

### POINTS AGAINST LIFE INSURANCE TAXATION.

A number of interesting and telling points in the campaign against unfair taxation of the life insurance companies by the provinces were made by Col. W. C. Macdonald, managing director of the Confederation Life Association, in an address recently delivered to the Toronto Life Underwriters. He pointed out that the heaviest life insurance taxes are operative in the United States, where they average 17-8 per cent. of the total premiums of the companies. The British law of taxation was the fairest and he could not understand why Ontario, in 1899, had copied the unjust taxation laws of the United States instead of the fair ones of Great Britain—an example which had since been followed throughout Canada.

Speaking particularly of the Ontario legislation, Colonel Macdonald said that in the first place it was unscientific. "It is determined with no regard either to the service rendered or the ability of the party upon whom the tax is imposed to pay." Life insurance companies do not enjoy any special privileges from the state, such as many other corporations do, in return for which this taxation is imposed. The proper measure for the taxation was the amount the company had in hand after its obligations had been discharged. The life insurance company could not change its contract with policyholders at the end of one year or of three years. The companies were paying taxes now on life insurance contracts made thirty or forty years ago.

Speaking of the tax exemption made in favor of the fraternal societies writing insurance, the Ontario provincial treasurer's argument was that the class of people insured by fraternal were less able to pay than the classes insured by the straight life companies. Colonel Macdonald was willing to admit this point to a certain degree, but what about industrial insurance, where the premiums averaged 5 cents a week and upwards? That class of policyholder in turn was on a lower scale socially and economically, possibly, than those insured by the fraternal, but they were subject to the 13 1/4 per cent. tax.

The remedy, said Colonel Macdonald, was to place the facts fairly and squarely before the people. The field men of the insurance companies should bring the matter before the legislators for their respective districts, and they should tell the policyholders about the tax.

### LONDON AND LANCASHIRE FIRE.

The annual statement of the United States branch of the London and Lancashire Fire Insurance Company, Ltd., of Liverpool shows total assets held there of \$4,864,379. The reserve for unearned premiums amounts to \$2,791,095 and for losses in process of adjustment and all other liabilities \$288,382, leaving a net surplus of \$1,784,990. The operations of the London and Lancashire in the United States during 1914 were very satisfactory in view of the generally unsatisfactory conditions prevailing. Its net premiums written were \$2,652,957. The losses incurred were \$1,434,245, or 54.06 p.c. and the expenses \$1,051,410, or 39.63 p.c., leaving a trade profit of \$167,302, or 6.31 per cent. As the reserve decreased \$8,163, the underwriting profit was \$175,465, or 6.61 per cent.

### PAYING TOO DEARLY FOR NEW BUSINESS.

It is reported that in the United States last year twelve life insurance companies retired from the field, eleven re-insuring their business and the other forming part of a merger. The capital stock involved in these retirements together with the surplus paid was upwards of three million dollars.

While in Canada last year the life insurance companies were fortunate in being able to avoid enforced retirements, the United States figures convey a lesson which some of the Canadian companies may well profit by. The fact is that some of the young companies in the Dominion are paying too dearly for their new business, and if they wish to get through the next few years of hard times with any credit to themselves they must practise a wise economy in this direction to the extent of being content with writing a good deal less gross new business than their ambitions have hitherto led them to aim at.

Policy-holders in these days are looking for results, and only those companies which are wise in their expenditure will be able to give those results which the policy-holder to an increasing extent will expect as of right. Extravagant commissions on a brokerage basis for the writing of business, a large proportion of which promptly lapses, are merely wasteful, and this kind of thing must give way to careful and intelligent expenditure in exchange for good service rendered if the next few years are to be got through satisfactorily. Intelligent expenditure would not be a bad slogan for a life company.

### BRITISH LIFE OFFICES AND WAR RISKS.

There are some who think the time is ripe for an arrangement to be made between the Government and the life offices which will enable uninsured soldiers and sailors going on foreign service to take out policies for limited amounts at reasonable rates. It is recognized that the offices have done all they can in the matter, and, while they sympathise with those members of the army and navy who wish to provide for their families by taking out new policies, they are obliged in the interests of their policyholders, as a whole, to fix such rates as they deem to be required in the circumstances. It is believed, however, that the Life Offices' Association have had under discussion the question of approaching the Government with a view to coming to some arrangement, and that the idea was not received with favour.—*Policyholder.*

### WHAT ABOUT CONFLAGRATIONS?

A Hamilton, Ont. news item says:—"The Property Committee this evening appointed a sub-committee to confer with the Board of Education as to a municipal insurance project, to carry insurance on all city buildings, including schools."

Will the committee remember the conflagration hazard? If they don't, they are looking for trouble.