

LLOYD'S LIMITATIONS.

With reference to the article "Lloyd's Limitations," quoted in our last issue from the *Manchester Policyholder*, we have received the following letter:—

To The Editor of The Chronicle:—

Re "Lloyd's Limitations"

Sir:—I have read with interest your article under this heading in your issue of the 18th August, and, as I have some insurance placed at "Lloyd's," I shall greatly appreciate further information which will no doubt be of benefit to other of your readers.

The article in question accuses the members of "Lloyd's" of "lack of stability," "jumpiness," "lack of financial strength," "short-sightedness," "niggardliness," etc. It then goes on to say: "The man in the street knows nothing of Underwriters; he only pays regard to the magic title 'Lloyd's.'"

My curiosity is aroused as to how an institution possessing the qualities which you describe can have achieved a "magic title."

It seems almost incredible that "Lloyd's," after two hundred years' operation in the city of London, can have built up a reputation, second only to the Bank of England, by means of "lack of stability," "lack of financial strength," "niggardliness," etc.

These qualities are not appreciated in Montreal, and if report speaks true, they are even less appreciated in London.

I made enquiries a short time ago in London concerning the effects of the War on "Lloyd's," and I was informed from most influential quarters that at no period in its history had "Lloyd's" stood higher in public and financial estimation than at the present time, and I believe that this opinion could be confirmed by enquiries made in London through any Canadian Bank.

I shall very much appreciate your publishing this letter with any comment or explanation which might help doubters like myself.

Yours faithfully,

P. L. LUKIS.

MONTREAL, August 21st.

Mr. Lukis appears to have overlooked the fact that the article in question was not *THE CHRONICLE'S*, but was a reproduction of an article appearing in the *Manchester Policyholder*, and quoted in our columns as a matter of interest. Some apropos comment on Mr. Lukis' letter is also supplied by the *Policyholder* in replying to a correspondent who had complained of the tone of the "Lloyd's Limitations" article. The *Policyholder* says:—

"Insurance men know that Lloyd's is not an institution, in the ordinary acceptance of the term, any more than the Fire Offices' Committee is an institution, or the Stock Exchange is an institution. Just as stock brokers are not jointly and severally liable for contracts entered into by all the other brokers operating in "The House" (as they like to call the Stock Exchange) so Lloyd's Underwriters are not jointly and severally liable for all the contracts arranged on the top floor of the Exchange.

"To all intents and purposes Lloyd's is a union of four to five hundred separate institutions, as the F.O.C. is a union of less than one hundred institutions. But the turnover and resources of the tariff offices exceed that of Lloyd's time and again, and

we say that, in the true sense of the term, Lloyd's is very far from being 'the greatest insurance institution in the world.'"

The *Policyholder* goes on to call attention to the fact (referred to more fully elsewhere in this issue) that a member of Lloyd's recently applied to the English courts for a compulsory dissolution of his partnership with an enemy alien now interned and remarks that "anyone looking at a list of Lloyd's Underwriters must notice the large number of names which certainly cannot be described as British." The *Policyholder* continues:—

"There are well on the way to 500 underwriters at Lloyd's, and the firm of R. D. Denman is the only one which, to our knowledge, ever issues a balance sheet. We have frequently drawn attention to this lack of publicity, and we now say we will gladly find space in our columns for the report and accounts of any firm. The fact is they avoid publicity, and the general public has no information as to the character and extent of the business and resources of these underwriters. We consider the position highly unsatisfactory."

To which comment of the *Policyholder*, *THE CHRONICLE* would add this of its own:—There have been cases where all of Lloyd's underwriters interested have failed to pay losses, but in such cases brokers have made good the deficiency rather than let it be supposed that a Lloyd's policy is not worth a hundred cents on the dollar. It is, of course, generally known that Lloyd's underwriters are not licensed in Canada, and doing an unlicensed business they escape practically all Canadian taxation.

ACCIDENT POLICIES AND SUICIDE.

While accident policies in Canada naturally exclude suicide from the risks covered, the suicide question is apt to give casualty underwriters considerable trouble from time to time. Some of the companies follow the practise in cases of suicide of paying a small fraction of the face of the policy, in this way saving themselves from the menace of being proceeded against subsequently for the face of the policy on the ground that death was the result of an accident and not a case of suicide. The legal axiom that no man will deliberately take his own life throws, in cases of this character, the burden of proof of suicide upon the company, a proof that is not always easy to get when families for social as well as possibly financial reasons, take every step to hush things up, and coroner's juries have a *penchant* for being as kind as possible. Moreover, it is not every suicide who leaves behind him clear evidence of his intention.

Down in Missouri, there is no defence to suicide under an accident policy for it has been held that a policy of accident insurance is a contract of life insurance, and the statutes state that suicide shall be no defense to a life policy unless the suicide was actually contemplated at the time the policy was issued. It is very difficult to prove that the suicide was actually in the mind of an insured at the time he took out his policy, so that in most cases policies become payable immediately upon the suicide of an insured in Missouri. A number of cases are being tried at the present time which are seeking to avoid this statute for accident policies and the results of the cases in suit are being awaited with much interest by the insurance companies.