WAR RISK.

It is true to say that the Canadian life companies as a whole have dealt actively and generously with the matter of war risks. Months ago, practically all the Canadian companies agreed openly not to charge any extra premiums in respect of existing policyholders going on active service abroad, and this *notwithstanding the fact that many policies specifically provided that an extra might be charged.*

The result of this action is clearly summed up in a statement published by the Canadian Life Offices' Association:—"Since the Canadian companies have practically all their business on the lives of Canadians, many of whom have gone or are likely to go to the front, they have already a larger percentage of their whole business exposed to such risk than any United States company can ever have, no matter how large a number they may insure. *The Canadian companies have many millions at such risk now,* with a certainty of having more as fresh contingents are formed. They have gone and will continue to go as far as safety to the whole will permit."

In other words, the Canadian life companies are taking their share of the common burden of to-day by allowing their policyholders to run risks which are not included in the legal obligation of the companies. By this action, they are practically inviting early claims on thousands of policies which in the ordinary course of events would have run on for years, and many of which, were the companies narrow enough to stick to the letter of the policies, they could not be compelled to pay. This is practical patriotism.

### THE LIMIT OF RISK REACHED.

The companies do not go further and arrange to issue new policies on men going straight to Europe for the reason that in the way above mentioned they have already assumed as large a war risk as they consider they are justified in assuming without grave danger.

Moreover, the companies are in the position of trustees for the whole body of their policy-

holders. Those policyholders rightly look to them to fulfil their trust; it is the companies' duty to do so and not only their duty, but their patriotic duty. To plead patriotism as an excuse for breach of trust would be somewhat to justify Dr. Johnson's cutting dictum that "patriotism is the last refuge of a scoundrel." Under present circumstances, it is a real and true act of patriotism for the life insurance companies to maintain unimpaired the solidity of their financial structure in the interests of their policyholders at large and any action which materially impaired that structure, whether done in the name of so-called patriotism or not would be essentially unpatriotic.

The fact that some United States companies are undertaking the risks which the Canadian companies have declined by insuring men who are going to the front is no argument why the Canadian companies should do so. As pointed out above, in any case, the American companies cannot have so large a proportion of their business subject to the war risk as the Canadian companies now have, through their action in allowing their existing policyholders to go to the Front without extra charge. When the American companies have as large a proportion of their total risks at war risk as the Canadian companies now have, they will not be anxious for any more war risk business. Any sound company can afford to carry a certain amount of risk of this kind, but not more than a certain amount.

### DIFFICULTY OF FIXING PREMIUM.

Apart from this, there is, of course, the difficulty of fixing upon an additional premium which will be adequate for the risk involved. The experience of previous wars is of little use in calculating the risks in this. What are the mathematical chances of life to a group of men who may happen to get exposed to machine gun fire, or of a battalion in a hell of concentrated artillery fire such as the Germans have used again and again, and which they themselves got a taste of at Neuve Chapelle?

It is regrettable, no doubt, that many who would have been glad to have insurance cannot now obtain it or as much of it as they feel they should have. But it is merely one more instance of the needs of the individual being subordinated to the safety of the community. The circumstances are a striking exemplification of the necessity of every man protecting himself by life insurance when conditions are favorable to his doing so. There must be hundreds who have gone to Europe with a lighter heart because of their knowledge that if they do not come back—well, they have done the best they could for the protection of those left behind.

---

Yesterday, the Bank of England continued its official rate of discount at 5 p.c.