

faith in the company, probably the best thing they could do would be to re-organize the capital account paying in sufficient to give the company an unimpaired capital and a surplus above that equal to 50 per cent. of the paid-up capital, the whole being in a reasonably liquid form. That is the least possible that could be considered a satisfactory financial arrangement from the point of view of the policyholder.

#### POSTPONING LIFE BONUSES.

An animated discussion continues to take place in Great Britain regarding the wisdom of the life insurance companies declaring bonuses this year. Against their declaration and payment, an insurance writer in the Daily Telegraph argues that the distribution of surplus generally involves the disbursement of a substantial sum for bonuses taken in cash, and there can be no doubt that it would be better for an office not to realise existing securities to pay cash bonuses, or, if there were sufficient cash balance for this purpose, to invest in new securities, very likely in War Loan. If bonuses are applied in the reduction of premium the income of an office is diminished, and it is a permanent benefit to any company just now to have money to invest. If the bonuses are declared as reversionary additions to the sums assured there is a definite increase in the amount of the liabilities. Looking into an unknown future, prudence suggests that the surplus, which may appear to exist, should be kept in hand for the time being, thereby adding to the financial strength of every company adopting this course.

Against the proposal, it is argued that if one company declares a bonus, the others are bound to do so, providing, of course, that they can do so with safety, otherwise the company declaring the bonus obtains an unfair advantage in competition. It is also argued that the non-payment of the bonus would be an inconvenience to policyholders. The advocates of the deferment of bonuses suggest a government prohibition, but whether this drastic course will be taken remains yet to be seen.

#### IMPORTANCE OF BUILD IN LIFE ASSURANCE.

Actual figures abundantly prove, says the medical director of an American life company, that among insured lives at the younger ages, say up to thirty, there is a more favourable mortality among men a little overweight than among those who are "standard;" and, on the contrary, among older lives, say those over forty-five, it is best to be a little less than "standard" weight than to be exactly the "standard;" these light weights living longer than "standard" weights at these older ages. Hence, companies are fortunate to have their young policyholders rather heavy and the older clients somewhat underweight. Among insured lives of persons under thirty-five the lowest death-rate is found among those who are about 10 per cent. over "standard" weight. On the other hand, among those insuring at fifty years of age or older, the most favourable record is with men 10 per cent. to 20 per cent. below "standard" weight. In all these cases it is assumed that other factors affecting the risks are favourable. Another interesting fact is that very tall men, say those six feet and over, have a higher mortality than men of average height. Short men have a better chance of living than those of average height if they insure under forty years of age; but, insuring after forty, they die earlier than their contemporaries who are standard height or tall.

#### PAYING FOR WAR SUPPLIES.

Unless by some means or other the British Government can obtain Canadian goods, like it does in reality the British, on credit, the time must come when it will find it difficult, if not impossible, to pay for them. Financially speaking, the burden is the same to us whether we have to pay a dollar to a Canadian farmer or to an American farmer, to a Canadian manufacturer or to an American manufacturer. The British Government has to find real wealth and not credit, in order to pay for all its purchases from Canada, as from the United States. Great Britain's greatest need is at the moment to find the means to pay for everything needed for herself and her Allies. If she had only to think of herself the problem would be perfectly simple. But she is giving and must go on giving aid to her Allies. One of the greatest services, therefore, in my opinion, that Canada can do at this juncture, it to see whether she can by any means or to any extent help England to meet her burden of foreign indebtedness.....

I do not feel it impossible that the financial brains of Canada may devise some means, possibly through the banking community in some way like the New York banks are now doing, of extending some measure of credit to Great Britain. That help must naturally be limited in amount to what Canada feels, with her own commitments, she can manage.—Hon. R. H. Brand, C.M.G.

#### LONDON AND LANCASHIRE FIRE'S NEW ACQUISITION.

It is notified that the London and Lancashire Fire Insurance Company is acquiring the business and goodwill of the Morley Mutual Fire, a concern established in 1872 with the primary object of insuring woolen mills and premises of allied trades in the Morley (Yorkshire) district. The amalgamation results from very heavy losses which the Morley company has sustained this year, the claims paid on four mill fires, so far, amounting to one-third of the fire losses since the formation of the Company 43 years ago. No particulars are to hand as to the terms of the purchase, but there is every indication, says the Policyholder, that the business is "gilt edged"—in spite of the recent experience—and the connection is a nice little *bonne bouche* for the London and Lancashire.

#### OVERSEAS CLUB TOBACCO FUND.

Mr. Francis R. Jones, organizing secretary of the Overseas Club in Canada, writes from the offices, 402 Kiug's Hall Buildings, Montreal, that a sum of £11,647 (about \$58,235) has been contributed to the Tobacco Fund of the Overseas Club during the year ended September 30. No expenses of administration are charged to the Fund, which sends to Canadian troops at the Front supplies of Canadian manufactured tobacco. The Fund's work has the warm approval of Earl Grey.

#### CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

The semi-annual meeting of the Canadian Fire Underwriters' Association was held on Wednesday and Thursday of this week at Toronto. In addition to the managers located at Toronto, many from Montreal were present.