

When the proofs are received they are compared with the company's records. If satisfactory the claim is paid without delay.

Claims under \$10,000 may be paid with the approval of only one member of the sub-loss committee. Claims amounting to more than \$10,000 and less than \$25,000 require the approval of two members of such committee, while claims for more than \$25,000 and claims of a doubtful nature are referred to the loss committee. Whenever legal questions arise, the claim is referred to the legal department and whenever it appears that litigation is necessary, the claim is referred to the second vice-president.

The Paris office attends to its own payments, the method of handling claims being practically the same as that of the home office. Various branch offices in foreign countries have authority to pay small claims.

Age adjustments.—In the matter of age adjustments, the amount paid is the amount that the premium paid would purchase at the correct age of the insured.

The settlements are based upon the age as shown by the proofs, the burden of proof in all cases resting upon the beneficiaries. Notice is given to the beneficiaries that the company will readjust the settlement, provided satisfactory proof of the insured's age is furnished within one year.

Deductions on Account of Overdue Premiums, etc.—In cases where a portion of the premium is deferred or overdue, the amount to be deducted is equitably determined.

Interest.—The rule is to calculate the interest to the date of proof and to return any unearned interest.

METHODS.

The examiners satisfied themselves by computation that interest items had been properly reckoned, that age adjustments had been correctly computed and that proper settlements had been made under adjustable accumulation policies and policies providing for the return of premiums.

All cases on which the company claimed no liability, and all cases settled in any way other than in accordance with the terms of the contract, equitably interpreted, were closely scrutinized to determine the correctness of the company's method of settlement.

A test check was made to determine the accuracy of the loss cards and the promptness of payment. While there were errors affecting statistics, or the intervals between proof and payment, or death and payment, no errors were discovered affecting the amounts paid. The death claims are handled carefully and paid promptly.

In the payment of unearned loan interest, the home office repays from the date of proof. In South America the return is reckoned from the date of death. In Japan apparently no return has been made.

Dividend Payments.—Dividends for the current policy year are paid in the case of policies where the dividend is not contingent upon the renewal premium. This payment is in advance of the declaration of the dividends, and the amount is determined by the dividend of the preceding year.

(To be continued).

NAVAL EXPENDITURES AS INSURANCE.

The naval expenditures of the eight principal naval powers have, according to Mr. Edgar Crammond, who writes in the Quarterly, increased 56 per cent. on the average from 1902 to 1911 inclusive. The expendi-

tures are as follows:

Power.	1902. £	1911. £	Increase £	Per cent.
Great Britain . . .	35,227,837	44,882,047	9,654,210	27
United States . . .	10,012,438	27,848,111	17,835,673	74
Germany	10,045,000	22,031,788	11,986,788	119
France	12,184,683	10,705,382	4,520,000	37
Russia	10,440,392	13,270,370	2,823,984	27
Italy	4,840,000	8,379,940	3,539,940	73
Japan	3,795,271	8,803,015	5,007,744	137
Austria-Hungary . .	1,954,617	5,152,382	3,197,765	103
Total	94,416,238	147,072,041	52,656,803	56

Regarding the naval expenditures as insurance against the risks of war, Mr. Crammond has concluded from these it will be seen that great as is the Empire's expenditure, it is by no means disproportionate from an insurance point of view.

CREDIT FONCIER FRANCO-CANADIEN.

The comparative figures presented on another page, of the leading items in various years of the balance sheets of the Credit Foncier Franco-Canadien show effectively both the steady character of its growth and the large scale of the operations now carried on by this institution, under the general management of Mr. M. Chevalier. Last year its capital subscribed reached \$7,718,134, and paid up, \$3,859,007, while the reserve was \$1,546,068 and the total assets, the large sum of \$35,574,746, the last named figure marking a \$3,500,000 advance over 1910, and an increase of no less than \$16,000,000 over 1907. The Credit Foncier, since its incorporation in 1881, has played an important part in bringing to Canada, French capital. The report of the Dominion Department of Finance for 1910 shows that of the debentures amounting to \$60,276,605, issued by eighty-two loan, mortgage and trust companies and payable in Great Britain and elsewhere, \$22,090,308, or nearly one-third of the whole amount, were debentures issued by this company in France. During 1911, further issues were made by this company in Paris, which brought up the total at the end of that year to \$24,687,327. This is excellent evidence that French investors are willing enough to supply capital to Canada, when their confidence has been obtained. Apart from the actual amount of French capital, which, under its auspices, has been imported into the Dominion, the Credit Foncier Franco-Canadien has done highly valuable work for the Dominion at large in making known the opportunities here existent for the investment of French capital. Further results of its efforts in this direction are likely to be very markedly seen in the future.

NAVAL EXPENDITURE AS INSURANCE.

Power.	Naval expenditure. 1910-11 £	Gross tonnage of Mercantile Marine, Dec. 31, 1909.	Naval expenditure per ton. £ s.	Foreign trade, 1909. £	Naval expenditure per cent.
British Empire	44,882,047	10,012,294	2 7	1,595,751,000	2.81
United States	27,848,111	2,761,605	10 0	594,986,000	4.68
Germany	22,031,788	4,333,186	5 1	740,798,000	2.97
France	10,705,382	1,882,280	8 19	435,709,000	5.83
Russia	13,270,376	887,325	14 10	191,090,000	6.95
Italy	8,379,940	1,320,635	6 6	199,143,000	4.2
Japan	8,803,015	1,601,301	5 10	82,061,000	10.64
Austria-Hungary	5,152,382	779,929	6 12	210,822,000	2.44
Totals and averages	147,073,041	32,577,655	4 10	4,050,990,000	3.63