

LIFE INSURANCE IN NEW YORK STATE

Canadian Companies Are Interested—Increases in Industrial and Ordinary Business

An aggressive campaign to secure a share of life insurance in other countries is participated in by no less than ten Canadian companies. Several of these companies write business in the New York State. Statistics as compiled by the insurance department of this state show that the assets of the New York and other states companies at the end of 1912 were \$4,173,953,579, an increase over the previous year of \$231,809,222, of this increase \$110,880,453 being in New York State companies. The liabilities of the various companies, excluding gross surplus and special funds, were \$3,942,178,181, of which \$2,284,351,856 was in New York companies. The gross surplus and special funds amounted to \$231,775,398, of which \$86,675,348 was in New York companies.

The total income was \$795,282,061, of which \$413,114,618 was in New York companies, an increase over 1911 of \$17,377,945, the total gross increase for all companies being \$40,748,843. The disbursements for the year are shown to have been \$567,517,704, of which \$423,019,771 was paid to policyholders, while the cost of management, including dividends to stockholders, was \$144,497,933.

Increase in Policies Issued.

New York companies issued 456,233 "ordinary" policies in 1912, insuring \$773,642,437 as against 389,628 policies issued in 1911, insuring \$686,677,019. Companies of other states in 1912 issued 441,794 policies, insuring \$942,628,673, while in 1911 they issued 421,834 policies, insuring \$891,169,230. Compared with 1911, it appears that there were 86,565 more policies issued last year and the amount of insurance written increased \$138,425,661. There were 45,502 more policies terminated in 1912 than in 1911, and \$85,707,511 more insurance.

The total number of "ordinary" policies in force on December 31, 1912, was 7,001,913, insuring \$13,527,321,222, a net increase in policies over 1911 of 380,408 and in insurance \$724,003,678. The amount of "industrial" insurance in force was \$3,432,767,469, an increase over the previous year of \$233,669,466, making a total increase in insurance in force for both classes of business of \$957,673,144.

The business in force in the state of New York and transacted therein during the past year by all life insurance companies of this and other states including "industrial" business was as follows: Policies in force 6,469,773, insuring \$2,903,474,508; policies issued 1,009,816, insuring \$423,365,404; an increase in insurance in force of \$180,181,139 over 1911 and an increase in insurance written and paid for of \$31,022,754.

What Aggregate Figures Show.

The comparative figures appended are aggregates showing the sources and amount of the increases and decreases in surplus (unassigned funds) of the companies for 1911 and 1912:—

	1911.	1912.
Gain from loading	\$20,519,845	\$21,786,996
Gain from mortality	35,046,786	38,043,095
Gain from surrenders and lapses ..	13,020,493	13,684,565
Gain from interest and rents, less amount required to maintain reserve	55,456,657	62,444,927
Loss from annuities	300,557	503,864
Loss from investments	971,557	5,897,800
Loss from dividends to policyholders including net increase or decrease in dividend funds apportioned and unapportioned ...	106,036,617	102,596,996
Loss from miscellaneous sources...	21,649,022	22,888,392
Total gain	*— 4,913,972	4,072,531

*Loss.

The total receipts of the department for the fiscal year ended September 30th, 1912, were \$689,268.86; the total expenditures were \$331,201.07; an excess of receipts over expenditures covered into the state treasury of \$358,067.79.

Satisfactory From Every Point.

The par value of the securities, held on deposit by the department on December 31, 1912, belonging to the various insurance companies required by law to make such deposits, was \$35,702,210.

The general results of the operations of the life companies for 1912 may be fairly stated as having been satisfactory from every standpoint; the above figures speak most plainly in confirmation of that statement and 1912 may well be marked with a white stone so far as the life insurance business is concerned.

The showing reflects in full measure a continuance of the steady improvement in life insurance conditions that has obtained in the last few years and which from the present outlook bids fair to continue in the future.

Tax on Policyholders' Dividends.

The only cloud discoverable on the life insurance horizon is the proposed government tax to be levied on the so-called dividends to policyholders of life insurance companies. The word "dividend" in the general acceptance of the term, used in connection with these payments is a misnomer; they are in no truer sense dividends but are almost entirely made up of a return of surplus or unused moneys that have been paid into the company as premiums and returned to the assured. A tax on these refunds to the policyholder in addition to taxing the earnings on which the so-called dividend payments are based would seem inequitable and unjust and especially so in the case of companies that are absolutely on the mutual plan and which were not organized as business ventures for profit. It is to be hoped and it now seems probable that the income tax feature of the tariff bill, now before Congress, will be substantially modified so far as it applies to the taxation of life insurance companies.

NO USE FOR THE PART-TIME AGENT

Mr. John I. D. Bristol, manager in New York for the North-western Mutual Life Insurance Company, delivered before the Life Underwriters' Association of Indiana, Indianapolis, a characteristic address in which he criticized the part-time agent. He wants life insurance commissions for life insurance men only, and said that the part-time man is usually an excuse for rebating and disorganizes an agency.

OBJECT TO GROUP LIFE INSURANCE

Several insurance departments of the United States are taking steps to require a personal medical examination of each individual to be included in the group insured, and if this should be insisted upon it would practically put a stop to the whole plan. The companies figure that by taking a group of any considerable number without medical examination they obtain a fair average risk and no harm is done anyone. The objection raised to it is that to issue a policy to an individual, although included in a group, without a medical examination is to discriminate in his favor. In stating his objections, Insurance Commissioner Done, of Utah, says that the matter presents itself to him in three phases: "First, the question whether group insurance, under even the most favorable circumstances, is entirely fair to other policyholders. Second, whether it may be considered fair in the case of non-participating companies and unfair in the case of participating companies. Third, what the limit shall be as to the basis on which groups are formed."

CANADIAN MUNICIPAL BORROWING

The London Times is publishing a series of articles on Canadian borrowing. The writer's conclusions appear to be reassuring, and he declares, in regard to railways, for instance, that the expenditure has generally been economical and well directed. He does not think that Canada is unduly burdened with railway enterprises.

Touching on municipalities, the writer says the question often heard recently is: "Have not Canadian municipalities been extravagant?" And a qualified answer must be given. They have been extravagant, he states, particularly in the west, to this extent: that they have provided themselves and their inhabitants, by borrowing, with many conveniences and improvements which in other places had to be provided gradually out of revenue. "But, after all," says the writer, "if a municipality can borrow money to pave its streets at once at, say, 4½ per cent., it may be better business to borrow to pave and to pay the interest, plus a sinking fund, over a term of years, rather than to spread the expenditure over the same term of years by meeting it out of revenue and doing with partially paved streets. It is largely a question of cost of money, and Canadian municipalities have been able until recently to get money very cheaply. No doubt the easy money made easy spending, and the tendency has been both to undertake improvements too hastily and charge too much against capital account. That tendency," he states, "will be corrected by the present difficulty in raising fresh loans."

Meanwhile, Canadian towns have had their money cheap, and interest and sinking funds which they will have to pay as charges on their past improvements, are proportionately low.