

## LIFE INSURANCE AND BANK CREDITS

### Notwithstanding War Conditions, Companies Have Sold More New Assurances Than Before

"It is a paradox that all the material prosperity should come with the widespread sorrow and loss which our casualties have entailed," said Mr. H. C. Cox, president of the Canada Life Assurance Company, referring to the progress of the life assurance business in his address at the company's annual meeting, held last week at Toronto.

"It may be this enforced realization of the great law of life and death," he continued, "or it may be the growing financial ability of the community at large, or perhaps a combination of the two, but whatever the cause, it is clear that in the general progress the life assurance companies have had a share, and have, perhaps without exception, sold more new assurances than ever before. It is a matter for congratulation that while almost every other necessity or luxury has for reasons, apparent or obscured, advanced in price, life assurance protection continues to be obtainable at rates which have been in vogue for many years. This feature has earned the appreciation of the public. The utilitarian value of life assurance to the state at large in an ordeal such as we are now undergoing is indicated by its record, for, as nearly as we can estimate, all companies doing business in Canada have during the war paid death losses arising out of it of \$12,000,000, or an average of 20 per cent. of the total claims incurred during the war.

"These important sums have not been met without a strain more or less severe upon some of the companies, but I am glad to be able to say that not one so far has been unable to meet its full obligation, and there is ample ground for the belief that they will continue to do so. It is, however, well to bear in mind the difficulty of sustaining without disturbance a long succession of losses never anticipated, and the possibility of all companies having to fall back upon their contingent reserves, or even having to temporarily reduce the scale of their dividend allotments to the assured."

"Several of the best British and Australian companies have already found it necessary to reduce their bonuses, while others have passed them altogether. An interesting fact in this connection is the practice of one of the prominent German companies, whose policy contains a clause enabling the company to retain a portion of the profit accruing to each policy for the purpose of forming a special reserve against excessive death losses resulting from war. The company appears to have been taking advantage of this provision for some years, and has actually been appropriating the earnings of its members in countries now at war with Germany to assist in the payment of losses upon the soldiers of its own country. Incidentally, we are given one more indication of the long and exhaustive preparation of the German for war."

#### Life Insurance and Bank Credits.

In referring to the relationship of life insurance and bank credits, Mr. Cox said that banking and insurance corporations were coming in closer touch, although the significance of this relationship was only beginning to be understood by the commercial life of the nation. He continued:—

"To-day, not only do many of our banks include in their 'application for credit' forms a specific question as to the amount of life insurance carried, but frequently require the customer to bring that life insurance up to a certain figure, be he firm or individual, as a condition precedent to granting a line of credit. Further than that, we find the customer's answer to this question actually affecting the bank's consideration of the moral side of the claim for accommodation. Of this one prominent banker says:—

"When a man comes to us to borrow, we want to know how much life insurance he carries; not so much because of its bearing on his financial power, but as an indication of his type of mind, for the type of mind that induces a man to insure his life is the type of mind which makes for success in business."

#### Co-operation and Unification.

Mr. Cox, referring to the securing of uniform provincial insurance laws, said:—

"The tendency to co-operation and unification, which now makes its appearance between provinces, has already made considerable progress as between the companies which have their associations of presidents and officers, of actuaries and medical directors, through which the combined experience and knowledge of all are placed at the disposal of each. This interchange is immensely valuable to all who participate in

it, and there is gradually evolving from it a uniformity of viewpoint and method which is making for greater efficiency in the conduct of what is necessarily an intricate and scientific business. The elements of respect and consideration are steadily strengthening between salesmen, who are naturally and unavoidably in active and daily competition, the result being a fairer and clearer presentation of the general merits of life assurance to the prospective purchaser.

"The widespread condition which is responsible for the rapid extension of the influence of women in financial and manufacturing activities has also brought them into more intimate relation to life assurance, and they are giving very material and valuable aid not only in office positions, but also in the selling department. Their larger entry into business affairs has brought with it an enhanced earning power, and in many instances an added responsibility, with an awakening to the possibility of providing, through life assurance, while they are still in receipt of good incomes, some measure of competency for their own future or for those with whose support they may be charged. The result is an important increment in the number and amount of policies being sold to women, with a more receptive attitude on the part of the companies, who have hitherto been unduly severe in their limitations regarding female risks."

#### War and Mortality Experience.

"For many years," said Mr. Cox, "most companies have had an exceptionally favorable mortality experience, but we must all, I think, look for a modification of this as a result of the great upheaval, not only through the actual deaths in battle, but through the impaired health and shortened lives of many assured, who have returned or will return to civil life, and through the abnormal and mental strain placed upon those who have been left at home."

## PUBLICATIONS RECEIVED

**Insurance.**—Annual report of insurance companies for 1916. Issued by the Insurance Branch, Treasury Department, of Quebec province.

**Agriculture.**—An interesting report, issued by the Department of Agriculture of Manitoba, dealing with the situation of the crops, live stock and all other produce has been issued by the department.

**Northern Manitoba.**—An interesting booklet, published and issued by J. A. Campbell, commissioner, by authority of the province. It contains information regarding the development of mining, agriculture and waters, and the production of timber, pulpwood, fish and furs of this territory.

**French Canada.**—"Meeting the French-Canadian Half-Way." A talk given before the Montreal Publicity Association, October 12th, 1917, and before the Toronto Ad-Club, November 27th, 1917, by C. E. A. Holmes, B.A., editor of "Publicity." Third edition. Price, 10 cents. Canadian Advertising Agency, Limited, publishers, Unity Building, Montreal.

**Mining.**—The eleventh annual summary of Mining Statistics has just been issued by Messrs. Heron and Company, members of the Toronto Stock Exchange. The useful data in connection with all mining companies, the shares of which were traded in on the Toronto market during 1917 have been prepared with great care and accuracy. This summary is a valuable compilation.

**London, Ont.**—A resume of the past two or three years' work of the London (Ont.) board of trade is contained in an excellent little booklet just issued. No report has been published by the board during this period, and by including the activities of a few years, a better perspective is given by which to judge their value to the community. For obvious reasons the report has been condensed as much as possible. It is published for the information and criticism of all members, and also to be placed in the hands of prospective members, thus assisting the membership committee in its work. Mr. Gordon Philip, the capable secretary of the board, says in the introduction: "The board of trade can show no annual statement of increased sales, profits or dividends. Its standard of efficiency is the service it renders to its members, to the city of London, to the surrounding district, the Dominion and the Empire. Members and non-members are urged to peruse the following pages and to consider the advisability of giving personal thought and diligent effort to help the work of the board of trade in the future. Constructive criticism and personal co-operation are asked."

Issued by the London (Ont.) Board of Trade. Gordon Philip, secretary.