so that the loan and the interest due thereon become equal to or greater than the cash surrender value, the policy shall be considered as surrendered to the company.

When a loan is paid off, the company simply return the policy and loan agreement to the assured, with a receipt for the money, and the contract is on the same footing as before.

The loan provision is a very popular one, and policyholders probably take advantage of it more frequently than is quite advisable in their own interests. A loan is so easily obtained, and at such a low rate of interest that policyholders avail themselves of the privilege too freely, and the result, in many cases, is that the policy becomes loaded up with debt and, in the end, is dropped. For this reason, the agent should never suggest the idea of a loan to one of his clients, or encourage it in any way, unless he believes it to be really necessary. His experience will tell him that it is hard enough to induce some people to keep up their policies when they have only the premiums to pay; and that it becomes doubly hard when those premiums are augmented by periodical accumulations of interest.

The new Canadian Insurance Act provides that every policy hereafter issued shall contain a clause providing for a loan after three years' premiums have been paid of an amount not exceeding 95 per cent. of the surrender value and at a rate not exceeding seven per cent.

AUTOMATIC NON-FORFEITURE—This is a provision which has become very popular of recent years. Different companies print the provision in their policies with various slight differences, but the effect of the clause is usually as follows: If a policy has been in force sufficiently long to be entitled to a surrender value, and if the assured fails to pay a premium