

### BRITISH INSURANCE COMPANIES AND INVESTMENT DEPRECIATION.

In the opinion of the Insurance Index, the British insurance companies have come through the ordeal of the fall in investment prices remarkably well and there is room for congratulation that the effect of the drop has been much less serious than was generally anticipated. Most of the offices have been steadily writing down their investments or creating and increasing investment reserve funds for some time and their prudence in that respect has stood them in good stead. During the last few years the prices of Stock Exchange securities have been ruling low and recent purchases have been made at prices which are even little above those ruling now.

With regard to the present maintenance of official minimum prices it is remarked that whatever happens prices cannot be maintained at an artificial figure for ever and whether they fall or rise as a consequence of the removal of the restrictions, the companies will have to face the matter at some time. With the existing war loan and the further issues which are inevitable, it is futile to look for a rise in the price of Consols, for instance, until long after the present price has ceased to be artificially maintained, so that a further writing down of the premier security is almost certain to be necessary and many other securities are in a similar position.

In only very few cases will it make any material difference, whether the writing down has to be done now or in two or three years time. At the moment there is every excuse for writing down to bed rock value and the effect of so doing is not likely to be damaging to any office so far as the public is concerned, for such things are expected at the present time, whereas they may not be regarded in the same light later on.

### FIDELITY BOND COVERAGES.

The loss ratio on fidelity bonds, I believe, is very much larger than it was before the companies entered into competition with each other to see which one could put the most "frills" in its bonds. A few years ago, with only a few exceptions, the companies covered only larceny and embezzlement and dishonesty in their fidelity bonds, but now, the coverage is very much broader, made so by the unwholesome competition in bond forms, probably due to the fact that they have found little opportunity for competition in the matter of rates. The rate of premium on a fidelity bond at present is not an important factor with employers—rarely is there any objection to it, nor should there be, and yet the experience of the National Surety Company, and I think I am safe in saying, the experience of other large surety companies is unsatisfactory, traceable directly to the broad and unnecessary coverage in the form of bond. When companies guarantee the mental and physical capacity of employes in a fidelity bond, a halt should be called.—*William B. Joyce.*

Recent air raids on the east coast, English exchanges report, have given a great filip to the Government's insurance scheme. A feature of the business is the number of applications received from owners of small houses and small shops who would be very hard hit if their premises were seriously damaged by bombs.

### UNEMPLOYMENT INSURANCE.

(Theodore E. Gaty).

Many attempts to formulate some system of unemployment insurance have been made. In nearly every instance the attempt has resulted in utter failure, due to a variety of causes, including the following:

1. The absence of a satisfactory test of unemployment. An accident may be verified by witnesses or objectively; sickness may be determined by medical experts, perhaps not so accurately as an accident. The impossibility of finding employment is difficult to determine, since there is no conclusive means of establishing the fact.

2. The wages paid the vast majority of unskilled workers are barely sufficient to support existence. It is therefore self-evident that such people could not pay for insurance.

3. It is perfectly obvious that employers will not pay and, as a matter of fact, cannot pay for unemployment insurance unless all employers are compelled to contribute towards the cost. Any industry would be seriously handicapped that undertook to pay for unemployment insurance, and furthermore it is extremely doubtful whether any concern would be willing to pay a premium to cover strikes, lock-outs, or employes discharged for fault or inefficiency.

4. No system of unemployment insurance could be operated without an effective method of detecting fraud or wilful idleness. It would, therefore, be necessary to operate labor exchanges or employment agencies.

5. No system of out-of-work benefits could be successfully conducted without the co-operation of labor unions.

7. Provision must be made for seasonable trades, either by the employers establishing a system whereby the employes would be continuously employed, or by charging high rates on such seasonable employments.

### HAIL INSURANCE LOSSES.

While the season's hail insurance losses in Canada are generally understood to have been comparatively light, bitter complaints come from the United States of a severe experience extending right up to the very end of the season. Three companies are now credited with losses of over a million dollars each and those of one with its subsidiary organisations are believed to exceed a million and a half. Only two mutuals will pay their losses in full. Unless material increases in rates are authorised for next season, it is expected that a number of companies will retire from the line.

### SUMMER HOTEL FIRES.

The summer hotel continues to furnish its full quota of food for flames. No less than forty of this class of hostelries have been reduced to ashes this season thus far. Fortunately, the loss of human life has been comparatively small. The summer hotel is usually constructed of such inflammable material that when a blaze once gets a start the structure's total loss is anticipated. In spite of the fact that legislation has been sought for to regulate the construction of resort hotels, there seems to be little, if any, consideration for the safety of guests whose sleeping rooms are above the second floor. Insurance Press.