

LIFE INSURANCE.

By blowing his nose too vigorously, Dr. J. A. Gibson, of Everett, Washington, ruptured a blood vessel; blood poisoning resulted from the hemorrhage. His claim under an accident was admitted by the Pacific Mutual, which paid him \$265.

The business of health and accident insurance is increasing in this country, as well as in the United States. Policies covering all accidents and illnesses have become much more popular among the Americans during the year, so that the business of 1906 shows a very marked increase over that of 1905.

According to an officer of the Hartford Boiler Inspection Company, in the 26 years ended with 1905 there were in the United States 7,610 boiler explosions, in which 7,898 persons were killed and 11,847 injured, a total of at least 19,745. The census of 1880 showed 72,304 stationary boilers in use for power purposes, and Mr. Risteen estimates that in 1900 there were 160,000.

The present method obtaining in both the United States and Canada of valuing policy contracts saw its beginning in the State of Massachusetts. The State Legislature made the net premium method compulsory, the other States of the Union soon following suit. Mr. L. K. File, B.A., A.I.A., thus continues his interesting essay in the "London Review" on "The Past, Present, and Future of Life Assurance." "Massachusetts was also the first State to compel the granting of non-forfeiture privileges, for an Act passed in 1861 provided that a policy should not lapse for non-payment of premiums until the policyholders had been assured for the term equivalent to the value of the premiums previously paid to the office. A feature in the growth of the American insurance system has been the change in the manner of distributing the surplus funds. Formerly the surplus was distributed annually, but annual distributions have little to commend them, and much to be said against them, so that when the tontine system was first proposed, it met with ready acceptance. Under this system all the accumulated funds were continued for a specific number of years, usually fifteen or twenty years. If assured died within this period, the face value of policy became payable, but if he ceased paying premiums he forfeited all claims against the company.

"The obvious injustice of such a system, however, soon compelled the companies to modify it. The system as amended is known as the semi-tontine or deferred dividend system, under which the profits alone are continued, and surrender and extended assurance values are allowed at any time after two or three years. The popularity of this system has been such that in recent times the great majority of participating assurances have been granted on the deferred dividend plan." Mr. File seeks to trace past history of insurance in Canada, and owns himself at a loss, for, as he says, it is practically a blank. "Life insurance there," he continues, "is wholly of modern growth, the oldest of our native companies not being much more than half a century old. When contrasted with many institutions of the Old Land, their past history is short, indeed. Owing largely to similarity of conditions, the experience of life insurance institutions in Canada has been very much the same as that of kindred societies in the neighboring Republic, the policy conditions and general methods of conducting the business being practically the same in the two countries."

The peculiar system of industrial insurance, which is of modern growth, is then dealt with. "Industrial insurance," says Mr. File, "is but a modified form of level premium insurance. It has been sometimes called retail insurance, and the rates of premium are correspondingly higher. Another reason for a higher premium being charged is found in the fact that, in general, the insurers are taken from a class which includes various occupations subject to higher death rate than the average risk of an ordinary company. Stated briefly, the essential features of this system are:—

1. The premiums are payable weekly.
2. The premiums are collected from house of the assured by an agent of the company.
3. The amounts of insurance are adjusted to the unit premium instead of the premium being adjusted to the amount; that is, in industrial insurance, certain amounts of insurance can be purchased for a premium of five cents a week or multiples thereof, while in ordinary insurance the amount is in round numbers, and usually in multiples of one thousand dollars.
4. Every member of the family can be insured for a small premium, while in ordinary insurance, as a rule, only the head of the family is insured, and for a proportionately large amount.

5. In many companies, no medical examination is required, the agent being relied upon to use his judgment and discretion before accepting risks.

The chief object of industrial insurance is to provide a burial fund for every member of the wage-earner's family. The immense amount of business written under this system evidences its popularity with the great mass of wage-earners in all our large cities, while its educative value, in emphasizing the utility of periodical savings and insurance, can scarcely be underestimated, especially in view of the fact that so large a field is included in its operations."

NEW INSURANCE SHARES.

At well-attended meetings of the Western and British America Assurance Companies' shareholders, held respectively on December 27th and 31st, the proposed new issues of stock were sanctioned. At the Western Assurance Company meeting a by-law passed by the board of directors, creating the issue of \$1,000,000 preference stock at a premium of 25 per cent., was ratified without a dissenting vote, although there was considerable discussion upon the question of the distribution of stock. This has all been subscribed, and, we are told, most of the money paid in.

On Monday last the British America's shareholders met and unanimously endorsed the action of the directors in issuing \$550,000 preference stock at a premium of 25 per cent. The money has been paid, making some \$2,000,000 now put into the coffers of the two companies. It is officially denied at the head offices of the companies that they contemplate withdrawing from the United States as a field of operation, and the story of their being amalgamated also lacks confirmation.

NEW UNDERWRITERS' ASSOCIATION.

A meeting has been held in Stratford, Ont., for the purpose of forming a Life Insurance Underwriters' Association. It was decided to form an organization to be known as the Life Underwriters' Association, of Huron district and to be in affiliation with the Dominion Underwriters' Association.

The nearest similar associations are in London, Brantford and Guelph, and as there is a large field in which to work, it was decided to endeavor to interest the agents in Perth, Huron and Bruce counties. Papers bearing on the work of agents will be read at fortnightly meetings.

The following officers were elected:—President, A. Waddell; vice-president, C. E. Osgoode; secretary-treasurer, R. J. Stevenson; executive, James Stewart; Johnston Hains and three others to be elected from outside points.

COMPULSORY INSURANCE.

A new law respecting compulsory insurance in the Canton of Geneva, Switzerland, against old age, infirmities, etc., came into force on Tuesday.

According to Article 1, insurance is compulsory for all those born in the Canton of Geneva. Art. 2 stipulates that every citizen of Geneva must be insured at birth, the annual premium being made up thus: One-third to be paid by the State, one-third by the authorities of the district in which the child lives, and the remaining third by the parents or guardians. The premium is to be paid by the parents or guardians until the child is eleven years of age, in order to ensure an annual pension at the age of sixty years.

Art. 3. The premiums are to be paid into an old-age fund; any premiums paid according to a special tariff are repayable, without interest, on the death of the assured, if he dies before attaining twenty years of age. Art. 4. The premiums may be paid in one or several instalments during the eleven years. Art. 5. The pension shall be paid monthly. Art. 6. The premium tariff may be modified every five years by the State Council. Art. 7. The compulsorily insured may increase his pension up to £24 per annum.

Art. 8. The fund is empowered to receive dowries and legacies. Art. 9. A commission of fifteen members is formed as an administrative body, nominated—one-third by the Grand Council, State Council and the municipal authorities. Art. 10. The administrative commission will draw up the necessary regulations. Art. 11. The employees to be appointed by the State Council. Art. 12. The administrative commission may, by previous authorization of the State Council, grant deferred payment in special cases.

The new consul-general of France for Canada is Mr. Henri Auguste Dallemague, who wears the red badge of the Legion of Honor.

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