

SIMPLICITY IN LIFE POLICIES.

To the Editor of the Chronicle.

Si.—There has been, for a long time past, a question that I have wished to put, had I an opportunity to present it, through a representative insurance journal, to the intelligent class of readers I would reach through such a medium.

My query is this:—Am I justified in feeling a certain hesitancy when called upon to applaud every new departure in our business? My doubt is based upon a feeling in the back of my head that perhaps we Life Insurance men have been and are too prone to "gild refined gold and paint the lily." In other words, are we not drifting too far away from the fundamental principle of Life Insurance, namely: that the Companies shall furnish an article which is *sui generis*—something that no other institution in the world can furnish? Is there not danger in the multiplicity of investment schemes, loans on policies, non-forfeiture provisions and a hundred and one other adventitious aids to beauty with which we have adorned (?) our erstwhile simply-clad Goddess, that we are tending to ignore and belittle the vital and fundamental principle upon which she stands?

Protection for the family in the event of the death of the Insured was the reason why Life Insurance came into being, and it must ever remain the real and true and substantial reason for that great institution. I am not decrying the benefits of endowment policies nor despising the many excellent provisions made for sensible distribution of the proceeds of the policy when it becomes a claim; but I am seriously wondering whether we in the office and in the field, who should be high priests in the temple of Insurance Truth, are not obscuring the solemnity and beauty of our service in the heedless scattering of too much incense and the heaping up of too many meretricious ornaments around the Altar. The old saying that "good wine needs no bush" seems singularly out of date in regard to the Life Insurance contract. What can be simpler or better, or more satisfactory to the average man, than a promise to pay so much money to his family when he dies, provided he makes a moderate payment each year while he lives? In these days when Companies are anxious to offer attractions that their competitors do not, and when they are even forced by State legislatures to keep on heaping benefit upon benefit and advantage upon advantage, is not there danger that the real, old-fashioned Life Insurance policy will be smothered to death by a vast heap of flummery? Is it not also a solemn truth that were the policy denuded of a great many modern frills and furbelows, the Companies could give much more insurance protection without increasing the premium?

A man may secure investments in a great many directions, but he can only secure Life Insurance from a Life Insurance Company.

Yours truly,

J. L. KENWAY.

July 27th, 1915.

[We certainly agree with our esteemed correspondent's views as to the necessity of emphasis that the primary principle of life insurance is protection. Moreover, we believe that in present Canadian circumstances, greater emphasis placed upon this

point would have a remarkably good effect. It may be fairly surmised that under present conditions of commercial investment and speculative depression there are many business men who would be quick to see the advantage and necessity of additional protection for their dependents, secured by a simple contract that gives them just what they require in this connection and nothing else.—Ed.]

PAPER MILLS AS INSURANCE RISKS.

As insurance risks it will be generally admitted that pulp and paper mills have proved by experience to be one of the least profitable of all classes, said Mr. J. Grove Smith, of the C. F. U. A., in the course of a recent exhaustive lecture on the paper industry before the Insurance Institute of Toronto. While fire losses are reasonably expected and provided for, and may with adequate rates and a streak of luck be even providential, when repeated with unseemly frequency and ambitious disregard in the matter of size, insurance companies were well advised to assume a measure of diffidence towards the class exhibiting such tendencies. Paper mills with all due respect to their simple processes, have had and still have, one predominating weakness as insurance risks. Excessive areas and congested values, exposed as in no other industry to loss by a single fire, is the key to the whole situation.

Looking over the newspaper records of the past five years, Mr. Smith finds that no less than twenty-seven fires in American and Canadian paper mills have entailed in each case a loss of well over one hundred thousand dollars. That record is not exceeded by any single class outside of cotton mills upon this continent. The true significance of the situation does not lie in the fact that paper manufacture is more hazardous than other industries. Far otherwise, it suggests that the inherent fault is to be found in construction; that absence of cut-off walls, fire-doors, segregation of dangerous conditions, and a more general distribution of values, has provided a rich harvest for the destructive flames.

Mr. Smith pointed out that paper manufacture is apparently destined to be of enormous industrial importance to Canada, with an increasing influx of capital into it, and that it is therefore to the interest of Canadian insurance men to prepare themselves for the handling of additional risks of this character.

A HARDER LIFE IN GREAT BRITAIN.

Whatever may happen now, this war means that for the rest of our lives we shall never again find the old conditions recur. Life is going to be harder for us all, and for many it may even assume a new and unknown squalor. We have not really felt the pinch yet, but it is coming, and it will come to stay. . . . If our people could grasp these truths, and could also refuse to be misled by the present abundance of money throughout the country, they would begin at once to practice that rigid thrift which in greater or less degree must henceforward be the lot of all. They would waste no more money on luxuries, but would enforce upon themselves that stern self-denial which is now almost universal in France.—London Times.