

Solid Growth

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

Assurances in Force have more than doubled in the past seven years, and have more than trebled in the past eleven years.

To-day, they exceed by far those of any Canadian life assurance company.

**SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL**

AN IDEAL INCOME

can be secured to your Beneficiary with Absolute Security by Insuring in the

**Union Mutual Life Insurance Company
Portland, Maine**

on its

MONTHLY INCOME PLAN

Backed by a deposit of \$1,000,000.00 par value with the DOMINION GOVERNMENT in cream of Canadian Securities.

For full information regarding the most liberal Monthly Income Policy on the market write, stating age at nearest birthday, to

WALTER I. JOSEPH, Manager.

Province of Quebec and Eastern Ontario,
Suite 502 MCGILL BLDG., MONTREAL, QUE.

Commercial Union Assurance Company, Limited.

OF LONDON, ENGLAND.

The largest general Insurance Company in the World.
Capital Fully Subscribed \$ 14,750,000
Capital Paid Up 1,475,000
Life Fund, and Special Trust Funds 73,045,450
Total Annual Income Exceeds 57,000,000
Total Funds Exceed 153,000,000
Total Fire Losses Paid 204,667,570
Deposit with Dominion Government 1,323,333
(As at 31st December, 1917.)

Head Office, Canadian Branch:

Commercial Union Bldg., 232-236 St. James Street,
Montreal, Que.

Applications for Agencies solicited in unrepresented districts.

J. MCGREGOR - Manager Canadian Branch.
W. S. JOPLING - Assistant Manager.

\$5,000

Provision for your home, plus

\$50 A MONTH

Indemnity for yourself.

OUR NEW SPECIAL INDEMNITY POLICY

Shares in Dividends.

Waives all premiums if you become totally disabled.

Pays you thereafter \$50 a month for life.

Pays \$5,000 in full to your family no matter how many monthly cheques you may live to receive.

Ask for Particulars.

**CANADA LIFE
TORONTO**

WAR EFFECT ON LIFE INSURANCE.

Analysis of Situation During War; Probable Development During Peace.

During the past few years war mortality has furnished a field of necessary observation and study on the part of actuarial departments of life insurance companies. At the recent New York convention of life underwriters of North America, Henry Moir, actuary and director of the Home Life Insurance Company, and president of the Actuarial Society of America, dealt with this subject in a highly interesting and valuable address. After pointing out that knowledge of the effects of war on life insurance was still meagre as regards facts, Mr. Moir went on to say that in substituting scientific knowledge for impressions, it was necessary to have as a minimum of information in determining premiums for war insurance, (a) the number of men actually fighting, (b) the number of casualties (deaths and wounded separately), and (c) the time of exposure. So far, reliable information of these matters was not available, but after the war it would be possible to divide the exposures and casualties so as to separate and analyze war mortality by the following classes — infantry, artillery, cavalry, navy and aviation, as well as separating officers from the men, and probably dividing officers of higher rank from those of lower rank.

WAR CLAUSES.

Most of the companies writing insurance to any extent on the lives of soldiers at hazard in the European war, were charging an extra premium of 10 per cent on the face of the policy, the speaker explained, with the proviso that at the termination of the war the actual death losses from war service would be segregated, and if the extra premium charged should prove more than the hazard incurred, a refund of the balance would be made to continuing policy holders. This was equitable and fair for insurance now being effected and precluded any possibility of the life insurance companies making a profit out of the soldier's insurance.

Careful analysis of experience in earlier wars—especially the war in South Africa—had been made, Mr. Moir stated. In that war a mortality from war and disease of 38 per 1,000 per annum amongst men, and 53 per 1,000 per annum amongst officers, had been indicated. The war fatalities were nearly double those of disease in the case of officers, while the reverse was true of the men—about double the mortality of disease as compared with war fatalities. During the intensive year of war—1899-1900—the mortality amongst officers, wounds and disease, ran up to 87 per 1,000. Past results had proved an unsafe guide, however, as far as the European war was concerned. What knowledge was available tended to show that war casualties had been well in excess of 10 per cent, probably nearer 15 per cent or 150 per 1,000.

FINANCIAL EFFECTS OF WAR.

Funds of life companies were affected in more directions than that of increased mortality, the speaker went on to say. Of even greater importance was the depreciation of securities held before the war. Life companies held a considerable proportion of the accumulated wealth of the people in the reserve values of policies, and the investments representing such accumulations showed an immediate and large shrinkage on the outbreak of war in 1914. Extreme fluctuation had been minimized by the system in general use in this country whereby bonds of sound institutions, well secured and not in default in payment of principal or interest, were carried at their amortized value; that is, at the original market or purchase price increased or diminished by the proper sum which would bring the bonds to their maturity value when they fell due.

The effect of depreciation of securities was partly offset by the higher interest earnings secured on new investments. Nearly all life companies were growing; their funds increasing, and they were making new investments from month to month. These new investments, together with the re-investment of maturing funds, could be made at the depreciated prices and higher interest rates now available. Most companies, however, considered it a duty to place all available funds in Government securities although the interest rate was less than the average rate earned on other investments. Apart from this consideration, it followed that, after the war, when monetary affairs resumed their normal balance, the enhanced value of investments made during times of

uncertainty would offset the depreciation or the losses on investments made prior to the war.

THE READJUSTMENT PERIOD.

Most life insurance companies were in a very strong position to meet readjustments after the war. The system of amortization already mentioned was an important safeguard. Investments were diversified and of such a type that sudden fluctuations did not affect all of them at once. Most of the companies carried a reasonable amount of free surplus; many could with advantage carry a little more, especially in view of the deferred dividend distribution periods still to be met. Lastly, the purchase of Government securities would be of great help in the time of adjustment. We might be making these purchases as a patriotic duty; but virtue brought its reward and the enhanced value in event of peace would add further to the stability of life companies during the process of readjustment.

A careful and analytical study of the scientific factors affecting our business of life insurance indicated that its prospects were never brighter than to-day, said Mr. Moir, in concluding, yet we had reason for sincere thankfulness that the destinies of the world were not left in the hands of men—"Canadian Finance."

ARMISTICE INSURANCE

The following has been issued to Lloyds by the British Board of Trade:

"Inquiries having been made as to the position of merchants and others who may now or in the future effect insurance with War Risks Insurance Office in event of a declaration of armistice between the belligerent powers, notice is hereby given that the rates of premium upon all insurance accepted on and after November 1, 1918, will be reduced 50 per cent, in cases where vessels concerned shall sail during the continuance of such armistice."

WAR RISK INSURANCE.

Treasury advisers to-day recommended to Secretary McAdoo that war risk insurance rates on hulls, cargoes and seamen's lives be reduced 75 per cent. This means that rates on ships and their cargoes through the former war zone will be reduced from two to one-half of one per cent, with other rates cut accordingly. Secretary McAdoo is expected to approve the suggestion immediately.

Treasury officials explained that although the submarine has been abandoned, risk still exists on account of floating mines and the possibility that some submarines may run amuck.

FIRE INSURANCE IN ONTARIO.

During the first 7 months of 1918 there were 7,069 fires in the province of Ontario, Can., with a property loss of \$9,285,517, and an insurance loss of \$7,357,996. This indicates an insurance loss almost equal to that sustained in the entire year of 1917, when there were 9,601 fires, causing a property loss of \$10,365,539, and an insurance loss of \$7,897,447.

The Ontario Fire Prevention League, organized at Toronto, recently adopted resolutions advocating the following preventive measures:

The adoption by municipalities of a standard building code, so that fire-resistant construction may be encouraged, the use of inflammable roof coverings prohibited, adequate exit facilities from buildings secured, and interiors so designed and fire-stopped as to make easy the extinguishment of fires therein.

The careful consideration by this league of the enactment by the province of a statute applying the principle of common law by personal liability where a fire originates in the premises occupied by any person as a result of his criminal intent, design or wilful negligence, or where said person has failed to comply with any law or ordinance of the province or of the municipality enacted for the prevention of fire or the spreading thereof.

The wider general use of the automatic sprinkler as a fire extinguishing agent and life saver, and the more general adoption of the fire division wall as an important life-saving exit facility.

That the Government take steps, through their Forestry Department to clear land at certain strategic points in northern Ontario in such a manner as to prevent the spread of fire in the manner in which it has in previous years occurred.—Insurance Press.