

War Experience of Canadian Life Companies

Mortality Experience for 1915 of Life Insurance Companies Was Remarkably Favorable, but Author Warns that Heavier Loss Ratios May Reasonably Be Expected.

The following is an extract from a paper read before the Actuarial Society of America, dealing with the experience of Canadian companies with respect to the war risks. The paper was prepared by Mr. A. P. Wood, actuary of the Sun Life Assurance Company of Canada:—

"No data based upon insurance experience are as yet available from which to ascertain the rate of war mortality thus far experienced. Several of the companies have attempted to estimate the amount of assurance at risk on the lives of persons who enlisted for overseas service, but as permits are not required under policies issued prior to August, 1914, it has been found impossible to obtain even an approximate idea of the amount of the exposures. The general effect of the war claims upon the mortality as a whole may, however, be observed by comparing the actual claims of the year with the expected by the standard valuation table. In the following table the percentages which the net death losses (sums assured less reserve thereon) during the year ending December 31, 1915, were of the expected by the Om(5) table are shown for eight of the nine companies, (a) excluding war claims, and (b) including war claims. The percentages which the gross war claims were of the mean business in force in Canada are also shown. The companies are not referred to by name, but are tabulated in the order of percentages in the second column.

Effect of War Claims of Nine Canadian Companies During the Year Ending December 31, 1915. Canadian Business Only.

No.	Percentage Total Canadian Claims of Expected by Om(5) Table		Net War Claims. Per Cent. of Expected by Om(5) Table.	Gross War Claims. Per Cent. of Mean Total Canadian Business in Force.
	(a) Excluding War Claims	(b) Including War Claims		
1	28.1	42.6	14.5	.147
2	35.0	45.0	10.0	.113
3	30.2	45.2	15.0	.148
4	40.1	54.6	14.5	.148
5	44.3	55.7	11.4	.136
6	50.0	57.4	7.4	.072
7	49.5	64.3	14.8	.147
8	60.4	72.9	12.5	.169
9	Not given		—	.098
Total	46.1	58.4	13.3	.134

The total mortality including war claims is seen to have been remarkably favorable in every instance, the ratio of actual to expected ranging from 42.6 per cent. to 72.9 per cent., while for the eight companies combined it was 58.4 per cent. The net loss under war claims for the combined companies was 13.3 per cent. of the expected claims. The gross war claims for the nine companies combined was .134 per cent. of the mean Canadian business in force. The corresponding figures for the Mutual Life of New York as given by Mr. Thompson were .107 per cent. for Canada, and .196 per cent. for the combined business in all countries engaged in the war. The gross Canadian claims incurred by the nine companies were \$5,834,822, of which \$900,869, or 15.2 per cent., were due to the war. The corresponding ratio for the ten British offices given in Mr. Thompson's paper on page 313 is 8.7 per cent., but as the annual reports from which the figures were taken were for the year 1914, the war claims in the case of those companies whose year ends on December 31, would be those incurred during the first five months of the war only. The war claims reported by the Canadian companies include deaths from all causes

among combatants and also deaths among non-combatants through acts of war, such as the sinking of the Lusitania and other vessels.

In the annual statement for 1915, recently received from one of the large British offices, the total death claims for the year are reported to have been £472,672, of which £76,541, or 14.3 per cent., were war claims. The actual mortality was 90.3 per cent. of the expected and excluding war claims 76.4 per cent. The war claims of this particular company were therefore 13.9 per cent. of the expected mortality as compared with 13.3 per cent. for the Canadian companies. The report stated that the mortality apart from war claims was above the average, the reason advanced being increased death rate among elderly people due to the anxiety and strain caused by the war. The Canadian companies, on the other hand, appear to have experienced a particularly favorable mortality apart from war claims, but the proportion of aged policy-holders in Canadian companies is probably much lower than in the British company. The preceding figures show that as far as the Canadian companies are concerned the war claims during 1915 have had no disturbing effect upon the mortality as a whole."

While Mr. Wood's conclusions with respect to the experience for the year 1915 are reassuring, yet in other parts of his paper he warns us that heavier loss ratios may reasonably be expected as the war continues. The Canadian contingents have been retained for such lengthy periods during their training in Canada and England, that a comparatively small proportion of them actually reached the trenches during 1915, but during 1916 in all probability a much larger number will be at the front.

RECENT FIRE LOSSES.

Recent fire losses reported to Superintendent of Insurance, Victoria:—

Burnaby, September 9.—Venables Street, between Madison and Rosser Avenues; owners and occupants, Mrs. Millard and Mrs. Hibbatson; wood dwelling; value of building \$200, value of contents \$200; no insurance. Total loss, \$400. Cause unknown.

Agassiz District, September 18.—Owner and occupant, B. C. Hop Company; wood dwellings; value of buildings \$950, value of contents \$100; no insurance. Total loss, \$1,050. Cause unknown.

Ladysmith, September 19.—White Street and Fourth Avenue; owner, Joseph Carson; occupant, J. Stafford; wood dwelling; value of building \$900, insurance on same \$700; value of contents \$750, insurance on same nil. Total loss, \$325. Cause unknown. Hudson Bay Insurance Company.

Richmond, September 10.—Sexsmith Station, Lulu Island; owner and occupant, Pacific Steel Products Co.; wood, metal clad, gravel roof, bolt and nut factory; value of building \$25,000, insurance on same \$8,000; value of contents \$45,000, insurance on same \$25,000. Total loss, \$70,000. Cause unknown. Commercial Union, Caledonian, Springfield, Connecticut.

Slocan City, August 25.—About one mile out of the City Limits; owner and occupant, K. Poppoff; wood dwelling; value of building \$1,361; insurance on same \$1,700; value of contents \$1,200, insurance on same \$1,000. Total loss, \$2,381. Cause, believed defective chimney. Newark, Canada National.

Richmond, September 11.—Bridgeport, Lulu Island; owner, J. W. Sexsmith; occupant, Morgan Watts; wood barn; value of building \$500, contents \$1100; no insurance. Total loss, \$1,600. Cause, spark from traction engine.

INSURANCE NOTICES.

The Industrial Fire Insurance Company, of Akron, Ohio, has been licensed to transact in British Columbia the business of fire insurance. The head office in the Province is in Vancouver. H. A. Robertson, Dominion Building, Vancouver, is the attorney for the company.

The Scottish Union and National Insurance Company has been licensed to transact in British Columbia the business of automobile, tornado, and sprinkler leakage insurance. The head office in the Province is in Victoria. F. B. Pemberton, Pemberton Building, Victoria, is the attorney for the company.