U.F.A.
Hail Insurance

THE PAST—1915

Insurance written (approx.) $15,-000,000. Net premium (govt. report) $1,119,816.10. Commissions paid on usual basis to private non-farmer agents:
(a) General agents (10%) $111,-981.61.
(b) Local agents (15%) $167,-971.50.
Cost of adjustments, etc., usually 5% to 10% of premiums. $56,-000.00 to $112,000.00.

Rates: $6.00 to $9.00 per $100.

THE PRESENT—1917

Insurance written (est.) $20,000,-000.00. Net premium (approx.) $1,680,000.00. Commissions paid:
(a) General agents (non-farmer firms) $168,000.00.
(b) Local agents (U.F.A. men), **Depends on you.** Should be $252,000.00.
(c) Local agents (non-farmers) should be **$ (NIL).**
Cost of adjustments 5% to 10% $84,000.00 to $168,000.00.

Rates: $7.00 to $10.00 per $100.

THE FUTURE—1919
A FORECAST

Insurance written (est.) $25,000,-000.00. Net premium at reduced rate $1,750,000.00. Commissions paid:
(a) U.F.A. General agents (5%) $87,500.00
(b) U.F.A. Local agents (10%) $175,000.00.
Cost of adjustment, not more than 5%, $87,500.00.

Rate: 7% Straight

A Policy

written through the U.F.A. is a step in co-operation and a blow at private control and monopoly of **your** business.

Your Policy is secured by

The Rochester Underwriters Agency
Rochester, N.Y.

STATEMENT, JANUARY 1, 1917

Capital	$ 2,000,000
Reserve for all other liabilities	10,964,055
Net surplus	10,759,422
Assets	23,713,477

Assets all invested in U.S.A. and Canada

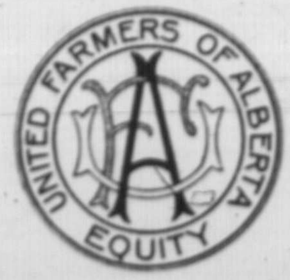
Incorporated in 1872 under New York State Law.

Neither a branch nor a part of any Foreign institution.

BUSINESS WHOLLY CONFINED TO UNITED STATES, ITS POSESSIONS AND CANADA.

Losses Paid Since Organization, Over $90,000,000.

CHARLES G. SMITH President — **JESSE E. WHITE** Vice-President
E. M. CRAIGIN Secretary — **A. R. PHILLIPS** Asst. Secretary



RESULT:—Figure it out for yourself. If all the farmers of Alberta in the year 1917 wrote their insurance through their own organization under our present arrangements, they would make no direct saving in actual cost except possibly in the cost of adjustment, but they would have financed their various locals and the central office to the extent of approximately $252,000.00.

If our forecast for 1919 is made to come true the farmers would have saved in actual cost on the reduced rate alone, approximately $350,000.00 in premiums besides financing their own organization to the extent of $262,500. Our forecast is not so impossible either. 1915 was considered a bad hail year, the losses being roughly 76 per cent. of the premiums, but a few minutes figuring will show you that a 7 per cent. rate would realize $70,000 more than the amount necessary to pay in full for an equally heavy percentage on the increased volume of insurance as well as the adjustment expenses and the $262,500 paid in commissions to the farmers themselves through their own organization.

The only thing unreasonable about the forecast is the idea that the farmers could agree "to hang together." **That is up to You.** You are not asked to take any risk. Why not get in and help to bring it about by making your application for hail insurance this year through your local secretary.

The Parable of The Farmer and The Hail Men

In a certain township in Alberta there lived one hundred farmers and their families, and it came to pass that in a certain year each of these hundred farmers put into crop one hundred acres of land and nature carried out her part of the work.

In a nearby village lived ten other men and their families. Each of these men was agent for a different hail insurance company. When the fields were looking green and the proper season drew near, each of these ten agents set forth to call on the hundred farmers who lived on the township of land nearby, and sought to persuade them to write hail insurance to the extent of $10.00 or more on each of their 100 acres. Each agent had carefully prepared beforehand his line of discourse to the farmers. The first agent said: "My company is the best because we have the largest deposit with the government, you should therefore give me your application." And he secured much business. The second agent said: "My company is the best because we wrote the most business last year," and he also secured much business. The third agent said: "My company has the lowest rates." The fourth said: "My company is a local concern, you should patronize home industries." The fifth said: "My company has the most assets." And all the rest of the agents advanced similar arguments. And, after a few days work all the farmers having been insured with one or other of the agents, the ten of them returned to the village to partake of the fatted calf and feast in the bosom of their families.

After a while a hail storm struck the township in which the hundred farmers lived and soon afterwards ten adjusters came down from the big city, 100 miles away, and called at each farm, and having performed sundry mysterious movements and incidentally inquired how much the rival adjuster had allowed on the neighboring farm. Each adjuster would allow a percentage of loss and pass on. The hundred farmers would thereupon proceed to compare notes and argue with each other as to who had written in the best company.

But one of the farmers being of an investigating turn of mind started to check things up, and he found that the company which had made the large government deposit had been required to do so because they had no other assets available in case of financial trouble arising. That the company which had written the most business the year previous had also suffered very heavy losses which had cut into its financial resources. That the company with the lowest rates had very little else to recommend it. That the local company paid a foreign company to carry most of its risks. That the company with the most assets had also the most liabilities and that the statements of all the agents had unfolded only one side of the real situation, being designed more for the purpose of securing business than for the protection of the farmer. He also discovered incidentally that the agents in the village had received $1,500 out of the premiums which the farmers had paid, and another agent in the big city had received $1,000 from the same source, and that it had cost yet another $1,000 to pay for the adjustments and that all these various costs, together with the actual losses were determined the rate per $100 of insurance that he and his neighbors were compelled to pay to protect themselves from possible ruin. He further discovered that the ten hail insurance companies had a central organization of their own in a far country, where representatives of each would meet at times and devise ways and means whereby they could continue to charge sufficiently high rates to meet their ever-increasing expenses and yield a profit unto themselves and that these rules for the regulation of the farmer were subscribed to by all, each solemnly swearing not to deviate one hair's breath from the regulations agreed upon—for, were they not brothers in the same line of business.

The farmer of the investigating frame of mind thereupon proceeded to call the other ninety and nine together and explain all these things unto them, even suggesting that there might be further mysteries which he had not time to unravel. One of the ninety and nine who began to show an awakening interest stepped forth and said: "Neighbors, it is true that there may not be much to choose between these companies but can we not do something about all that good money that the ten agents got out of this deal. That money was ours before they got hold of it and it did not help in any way to pay our losses. Could we not use it as conveniently as they if we only knew how to keep it under our own control." Thereupon yet another of the ninety and nine rose up and said: "I heard a man from the neighboring township say the other day that he was a U.F.A. man and that they by organization were bringing that very thing to pass." Said yet another: "Of a truth, this must be what they call co-operation." "That is just what it is," said the farmer of the investigating frame of mind. Then said another: "My friends, the thing that we should do is to organize a local of the U.F.A. and get into the game." And they all with one accord responded: "Well said, that is right."

The United Farmers of Alberta

P. P. WOODBRIDGE, Prov. Secretary — Lougheed Building, Calgary, Alberta

Alberta Section

This Section of The Guide is conducted officially for the United Farmers of Alberta by P. P. Woodbridge, Secretary, Calgary, Alberta, to whom all communications for this page should be sent.

OFFICIAL CIRCULAR No. 14

In accordance with the notice already sent you, our first business convention of local secretaries will be held in Calgary on June 28 and 29 at the Paget Hall, Seventh Avenue and First Street East, commencing at 10 a.m. on the first day. In accordance with the outline already sent you, the convention will be purely of a business character. Each local is requested to send their secretary, or if it is impossible for him to attend, the next best man that can be spared, for if you have an idea in any way, shape or form that this convention is more or less of a pleasure jaunt, and has no specific object, please disabuse your mind of it. I might also point out that this convention is not to be called by the central office, or the board of directors but at the unanimous request of the many locals who responded to the idea when it was first suggested following the discussion along these lines at the secretaries' meeting during our convention in Edmonton. I hardly think from indications received at this office that we can overestimate the importance of this meeting. The debates which have taken place and the policies arising from these debates at our annual conventions, have been almost purely of an economic or legislative character, yet fully 75 per cent. of our locals are doing more or less trading and nearly 100 of them are now banded together as incorporated trading bodies. These have developed themselves without any particular guidance, and without regard to possible future developments. In many cases they have duplicated each others work, suffered financial loss and other difficulties from the same mistakes, instead of profiting by each others mistakes and combining their forces for common benefit. There has also been a lack of sympathy and understanding between these local organizations and our big central business organizations. One of the subjects for discussion at the convention will be co-operative trading by the locals in all its branches and aside from the assistance which we hope the locals will lend to each other in making more permanent the work they are doing along these lines, it is hoped that from the discussions some points will arise which will enable our big commercial institutions to adjust themselves to the requirements of the local trading bodies and establish that service connection which seems to be lacking at present.

Marketing Livestock and Produce

Another section of the convention will be given up to the discussion of the shipping of livestock and general sale of farm produce. We have district associations today shipping as much as $100,000 worth of livestock a year and many other districts that might be shipping even more than that, who are still shipping on a non-co-operative basis through drovers and stock men. Some of our locals who have made a success of this business will tell you how it has been done and what it has meant to them, not only in dollars and cents, but as a force tending to hold their local together. On the general sale of farm produce, some locals have made a great success in the last year or two of shipping their potatoes. Others have beef rings, and egg circles. One of our egg circles is shipping as much as $200 worth of eggs per week and in this connection I might say that the central office in conjunction with the provincial and Dominion government have just about completed arrangements for putting the egg and poultry business of this province on a proper basis, and there is no reason why our locals should not take advantage of it, in fact we expect our locals to be the chief medium for putting it into effect. Saskatchewan has also made great progress in this direction, and details of all that has been done will be laid before the convention, so that the discussion ensuing will reveal any weaknesses in the scheme and so that we may be assured that the final plans for the central marketing agency will be entirely acceptable to our locals.