

LLOYDS AND CONTESTATION OF CLAIMS.

A certain amount of publicity has been given in the English Press to a rather interesting case arising out of the Easter Rebellion in Dublin, and the matter has been commented upon in some of the Canadian periodicals. It seems that certain Lloyds' policies covering property in Dublin excluded loss from riots and civil commotion, and expressly included war hazard. A fire broke out subsequent upon the riots of Easter, and a very nice point was called upon to be settled by the Courts, as to whether the loss was caused by riot or civil commotion, or whether by the hazards of war. The Judge before whom the case was tried in London, decided that the causes of the fire, was something different from and beyond the general term riot and as such should be considered as coming within the hazards insured against. Our Contemporaries go on to point out the folly of trusting to Lloyds for cover; primarily because of their reputed bad record for contesting claims.

Before commenting upon this point, perhaps we might remind our readers, that unlike a company, Lloyd's is composed of a number of subscribing members, each one of whom undertakes to accept his share of any policy to which he attaches his name. These members are subject to various rules of which the following are a few:—

1. Before a member (Marine or non-marine) is admitted, he has to satisfy the association that he is a man possessed of sufficient means.
2. He has to deposit \$25,000 as security.
3. If transacting non-marine business he has to deposit all monies in a trust account.
4. All underwriters must have their books audited by a chartered accountant yearly to prove their solvency.

It will be seen from these requirements that present day members of Lloyds are of necessity men of substance and responsibility. But despite this there are a great number of grave objections to Canadians patronizing this market to which we should like to draw special attention.

The settlement of any loss in Canada is frequently delayed because of distance, although Lloyd's Underwriters usually follow the adjustment of a leading company. But any dispute involving a lawsuit has to be tried in London, and the individual underwriters involved sued separately, because Lloyds not being a corporate body has no representatives to accept suits on its behalf. Lloyds' is also free of taxes in Canada with the exception of the one per cent. premium tax which the present law demands, and as such has an unfair advantage over the regular companies who pay heavily toward the Government Exchequer in addition to municipal and other taxes.

Nevertheless it is hard to imagine the insurance business of the world being without that ancient institution, which originated in Lloyds Coffee House. For over 200 years Lloyd's has carried on a legitimate business in England, and has undertaken risks which no company would undertake both in England and abroad.

It is quite true that there are a number of cases on record where technicalities in wording of contracts have been taken advantage of by the underwriters and we do not for one moment condone such. We, however, deprecate the attempt of some papers to show Lloyds in one light only, and we certainly cannot bring ourselves (as one weekly paper in Toronto did recently), to link Lloyds name and practices with the name "German" much as we criticise their cover. Their contributions to ambulances and Red Cross funds during the war has been unstinted.

We do, however, strongly advise every Canadian to support the regularly licensed insurance companies because in case of loss, there is by law established a deposit in Canada as a security for claims and there is in addition the backing of the Home Office funds in the case of British or foreign companies. The companies contracts are issued on standard forms showing clearly the conditions under which the insurance is granted, and there is only one organization involved in each policy instead of a variety of individuals as in the case of Lloyds Covers.

We warn every agent and assured to use Lloyds only if unable to get cover from companies regularly licensed because of the objections to their covers, which we have mentioned.

THE AETNA LIFE'S REPORT

Remarkable growth in 1918 is evidenced by the Annual Statement of the Aetna Life Insurance Co. of Hartford. New insurance paid for and in course of collection amounted to \$229,087,781, a substantial gain of \$35,270,000 over the previous year. Business in force was increased by \$100,255,185 to \$673,171,467. The premium income was increased over that of 1917 by no less an amount than \$5,221,100. The total income in 1918 of the Aetna Life and affiliated companies amounted to \$63,804,673.

During the year the Company paid to policyholders a sum of \$23,200,649, and since its organization sixty nine years ago the huge amount paid policyholders exceeded \$341,911,000.

The Balance Sheet as usual shows an exceedingly substantial position. Assets were increased during the year by \$9,203,655, and now aggregate \$149,788,100. Of these assets \$56,297,543 are represented by stocks and bonds, \$61,150,451 by mortgages and \$12,173,278 by policy loans. The amortised value of bonds and market value of stocks over Book Value less assets not admitted was \$2,843,837.

The liabilities include a reserve on life, endowment and term policies of \$106,760,277, additional reserve not included in these figures \$2,553,593, and a reserve for special class of policies and dividends to policyholders payable in 1919, \$3,782,382. After this careful calculation of liabilities there is a surplus to policyholders of \$17,164,653. This showing cannot be deemed other than highly satisfactory.

The Aetna Life has earned for itself in Canada a high reputation for liberal and equitable dealings with its policyholders. It is especially well known in Montreal, where a large and important volume of business is transacted under the management of the well known and old established firm of T. H. Christmas & Sons, 160 St. James St.