

sum assured for each full year's premium due and paid after the 31st December, 1914.

Policies under which premiums are no longer payable are placed on the same basis as policies which are subject to annual premiums.

Policyholders in the Royal have good reason to be well content with their position as shown by this valuation and the public can hardly fail to be impressed with the steady advantages offered by a life office which insists on so strict a valuation and yet is able to maintain so satisfactory a bonus declaration at the present time. In regard to the life business of last year, new life policies issued were for \$8,006,659. Total premiums for the year, after deducting reassurances, amounted to \$4,070,232, and interest, less income tax, to \$2,010,160. Claims including bonus additions absorbed \$3,517,974. The life fund, which at the beginning of the year stood at \$51,245,246, was increased at its close to \$51,857,158.

THE ROYAL IN CANADA.

The Royal entered the Canadian field sixty-four years ago, and occupies that leading position in Canadian insurance which is commensurate with its ample resources and great strength. Both its Canadian manager, Mr. William Mackay, and the assistant manager, Mr. J. H. Labelle, are well known throughout the Dominion, and a large and increasing fire business is transacted in all parts of the country. Last year the Royal received in Canada net fire premiums, \$1,450,549, an increase of nearly \$160,000 upon 1913, and incurred net losses of \$739,830, giving the satisfactory loss ratio of 51.0 per cent. The Royal's life department, of which Mr. R. A. Mannings, of Montreal, is secretary, also shows steady expansion in its Canadian business. Last year new policies were issued in Canada aggregating \$1,631,042, an increase approaching \$150,000 on the figures of 1913, the net amount in force at the close of the year being \$7,828,638. In view of the magnificent position occupied by the Royal both in its fire and life departments, and the skilful Canadian management at its disposal, it is to be anticipated that year by year the Royal's Canadian interests will continue to advance and become an increasingly important factor in the progress of this great Company.

INSURER THE AGENT OF INSURED.

A circuit court in Wisconsin has recently given a decision which, if upheld, is of considerable importance to companies transacting a liability insurance business. In the case in question, Wisconsin Zinc Company vs. Fidelity & Deposit Company of Maryland, the court, overruling the defendant's demurrer, decided that when under the terms of an employer's liability policy the insurer assumes the control of the defence of a claim of an injured employee, the insurer must act in absolute good faith as the agent of the insured employer, not only in the trial of the suit brought by the insured employee but also in the determination of the question as to whether an offer of settlement made by the employee claimant should or should not be accepted. The law point decided is comparatively new and has not as yet been determined in any court of last resort. If the Circuit Court is upheld by the Appellate Courts the decision will have a very important bearing on employers' liability insurance.

AMERICAN SURRENDERS AND LAPSES.

Statistics of twenty-nine American life companies compiled by the New York Spectator show that for 1914, policies terminated by surrender amounted to 2.08 of the mean number in force, as against 2.04 for the preceding year, while the terminations by lapse rose from 2.96 to 3.20 per cent., being the highest ratio shown since 1908.

It is believed, says the Spectator, commenting upon these figures, that many policies were surrendered last year for their cash values owing to the strained financial condition which occurred at the outbreak of hostilities in Europe, and it is probable that many of these contracts will be replaced by new ones. Policy loans are, however, having an increasing effect on the surrender column, as borrowers fail to take up their loans or even to pay interest, and consequently each year reduces the reserve available for further loans until it becomes exhausted and the policies are marked off as surrendered. There is still a large amount of deferred dividend business maturing each year, and as of the contracts of this class are closed out entirely, there is an appreciable effect on the percentage of terminations by surrender.

Lapses were more numerous in nearly every company last year than in 1913, due no doubt to the financial situation. Policies going off the books in this way are under three years old and in many cases their holders have not acquired the habit of persistent payment which seems to be formed after three years' premiums have been paid.

Agents should take particular pains to see that their business renews from year to year and should follow up their policyholders systematically in the early years.

BRITISH FIRE COMPANIES IN GERMANY.

Some interesting points regarding the present position of German branches of British insurance companies are given by the French insurance paper, L'Argus, which got its information from a German journal. On the Continent, it seems, it is a general practice to issue fire insurances to continue in force ten years. Certain German policyholders have now refused to pay British companies premiums and the matter has been tried in some of the Courts. On the 11th March last the Landgericht of Leignitz held that a policyholder of the Phoenix had the right to refuse to pay the premium. But, just previously, namely, on the 25th February, the Landgericht of Breslau, in an action by a policyholder against the Commercial Union, decided that the plaintiff must continue to pay the premium. In the one case the Court considered that the guarantees promised when the insurance was effected no longer exist; but the other Court pronounced a contrary opinion. In another action, prior to the above-mentioned cases, the Landgericht of Darmstadt held that the Commercial Union could not enforce payment of the premium. So exactly how the companies stand in their relation to their German policyholders does not yet appear.

This story is told of an insurance company without agents which tried to operate many years ago. One of the promoters was asked if any applicant ever came in of his own accord. "Just one—and he stole the secretary's overcoat," was the reply.