CANADA LIFE BUSINESS EXCEEDS 1920

GAINS OVER PREVIOUS YEAR UNIQUE

Company Enters 75th Year of Service

CANADA LIFE policyholders are scattered far and wide, and it is with the desire of reaching them in the quickest and most readable form that this report is being published in the newspapers by the Company. A booklet containing even more complete particulars will be mailed upon request.

CANADA LIFE HAS RECORD YEAR IN 1921

Annual Statement Reviewed by President H. C. Cox

I am happy to say that in our company we have been able to reach the objective set at the beginning of the year. Having in mind the large volume of new assurances sold in 1920 we felt we should not be too ambitious in 1921, and consequently fixed as our goal $70,000,000. This figure has been exceeded by $80,000,000, giving us the handsome increase of $7,630,000, or 12 per cent. over 1920, and bringing the assurance in force to $320,000,000. In view of the general decline of 15 per cent. in new business in 1921 we are proud, but I hope not unduly so, of the fact that ours is, so far as we know the only Canadian company reporting a business in excess of that of the preceding year. Great Britain has again given us a very gratifying contribution. It will interest you to know that the Province of Quebec has had a large share in our success. Some years ago we commenced issuing policies in French, and have followed this up by publishing the annual statement and all advertising matter in that language. As the Canada Life was the first company to enter Quebec, having done so in 1853, so it has been the first to issue in the French language a course of instruction for salesmen, and we have had several requests to allow its use in colleges and schools. We have, of course, very considerable sums invested in that Province.

In the course of the year I visited, with the General Superintendent, the offices of the company in Great Britain, in the United States and throughout Western Canada. Everywhere we found our representatives with healthy optimism and atmosphere of success which surrounds men who have striven out of the days of depression and have turned their own advantage and to that of their institution the lessons to be learned from constantly changing circumstances. The persistent cheerfulness of the life assurance salesman is of untold value not only to himself but to the public with whom he mingles, and enables him to present his proposal with the conviction that it carries with it that relief from worry and that mental repose which leave one free to prosecute unhampered one's ordinary business or profession, with its normal benefit to the State.

You will remember that two years ago group insurance was introduced in Canada. The channel to which this particular form of coverage was to be directed has, through the widespread curtailment of operation in the industrial world, been largely closed to us, but in its stead there has opened another avenue which has proven interesting and remunerative. This includes employees of many municipalities, of banks and trust companies, of educational and other institutions.

Policy Loans.

Influenced by the prevailing conditions in finance, policy loans, according to available information, have been resorted to in greater measure than before and more particularly in rural districts. Continual warning is being given by all companies in the effort to drive home the danger of impairing the equity in one's policy, and persistent propaganda is carried on looking to the repayment of loans already incurred. With others, this company has experienced an increased demand from this source, but the result of our campaign for repayment and reduction of existing loans has been so marked that the net increase in the aggregate amount thus invested has not been above the average. This is encouraging, and lends color to the belief that the means being adopted to augment our present effort toward decreased terminations and increased conservation will prove of value. It is thought that during the early policy years a constructive and reasoning influence may be effective in keeping the assured informed and interested in his policy. This can be done best from the Home Office, and special machinery has been set up for the purpose. A policy loan is a friend made. So we shall have to prevent the lapse rather than to secure the reinstatement, upon the theory that it is wiser to lock the stable door before the horse has been stolen.

Surplus Earnings.

It has been our good fortune, even throughout the disturbance of war, to be able to report from year to year a continuously increasing earning power, and 1921 maintains the worthy succession. There has been no unusual factor affecting our death loss, so that the saving as between the losses actually incurred and those provided for has been greater than ever before, and this added to the earnings from other sources aggregates $2,600,285.46. This is the largest surplus earned in the company's history, extending over 74 years, and not only ensures the continuance of the bonuses upon the present scale, but enables a slight increase upon some classes of policy. It is most gratifying that we have been able to achieve this remarkable surplus while accepting seventy millions of new assurances. This experience is unique, and must greatly increase the already large confidence of our members and of the public in our institution.

Sound Investments.

One of the most important factors in the success of a life assurance company is the character of the securities in which its funds are placed, and the net rate of interest they yield. I can say with great confidence that the investments of the Canada Life are second to those of no other institution anywhere, and that combined with this great safety is a most gratifying interest return. In the early part of the year we were still able to acquire securities of undoubted value at prices approximating those of the previous year, but latterly the market has shown an upward tendency, with a consequent slight decrease in yields. We have, however, been able to employ our investment funds to advantage, and our net rate for the year, 6.17 per cent., indicates another small step on the ascending scale. The demand for mortgage loans continued, and our managers have again exercised fine discretion in their recommendations. Some of these loans are to cover accumulated bank advances, some to enable further development, while still others are required to carry the borrower over the period of stress occasioned by the unhappy reduction in the value of his crop. All loans granted this year have been in only the best districts, and, as usual, upon our own valuations. I venture to reiterate that our farm loans average only 39.9% per acre. In view of the frequently disturbing experiences in some portions of the Western Provinces perhaps you will permit me to say that this company has been particularly well and happily advised since the inception of its loaning operations there, and that consequently we have extremely few, if any, loans in the districts which have proven so undesirable alike for the farmer and the investor. The difference between the ultimate price received for wheat and cattle and that anticipated, has, of course, been reflected to some extent in interest payments, but our 10,000 borrowers have, on the whole, done as well as could be expected, and our aggregate collections show a very satisfactory increase over last year. As usual we have not included in the asset described as "interest out-standing" any sums in arrear which appear doubtful of collection. It is unavoidable that amongst so many borrowers some will fall by the wayside, but we have never yet had to accept a net loss upon properties coming into our hands.

The funds arising from our operations in Great Britain we have continued to invest there pending a turn in the exchange situation, and have now in that country securities of $4,548,336, with an average yield of 6.06 per cent.

Your assets have, as usual, been valued upon a most conservative basis, and you will remember the special contingent fund of $500,000, which you have set up as an additional protection and stabilizer.

It was our great misfortune to lose this year a dear friend and colleague in the death of Dr. John Hoskin, K.C., who had been one of your Directors since 1899 and Vice-President for some years. For a time he resided in England, and while there was most helpful as Chairman of the Board in Great Britain. Indeed throughout his association with the company he felt a keen responsibility for its success and gave most freely of his time and counsel to ensure it.

Seventy-five Years' Service.

We have just entered the company's seventy-fifth year. In honor of this anniversary we have fixed as our objective in new assurances seventy-five millions of dollars, and your Directors have authorized an increase in the limit of risk to be carried upon one life to $75,000. Your officers and representatives in the field are high-spirited and hopeful, but would value the support of every policyholder and shareholder in the extension of what is after all a business very personal to each of you and in the progress of which you each have a very lively interest.

The statement which has been submitted for your approval results from the cheerful and continuous effort of all branches of the service, and your Directors desire to cordially thank all who have had a share in it.

My warmest thanks are again rendered to the members of the Directorate, to our Board in Great Britain, to the officials, the medical directors, the solicitor, the agency and the loan managers and each individual unit in the Home Office and in the Field, for the courtesy and consideration with which their generous support has been given throughout the year.

MANY PROOFS OF SUCCESS

Business written by this Company in 1921 exceeds the remarkable record of 1920 by 12 per cent., or over $7,600,000, total business in the year amounting to almost $71,000,000.

The total business in force in the Canada Life, now amounts to over $320,000,000.

The excellent rate of interest earned on investments, being 6.17 per cent., which is an increase over the 1920 rate, is in line with the Canada Life policy of "Conservative Progress," and indicates but another step on the ascending scale. This is one of the chief contributors to surplus earnings.

There has been no unusual factor affecting the death rate adversely.

This saving, when added to the earnings from other sources, aggregates $2,600,285.46, the largest surplus earnings in the Company's history, extending over 74 years.

Group Insurance business, secured with the Canada Life in 1921, was double that of 1920, amounting to $5,333,950, and giving insurance protection to 4,501 employees of various firms, municipalities, etc.

Dividends paid to policyholders were very satisfactory in 1921, being $1,513,000.

Facts, such as these, are unmistakable signs of the steady progress which the Canada Life has been making for a great number of years.

THE PRESIDENT'S ADDRESS

MR. HERBERT C. COX REVIEWS BUSINESS OF 1921 BRIGHT OUTLOOK FOR CANADIAN BUSINESS

1921 has had many unusual features—not all pleasant, but, on the other hand, not all unpleasant. The process of readjustment has continued with a further lowering of prices and slackening of trade. Merchants and manufacturers in general have been compelled to accept additional reductions in their inventories, and it seems possible that they have not yet reached a finality in this regard, but the nearer we approach to pre-war levels the more hopeful the outlook for future improvement appears to be. Our foreign trade, like that of other countries, shows a material diminution, but with the mitigating fact that exports are more nearly balancing imports, which is a healthy sign and a step in the right direction. We have still some distance to go, however, before the premium on New York funds can be entirely eliminated, and there will be necessary a still more marked decrease in our purchases abroad, with a concurrent increase in our outside sales, if this is to be accomplished. This is an undertaking in which the individual may share. In the wider field of world exchange the best minds are at work in the effort to devise ways of bringing about stabilization, and it is hoped some degree of success will result. Greater production everywhere would seem to be a prime essential.

The influence of wages upon production is of paramount importance, and the attitude of labor in this regard will have a powerful effect, which will also be reflected in the correlated problem of unemployment. The latter long ago reached the point of seriousness, and the indications for the coming months do not encourage us to look for early improvement unless those seeking work show more willingness to accept it at a wage more commensurate with the altered living costs and which will enable employers to undertake contracts with prospect of a reasonable return for the risk involved. When this basis is reached, enabling the product of factory and mill to be turned out at a lower cost, the buyer will be more ready to enter the market, and construction of all kinds will receive a great impetus. Building contracts aggregating many millions of dollars which are dependent upon the labor cost are ready to be proceeded with the moment conditions are more propitious, and it will be a great pity for all concerned if the cannot be taken on.

The Conference now proceeding in Washington has given rise to the hope, often and variously expressed, that its results may include a general quieting of overwrought nerves, which will speedily see the return to what has been termed a condition of normalcy, with all its attendant blessings. The conclusions already reached have justified the calling of the Conference and given greater weight and significance to its further deliberations.

The prospect of final adjustment of the differences with Ireland and her assumption of responsibility for the government of her own people has brought an intense relief, not only to Great Britain and Ireland, but to the world at large, and less divided attention can now be given to the solution of the problems remaining from the war.

One of the chief of these is taxation, which has in all countries become an almost unbearable burden, casting a blight upon business of all kinds and removing the incentive from individual effort. That portion chargeable directly to war requirements and measures to meet them must be cheerfully undertaken, but there is abroad a spirit of watchful criticism of all other expenditures, and any Government which has regard for this feeling will be well advised.

A National Need.

Much has been said and written, both for and against Canada's National Railway undertaking. We all know the underlying facts leading to the Government's assuming the roads. We all know the difficulties which surrounded and continue to surround their operation. Only constructive criticism is helpful. The assistance and co-operation of its 9,000,000 owners can secure the success of the National Railway, and as our population grows its progress will quicken. An aggressive immigration program is necessary. The peoples of Europe as not seeking new homes in as large numbers as had been anticipated, but Great Britain is fostering a reasonable emigration to the overseas Dominions. Canada has facilities for making her advantages known, and should obtain a major share of those who will thus leave the homeland, but she must be able to the fact that our sister Dominions are offering transportation and other inducements which must be offset in some way if we are not to lose out in the race. Men and women in greater number and more suitable than natural increase can provide them have been and are the great need of our country, and a strong policy looking to their rapid and steady acquisition will command a ready support. For many years the Canadian Pacific Railway Company has had an important share in the peopling of our Western Provinces, and they now appear to be about to embark upon a very comprehensive plan involving many millions of dollars and providing for many thousands of settlers. This private enterprise is, of course, of enormous value to the country, but it is hoped the Government will not fail to materially augment it, realizing the responsibility to be one of a national character, which requires national treatment and support.

Soldier Settlement.

Settlement of soldiers on the land is making considerable progress. Up to October 31st 22,142 returned men had been thus placed, out of a total of 61,824 applicants; 21,000 had obtained loans aggregating $86,500,000, while some 6,000 had gone on free Dominion lands without financial assistance. Nearly 500 men have already repaid their loans in full.

The Crop Situation.

The general crop situation has been so thoroughly explored in reports already published that a repetition of it is unnecessary and undesirable. I should like to say, however, that banks and lending corporations, on the whole, have done everything possible to minimize the hardship of the individual and the dislocation of his activities. The dependable conservative customer has been enabled to carry on, and the well-intentioned borrower is not being unduly pressed. Stock likely to remain feeding will be carried through the winter, while the poorer grades are being sent to market. Those who are short will be able to obtain seed, and the perennial hope of the farmer will support him into another year of intense effort, which, we trust, will have its ultimate and full reward. One cannot but be impressed by the recuperative power of the Western farmer and by his determination not to be permanently disheartened by setbacks which are really only temporary, though they may seem to be uncomfortably frequent. This dauntless spirit is the nation's first line of defense and the most important protection of the investments made by loaning companies in the grain-growing Provinces.

Yield for Life Assurance.

It is no surprise that the altogether unusual amount of life assurance sold on this continent in 1921 should not have been equalled in the last twelve months—the wonder is rather that the shrinkage in volume is only 15 per cent., and in Great Britain about 30 per cent. This is only another indication of the appeal life assurance makes to the public under any and all circumstances. It is one of the great silent stabilizing factors in business and in the home. There has been in evidence in the United States for some considerable time a tendency upon the part of bankers to ask for life assurance as collateral security in cases where the personal equation enters largely into the granting of credits.

The desirability of such protection has of late been attracting the attention of Canadian bankers, and we look for an increasing demand from this source. The life of the borrower is of such importance to the lender that, in our opinion, this form of protection is as necessary as the insurance upon his merchandise. Greater co-operation between the banks and insurance companies in this direction could not fail to be of mutual advantage. It is understood that in future the amount of life assurance carried will be a feature of all credit reports issued by two of the leading credit agencies and will have its influence in determining the general financial status of the individual or corporation under review. This growing realization of the value of life assurance in business relations is greatly widening the field for the companies and warrants our belief that there can be no serious recession in their advance from year to year.

There is also an increasing demand for assurances in large volume to provide immediate cash resources out of which estates may meet inheritance taxes, which are now such a burden in all countries, and avoidance of a comparatively new avenue of development, but is full of promise. Life assurance and what it accomplishes appeals to the common sense of a people, but it is curious that, although no persuasion is required to induce one, while alive to provide the daily necessities for his family, much influence must be exerted before he is prevailed upon to make certain similar provision when he has gone. Hence the need for well educated, well trained and well equipped salesmen who can command the respect and confidence of the public and who can portray lucidly and accurately the salient features and advantages of the co-operation made possible through the life assurance company. Happily the standard of character and preparedness in company representatives is rapidly rising and is influencing not only the volume but the selection of business with its effect upon the death rate. Advancing years are bringing larger experience on which to base a forecast of life, and, medical directors are consequently able to deal with a greater degree of confidence with individuals offering more than the usual hazard. We are gradually but constantly drawing nearer the great ideal—protection upon some basis for every man. Meanwhile, in spite of the enormous amount of insurance sold annually, we cannot overlook the total inadequacy of the protection carried for the people of this continent, since not more than six or seven hundred are sufficiently covered. In Canada the total assurances carried are $3,000,000,000, or slightly more than the National Debt.

Favorable Mortality Experience.

The death losses experienced by the companies in general in the twelve months have been less than usual, and reflect the improved health conditions of the people at large as well as careful medical selection. This is important, since much of the profit returnable to the policyholder arises from the saving made possible by the difference between the actual death losses and those expected and provided for. In the endeavor, however, to effect such saving and its subsequent return to the assured, we must not lose sight of the chief function of life assurance, but must strive to make its protection available in a constantly widening circle.

Government Supervision.

We can be aided or hampered in our service to the public in the measure in which the laws which govern our operations are reasonable and flexible or local and burdensome. The Federal Insurance Act of 1917, with its provisions for supervision, affords ample machinery for the companies and a splendid protection for the assured. This Act is administered with fine capacity, has attained the result required of it and has gained recognition as being most comprehensive and effective in its scope. Each Province has also its own legislation, and an effort is now being made at the suggestion of the Superintendent for Ontario and in conjunction with the revision of his Provincial Act, to secure the adoption by the various Provinces of uniform regulations. This will be desirable and helpful as tending to simplify and clarify the conditions under which the companies operate, while not lessening the thoroughness or value of the inspection and supervision to which they are now subject. The rights and safety of the assured can be as fully and excellently conserved by one examination of the offices annually, and it is to be hoped that nothing will be done by any Legislature without careful and thoughtful consideration to multiply this supervision, with a consequent increase in avoidable expense, which must be borne by the policyholder. It is worthy of note that no policyholder has ever lost one dollar by the failure of a Canadian life assurance company.

Institutional Advertising Continued.

An interesting experiment, new to life assurance, but already successful in other businesses, was tried during the last few months, in the form of what has been termed "Institutional Advertising" or general publicity in the daily Press throughout the country. The expense was shared by the companies upon an agreed basis and the result has been so favorable that it has been decided to continue the campaign, but on an enlarged scale, for the ensuing year. The undertaking is managed and the copy prepared by a representative committee of the companies—men who have a knowledgeable connection with the business they represent and with the public they address. This recognition of a common ground and common aim has created a more healthy atmosphere, in which the prospective assurer will see more clearly the great institution of life assurance with all it conveys and in which the salesman will be free to urge the service he offers rather than the competitive qualities of individual companies. If the people are to be insured as they should be there is not only ample room but great need for every company.

LIFE INSURANCE FOR BUSINESS PROTECTION

The volume of Business Insurance on our books is increasing each year, and a substantial portion of our production for 1921 was made up of life insurance taken for business protection. This form of insurance is more and more taking its place as an important economic factor in the business world, and nearly every class of business activity is recognizing its need and value.

The policies issued for business purposes cover a wide variety of insurance needs. They are taken for various reasons—to provide a cash fund for emergencies, to strengthen credit, to redeem bonds at maturity, to take over the deceased partner's interest, to create a sinking fund, to furnish an investment for surplus funds, to provide for retirement of members, to endow religious, educational or charitable institutions, and many other purposes.

The policies vary in amounts from small sums of two or three thousand dollars up to one million dollars, or more, for all kinds of business organizations, from the small one-man corner grocery or the moderate sized partnership up to the large limited corporation. It is realized that Business Insurance is just as necessary to the many small business concerns found in every city, town and village as it is to the big firms and corporations; in fact the small business is usually in greater need of this protection, as it is more closely related to the home, and often represents the whole estate of the owner, or partners, and their families.

It is therefore, not surprising that business men of to-day are increasingly making use of this form of protection. The success of any progressive concern usually depends on the lives of one or more members whose loss would, in most cases, be a serious matter for the business. Such men have a value to the business that is far in excess of their salaries, and the cash fund derived from Business Insurance in event of their death helps to solve the matter of readjustment and replacement. Moreover, it is generally known that banks are now placing greater importance on life insurance protection before extending credit to those who apply for loans, and a substantial amount of Business Insurance goes far to strengthen the credit of any business man or firm.

The field for Business Insurance is almost unlimited.

During 1921—

The Canada Life Assurance Company

(Established in 1847.)

Made the following substantial progress:

		Increase.
Total Assurance in Force increased to	$320,090,000	$43,423,000
Total Assets increased to	80,098,000	3,989,000
Reserves for Protection of Policyholders	68,590,000	4,925,000
New Assurances Issued in 1921	70,969,000	7,444,000
New Assurances paid for in 1921	62,063,000	3,802,000
Surplus earned in 1921	2,600,000	438,000
Total Income for 1921		$15,538,000
Dividends to Policyholders in 1921		1,513,000
Total Payments to Policyholders in 1921		6,586,000

Above, in brief, are the results for 1921, as shown by the Financial Statement.

Below are some of the noteworthy achievements of the year:

1. Dividends to Policyholders maintained at the high standard set by the Canada Life.
2. Made the largest surplus earnings in the history of the Company, extending over seventy-four years.
3. Further increased the average interest earnings to 6.17%.
4. Continued to improve service to public by special educational training of field force, 50% more representatives having benefit of this instruction than in previous year.
5. Placed more insurance with present Policyholders than in any other year, and increased public interest in Monthly Income, Business, Estates and Group Insurance.
6. Wrote more than twice the amount of Group Insurance placed in previous year.

(A Complete Annual Statement Will Be Mailed Upon Request.)

OF INTEREST TO POLICYHOLDERS

In view of the general decline in new business we are proud, but not unduly so, of the fact that ours is, so far as we know, the only Canadian Company reporting a business in excess of that of the preceding year.

The strength and stability of your Company is undisputed, as may be seen from its remarkable record of success, even during 1921. Its assets of over $80,000,000 are invested in the highest class of securities, such as Dominion and Provincial Bonds and Debentures, Mortgage Loans and other investments equally sound and reliable which yield a good rate of interest.

The Canada Life paid in 1921 to policyholders $6,586,000, and notwithstanding these payments made during the year increased its assets by $3,989,000.

A Contingent Fund which was set up some years ago as an additional protection and stabilizing force has been maintained, and is ready at all times for special contingencies.

A particularly good feature of the year was the low percentage of loans on policies.

While a policy is perfectly good security, it is a satisfaction to note that policyholders appreciate the value of keeping their policies intact, and also the advisability of paying off their loans so as not to mortgage this, their best asset.

Frequently a policyholder will pay off a little at a time, thus gradually reducing the indebtedness, and the Company is always ready to assist by accepting these small payments whenever convenient. In the meantime, while the loan exists, there is an easy and convenient way open to most policyholders in good health to insure the loan, so that it will not be deducted from the face of the policy, if death occurs within a certain time, and while the loan is being paid off.

A letter to the Home Office at Toronto will bring particulars as to this.

LIFE INSURANCE TO SAFEGUARD ESTATES

Another development of life insurance service is found in the increasing use of insurance to provide for Succession Duties—the taxes that must be paid to the Government on the value of estates that are passed on to others.

The need of life insurance to clear off Succession Duties, or Inheritance Taxes, has been more fully recognized in the United States, and an enormous volume of business is written each year for this purpose. In Canada this need is only now being brought to the attention of well-to-do men and women in a general way, and there is no doubt that, in this direction, will be found an enlarging field of insurance business.

Not only the estates of millionaires and wealthy people stand in need of life insurance to clear off these Duties, but smaller estates of moderate value also require this provision if the property is to pass on intact without sacrifice and delay. The records of Trust Companies and personal Executors of estates can show many instances where valuable securities, real estate and other holdings of the decedent have of necessity been sold at a loss to provide the funds required for the Duties. Every estate of considerable size and value is depleted by this debt that arises immediately upon death of the owner unless adequate provision is made during his lifetime for payment of these taxes. It is not convenient, or even advisable, to set aside cash funds at a low interest rate to provide for this debt. In fact well-to-do men seldom carry on deposit large sums of money. Almost invariably their money is invested in their business or in securities or property, the value of which depends on the condition of the market, and cannot always be turned into cash and sold profitably. Yet when the time comes that a man's affairs become the affairs of his estate his Executors need available funds to pay the Succession Duties on that estate, and pay them promptly.

A large proportion of estates in Canada are left without available cash funds to pay the Provincial Succession Duties. Where no provision is made for sufficient ready cash, the administration of the estate is necessarily delayed until the required funds to pay the Duties have been obtained by the sale or by mortgage of the estate. It very often happens that this cannot be done within a reasonable time without a considerable sacrifice of value, and often it causes inconvenience and trouble to the beneficiaries.

Life insurance offers the simplest and surest way to provide the needed reserve fund to pay Succession Duties and clear off this debt on the estate so that it can be passed on without loss or delay to those entitled to receive the benefits, free from the dangers and problems that would otherwise have to be met.

Men who are thoughtful and far-seeing try to acquire property, the fruits of which will benefit themselves, their families and the community. They endeavor to build up an estate and to make provision for the direction of that estate after they are no longer here to do so themselves. But there is little evidence of foresight and business prudence for a man to provide in his Will for those he wishes to benefit or protect after he passes on, and yet, at the same time leave them to face the problems of getting together the funds to pay the Duties—with the probability of much delay, loss and worry. Whether an estate consists mostly of business, or is made up of real estate, or stocks, bonds or other securities, there is the possibility of loss if part of the estate must be sold in order to secure available funds. A forced sale is usually a bad sale.

A Life Insurance policy of sufficient amount will not only clear off these tax obligations, but meanwhile, during life, will safeguard home, business and personal interests.

The last act of a man's life, if he is well-to-do, is the act of going into debt unless he insures the immediate cancellation of that debt by means of life insurance. In view of the uncertainty of life, the certainty of debt for taxes, and the need of available funds to clear the estate, it is generally conceded that the only practicable way for a man to safeguard his estate is by means of life insurance, which, for a moderate annual payment, will provide the required funds when needed.

GROUP INSURANCE IN 1921

More Firms Now Provide Insurance Protection for Their Employees

Last Year's Group Business Doubled by the Canada Life

Our second year in the writing of group insurance shows substantial progress in this comparatively new branch of our business; the year's issued business amounting to $5,333,950, as compared with $2,338,450 during the previous year. Twenty-one new groups are included under this group coverage, providing insurance protection for an additional 4,501 employees.

These groups represent various interests: industrial, commercial, governmental and educational. The business firms, who secured group insurance in the Canada Life in 1921, include such varied lines as Furniture, Printing, Publishing, Metal Working, Automobile, Paint, Glass, Oil and other manufacturers. Also Banking, Investment, Fire and Marine Insurance and other financial interests are included in our 1921 list of group policyholders. We also issued group insurance on the civic employees of a large Canadian Municipality—the City of Calgary — and provided a substantial portion of the group insurance protection secured by the Provinces of Manitoba and Quebec for the Government employees of those progressive Provinces.

There is every indication that group insurance is here to stay and is rapidly becoming a large and important factor in the life insurance business. It fills a distinct need in the business world by providing a simple plan under which all employees of an employer can be insured—as every worker and producer ought to be. It has extended beyond the industrial and commercial field where it was largely developed for the welfare of the wage-earner and his family, and now covers employees in Trust Companies, Investment Houses, Educational Institutions, and municipal employees of cities and towns.

The popularity of group business shows the value placed by employers and employees on this form of insurance. Notwithstanding the temporary industrial depression and enforced economy in many lines of trade and commerce, few employers have discontinued their group contracts. The business has been as well maintained as other regular lines of insurance, and policies are carried on even in cases where it is known that the business of the employer is at its lowest ebb and the firm trying to economize in every way. Some of the policies now aggregate smaller amounts of insurance on account of reduced working forces, but such reductions may be regarded as only a temporary condition. All this indicates that group insurance has proven its worth and permanency.

This year we are able to offer a modification of our group plan—to be known as Wholesale Insurance, to include groups of employees, under fifty in number, and also members of Associations and Lodges, hitherto not eligible for regular group term insurance. A further development of the group plan is the issue of group endowment or pension policies to provide, not only insurance protection for dependents of employees, but to guarantee also a retiring fund or pension for employees upon reaching the time for retirement. The group endowment or pension plan involves a larger premium outlay for the employer, but arrangements are usually made for both employer and employee to contribute to the payment of the premium on a fifty-fifty basis. This endowment-pension plan helps the employee to save, and with the contribution from the employer gives him a stake in the business, thereby tending to develop greater interest and co-operation.

All these forms of group and wholesale insurance are supplemental to the regular field of individual life insurance, but open up new and untold possibilities for life insurance service.