similar British undertakings more. Lord Northcliffe's example in Newfoundland could advantageously be followed by British capitalists in Canada, along various lines.

Interesting in this connection was the report from the West the other day that representatives of one of the largest departmental stores in London were spying out the land with a view to an occupancy of leading western cities. Whether or not the rumour has any foundation in fact, it is a variation from the recurrent reports of American syndicates' designs upon the country's distributing trade.

## GAIN AND LOSS EXHIBITS FOR 1908.

Requirement of a "gain and loss exhibit" from life companies is a feature of the Dominion Insurance Bill which rested half way through its parliamentary course last session. The requirement is one that aims at adequate publicity of company accounts and of company management—and the Banking and Commerce Committee were wise in recognizing the fact that the retaining of such publicity provisions in the bill did away with any necessity for arbitrary restriction of management.

In 1906 the National Convention of Insurance Commissioners made the gain and loss exhibit a part of the uniform blank that companies doing business in the United States are required to report upon to the various state departments. The Spectator, of New York, has for fourteen years back, annually summarized the results of the companies' exhibits, and in a recent issue it gives extensive tabulations covering the exhibits of sixty (including six industrial) companies as filed for the year 1908, followed by the percentages of the four principal items of profit during the ten years, 1899-1908, inclusive. In arriving at the ratios the various debit and credit items are brought together so as to facilitate comparison, and the percentage is stated. The net gains and losses in each item follow, the totals of which make up the realized gains from insurance sources proper. Next come the changes in market values, which, added or deducted from the insurance gains, make up the apparent surplus earnings for the year. The distribution of the surplus earned is next presented, a part of it going to policyholders in dividends or other credits, a part to stockholders as dividends on the capital, and the remainder to surplus.

### GAIN AND LOSS EXHIBIT FOR 1908.

| Name of Company. | Totals 54 Ordinary Companies | Totals 6 Industrial Companies. |
|---|---|---|
| Visible Surplus Beginning of Year | $96,363,323 | $ 30,078,766 |
| Loading Earned on Premiums and Annuities | 82,298,589 | 52,743,186 |
| Insurance Expenses Incurred | 64,728,112 | 42,795,969 |
| Percentage of Insurance Expenses to Loading | 78.65 | 81.14 |
| Net Invest. Earnings, inclg. Int. & Loss, less Investment Expenses (a) | 121,836,740 | 18,851,875 |
| Interest Required to Maintain Reserve (b) | 87,189,212 | 14,153,776 |
| Percentage of (a) to (b) | 139.74 | 133.19 |
| Expected Mortality Cost | 113,099,936 | 34,156,476 |
| Actual Net Mortality | 83,097,590 | 32,292,098 |
| Percentage of Actual to Expected Mortality | 73.48 | 94.54 |
| Reserves Released by Surrender and Lapse | 89,996,877 | 14,119,623 |
| Surrender and Lapse Values Allowed | 80,096,531 | 7,213,753 |
| Per cent. of Reserves returned on Surr. and Lapses | 89.00 | 51.09 |
| Credits from other Items | 295,205 | 81,160 |
| Debits to other Items | 741,776 | 93,654 |
| Source of Net Gains or Losses— | | |
| Gain or Loss from Loading | 17,570,477 | 9,947,217 |
| Gain or Loss from Mortality | 30,002,346 | 1,864,378 |
| Gain or Loss from surrendered and Lapsed Policies | 9,900,346 | 6,905,870 |
| Gain or Loss from Surplus Intrst. | 34,647,528 | 4,698,099 |
| Gain or Loss from Other Sources | —446,571 | —12,494 |
| Total Realized Gain | 91,884,126 | 23,403,070 |
| Gains or losses on Investments | 78,964,786 | 10,922,692 |
| Surplus Earned During the Year | 170,848,912 | 34,325,762 |
| Dividends Applied During the Year | 53,430,395 | 18,324,121 |
| Special Funds | 70,231,019 | 2,432,642 |
| Dividends to Stockholders | 1,331,435 | 350,000 |
| Increase or Decrease in Surplus | 45,856,063 | 13,218,999 |
| Divisible Surplus at End of Year. | 142,219,386 | 43,297,765 |

Taking up the fifty-four ordinary companies and considering the items in their order, it appears that the expenses chargeable against the loadings slightly increased last year, as compared with 1907. This, as The Spectator points out, was doubtless due to a larger volume of new business being written, and further indicates that the economies enforced by recent legislation have reached their minimum effect. It can be expected that hereafter the percentage will not vary much from the figures of 1908, although quite a number of companies have still an opportunity to effect economies. In the showing of interest earnings as compared with requirements there appears a further increase, the percentage of 1908 being 3.38 higher than in 1907. The actual mortality experience, as compared with the expected, was particularly favourable, being lower than in the preceding year, and was only surpassed in one year out of

### AVERAGE PERCENTAGES OF GAIN AND LOSS EXHIBIT FOR TEN YEARS.

(FIFTY-FOUR ORDINARY LIFE COMPANIES TRANSACTING BUSINESS IN UNITED STATES)

| | 1899 | 1900 | 1901 | 1902 | 1903 | 1904 | 1905 | 1906 | 1907 | 1908 |
|---|---|---|---|---|---|---|---|---|---|---|
| Insurance Expense to Loading | 102.62 | 98.22 | 98.88 | 101.87 | 103.39 | 102.25 | 100.54 | 87.21 | 77.81 | 78.65 |
| Interest Earned to Interest Required | 142.57 | 139.19 | 139.12 | 120.22 | *121.19 | *125.24 | *127.73 | *131.23 | *136.36 | *139.74 |
| Actual to Expected Mortality | 82.86 | 76.64 | 78.46 | 75.40 | 77.08 | 77.88 | 76.33 | 71.22 | 75.76 | 73.48 |
| Reserves returned as Surrenders | 79.92 | 78.58 | 77.80 | 79.05 | 78.28 | 80.18 | 80.96 | 80.75 | 84.82 | 89.00 |

* Exclusive of increase or decrease in market value.