

THE NATIONAL IMPORTANCE OF LIFE INSURANCE.

(J. F. Weston, managing director Imperial Life of Canada).

It is an astonishing fact in these days of frequent consideration of the relative importance of institutions to the State, the question is so often seriously asked by tribunals, "Is life insurance of real national importance?" It would seem that we who are constantly engaged in the business had become so familiar with the affirmative evidence on this question that we had come to consider the fact of its national importance so completely obvious that it did not require to be urged. It is apparent, though, that we must state and re-state the case many times and in high places before life insurance receives in Canada the national recognition and support it has had in England and other European countries. We do not expect, or ask, such consideration at the present time, but simply that we be left free of any additional imposts in the way of increased taxes, which would add anything to the burden which our policyholders are now carrying in the heavier mortality which we are experiencing as a result of the war. In the companies licensed to do business in Canada, the war claims on Canadian business increased from \$1,957,000 in 1915 to \$4,961,000 in 1916. The total death claims of the same companies in 1915 amounted to \$13,481,000 and in 1916 to \$17,396,000, so the war claims in 1915 were 14% of the total and in 1916 they amounted to 26%. It certainly is in the national interest that so considerable an amount should have been paid to the beneficiaries of those who have fallen in the national cause.

WAR CLAIMS AND PROFITS.

The companies have borne this increased mortality without any effect upon their solvency. They continue the strongest of our financial institutions, with unimpaired ability to discharge their full liabilities to their policyholders, and to extend the beneficent protection which they afford to meet the growing demand for it amongst the Canadian people. These war claims, however, do affect the amount of profits, which otherwise would be paid to policyholders. This sacrifice on their part must continue to be very considerable while the war lasts, and should be considered, so far as it relates to their insurance, as their full and reasonable contribution to its cost.

In this connection we should acknowledge the wisdom and justice of the Minister of Finance in exempting life insurance from the Federal tax, which, if it had been imposed, would have borne unduly on a class which is already paying more than other classes.

SOLVENCY AND SAFETY.

The amount of war risks now carried by the companies is such as they can safely assume without any risk to their solvency. Life insurance companies in all the belligerent countries have furnished a splendid example of the solvency and safety of the institution of old line legal reserve insurance. Under the present unexpected and trying conditions, none have failed to meet their obligations. Considering the heavy strain to which European companies have been subjected by comparison with any demands which can be made on Canadian companies, we have no ground for the slightest

apprehension as to our ability to meet any exigencies which may arise as a result of the war.

Life insurance has become so general that it now constitutes the chief asset in a vast majority of estates left by the Canadian people. In addition to its being the great stabilizer of business and social life, which it has become in normal times, it has demonstrated its great importance to the nation under the emergency caused by the disintegrating influence of the war.

HAIL INSURANCE IN ALBERTA.

The United Farmers of Alberta, at their recent Calgary convention, approved a new municipal co-operative hail insurance scheme in which the income shall be derived from the crop area only, the rate of levy for income shall be made by the hail insurance board of a sufficient rate per acre to pay the indemnity, the administration expenses, and to create a surplus of not less than 10 per cent., and not more than 20 per cent. of the indemnity of that year, provided that when the surplus shall have totalled eight per cent. of the amount of insurance in force the levy for this purpose shall cease until such time as the surplus shall again be below eight per cent.

A resolution was also passed requesting the provincial government to require by law that all hail adjustments in Alberta be handled by a central licensed adjustment bureau, consisting of adjusters licensed as competent under government examination, with a view to securing uniformity and maximum efficiency at minimum cost.

GREAT-WEST LIFE RESULTS.

The Great-West Life reports vigorous forward strides during 1917. New business issued totalled \$30,309,542, an increase of \$4,734,169 upon the new business of the previous year. The assurance in force was brought up to \$152,643,165, the year's advance being \$19,626,717, a gain of over \$6,000,000 in comparison with the previous year. Income showed the substantial increase of \$843,279 to \$6,437,320, and assets were enlarged by \$2,683,096 to \$24,385,666. These results were secured coincidentally with a reduction in the expense ratio. The balance sheet shows, in surplus, capital and special funds, the sum of \$4,493,611 in addition to the actuarial reserves. The mortality for 1917, including war losses of \$457,082, was 74 per cent. of the expectation. The Great-West Life has, undoubtedly, benefited from the development of prosperity in the prairie provinces, where as a western organisation, it is naturally firmly entrenched. But it is also strongly established in the East. Mr. C. A. Butler, provincial manager at Montreal, reports business written in 1917 of some \$7,000,000, and 27 club members on his staff who have written \$100,000 and upwards, including several who have respectively gone over the \$250,000 and \$500,000 mark.

A Government bill introduced into the Quebec legislature makes it clear that beneficiaries under insurance policies must pay succession duties on the proceeds of such policies. Each beneficiary will be personally liable for the duties due in respect of his share in the succession and for no more.