"The legislation now proposed would tend to benefit the dishonest at the expense of the honest policyholder. It is found that only seven of the States of the Union have any statutory provision relating to the adjustment of the amount of insurance where the age is understated, and that such provision is practically the same as the clause now contained in the Dominion Insurance Act, which clause is also contained in the policies of all Canadian companies and has been a provision of their contract for many years."

Mr. Goldman also observes that if companies were to insist upon evidence of age being furnished with each application, it would throw a serious difficulty in the way of the life insurance underwriter, and the application would be postponed sometimes for a considerable length of time, and such delay would result sometimes in the policy ultimately not being accepted by the applicant.

Mr. George Wegenast.

Mr. Wegenast points out that existing legislation has already made provision for fair and proper treatment of policyholders under the circumstances, on the principle that where an error in age is discovered in the lifetime of the assured, the adjustment takes the form of receiving or refunding the difference in premiums according as the age was under or overstated. "It is a well known fact," continues Mr. Wegenast, "that the introduction of the question of proof of age into the canvass for a policy proves a stumbling block to the agent. The prospect almost invariably makes that an excuse to put the matter off. If, therefore, such proof were demanded by the companies before the issue of the policy, a serious hindrance would be placed in the way of agents, and much less life insurance written. But the more serious feature is, that dishonest persons would take advantage of the opportunity to obtain insurance at a low rate by understating their age, and it would be difficult for the companies—in nearly all cases impossible—to prove fraud. The honest policyholder would be the victim, as the loss to the Company would fall upon him. Assuming that the companies made an attempt to obtain proof of age within the year, and the policyholder declined to furnish it, or feigned ignorance of his date of birth, what would be Mr. McKeown's suggestion as a remedy? His bill is silent on this point."

BRITISH MARINE COMPANIES' POSITION.

More Favorable than for Some Years Past—A Result of Building-up Reserves.

A review in detail of the position of ten of the leading British marine insurance companies by the London *Times* states that the present position of these companies is more favorable than it has been for some eight years, and the accounts show that it is possible with able management to earn respectable profits out of this highly speculative business.

Unusual interest (says the *Times*), attaches to the first year's settlement on the 1912 account owing to the loss of the Titanic and a number of quite formidable disasters. The public hears much of heavy losses, but naturally it does not hear so much of the steady inflow of premiums to meet them. With the increase in the size of ships and the rise in prices of commodities the cost of shipping disasters is likely steadily to increase. The true underwriter does not regret them, for he recognizes that by them he lives; he merely sets to work to try and insure that the premiums shall be commensurate with the risk. The premium income of the ten offices in 1912 was increased by £332,000 to £3,403,696, the increase being due partly to the activity in trade and partly to the higher rates of premium that have been secured on account of the very marked rise in the cost of shipyard repairs and also of the undoubtedly satisfactory way in which certain classes of business have developed. The settlement for the ten offices was 38.8 per cent., or a similar settlement to that (38.9 per cent.) made by nine offices on the 1910 account. That year resulted in a net profit of 6.8 per cent., so that it seems reasonable to look for a similar return for 1912. That the year cannot yield such a satisfactory return as 1911 is obvious. It is estimated that the Titanic disaster cost several of the companies about 4 per cent. of their premium incomes, and it is not improbable but for that loss the settlement would have been lighter than the corresponding settlement of 1911.

An outstanding feature of marine insurance finance is the very satisfactory ratio which the interest receipts bear to the dividends paid; in fact, the aggregate interest receipts of the ten companies exceed, it will be seen, the dividends paid. This strong position is largely due to the long-sighted policy of the company managers in the past, who, when really prosperous times were being enjoyed, built up strong reserve funds. During the past few years there has been such an increase in the size of the market and competition consequently has become so much keener that it is in the highest degree unlikely that there can ever be a return to such prosperity. Yet the present position is far more favorable than it has been for some eight years, and the accounts examined above show that it is possible with able management to earn respectable profits out of the highly speculative business of marine insurance.

FALLACIES OF THE TWISTER'S ARGUMENTS.

(Percy C. H. Papps, Actuary of the Mutual Benefit Life, to the Company's Agents.)

Our agents in different parts of the country from time to time run across the "twister." He may be a representative of the Kight Abstract Company or one who attempts to operate upon similar lines. To one ignorant of insurance mathematics the statements made are often very plausible and alluring, but there is of course a fallacy underlying the various arguments used. These abstractors, twisters, or whatever we like to call them, are not in business for their health alone and it should not be forgotten that their victims must pay for the efforts of the twister as well as for the insurance enjoyed, even if the payment to the twister is not apparent.

While the plans proposed vary in different cases, the basic idea is that a man may surrender his policy for its cash value, invest this cash value at interest, take new insurance for the difference between the amount of the old policy and the cash value thereof and obtain some benefit by the transaction. We will first suppose that the old policy is an ordinary life contract for $1,000 issued at age thirty-five, that it is to be surrendered at the end of ten years and replaced by an ordinary life policy to be issued at the