

THE "SQUARE DEAL" AND THE LAPSE RATIO.

Minimizing the lapse ratio at a time when in Canada it shows a great tendency to advance even beyond the heavy ratio experienced in some recent years, is a problem that can be solved, through reasoning from cause and effect. It is only too well known that in many instances a lapse is invited at the time the application for the policy is written. Selling a man a policy not adapted to his requirements, financial condition and ability to carry out his portion of the contract eventually causes trouble and, in many cases, results in a lapsed policy. The agent who writes an application under such circumstances, fools himself, wrongs the applicant, tends to bring the business of life insurance as a whole into disrepute, and attempts to defraud his company out of compensation for which he gives no just equivalent.

Discussing the question of lapses, an official of a leading industrial life company said that there is a nice discrimination to be exercised between ultra-conservatism and superficial canvassing, that can but result in the introduction of a poor substitute for real business—something that while having the semblance of real business lacks the substance of the genuine article. To make certain that the second and subsequent premiums will be paid, the agent should aim to write business of a high grade only, in exchange for honest effort intelligently applied. Strict integrity of purpose uniformly displayed in the treatment of "prospects" and policyholders will go far towards keeping down the lapse ratio.

In the multitude of his duties an agent's mind naturally enough is mostly occupied with matters that regularly claim his attention, remarks an exchange in discussing this subject. As a result of this, he must be reminded from time to time of his responsibilities in those things that he does not consider as constituting a part of his duty, but which are nevertheless vital to the interests of the policyholder, himself and the company he represents.

PERSONAL RESPONSIBILITY FOR FIRES.

Those sharing in the fire prevention movement in the United States are keenly interested in various suits, which are being brought from time to time to enforce personal responsibility for preventable fires. The facts are regarded as indicating the value of the present agitation for the enactment of laws enforcing personal responsibility for preventable fires. The suggestion of such measures brings home to property owners the facts of their responsibility and the equity of enforcing damages upon their neighbors whose carelessness may involve loss to them, and the public sentiment is thus gradually educated.

BRITISH BANKING DEVELOPMENTS.

Following the example of Lloyds Bank, which a year or two ago established a subsidiary in Paris, France, several other British banking institutions are reported to be making arrangements for their direct representation in the French capital. The London City & Midland Bank is establishing a French subsidiary and the London & South-Western Bank & Cox & Co., the army bankers, have made arrangements for a joint partnership in and the extension of the French business of Cox & Co. (France) Ltd.

SCOTTISH AMICABLE LIFE'S REPORT.

This fine old Scottish mutual life office has long been known as a leading member of the group of notable life companies which have their home north of the Tweed. Directed and managed with characteristic Scottish prudence and foresight, the Scottish Amicable has for nearly a century operated successfully, and now holds an important position, less by reason of its size and the extent of its operations, though they are by no means insignificant, than by virtue of the admirable service afforded its policyholders.

The year 1914 produced another satisfactory record for the Society, almost surprisingly satisfactory in view of the circumstances of the year. New business at \$4,250,000 is not quite so good as in the two preceding years, as was to be expected, but is in excess of the average of the preceding quinquennial period. Death claims for the year are actually somewhat less than usual, owing possibly to the fact that the Society's connections do not include officers in the army and navy to any considerable extent. Approximately, the claims by death amounted to 75 per cent. of the sum expected by the *Om* table. It is interesting to note also that the average age of policyholders whose death constituted claims on the Society was actually over 66½ years—excellent evidence of the careful selection which has been practised during a long series of years. Total policy claims for the year—death and endowment—were \$1,450,315. In the case of death claims on participating policies, on an average the Society paid over one-half more than the original sum insured, while in a number of cases the original sum assured had been more than doubled by bonus additions. In association with these facts is the further important one that commission and expenses of management were kept at just over 12 p.c. of the premium income for the year.

With a premium income of \$2,148,195 and total income of \$3,520,735, outgoings were only \$2,085,380, so that the substantial addition of nearly \$1,500,000 was made to the net funds which amounted at December 31 last, to \$32,461,435, invested in the highest grades of securities. Total policies in force amounted at the same date to \$65,528,190.

POSTAL LIFE GOING DOWNHILL.

The Postal Life, an organisation which prefers to spend its money in magazine advertising instead of paying a commission to agents, appears to be going downhill. For four consecutive years, it is now reported, the assets have shown a loss, for three years the surplus has fallen off, and for the second time there has been a decrease in the amount of business written. The insurance in force is about four million dollars less than it was a year ago. Obviously a case where faith has not been justified by works.

NATIONAL LIFE ASSURANCE COMPANY.

Mr. Albert J. Ralston, managing director, National Life Assurance Company, informs us that business continues good, the volume of new business for March being close to the million mark. Mr. Ralston further states that the Company closed the first quarter of the year without a dollar of interest on or principal of any of its invested funds being in arrears or overdue.