

The Insurance Chronicle

May 11th, 1907.

The Quebec Board of Trade has adopted a resolution calling upon the Federal Government to establish a Canadian Lloyds to replace the English maritime insurance companies, whose attitude is declared to be ruinous to Canadian maritime commerce, especially in the St. Lawrence. Such a statement requires explanation. The English marine underwriters are in the business to make money, if possible. Competition is abundant, and if A., B. and C. are found to be making money by marine insurance in the St. Lawrence River and Gulf, D., E. and F. will endeavor soon to partake of the profits, if any. But if the underwriters have to reckon losses instead of profits, in spite of our boasted system of dredges, ranges, and lights, the substitution of Canadian for British insurers will not change the risks of the route.

To take another and a wider view. The Connecticut Insurance Department, one of the ablest and most trustworthy on this continent, has just printed a valuable exhibit of the results of 1906 business of 93 stock companies of other States, 7 stock companies of Connecticut, and 25 companies of other countries, 125 companies in all, doing business in the States. From this it is seen that the stock companies, foreign and domestic, made an underwriting loss during the year 1906 of \$53,268,380. "This is considerably more than the entire underwriting profit made by the principal companies on their entire business throughout the United States from 1864 to 1905, inclusive. This latter statement is made upon the authority of a prominent insurance official, who secured the figures for his calculation from the reports of the National Board of Fire Underwriters." In other words, the underwriting profits of forty-one years, and millions in addition, were wiped out during the year, 1906—in fact, during the three days of the San Francisco conflagration. The profits of the companies in other parts of the country during 1906 reduced by millions of dollars the net loss for the whole year. Looking minutely at the table containing the names and figures of the Canadian, British, and Continental offices, but one among them, the Cologne, made any money last year; the other twenty-four lost money. Their aggregate premiums were \$60,759,590; their losses, \$79,373,104; their expenses, \$21,556,755, and there has been an increase of their underwriting liabilities for reinsurance, etc., of \$13,098,091.

LIFE, ACCIDENT AND CASUALTY NOTES.

District-Attorney Jerome hinted last week that he would investigate some matters in connection with the Equitable Life.

Reference is made in our English letter on another page to a warning in the London "Times" as to one of the smaller life assurance companies of Canada seeking capital in England. The Monetary Times has been unable to confirm by enquiry here the story of such application.

Mr. J. F. Junkin, for some years managing-director of the Manufacturers' Life, has resigned from that position to go in business on his own account as financial agent, etc., in Toronto. His successor is likely to be Mr. G. A. Somerville, manager of the Huron & Erie Loan Company, of London, who is an excellent financial man. He is not, however, a life assurance expert.

The long-standing partnership of Medland & Jones as insurance agents in Toronto was cancelled on May 1st, by mutual consent. Mr. W. A. Medland retains representation of the Scottish Union and National Insurance Company, and the Guarantee Company of North America, while Mr. A. F. Jones receives the agencies of the Insurance Company of North America, the German American Insurance Company of New York, and the Canada Accident Assurance Company.

Mr. Jones has joined the firm of Ridout & Strickland, who represent the Phoenix Insurance, of London; the Law Union and Crown Insurance Company, and the London and Lancashire Life Insurance Company. The partnership thus formed is under the name of Ridout, Strickland & Jones.

The death last week of Mr. F. G. Cox, second son of the Hon. G. A. Cox, brought sorrow to a large and affectionate family circle. The deceased gentleman was in the prime of life, barely 40 years of age. He had been brought up in Peterborough, where he was associated with his father's business. In 1897, when the Imperial Life Assurance Company was formed, he became its manager, and retired some months ago to become president of the Provident Investment and Mortgage Company. He was vice-president of the Central Canada Loan and Savings Company, Toronto, and a director of the Toronto Savings and Loan Company, Peterborough. Mr. Cox was a great lover of horses, and an ardent yachtsman. He was fond of open-air sports, and a successful curler. His agreeable disposition won him many friends.

Some words upon the life insurance outlook for 1907 find place in the annual report of President Dryden to policyholders of the Providential Life. "Life insurance has passed through a most critical period," he says, "but it is to be hoped that the turning-point has been reached and that the course lies straight towards still greater achievements in the future than have been attained in the past. No limitations can be put upon a force which, like life insurance, makes with absolute certainty for human happiness and betterment on the grandest scale. No insidious attacks respecting its value can seriously or permanently influence men and women of sound and impartial judgment, representative of the preponderating majority of the policyholders of American companies. No other institution, financial or industrial, could have weathered such a storm, with as little real damage as legal reserve life insurance in the United States. It stands to-day where it has ever stood in the past, the most cherished of our social institutions, the most useful method of saving, and the most effective form of thrift."

STANDARD LIFE ASSURANCE COMPANY.

This long established Edinburgh life company held its 81st annual general meeting on April 22nd. The report for the year ended November, 1906, showed assurances accepted during the year, for which 5,486 policies were issued, £2,384,434, re-assured with other offices £103,782, leaving net amount of new assurances for the year £2,280,652. Premium revenue on new policies during year leaving: net premium revenue on new assurance £101,249, amount received in purchase of annuities during the year, for which 142 bonds were issued, £89,626. On the other side of the account there were claims under policies during the year, inclusive of bonus additions: By death £608,261, by survivorship £130,946, together £739,207. Subsisting assurances at 15th November, 1906, exclusive of bonus additions, £29,222,646. The accumulated funds at 15th November, 1906, after deducting current liabilities, were £11,764,530. The addition to the accumulated funds during the year was £380,637. The dividend to proprietors was at the usual rate of ten per cent.

OCEAN, ACCIDENT & GUARANTEE CORPORATION LIMITED.

The exhibit made by this well-known company as a result of the business of 1906 is most satisfactory. The gross revenue for the year amounted to £1,178,385. Of this, the total premium income, less re-insurances and bonus to assured, amounted to £1,139,328. This is an increase of £64,710 over 1905.

The compensation paid and provided for, including incidental expenses, amounted to £578,330. The investments and other assets amount to £1,623,438. After debiting all charges and expenses, there remains, including the amount brought forward, a credit balance of £554,814; less provision for liability on unexpired risks, one-third of the annual premium, £382,000. Leaving available revenue balance, £172,814.

The manner in which the company provides reserves upon reserves is noteworthy. For example, it had at the close of 1905, £400,000 provided for outstanding claims. The year was prosperous, but in view of a fire business having been undertaken, and also workmen's compensation, the amount was raised to £448,000. Naturally enough, the expanded business increased expenses, which having been 15.40 per cent. of the premiums, increased to 15.70 per cent. But as against this the cost of claims declined in twelve months from 56.03 to 50.76. The grand total carried to the balance sheet was £172,814, as compared with £95,788.

Having regard to the marked fluctuations on the Stock Exchange, it occurred to the management that, instead of

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