

GUARDIAN ENTERS MARINE BUSINESS.

Particulars are now to hand of the important arrangement by which the Guardian Assurance Company of London, England, enters the marine business, thus more fully equipping itself as a great composite insurance Company, through a fusion of interests by an exchange of shares with the Reliance Marine Insurance Company. The latter Company, which was established in 1881, has been a profitable undertaking. Last year its premium income was about \$850,000. There is no doubt that, through the contemplated fusion, the Guardian will secure most advantageous marine business connections and at one step place itself in line with those other great British composite insurance organisations which in recent years have launched out into marine insurance.

A UNIQUE ARRANGEMENT.

The arrangement by which it is proposed to bring about the fusion of interests is probably unique of its kind. It is not considered desirable further to increase the paid up capital of the Guardian, now one million pounds sterling. An arrangement is therefore proposed by which the capital of the Guardian will be sub-divided into 200,000 preference shares of £4 each and 400,000 ordinary shares of £3 each credited as 10 shillings per share paid up. The Reliance shareholders will receive for each Reliance share (1) ten shillings in cash and (2) two of the new ordinary shares of the Guardian. These shares, it is proposed, shall be contributed rateably by the existing shareholders of the Guardian. The effect of this arrangement is the same as if new shares of the Guardian were issued to the Reliance shareholders. Its practical result, on the footing of all the shareholders of the Reliance accepting the exchange, is this. The Guardian will become in effect the owners of the combined business. The existing shareholders of the Guardian will remain the sole owners of the £800,000 Preferential capital of the Guardian, and also of three-quarters of the £1,200,000 ordinary capital of the Guardian, and the remaining one-quarter of the ordinary capital of the Guardian will belong to the former owners of the shares of the Reliance; or, put more simply, the Reliance shareholders make over their business to the Guardian in return for a one-quarter interest in the combined undertaking, subject to the existing Guardian shareholders retaining for their exclusive benefit a Preferential right in the whole combined undertaking, to the extent of £800,000, bearing a non-cumulative dividend of £40,000 per annum. The Reliance shareholders also receive from the Guardian 10s. per Reliance share in cash.

STRONGLY RECOMMENDED.

The sanction of the Court is required to this scheme, which is strongly recommended by the Guardian's directors, who anticipate that it will result in an increase of trading profits and give the shareholders a broadened basis of security for both capital and income, while at the same time reducing their existing liability. The premium income and assets of the Guardian, now approaching \$6,000,000 and over \$35,000,000 respectively, will receive substantial additions as a result of this new arrangement.

THE ONTARIO PROBE.

The Ontario insurance investigation was continued on Monday, when Mr. Mark Irish, M. P. P. gave evidence. He was asked by the Commissioner:—"Have you any idea of the percentage of the business done in Canada by unlicensed companies?"

"I have not," said Mr. Irish, "but it is very large. Let the Government put a tax on exported premiums, and all such competition would be lessened."

"Suppose I slipped over to New York and insured my house," said the Commissioner, "how would any one know I had done it?"

"When the insurance was paid you would be obliged to show it," Mr. Irish replied. "The American companies come over here and cut premiums so that they just come to the same as the Canadian companies get out of it. They make reductions all round."

It was expected that Mr. Irish would produce some evidence with reference to alleged discrimination on the part of companies which are members of the Canadian Fire Underwriters' Association, but this he did not do. He, however, had some evidence which he would place before the Commission and the counsel of the Fire Underwriters.

There was room for inference from Mr. Justice Masten's comments that he might suggest to the Government that the Superintendent of Insurance be given power to declare rates to be discriminatory. He recognized that Government control of rates would open up big problems, as would authority to deal with "unjust" rates, but stated that the right to declare rates in a certain class discriminatory in comparison with rates in another class might prove workable.

Mr. J. A. Kennedy, on behalf of insurance agents of Port Arthur and Fort William, urged the adoption in Ontario of legislation similar to that now in force in the western Provinces, by which insurance within the Province can be secured only by Provincial agents. It was stated that agents at Port Arthur and Fort William have business taken away from them by agents from Manitoba, representing the same companies as the Ontario agents. Mr. Kennedy maintained that legislation could be adopted to meet this without interfering with the right of the insurer to get insurance on the most favorable terms.

INSURANCE INSTITUTE OF TORONTO.

The Toronto Insurance Institute was fortunate in being able to secure an address by Hon. W. H. Hearst, premier of Ontario, at its initial meeting this session. Mr. Hearst, in addition to speaking on the subject of the War, referred at length to the resources of the province in connection with the problem of after the war settlement. Mr. Hearst pointed out the necessity of keeping within the Empire both population and investment funds after the war, means being offered within it for the most diversified enterprise.

Mr. A. E. Blogg also delivered his presidential address, reviewing the progress made in Canada during recent years in the various fields of insurance and calling attention to the educational facilities offered by the Institute to the younger members of the insurance fraternity through its text-books and examinations, which means of technical and professional education, Mr. Blogg pointed out, are scarcely as appreciated as they might be.