

THE PROBLEM OF NEW LIFE COMPANIES.

Mr. C. C. Ferguson's paper at the Winnipeg Life Underwriters' Convention on the subject of the investment value of stock in a new life insurance company, is an exceedingly interesting and valuable contribution to the theoretical literature of life insurance. But was the time and place of his pronouncement quite the right one? The subject is not of primary interest in a convention attended by field representatives of both old and young companies. Moreover, the matter is one regarding which differing conclusions may be legitimately come to, and a variety of opinions held. In the circumstances, it is scarcely surprising that representatives of young companies felt a sense of grievance in that there was no opportunity for discussion of Mr. Ferguson's paper, but that its discouraging conclusions were allowed full rein in a gathering of agents, some of whom may be interested in suppressing the competitive activities of young organizations.

That under present circumstances the early years of a life insurance company in Canada involve desperately hard sledding is sufficiently well known. But possibly Mr. Ferguson in his elaborate compilations does not make enough allowance for the personal equation in management and for the tremendous influence upon a life company's progress of a really first-class management, compared with a mediocre one. For instance, the Imperial Life, a company which is now just about twenty years old, is a long way ahead of what Mr. Ferguson allows to be possible in his "model company" with "excellent management." The Imperial Life was, of course, started under exceptional auspices and has always been blessed with the best of management. That such a development is the exception and not the rule, we cheerfully admit, since a main difficulty facing any new company is that of obtaining a first-class management, including directors who will really direct and actively aid in the development of the company. Too often the directors are dummies, the management is absurdly extravagant and shareholders' money is wasted instead of being expended in such manner as to bring benefit to the company.

With Mr. Ferguson's advice of "Don't" to the would-be investor in new life companies, THE CHRONICLE agrees—it has been given before in these columns. But we do not know that there is any particular point in especially emphasising this advice at the present time, since existing circumstances entirely preclude the starting of new life companies, and it will probably be several years after the war before conditions are such as to encourage the hopeful promoter to get busy again. In the meantime, the younger Canadian companies, particularly the three or four which did not really get on their feet prior to 1914, are necessarily having a hard row to hoe. But it may be assumed that stock at present market values in some of the younger companies will, given proper management, turn out to be a good investment, following the history of Canadian life companies generally. Meantime, it is not necessary for the senior companies, who were going through somewhat similar experiences twenty-five or thirty years ago, to try to make it harder for the younger companies at present.

GUARDIAN ASSURANCE COMPANY.

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a high reputation for fair dealings with policyholders, and equipped with a well-established Dominion-wide organization, the Guardian's Canadian business is steadily expanding from year to year under the management of Mr. H. M. Lambert, of Montreal, an underwriter well known and highly esteemed in Canadian fire insurance circles. Last year the Guardian's Canadian net fire premium income totalled \$989,086, an increase of nearly \$19,000 over the preceding year, losses paid absorbing \$588,909. In addition to its fire business, the Guardian transacts in Canada a casualty insurance business in its various branches, through the medium of a subsidiary, the Guardian Insurance Company of Canada, formerly the Guardian Accident and Guarantee Company, established in 1911. This subsidiary Company is entirely owned and controlled by the Guardian Assurance Company, which re-insures the whole of its contracts. It received last year a net premium income of \$89,130, claims absorbing \$39,846. At the close of the year its total assets were \$284,091. Under Mr. H. M. Lambert (managing director) and Mr. John Good (secretary), this subsidiary company is making satisfactory progress in its field.

THE COMPANY'S WAR SERVICES.

The summary of the Company's war services given at the present annual meeting, constitutes a fine record. Of the pre-war staff 324 joined the Colours, and of these fifteen have made the supreme sacrifice, 37 have been wounded, two are missing, two prisoners and six have been invalided out of the army. The Company subscribed to the 5 per cent. British War Loan over \$7,600,000, more than 20 per cent. of its total assets. Its total holdings of British Government securities are \$7,903,835. In the interests of exchange, it sold to the British Government all the American securities they were prepared to purchase, and lent all that the Government would borrow. In fact, the Company has rendered every service within its power.

AWARDED MILITARY MEDAL FOR CONSPICUOUS BRAVERY.

An employee of the Royal Insurance Company, Signaller D. W. Rowan, 37th Battery, 10th Brigade, Canadian Field Artillery, has been awarded the Military Medal for conspicuous bravery at the front. Previous to his enlistment, Signaller Rowan was rating and cancellation clerk of the Royal Insurance Company at Winnipeg, Man.

HIS OWN CONDEMNATION.

Herr Carl Schreiner, American manager of the Munich Re-Insurance Company, whose activities led to his hasty exit from England in disguise at the outbreak of war, now writes to a New York journal: "I am a German and have never hesitated to act as such." The excellent Herr could not have put better the case for his being promptly locked up.

A new application for a receivership for the Royal Arcanum has been filed at Boston.