

GAMBLING VERSUS INVESTING.

Savings banks are by no means the only reliable and profitable depositories for the people's earnings. They are all right so far as they go, but there is another place for one's earnings, which is not only just as safe as the savings bank, but from which in the event of death, a much larger benefit is realized by those who depend upon the deceased wage earner. Thrift not only means the putting aside one's surplus earnings during a given period, but for a generation.

It is an excellent idea always to look at things from a cheerful point of view, but on the other hand it would be very foolish not to look ahead and be prepared for adversity, especially when it is possible to do so without any undue hardship and with an absolute certainty that the money so saved must be returned either at maturity or sooner. Thrift, combined with this protection, cannot possibly be obtained in any other conceivable way. It is just as easy for one in the poorest circumstances to save a nickle daily as it is for others in better positions to save proportionately larger amounts. And there are not only hundreds who are under-insured to-day, but also who have not the faintest idea what kind of policy they are carrying; they only know what their annual premiums amount to.

There are, of course, exceptions to every rule. A small percentage have taken the trouble not only to understand their policies, but also to increase their protection as their incomes or responsibilities have likewise increased. These men have thoroughly understood that "thrift" means economy. They have not plunged into life insurance up to their ears, but have always added to their insurance as opportunities occurred.

TO ELIMINATE BUSINESS TROUBLES.

In these days of war contracts and so on, there are many large and small establishments working full time, which prior to the war were almost idle. The managers of the different departments are experts in their particular line and are therefore assets to the company for whom they are working. No doubt if anything happened to them the company could with some difficulty, make good their loss by obtaining the services of other men, but in the meantime they are bound to lose a certain amount, and they may be unfortunate enough not to be in a position to acquire the services of a man suitable to themselves. The consequences may be detrimental to the orders they have in hand, for probably such orders have to pass the required test, and if they are not up to the standard, they will be turned down.

A life policy will eliminate these troubles. It cannot replace the services of the man who has gone on his long journey, but it can provide cash which will go toward meeting financial loss, or additional expense consequent on the loss incurred. In these days when rush orders are being placed and on such a large scale, no company can afford to take chances.

Then there is the individual whose business may not be so bright as it was before hostilities commenced; he is rather tempted to plunge into the stock market, for in times like these prices fluctuate considerably and if fickle fortune favors you it is quite possible to get in and out of the market at the right moment—but then if you do, you will

probably not invest what you have been fortunate enough to make—you will take another plunge when fortune may not favor you as it did the first time. There are few who make good in the stock market. These men who approach the stock exchange are always postponing increasing their insurance on the grounds that they cannot afford it, or that they are carrying all they require. If they can afford to part with any margin, they can afford another policy.—*American Exchange and Review.*

BRITISH INCOME TAX AND INSURANCE.

Some further tightening up of the regulations regarding the deductions of the amount paid in insurance premiums, in the making of assessments under British income tax law are notified. Last year the limit was reduced from one-sixth of the total income to (1) one-sixth of the taxable income, while (2) the premiums in respect of which a rebate was allowed were permitted not to exceed (a) seven per cent. of the actual capital sum assured if the policy secures a capital sum on death (whether in conjunction with any other benefit or not), or (b) £100 in all if premiums are payable to secure any other benefit.

The relief from taxation has now been further limited as follows:—to premiums on life policies or endowment policies maturing at 60 years of age, and on which not less than 20 annual payments are made, and on deferred annuities which mature at the age of 60 after 20 annual payments. In respect of contracts for deferred annuities already entered into, 25 per cent. of the income tax deducted on the premiums will be recoverable by the Exchequer.

Mr. McKenna, the British Chancellor of the Exchequer, in explanation of this proposal, said it was perfectly practicable to obtain from reputable insurance offices a security paying 7 1/2 per cent. at the expense of the income tax. He did not propose to interfere with *bona fide* investments made in the past, but in the future a limit would be placed upon the right to obtain a reduction of tax in respect of premiums of this kind. There is considerable criticism of the new proposals as being inimical to thrift.

EFFECT OF WAR PRICES ON CO-INSURANCE.

It is possible that many fire insurance agents are overlooking an opportunity to add considerably to the volume of business upon their books. As a result of the war now in progress the value of building material has increase so greatly that the cost of rebuilding or repairing buildings that have been damaged by fire is materially increased. That this is true there can be no doubt. It has also raised the question in many instances whether or not property owners who were carrying sufficient insurance under their co-insurance clauses before the sky-rocketing of prices are now not actually carrying some of the risk themselves as co-insurers, in accordance with the terms of the co-insurance clause.—*Rough Notes.*

It is stated that British insurance companies write over 44 per cent. of their entire business in the United States—presumably excluding life business.