

THIRTY-SEVEN YEARS' LOSSES.

The fire losses in the United States and Canada during the past thirty-seven years reach the gigantic sum of \$5,631,389,675, or an annual average of \$152,199,721. The following table, giving the losses by years during the past thirty-seven years, discloses the steady general upward tendency of the fire waste. It will be noted that since 1906, the year of the San Francisco conflagration, the annual fire loss has continued well above two hundred million dollars:

1913.	\$224,723,350	1894.	\$128,246,400
1912.	225,320,900	1893.	156,445,875
1911.	234,337,250	1892.	151,516,000
1910.	234,470,650	1891.	143,764,000
1909.	203,649,200	1890.	108,993,700
1908.	238,562,250	1889.	123,046,800
1907.	215,671,250	1888.	110,885,600
1906.	159,710,000	1887.	120,283,000
1905.	175,193,800	1886.	104,924,700
1904.	252,554,050	1885.	102,818,700
1903.	156,195,700	1884.	110,008,600
1902.	149,260,850	1883.	110,149,000
1901.	164,347,450	1882.	84,505,000
1900.	163,362,250	1881.	81,280,000
1899.	136,773,200	1880.	74,643,400
1898.	119,650,500	1879.	77,703,700
1897.	110,319,650	1878.	64,315,900
1896.	115,655,500	1877.	68,265,800
1895.	129,835,700		

Total for 37 years. \$5,631,389,675

A carefully compiled record of the fires credited with causing a property loss of \$10,000 or over in each instance shows that there were no less than 3,590 such fires during 1913. This compares with 3,640 fires in 1912 and 3,410 in 1911.

LONGEVITY OF ANNUITANTS.

In the course of a lengthy article on annuities, a writer in the London *Times* remarks—"Why annuitants should be an especially long-lived class cannot be precisely explained; but the fact has been clearly established. It has been shown unmistakably in the experience of the largest English office, which transacts a very considerable annuity business with the very poor classes. Freedom from worry is the common explanation. And there is good reason to believe that the tables now in use by the offices underestimate the span of life. It had long been suspected that the tables employed in the past by the Government under-rated the vitality, and the impression was confirmed last year by the issue of a report by the actuary to the National Debt Office. New tables have been prepared which show an average increase in the cost of annuities for males of 2.2 per cent., and for females of as much as 4.5 per cent., at the ages at which annuities are usually purchased—i.e., from fifty to seventy-five. The British offices are still using old tables because they reason that the under-estimation of longevity may be off-set by the rise in the rate of interest. It is highly probable that when the rate falls they will resort to the new Government tables, giving less favourable terms to annuitants. Possibly the knowledge that the present tables are more favourable to purchasers than those which will be used later is not unconnected with the present demand for annuities."

From the Railway Passengers' Assurance Company, we have to acknowledge with thanks the receipt of a desk calendar.

ULTIMATE EFFECT OF RIGHT TO LIFE POLICY LOANS.

(Arthur E. Childs, President Columbian National Life of Boston.)

Where will the unrestricted right to borrow on policies lead us? What must we do to avoid being led into an undesirable position? The percentages which policy loans and premium notes bear to total reserves as reported by various companies in the *Insurance Year Book* for the years 1888 to 1912, inclusive, show an increase from 3.32 per cent. to 16.03 per cent. This rapid increase is the cause of the increasing apprehension shown by insurance companies during the last few years. The indications are that the figures for 1913 will approach at least 18 per cent. Apology, therefore, is hardly needed for again taking up a subject about which so much has been written. While it would be interesting to speculate just how many years it would take, under the present conditions, for the percentage of loans to reserves to reach exceedingly undue proportions, yet the present rate of increase indicates the necessity of changing these conditions at once, and to this end we should turn our attention.

DEVELOPMENT OF POLICY LOAN.

As far back as 1845 the participating companies accepted one-half the premium on their policies in cash and took the insured's note for the remainder. This note was a lien against the policy. The companies expected that the dividends declared each year upon these policies would be sufficient to take care of these notes and, therefore, did not require the insured to meet these notes at a definite time. These dividends failed to meet the entire amount of the notes, and so the balance was charged against each contract. In 1847 a system was started of consolidating the balance of these notes into one loan, which was made against the reserve on the policy.

The next development took place about 1880, when one of the leading companies notified its agents that it would make loans on such contracts as could be properly assigned to the company. Four years later this company sent out what it called its "Perfected Policy," in which guaranteed loan values were granted up to 50 per cent. of the reserve. From this time on, until the Armstrong Laws required that the loan privilege be placed in each contract, we have had a rapid development of this privilege. Companies, in their struggle for size and in their desire to issue policies that could be readily sold by the agents, became more and more liberal in their offers, and even went so far as to instruct their agents to use these liberal policy conditions as the principal talking-points in their efforts to sell insurance.

CHANGE IN PUBLIC ATTITUDE.

The attitude of the insuring public in regard to the insurance business was materially changed as a result of this method of campaigning. The institution, of life insurance had been looked upon as a sacred institution, teaching man the necessity of providing for his family and his own old age. The insurance contract had been considered as a tri-lateral contract between the insurance company, the insured, and the beneficiary named in the contract, with the rights accruing thereunder vested solely and absolutely in the beneficiary, while the reserve funds accumulated