

WASTE IN CANADIAN LIFE INSURANCE.

The life companies operating in the Canadian field, showed a distinct improvement last year in their percentage in ordinary business of wastage through lapses and not-taken policies. The all-over average of this wastage for 1915 was only 41.6 per cent. compared with 49.0 per cent. in 1914, and with 38.6 per cent. in 1913. In the industrial business, the waste ratio shows little improvement over 1914. More active industrial conditions in communities engaged on the manufacture of munitions and army supplies would be to some extent off-set from the industrial companies' point of view by the enlistment of men for overseas' service. It is estimated that practically 65 per cent. of Canadian enlistments are those of manual workers. While in some cases, insurance on these lives would be kept in force by relatives, probably in a great many, enlistment is followed by a discontinuance of premium payments.

SURRENDERS.

Strictly speaking, lapses and not-taken policies do not include the whole of the wastage in Canadian life insurance. Surrenders also come under this heading, but the present form of the official returns does not permit the segregation of true wastage through surrenders from surrenders which hardly come under this heading. For instance, according to the Dominion blue-book, the surrenders of policies of the Canadian life companies only last year were \$21,046,441 compared with \$14,725,634 in 1914. But, in reality, these surrenders include

those of bonuses for a cash payment, and the fact that last year was the occasion of the distribution of quinquennial bonuses by one of the largest Canadian life companies had a material effect upon the figures. So upon the whole, it appears the more satisfactory course to restrict such compilations as that below to lapses and not-takens, which constitute the grosser forms of wastage in Canadian life insurance.

From the table it will be seen that last year the Canadian companies waste ratio on ordinary business was 43.5 per cent. of their new policies issued as against 51.2 per cent. in 1914, and 39.1 per cent. in 1913. The American companies also show a substantial improvement in waste ratio of ordinary business from 42.8 per cent. in 1914, to 34.5 per cent. in 1915, their figure for 1913 being 37.2 per cent. The British companies' returns are incomplete and possibly their aggregate figures will tend to improve the present very bad showing of 59.9 per cent. compared with 46.8 per cent. in 1914, and 35.2 per cent. in 1913.

INCREASE IN REVIVALS.

One interesting feature last year is the large increase reported in old policies revived, indicating that company organisations are becoming more efficient in at least one method of coping with life insurance wastage, though the amount of business retained by the companies in this manner is still small enough in comparison with the wastage. The Canadian companies report last year old policies revived of

LAPSE AND "NOT TAKEN" WASTE IN CANADIAN LIFE INSURANCE.

	1915					1914				
	1	2	3	4	5	1	2	3	4	5
	New Policies Issued	Lapses	Not Taken	Total of Lapses and Not Taken	Proportion of col. 4 to col. 1	New Policies Issued	Lapses	Not Taken	Total of Lapses and Not Taken	Proportion of col. 4 to col. 1
	\$	\$	\$	\$	p.e.	\$	\$	\$	\$	p.e.
Canadian Companies, Ordinary	161,674,243	55,840,446	14,540,130	70,380,576	43.5	142,378,438	53,955,323	18,961,015	72,916,338	51.2
Canadian Companies, Industrial	6,146,605	4,196,868	994	4,197,862	68.3	5,912,927	4,213,517		4,213,517	71.3
British and Colonial Companies, Ordinary	4,597,641	2,292,597	460,108	2,752,705	59.9	8,307,031	3,184,491	701,302	3,885,793	46.8
British and Colonial Companies, Industrial	746,168	769,697		769,697	103.2	1,394,552	1,019,294		1,019,294	73.1
American Companies, Ordinary	55,583,017	14,505,453	4,693,024	19,198,477	34.5	47,922,061	16,375,232	4,161,064	20,536,896	42.8
American Companies, Industrial	36,593,985	28,265,903		28,265,903	77.2	32,334,745	25,935,324		25,935,324	80.2
Totals and Average, Ordinary	221,854,901	72,638,496	19,693,262	92,331,758	41.6	198,607,530	73,515,046	23,823,981	97,339,027	49.0
Totals and Average, Industrial	43,486,758	33,232,468	994	33,233,462	76.4	39,642,224	31,168,135		31,168,135	78.6

NOTE:—Canadian business includes that of the Ancient Order of Foresters and of the Royal Guardians. The figures of the British and Colonial Companies for 1915 are not quite complete.