

## TOTALS, BRITISH OFFICES FROM ENTRANCE TO THE UNITED STATES TO 1893, INCLUSIVE.

Entered United States.	U. S. Branches.	Premiums Received.	Losses Paid.	Loss Ratio.
1890	Atlas.....	\$1,020,513	\$ 503,888	49.4
1890	Caledonian....	4,500,737	2,433,780	54.0
1871	Commercial Union..	36,184,944	25,335,725	70.0
1872	Guardian.....	12,166,214	6,527,151	53.6
1868	Imperial.....	21,044,987	13,986,122	66.4
1872	Lancashire.....	25,372,113	16,647,320	65.6
1880	Lion Fire.....	5,717,746	3,537,322	61.8
1850	Liv. & Lond. & Globe	98,909,704	59,893,504	60.5
1879	Lond. & Lancashire..	19,189,145	11,702,759	60.9
1872	London Assurance..	14,981,789	9,055,566	60.4
1890	Manchester.....	5,121,694	2,663,602	52.0
1866	North British & Merc.	42,052,771	26,934,151	64.0
1876	Northern.....	13,726,723	8,727,660	63.5
1879	Norwich Union.....	13,277,289	7,816,289	58.8
1882	*Palatine.....	14,404,515	9,017,883	62.6
1879	Phoenix of London..	19,368,659	12,263,939	63.3
1851	Royal.....	53,443,568	30,762,630	57.5
1880	Scottish Union.....	7,255,711	4,068,883	56.0
1882	Sun Insurance Office.	15,757,100	10,234,659	64.9
1891	Union Assurance.....	907,386	346,976	38.2
	Totals.....	\$424,403,308	\$262,459,809	61.8

\* Includes the United Fire Re-insurance business.

The conclusion of the whole matter as regards the work of the British offices, either in the United States or Canada, seems, in the light of recorded experience, to be that they are not quite yet ready to pronounce underwriting a failure. If we add 33 per cent. of the premiums for expenses to the losses above given—a high expense ratio for the earlier years of the companies in the United States—we still have a margin left of over five per cent. The solution of the whole fire underwriting question as regards profit or loss depends upon an adequate rate and economic management, and of late there are welcome indications that in both these respects improvement is at hand all along the line.

## THE SUN LIFE'S NON-FORFEITURE REGULATION.

Whilst the modern active and aggressive methods of companies have had much to do with the growth of life assurance of recent years, probably the most potent factor which has contributed to the public's appreciation of its benefits has been, the liberalizing of the policy contract to meet the needs of assurers. One by one the old harassing restrictions have been removed, and so-called "unconditional" and "indisputable" policies are as much the rule now as they were once the exception. What was at one time regarded as an isolated experiment in this direction here and there has now become a recognized practice, the wisdom of which has been amply proved by experience. In this the companies have simply aimed at granting what was and still is needed, viz., "assurance which does assure," and any step to that end has been and always will be a welcome boon to the assuring public as well as a valuable aid to the offices themselves.

We have not to look back many years to a time when it was to the ordinary layman somewhat of a difficulty to know when he had *not* vitiated his policy; and it is not very long ago since it was first recognized in practice that a policyholder was entitled to a surrender value. Even now there are some companies which do

not fully allow the assured's right to his equitable interest under certain circumstances—a fact which will be regarded in the near future with as much wonder as the obsolete methods of past years are now. In this connection we look upon the automatic non-forfeiture regulation recently adopted by the Sun Life as a "step forward" in the development of liberal features. Although really only an extension of the Company's present practice of granting loans to pay premiums, it is, in effect, of the nature of an important reform in the Company's practice. One of the great blots in the history of life assurance, especially on this continent, has been the deplorable amount of "waste" business caused through default in the payment of premiums. Whilst much of this has been due to the "forcing" methods of the times, still a large portion of the lapses occur owing to neglect, or necessity on the part of policyholders, who, with every desire to maintain their assurances in force, either omit to pay the premium when it becomes due or find themselves at some time or other unable to do so. This is a very real contingency which has often been urged as an objection against life assurance. It has been met to some extent by some companies granting paid-up policies without application in substitution of existing assurances on which premiums have fallen into default, but this necessitates the sacrifice of an old policy with acquired privileges and a considerable reduction in the sum assured. The non-forfeiture law of Massachusetts meets the case more fully, but in the opinion of some it is defective in that it is open to two objections, viz., (1) that it merely provides for the substitution of a term assurance in case of default, and (2) that the original contract becomes terminated and a new one substituted. The Sun Life's regulation is intended to remove these objections. Briefly, it provides that in case of non-payment of premium after a policy has endured for two years, the assurance shall remain in full force as long as the reserve at the time of default, after deducting all (if any) indebtedness, is sufficient to cover arrears of premium, the Company practically advancing loans for the premiums without application. The advantages of such a system are that (1) the full original benefits of the policy are maintained, and (2) the assured may pay off the whole or any part of the arrears at any time whilst the clause is operative without a medical or other revival certificate—profits will continue to accrue the same as if the premiums had been paid, and when allotted will be applied to reduce or wipe out the arrears. In fact, all the conditions in connection with the regulation are of a liberal character. It might be supposed that the clause would tend to laxity in the payment of premiums; on the other hand, however, it may be assumed that the assured will appreciate his policy all the more highly because of the additional privilege. The clause affords policyholders every facility for maintaining them in force, advantage of which will doubtless be taken by many who otherwise would be compelled to sacrifice them. The Sun Life has earned a reputation for progressiveness; and the adoption of this new regulation shows that it is determined upon sustaining it.