ANOMALIES IN LIFE INSURANCE.

Those who require the most protection, in many cases, can secure the least. If we take two men each earning the same salary, the one who has the larger number of dependents will be the one who can carry the smaller amount of protection. In other words where insurance is most needed, it is least available.

We can meet this anomaly, in part at least, by recommending a plan of insurance most applicable to the needs of each of the two families—but nevertheless life insurance is one of those things much to be desired but which cannot be had except by paying the price. But if one cannot afford all the protection he may require then let him take as much as he can reasonably carry.

In this connection may we not ask if there is not too much effort being expended on writing big policies. We are adjured to "think big." All right, so we should, but we should not overlook the plain everyday man with moderate means and a family who needs more but can afford only a $1000 or $2000 policy. Many an agent in an effort to write one big case passes by a number of small ones —cases in which a policy for a thousand dollars of insurance would mean more perhaps than the famous $2,500,000 contract that was written the other day would signify to that policyholder. Write the big ones but do not forget the average man.

DANGER OF PROCRASTINATION.

But this is only one of the anomalies. Here is a man in robust health who has in all probability a long term of years ahead of him. Any insurance company would bid him welcome if he had the means as well as the health. His neighbor, however, is delicate, has a poor family history and several other things, including a number of dependents. This man requires insurance far more than his robust neighbor but he cannot obtain it, except perhaps at prohibitive rates. This case might be met too by recommending insurance on the endowment or some other plan but this gives only minimum protection at maximum rates and the situation of this man merely shows that even the beneficent system of life insurance has its limitations, and it means too that we cannot urge too strongly the necessity of taking a policy while good health lasts.

ANNUITIES.

Again: men willingly take out life insurance but shun annuities. Yet it is just as necessary that a man should protect himself and his wife against the weaknesses and disabilities of old age as it is that their children should be protected. Indeed if one does not secure his own old age against want, he will probably be a burden upon his own children or other relatives. It is a peculiar fact that in this country so little interest is taken in annuities and so much in insurance. Many a good man is striving by all kinds of self-denial to pay a liberal life insurance premium, who at the same time is himself walking straight toward a penniless old age. This is another of the anomalies of life insurance. Most men gamble on the chance of death outrunning old age.

Annuities do not appeal to many because in the event of death they would lose the principal. In an annuity the individual takes the risk of death and the company takes the risk of the annuitant living. In case the prospect has impaired health the risk is too great for him to carry, but this can be met by granting impaired lives a larger annuity than healthy lives, or by guaranteeing a total return equal to the capital invested.

In fact if life companies endeavored to make annuities as attractive as they have made life policies there would be a great demand for them. Canadians have been in the habit of doing their own investing at good rates of interest, but many would now prefer to let the insurance companies with their expert knowledge attend to that and fall back on an annuity. The last few years have certainly demonstrated the value of the annuity, and we may see an annuity revival in the next few years.—*Mutual Life of Canada.*

CHIDING LLOYDS GENTLY.

"For sheer effrontery," says a New York shipping weekly, "commend us to the case of the welching Lloyds' underwriters who refused to settle equitably the claim made by Messrs. Duveen Bros., of New York, the well-known art dealers, in connection with valuable paintings damaged by fire on board the French Steamship Mississippi, and who now seek credit forsooth, because they have been forced by the courts to pay up in full. The case was disgracefully handled by those representing the underwriters, and the rumor is that it has cost Lloyds practically all the business in art objects which it formerly did with American dealers and collectors."

INSURANCE COMPANIES AND THE NEW INCOME TAX.

Canadian insurance officials are eager to see the text of the new Income Tax bill, in order to judge what their new obligations are likely to be as a result of this legislation. A good deal will depend upon the definition of "net income" in the case of the insurance companies, and it may be desirable that representations be made to the Minister of Finance in this connection. According to Sir Thomas White's statement in the House of Commons on Wednesday, the tax upon joint stock companies and corporations will be a flat rate of 4 per cent. upon net incomes of $3,000 and upwards, without the super-tax which will apply to personal incomes above $6,000. Corporations paying excess profits tax for this year will now pay either this or the income tax, whatever is the larger. Whether the one per cent. Dominion War tax on premium incomes of insurance companies, other than life, which has been in force since 1915, will be allowed as a credit against the new income tax does not yet appear.

It is announced, as we go to press, that arrangements have been made for the flotation by the Canadian Government of $100,000,000 two-year notes in New York through Messrs. J. P. Morgan and Company. The notes will be offered to the public to yield approximately 6 per cent. This loan will offset part of the trade balance against Canada, and is made with the approval of the Washington authorities.