TAXATION OF LIFE COMPANIES IN THE UNITED STATES.

A few weeks ago The CHRONICLE published statistics showing that the amount of taxation paid by the life companies operating in Canada on their Canadian business only was during the two years 1914-1915, $1,454,005, equal to 1.69 per cent. upon their premium income. It appears that the average taxation paid by the life companies operating in the United States is even higher than this. Mr. Charles F. Coffin, vice-president of the State Life of Indianapolis, who read a paper on the subject before the recent annual meeting of the Association of Life Insurance Presidents, states that the taxes, licenses, fees and fines taken during 1915 by the various State and other tax authorities from the 238 life insurance companies in active operation in the United States reached $14,-251,735, equal to 1.91 per cent. of the premium income of the preceding year, 1914. Presumably the proportion to 1915 premiums would be slightly lower than this. The proportion of taxes to premium income has grown by 0.38 per cent. in the last ten years. Of the total amount paid in 1915, State taxing authorities received more than $13,250,000 while the total expenses of all the insurance departments of the country amounted only to $1,360,000. During 1915, therefore, about a million dollars a month was contributed by the life insurance companies of the several States in excess of the total expenses required for the supervision of such companies. The amount paid by the companies in taxation during the last ten years has increased by more than 90 per cent., rising from $7,500,000 in 1905 to over $14,250,000 in 1915. Mr. Coffin expresses the opinion that the National Convention of Insurance Commissioners should take the lead, in co-operation with life company executives, in initiating a practical educative movement to improve this condition of affairs.

A POINT FOR ONTARIO AGENTS.

Agents are reminded that they must exercise due care with regard to the delivery of policies in Ontario. Section 159 of the Ontario Insurance Act stipulates that, where the policy has been delivered it shall be as binding as if the premium had been paid, even though actual payment has not been made. In other words, the mere delivery of the policy makes the contract legally binding, even though actual payment of the premium has not been made to the agent.

Agents should therefore insist upon the actual settlement of the premium before delivering the policy, or in event of inability to effect settlement at the time, form 580 should be completed wherein the other party states his understanding that the policy is merely loaned. In the event of the point being raised it will be incumbent upon the Company to produce proof that the policy was loaned, not delivered. Unless Form 580 is completed that evidence is lacking. The onus of securing the Company against any such complication rests with the agent, who will be held personally responsible in the event of the Company incurring loss in this regard.—*North American Life.*

According to the British Columbia Superintendent of Insurance, investigation shows that the majority of B. C. fires are due to preventable causes, a large number being caused by sparks falling on shingle roofs and by defective chimney and stove connections.

BRITISH LIFE COMPANIES AND WAR MORTALITY.

Mr. S. G. Warner, in his recent presidential address to the Institute of Actuaries, made some interesting remarks regarding war claims upon the British life companies. The total war claims amount to over $37,500,000. From the nature of the case, pointed out Mr. Warner, they must in the great majority of instances when regarded as individual transactions, represent losses to the companies—they must have fallen on comparatively young lives, upon whose policies the premiums received have been small in amount as compared with the sums assured. It may also be taken as practically certain, continued Mr. Warner, that in most cases nothing beyond the ordinary rate of premium has been paid. For many years before the war, so great was the general confidence in a continuance of peace, or at least in the unlikelihood of a foreign service army having to be raised and equipped from the British civilian population, that according to the general practise of the companies, any proposer for life insurance who being neither in naval or military service declared that he had no intention of joining either, was granted at the normal premium rate a policy free from all restrictive conditions as to such service. The strain of this sudden and heavy mortality is no light one, but it has been borne without the least disturbance by the companies concerned.

LONDON LLOYDS FREAKS.

It is recalled that London Lloyd's underwriters once turned down an offer of a $3,000 premium for a $30,000 policy indemnifying against two hours of rain on the day of a big prize fight. The policy was desired by a moving picture concern, which had paid in cash $30,000 for the moving picture rights of the fight and would have a total loss if the weather was so unfavorable that the pictures could not be taken. London Lloyds were induced to issue a policy guaranteeing that a train would not be late. A famous opera singer made a contract to sing at Kansas City on her way through to the coast, but stipulated that she get her fee just the same if her train should be delayed, and she should be unable to sing for that reason. The Kansas City promoters wanted a policy indemnifying them in case the train should be late, and London Lloyds issued it. The train was on time, and the premium was velvet.

EMBEZZLEMENT RECORD.

Press notices and dispatches, as collected by the bonding department of the Fidelity & Casualty Company of New York, indicate, for the months of August and September, 1916, the following defalcations:

	Aug., 1916.	Sept., 1916.
Banks and trust companies	$223,250	$428,000
Beneficial associations	38,042	80,625
Public service	95,647	171,730
General business	118,383	213,273
Insurance companies	2,077	3,425
Transportation companies	4,988	3,488
Courts and trusts	500	...
Miscellaneous	2,354	4,197
Total	$485,241	$904,738

The Bank of England continues its official rate of discount at 6 per cent per annum.