POLICY LOANS OF THE CANADIAN LIFE COMPANIES.

The policy loan record of the Canadian life companies in 1916 is a more satisfactory account than has been seen in this connection for several years. The net advance in the companies' policy loans during last year was only $2,007,896, a smaller growth than in any previous year since 1910, and comparing with $3,099,256 in 1915, $5,329,108 in 1914, and $4,995,446 in 1913. Moreover, the increase in the proportion of these loans to the companies' net reserves, which had been steadily and in recent years even rapidly going on ever since 1902, received a definite check in 1916. The proportion of these loans to reserves at December 31st last was 16.7 per cent. against 17.3 per cent. at the close of 1915 and 17.0 per cent. at the close of 1914. It is to be noted also that this decrease in growth of policy loans last year did not coincide with any increase in surrenders, the amount paid out by the companies in this connection during 1916 being apparently somewhat less than in 1915, even when allowance is made for the fact that in the earlier year the total was swelled by surrenders of bonuses for cash at the quinquennial distribution by one of the large companies.

SIXTEEN YEARS' FIGURES.

The following figures show the loans and premium obligations upon policies of the Canadian life companies (including two fraternal organizations) since 1901 and the proportion such loans and obligations bear to the companies' net reserves:

	Amount. Dec. 31.	Year's Increase.	Proportion to Reserves. Dec. 31.
1901	$ 6,437,682	....	10.9
1902	7,044,111	$ 606,429	10.7
1903	7,942,580	898,469	10.9
1904	8,812,029	869,449	10.9
1905	9,679,244	867,215	10.6
1906	11,091,446	1,412,202	11.0
1907	14,057,512	2,966,066	12.7
1908	16,750,846	2,693,334	13.8
1909	18,409,651	1,658,805	13.8
1910	20,409,223	1,999,572	13.9
1911	22,960,040	2,550,817	14.2
1912	25,879,863	2,919,823	14.4
1913	30,875,309	4,995,446	15.7
1914	36,204,417	5,329,108	17.0
1915	39,303,673	3,099,256	17.3
1916	41,311,569	2,007,896	16.7

THE POLICY LOAN OUTLOOK.

The probabilities suggest that policy loans will continue to be comparatively restricted during the continuance of the present period of industrial activity and lack of speculative interest. With a continued rise in the cost of common necessities, however, possibly a good many policyholders of the salaried classes, whose incomes have not kept pace with the rise in the cost of living, will find borrowing upon policies, even if only for the purpose of paying the premium, a necessity. This influence, however, is in any event not likely to have a very marked effect upon the companies' policy loan accounts. In regard to the further future, prophecy is dangerous. It may, however, be anticipated that any future period of speculative activity and development, as well as any time of notable financial strain, will see a large increase in the policy loans of the life companies, in spite of the deprecatory policy adopted by many of the companies towards these loans. With the business community now thoroughly alive to the possibilities contained in borrowing on life policies easily and cheaply, it is not to be expected that there will be in the near future any reversal to the conditions of ten or fifteen years ago, when policy loans were in much lower proportion to the companies' net reserves than at the present day.

A BAD HAIL EXPERIENCE.

Statistics have previously been published in THE CHRONICLE of the experience of the companies transacting hail insurance in the prairie provinces last year. In Saskatchewan, the companies had a gross loss ratio of 132 per cent. on gross premiums of $1,417,853, and in the other provinces losses were also exceedingly heavy. The appended table of the experience of the Dominion-licensed companies is interesting in this connection. The 1916 experience, it will be seen, is uniformly bad. It may be noted that the amounts of premiums reported by the Dominion-licensed companies last year was nearly double the amount reported for 1915. Several additional companies received Dominion licenses for this business, and those previously engaged in it increased their premiums. This indicates that the advantages of hail insurance are coming to be increasingly appreciated by the Western farmer. It suggests also that the schemes of municipal mutual hail insurance which have been established in several of the Western provinces are not likely to have a prejudicial effect upon the companies' business. The mere fact that whatever their experience the companies pay their losses promptly and in full, while the municipal mutual schemes are incapable of paying more than a fraction of their last year's losses, will weigh more with the western farmer than endless theoretical arguments regarding the advantages of the municipal mutuals.

The following table shows the hail experience in 1916 of the Dominion-licensed companies:—

	Net Premiums Received.	Net Losses Incurred.	Per cent. Losses to Prem's.
Acadia	$ 8,024	$ 16,907	210.7
American Central......	8,909	24,973	280.3
British America	99,879	113,862	114.0
Canada Hail	108,584	107,407	98.9
Canada Weather	78,349	49,402	63.1
Connecticut..........	55,471	49,628	89.5
Dominion Fire	24,598	18,938	77.0
German-American ...	53,498	60,442	112.9
Glens Falls	77,577	75,647	97.5
Hartford	168,940	198,622	111.6
Home...............	417,385	480,802	115.2
Hudson Bay	185	1,003	542.1
N. W. National	169,307	172,418	101.8
St. Paul F. & M.......	58,246	87,503	150.2
Westchester..........	90,166	84,582	93.8
	$1,419,118	$1,542,136	108.7

The Prudential of England has now paid out £2,026,669 in war claims on the lives of 96,313 combatant policyholders.

* * *

United States Fire underwriters are getting restive over the increasing cost of the business. "In the wave of economy which will doubtless sweep the country shortly," remarks one of them, "why should not the companies fall in line and discontinue supplying blotters, calendars, cuff buttons, manicure sets and other similar 'supplies?'"