

QUERIES' COLUMN.

In order to furnish our readers with information we propose to devote this column to replies to correspondents. Letters should be addressed to "THE CHRONICLE, Enquiry Department, Montreal."

Answers will only be given to such communications as bear the writer's name, not for publication, but as evidence of good faith, and only to questions referring to matters of general interest in regard to which the Editor of Queries' Column will exercise his own discretion.

1588.—E. M. F. Hamilton.—Again referring to your recent enquiry we understand that the company you refer to is still in the promotion stage. They have acquired a power site and a flotation will likely be made for the purpose of developing this power. We cannot say what the chances of success are, and do not know the people behind the enterprise.

1592.—D. T. N., Portland, Me.—The dividend on Southern Pacific will likely be permanent, having unforeseen accidents. At its present price it seems high enough, but the stock has possibilities and may go higher.

EFFECTS OF THE NEW YORK INSURANCE INVESTIGATION.

The effect produced on the Canadian business of the American life insurance companies by the disclosures made in the New York investigation is shown in the report of the Superintendent of Insurance, for the year ended 31st December, 1905. In the table of insurance effected the Canadian and American companies make the following showing:

NEW ASSURANCES EFFECTED.		
	Canadian Companies.	American Companies.
1898.....	\$35,043,182	\$10,398,384
1899.....	42,138,128	21,514,478
1900.....	38,545,949	26,632,146
1901.....	38,298,747	32,541,438
1902.....	45,882,167	31,346,482
1903.....	55,169,104	33,265,797
1904.....	59,051,113	36,145,211
1905.....	67,539,141	34,486,215

The net insurance in force ran as follows:

	Canadian Companies.	American Companies.
1898.....	\$226,209,636	\$105,708,154
1899.....	252,201,516	113,943,209
1900.....	267,151,086	124,433,416
1901.....	284,684,621	138,868,227
1902.....	308,202,590	159,053,494
1903.....	335,638,940	170,676,800
1904.....	364,649,166	180,631,886
1905.....	397,946,902	188,578,127

The course of events is best shown by the next tables of results for the last four years:

CANADIAN COMPANIES.

	Insurance Effected.	Gain in Net Insurance in Force.	Difference, or Insurance Terminated.
1902.....	\$45,882,167	\$23,517,975	\$22,364,192
1903.....	55,169,104	27,436,344	27,732,760
1904.....	59,051,113	29,001,226	30,049,887
1905.....	67,539,141	33,306,736	34,232,405

AMERICAN COMPANIES.

	Insurance Effected.	Gain in Net Insurance in Force.	Difference, or Insurance Terminated.
1902.....	\$31,346,482	\$20,185,237	\$11,161,245
1903.....	33,265,797	11,623,336	21,642,461
1904.....	36,145,211	9,955,086	26,190,125
1905.....	34,486,215	7,946,241	26,539,974

In the case of the Canadian companies they have succeeded in increasing the net amount of insurance in force, roughly speaking by 50 p.c. of the insurance effected, in other words an amount equal to 50 p.c. of the new insurance written was terminated by death, maturity, lapse and surrender. But in the case of the American companies the amount terminated from various causes, chiefly from lapses was about 36 p.c. of the insurance effected in 1902, 65 p.c. in 1903, 72 p.c. in 1904, and 77 p.c. in 1905.

There can be no question but that a great many policy-holders in the American companies were frightened out of their policies by the sensational manner in which the press treated the proceedings of the New York State Committee of investigation. The glaring headlines and the matter which they covered would be read in nearly every home, while Chairman Armstrong's reassuring statement, advising the people to hold on to their policies would not have the same circulation and might not suffice to dispel the fears of every one.

Then, in respect to the new insurance written, the American companies do not show up so favourably as the Canadian companies. The latter have shown substantial gains in each of the four years since 1902, while the former have not maintained the ratio of increase they set in 1899 and 1900, and in 1905 there is no doubt the decrease of nearly two millions was caused by the New York revelations.

If anything were wanted to prove that the investigation into the affairs of the American companies was a good thing for the policy-holders, it was supplied by the couple of statements issued by the reorganized management of the Equitable in the first year of the changed state of affairs. The reduction in expenses was very substantial, and, though some of the gains to policy-holders were non-recurring, such as the restitution by the directors of wrongfully taken profits, yet there was ample evidence that the society's affairs are being conducted on a more economical basis. Our own