

## SUN LIFE'S RECENT ACQUISITION

### It Reassured the Business of Two Companies—Difficulties in the Insurance Field

An agreement has been concluded whereby the total policies of the Home Life Association of Canada are to be reassured by the Sun Life of Canada, which will take over, at a satisfactory valuation, the assets of the Home Life and assume its liabilities, as previously noted in *The Monetary Times*. The provisions of the Dominion Insurance Act require that notice be given to policyholders and shareholders and the consent of the government treasury board obtained, before the reassurance goes into effect; but upon the completion of these formalities certificates of reassurance and guarantee will be sent to all Home Life policyholders, to be attached to their policy contracts.

The completion of this agreement will be a source of much satisfaction to the friends of both companies.

In a statement on the matter, the Sun Life Company says:—"The interests of the Sun Life policyholders have been carefully safeguarded, while the position of the Home Life policyholders will be immeasurably improved. The safety of their policies has been put beyond question, as there are now placed behind them the enormous resources of the Sun Life of Canada. They can now look forward to the time when they will receive profits, and handsome profits, on their assurances. The policyholders of the Sun Life of Canada, who know how very excellent are the profits paid by their company, will appreciate how sincerely the policyholders of the Home Life are to be congratulated on this improvement in their prospects; and on behalf of the Sun Life of Canada we heartily welcome our new friends to our ranks as members hereafter of the great Sun Life family.

#### Previous Reassurance Benefited Policyholders.

"The taking over of the business of the Home Life means the acquisition by the Sun Life of Canada of assurances of a volume slightly under \$5,000,000, an annual premium income of about \$200,000, and assets of over \$1,200,000. This is, of course, an important addition to our business, but some idea of the vastness of the business of the Sun Life of Canada may be obtained when it is considered that the total assurances in force in the Home Life are only about one-seventh of the new business which will go upon the Sun's books during 1913.

"The experience of the policyholders of the Royal Victoria Life Insurance Company, which was reassured by our company three years ago, augurs well for the policyholders of the Home Life. The Royal Victoria policyholders had never received a dollar in profits during the sixteen years of the company's existence, and in view of the heavy impairment of capital, they would probably have not received a dollar in profits for another sixteen years. Under the Sun Life management, however, the 'Royal Victoria branch' soon got on its feet, and profits have begun to accumulate from the date of the transfer and every policy which has been entitled to participate in profits since then has received substantial and very satisfactory allotments.

#### Sun Life Was Once Young.

"Another important result is that, with other assets taken over, we secure one of the handsomest and most centrally located office buildings in Toronto. It has long been felt that the Sun Life of Canada, as the largest and most important life company of the Dominion, should be worthily housed in a building of its own in that great centre. The old Home Life building will soon change its name and become the headquarters of the Sun Life for Western Ontario.

"The Home Life's experience emphasizes the difficulties which now confront a new company in the effort to establish itself in these days of keen competition when the field is already so completely occupied by old, strong and prosperous companies. Even with the best of management a new company cannot hope to accumulate a surplus from the profits of its life business for several, probably many years. The prospects of profits to either policyholders or shareholders in such a newly established office are not as a rule encouraging. We say this sympathetically, for we were once young ourselves, but times have changed and facts are facts."

## COBALT ORE SHIPMENTS.

The following are the shipments of ore, in pounds, from Cobalt station for the week ended December 19th, 1913:

Cobalt Comet Mine, 59,960; Cobalt Lake Mining Company, 125,130; McKinley-Darragh S. M., 257,310; Nipissing Mining Company, 370,740; La Rose Mines, Limited, 166,680; total, 979,820. The total shipments since January 1st are now 39,949,493 pounds or 19,975 tons.

The shipment from New Liskeard for the week ended December 19th was: Casey Cobalt Mines, 55,507.

The shipment from Elk Lake for the week ended December 19th was: Miller Lake O'Brien Mines, 55,200.

In 1904 the camp produced 158 tons, valued at \$316,217; in 1905, 2,144, valued at \$1,437,106; in 1906, 5,835 tons; in 1907, 4,850 tons; in 1908, 29,360 tons; in 1909, 20,941 tons; in 1910, 34,041 tons; in 1911, 25,089 tons; in 1912, 21,509 tons.

## HOW BANKERS SEE WESTERN CONDITIONS

### Municipal Borrowings and Legislation—Powers of Trust Companies—Anticipated Improvements

The report of the Western sub-section of the Canadian Bankers' Association to the parent body states:—

The action taken in December last with the view to the checking of the heavy and increasing expenditures of western municipalities on public works, often entered upon without reference to their bankers and without making any adequate provision for the meeting of the obligations to result therefrom. Resolutions were adopted, recommending that branches carrying municipal accounts should be instructed by their respective head offices or superintendents to come to a definite understanding with their clients that no expenditures for public improvements would be undertaken until the programme had been submitted to them and the necessary financial arrangements made, and, further, that they should take no part in the financing of expenditures for public works in districts outside the reasonable limits of a municipality.

As to the question of the regulation by some central authority of the capital borrowings and expenditures of western municipalities, the western bankers unreservedly endorse the proposal that steps should be taken to constitute a competent tribunal in each province, the function of which would be to pass upon each proposed issue of securities, having regard to the surrounding circumstances, and which would have power to prevent its being offered, if it were not approved by them. Also, the desirability of the enactment of legislation under which municipalities would be enabled to make their assessments for taxes earlier in the year than is now practicable, so that they may be in a position to prepare their estimates of revenue, decide upon their expenditures, and arrange for the meeting of their credit requirements with definite information at hand, instead of upon such indeterminate data as, under present regulations, is now only available to many.

It is believed, too, that advantage would accrue to municipalities if their power to encourage the prompt and to penalize the tardy payment of taxes were considerably enlarged. At present, with some exceptions, they are debarred from allowing a discount of any kind for early settlement, and the only penalty for delinquency now allowed to be imposed, having once been incurred, the debtor cannot be further prejudiced by continued default until a considerable additional time has elapsed.

#### So-called Trust Companies.

Steps have been taken during the past year to ensure the careful watching of proposed legislation in the provinces of Saskatchewan and Alberta and the prompt notification of the requirements of that which becomes effective from time to time, as has been hitherto done in Manitoba.

Another matter discussed was the wide powers granted to the so-called trust companies, which were being formed in such large numbers throughout the west, and which powers were being so largely added to, in some cases, as to include practically any act and the conduct of any business that a company could, under any conceivable circumstances, find it convenient to perform or engage in. Some of the powers given might, in certain eventualities, prove to be seriously inimical to the interests of the general public, as they are already in some degree, to the chartered banks, upon whom are placed restrictions that are not made to apply to these trust companies and private banking firms. This matter was thought by the western bankers to be of more than local importance.

#### Some Anticipated Improvements.

The new powers given by the Bank Act, under which advances may be made to farmers on the security of their threshed grain, will prove to be of advantage, if it tends, as it is expected to do, to the steadying of the market and the easing of the pressure on the railroads, for the low prices and traffic congestion are almost inevitable when it is attempted to sell and forward the whole of a crop during the few weeks intervening between harvest and the close of navigation.

In common with all other communities the west has felt the effects of the world-wide financial stringency. One marked effect of it has been the placing of a decided check upon real estate speculation, which had previously attained to large proportions. In this direction, the scarcity of money has had an influence that is believed to have been entirely beneficial upon the ultimate future interests of the west as a whole.

## INSURANCE ACT IN SASKATCHEWAN.

An insurance act for Saskatchewan is passing the provincial legislature. The licensing of all insurance companies, lodging of deposits, the administration of same, resident agent's clause, issuance of certificates of authority to agents and the requiring of the license fee from underwriters' agencies and the regulation of their policies are outstanding features of the bill. The question of insurance of the person has been left over until next session, the act aiming at the improvement of present conditions. By the terms of this act, Dominion licensees are scarcely affected. Deposits are required from fraternal societies whose head office is outside of Canada. All fraternal must pay a license fee and must be registered in the province.