

aged companies of good standing may hope to continue to receive a fair profit, barring an exceptional conflagration. The outlook for 1913 is not materially changed in this respect from the beginning of 1912. It may be taken for granted, however, that the business of fire insurance in the United States for a long time to come will be one constant stress and change, calling for unceasing energy and vigilance to cope with it successfully.

AETNA LIFE INSURANCE COMPANY.

The old established Aetna Life Insurance Company, of Hartford, Conn., which has transacted business in the Canadian field since 1866, again reports for 1912 a favorable year of continued and steady progress. In every department of the business, a very marked advance was made. Premium income increased by \$78,815, total income by \$1,955,663, assets by \$5,768,240 and insurance in force by \$16,321,722. These are notable figures and both policyholders and those representing the company throughout the Canadian field should find in them matter for ample satisfaction.

The total income for 1912 reached \$23,950,359, of which \$18,150,699 was from premiums and \$5,799,661 from interest, rents, etc. The total disbursements were \$20,764,421, of which payments to policyholders absorbed \$13,912,631. The total assets are increased to \$110,523,775, an increase, as has been already indicated of more than \$5,768,000 over their total at the close of 1911. Of these assets, stocks and bonds account for \$35,644,393, a gain of \$2,600,000 during 1912, mortgages for \$53,451,908, a gain of \$2,700,000, and policy loans for \$9,104,306, an advance of about \$300,000. On the other side, there is a reserve on life, endowment and term policies of \$86,942,660, an increase of nearly \$2,000,000, a special reserve of \$760,106, and a surplus reserved for a special class of policies and dividends to policyholders payable on demand of \$3,523,238. Adequate provision is also made for the liabilities of the Company on account of its steadily progressive accident, health and liability business. Unearned premiums on account of this business are calculated at \$2,620,241 and there is reserved for liability claims, \$2,440,392. After this careful calculation of liabilities, there is a surplus to policyholders of \$11,922,732, an increase of \$2,700,000 over the surplus at the close of 1911. The company had insurance in force at January 1, 1913, \$334,926,353 and it is interesting to note that since its establishment in 1850 it has paid to policyholders, \$233,131,650.

The Aetna Life is managed at Montreal by the well-known firm of T. H. Christmas & Sons, 160 St. James Street, who report that 1912 was the most successful year they have ever enjoyed. Their experienced and efficient management as well as the excellent position of the Company, assures the Aetna Life of continued sound and profitable progress in this field.

The tendency to a permanent reduction in the average rate is well marked and is likely to remain unchecked, provided no serious conflagration occurs. Its logical effect will probably be the eventual concentration of the business into the hands of fewer companies, as it is difficult to see what place is left for the multitude of smaller companies which heretofore have been a feature of the business.—Frank Lock on U. S. Fire Insurance position.

DISABILITY FEATURES OF LIFE POLICIES.

(S. H. Pipe, F.A.S., before Insurance Institute of Toronto.)

A life company is permitted by the following section of the Insurance Act, 1910, to include in its policies a sickness benefit not exceeding annually the premium under the policy and a total and permanent disability benefit equal to the sum insured. Section 8, sub-section 1 is as follows:—"Subject to the right of renewal of licenses granted previously to the eleventh day of August, one thousand eight hundred and ninety-nine, a license shall not be granted to a company to carry on the business of life insurance in combination with any other branch of insurance: Provided that any life insurance company within the legislative power of the parliament of Canada, and any other life insurance company licensed under this Act whose charter authorizes it, may, under the authority of its license to transact life insurance, issue life policies including in the same policy insurance against disability caused by accident or sickness, but the amount of such disability insurance shall not exceed the premiums payable or accruing on such life and disability policy during the period of disability insured against; but in case of total and permanent disability the company may, at the request of the insured, and without further payment of premiums, in full settlement of the policy, and as a substitute for all other benefits and privileges thereunder, a total and permanent disability benefit not exceeding the sum insured under the policy."

THE DISABILITY CLAUSE.

Life companies have restricted the disability feature in their policies to a benefit dependent upon total and permanent disability. The following clause embraces its most usual features:

"It is hereby provided that should the assured before attaining the age of sixty years, and after paying at least one full annual premium, and before default in payment of any subsequent premium, furnish proof satisfactory to the company that he has, by bodily injury or disease, become wholly and permanently disabled and is thereby prevented from performing any and every kind of duty pertaining to his occupation or any other occupation or gainful pursuit, the company will waive payment of the premiums thereafter falling due, which premiums so waived will not be an indebtedness hereon and this policy will continue in full force. Provided that notwithstanding proof of disability may have been accepted by the company as satisfactory, the assured shall, on each and every premium due date, furnish the company with satisfactory proof of the continuance of such disability, and if the assured shall fail to furnish such proof, or if it shall appear to the company the assured is able to perform any work, or to follow any occupation whatsoever for compensation, gain or profit, all premiums thereafter falling due must be paid in accordance with the terms of this contract.

"Without prejudice to any other causes of total and permanent disability, the company will consider the entire and irrecoverable loss of the sight of both eyes, or the severance of both hands at or above the wrists, or of both feet at or above the ankles, or of one entire hand and of one entire foot, as total and permanent disability within the meaning of this provision."