

ACQUISITION COST A SERIOUS MISNOMER IN WORKMEN'S COMPENSATION INSURANCE.

When the late William Temple Emmet, insurance superintendent of New York, wished the name "acquisition cost" upon that part of the expense of workmen's compensation insurance which comprises the cost of getting the business and a number of other things besides, he little appreciated what the effects of a misnomer would be. Everybody who is at all familiar with the subject of workmen's compensation insurance is accustomed to the statement that "acquisition cost amounts to 17½ per cent." The average man who pays the premium thinks the broker is getting 17½ per cent of it. That accounts in part for the growth of the business of the mutuals; the premium payer cannot see how the broker earns 17½ per cent. of his premium. The broker knows that he receives only 10 per cent., and the special agent knows that he receives only 12½ per cent., and they both know that their commissions really represent the acquisition cost. The general agent and the branch office manager know that the 7½ or 5 per cent. additional goes mainly for clerk hire, rents and various other expenses which would be necessary if the applicant for insurance brought his risk to the office and asked the company to write it. Every business man knows that there is a heavy overhead expense in his own business, and in fairness he has to admit that there is in others. If he knew that the real acquisition cost in workmen's compensation insurance is 10 per cent., or at the outside 12½ per cent., and that the additional 7½ per cent. or 5 per cent. which is taken out of his premium represents the compensation for services aside from getting the business and the expense which is inseparable from a business, he would feel differently about it, but there stands the expression, with a certain official sanction, "acquisition cost amounts to 17½ per cent." and he does not go behind the returns.—New York Journal of Commerce.

MAY CALL BUREAU TO CONSIDER HEALTH RATES.

The president of one of the prominent casualty companies in the United States has suggested to Chairman D. G. Luckett, of the Bureau of Accident and Health Underwriters to advisability of calling a meeting of the bureau to consider the experience on health insurance and the rates which should be charged for it. The interchange of ideas among the members might be advantageous, but an officer of one leading company says there is no prospect of uniform action. His company, for example, is satisfied with its experience on old business and will not advance rates on renewals unless that experience changes for the worse. Some other companies have already announced advances in rates on renewals.

CONFEDERATION LIFE ASSOCIATION.

Mr. Joseph Henderson, Vice-President of the Bank of Toronto, was recently elected Vice-President of the Confederation Life Association to replace the late Mr. W. D. Mathews. The senior vice-president of the Association is Sir E. B. Osler, and the president Mr. J. K. Macdonald. The Montreal branch of this fine old Canadian company, under the management of Mr. A. J. Meiklejohn, has made substantial strides in recent years, and the Company has fully participated in the general prosperity enjoyed by all companies this year.

CASUALTY INSURANCE MANAGERS' ASSOCIATION.

The usual monthly meetings of the Casualty Insurance Managers' Association and the Eastern Casualty Underwriters Association were held in Montreal last week, with a representative attendance. The question of a standard form of Employers' Liability policy for the Province of Quebec, employed most of the time, and several important items on the agenda were held over. In discussing the terms and conditions of this form of policy considerable difference of opinion appeared to exist amongst the members present. It appears unfortunate that in the present instance more unanimity of opinion did not prevail affecting as it does the interests of all companies.

AUTOMOBILE CLAIMS UNUSUALLY HEAVY

Casualty Companies' claim departments are at present unusually busy with automobile liability claims, and ascribe this condition to the increasing congestion of the public highways. The recent heavy run of claims appears to be from normal causes, with no indication of unusual fake claims.

EXPANSION OF INSURANCE AS A RESULT OF THE WAR.

The war has created a demand for classes of insurance which formerly had been written only to a limited extent, and now fire companies are to be found writing large volumes of use and occupancy, explosion, strike and other forms, thus materially broadening their field of operations.

Expansion in various lines resulting from present conditions has impelled many British companies to consider still further enterprise. This appears to have impressed itself especially upon British companies which do a casualty business, many of whom have extended their operations to Canada. The policy of these companies is to get a "broad spread" by writing all classes of business, so that bad experience in one class will be offset by more favourable results in others. These companies bring with them experience which should be valuable to Canadian casualty insurance, as in their home field they are accustomed to adequate rate conservative underwriting and a substantial profit margin.