

**GIANT LIFE COMPANIES' FUNDS ARE TOO SMALL**

The Coast Review says:—

"The average surplus of American Life Companies are now only 4 per cent. of the assets. The securities as reported are generally estimated at a higher average and not at actual market values. The allowed surplus funds of the medium and smaller sized companies are larger in proportion to assets than the general average, and are much larger than the average of the giant companies.

The American average percent. of surplus funds has been descending in the course of years, from 20 to 10, to 7, based on Market quotations of December 31; and in late times the average fell to 5 and then to 4, at the average market values, as discreetly allowed by the American Insurance Commissioners' Convention. It is now time to ask the question. Should not the companies, for safety's sake, advance premium rates or reduce dividends?

Certainly the surplus funds of the giant life companies, at average or market quotations, are too small, perhaps dangerously small, being only about 2 per cent. of the assets, with securities, values reported at the average of months' of sales. Since the war began selling values of leading securities have fallen from 10 to 15 per cent. That means a loss greater than the total surplus funds.

While the giant companies may be technically insolvent they are of course actually solvent, unless, possibly the government fails to properly indemnify the great railroad companies which have been running at a loss of about a billion dollars. It is well to consider the possibility of present "war" conditions continuing five years longer. The big life companies should prepare for financial storms by at least doubling their surplus funds.

**CONNECTICUT GENERAL LIFE REDUCES DIVIDEND SCALE**

*Surplus to be Restored to Proportion Held Before the Influenza Epidemic*

The Connecticut General Life of Hartford announces a reduced scale of dividends to be adopted June 1 next, the upward trend of taxes and general expenses following the losses from war and influenza rendering it advisable in the view of Robert W. Huntington, president of the Company, "to accumulate at least the proportion of surplus held before the epidemic."

"Mutual rates," says President Huntington in a circular letter to the company's agents announcing the new scale, "are meant for just such contingencies, and, although the reduced schedule will increase the net cost of insurance by only a small percentage, it will materially strengthen the com-

pany's position and enable us to face the future with the utmost confidence."

Following are samples of the dividends on the new scale:

**ORDINARY LIFE**

Age	Premium	1st Divi- dend	2d Year Net Cost	2d Divi- dend	3d Year Net Cost
20....	\$16.18	\$ .86	\$15.32	\$ .94	\$15.24
25....	18.12	1.05	17.07	1.15	16.97
30....	20.63	1.30	19.33	1.42	19.21
35....	23.89	1.63	22.26	1.79	22.10
40....	28.20	1.84	26.36	2.02	26.18
45....	34.02	2.11	31.91	2.35	31.67
50*....	43.04	2.72	40.32	3.02	40.02
55*....	55.60	3.99	51.61	4.34	51.26
60*....	73.31	6.82	66.49	7.23	66.08

**LIFE, 20 PAYMENTS**

20....	25.85	2.18	23.67	2.34	23.51
25....	28.18	2.51	25.67	2.70	25.48
30....	31.00	2.93	28.07	3.14	27.86
35....	34.50	3.47	31.03	3.71	30.79
40....	38.89	4.19	34.70	4.46	34.43
45....	44.58	5.17	39.41	5.50	39.08
50....	52.19	6.08	46.11	6.47	45.72
55....	62.63	7.63	55.00	8.10	54.53
60....	77.35	9.44	67.91	9.97	67.38

**ENDOWMENT, 20 YEARS**

20....	46.76	3.03	43.73	3.43	43.33
25....	47.28	3.29	43.99	3.69	43.59
30....	48.02	3.62	44.40	4.02	44.00
35....	49.13	4.07	65.00	4.48	44.65
40....	50.89	4.68	46.21	5.09	45.80
45....	53.79	5.54	48.25	5.97	47.82
50....	58.68	6.34	52.34	6.80	51.88
55....	66.66	7.77	58.89	8.28	58.38
60....	79.42	9.53	69.89	10.08	69.34

\*These premiums and dividends are for ordinary life policies issued since June 1, 1919.

*Spectator.*

**PERSONALS**

Mr. William MacInnes, Accident Superintendent at Montreal for the Norwich Union Fire Insurance Society, Limited, who has been visiting Cuba for the past few weeks in the interest of his Company, returned to Montreal a few days ago. Mr. MacInnes states that on account of the high price of sugar there is much activity and prosperity at the sugar estates. The tobacco industry, however, has been adversely affected on account of the war. He also states that although Cuba is "wet", he found the Cuban people most temperate, and that any rumours in regard to intemperance prevailing in that country, are not founded on fact.