

The Canadian Bank of Commerce

Head Office—Toronto, Canada

Paid-up Capital - - - \$15,000,000
Reserve Fund - - - \$13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD - - - - - General Manager
H. V. F. JONES - - - - - Assistant General Manager

This Bank has 370 branches throughout Canada, in San Francisco, Seattle, and Portland, Ore., and an agency in New York, also branches in London, Eng., Mexico City and St. John's, Nfld., and has excellent facilities for transacting a banking business of every description.

Savings Bank Accounts

Interest at the current rate is allowed on all deposits of \$1 and upwards. Careful attention is given to every account. Small accounts are welcomed. Accounts may be opened and operated by mail.

Accounts may be opened in the names of two or more persons, withdrawals to be made by any one of them or by the survivor.

The Bank of British North America

Established in 1836

Incorporated by Royal Charter in 1840

Paid-up Capital - - - \$4,866,666.66
Reserve Fund - - - \$3,017,333.33

Statement to the Dominion Government (Condensed) 31st January, 1918

Liabilities to the Public

Notes in Circulation	\$ 5,312,540
Deposits	56,732,358
Due to other Banks	884,788
Bills Payable (Acceptances by London Office)....	1,366,843
Acceptances under Letters of Credit (as per contra)	1,113,404
	<u>\$65,409,933</u>

Assets.

Cash on Hand and in Banks.....	\$13,156,263
Deposit with Government on account Note Circulation	245,822
Deposits in Central Gold Reserve.....	1,970,000
Government, Municipal and other Securities....	12,591,380
Call and Short Loans	7,521,447
Current Loans and Discounts and other Assets	36,410,840
Liabilities of Customers under Letters of Credit (as per contra)	1,113,404
Bank Premises	2,409,292
	<u>\$75,418,448</u>

5% are between 50% and 80% of the value of the property.

5% are total losses.

It will be apparent that coinsurance or contribution is of no value to the insurance company on total losses or those under \$100 as the coinsurance clause has a waiver.

It is on the remainder, or 27% of the losses (those that are over \$100 in amount, but not total) that the coinsurance clause is a benefit, but the fact must not be lost sight of that insurance companies grant a reduction in rate on policies written with a coinsurance clause. Therefore, they have a chance to receive a benefit of salvage on but 27% of the losses, and reduce their premium income without securing a resultant benefit on 73%.

In the part of the Dominion where the C. F. U. A. rating schedule is in use no greater allowance is made in the rate for the 90% coinsurance clause than for the 80% clause. In B. C. we allow a greater reduction from the rate for the higher percentage of coinsurance. In Eastern Canada blanket cover is allowed for 90% or 100% coinsurance and in B. C. we do the same, only in the blanket cover we do not allow a greater reduction for the 90% than for the 80% specific as the blanket cover is obviously worth something to the assured. So that in the matter of reduction in the rate for coinsurance we are more lenient than they are in Eastern Canada, if we adopt the C. F. U. A. system here we must fall into line with the rate reduction for coinsurance and we will be bound to have an argument to face from the intelligent assured. Our system is certainly more scientific but may be too fine to be of much practical use.

A great amount of either gambling or carelessness takes place in the amount of insurance carried, and the following are figures of the adjustment of the loss of the Quaker Oats Company of Peterborough, Ontario, by the fire of December 11th, 1916. It will be observed that through under insurance the assured became a coinsurer to the extent of nearly \$800,000:

Sound value as adjusted	\$2,228,416.03
Adjusted loss	1,852,218.46

Insurance required under 90% coinsurance clause	\$2,005,574.43
Insurance carried	1,206,500.00

Deficit	\$799,074.43
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Apportionment

Insurer	Insures	Pays
Companies	\$1,206,500.00	\$1,114,245.14
Assured (shy)	799,074.43	737,973.32

	\$2,005,574.43	\$1,852,218.46
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The Quaker Oats plant was sprinklered and "fireproof" but that did not prevent an immense loss. I may say that owing to conflagration experience the insurance companies fortunately no longer use the word "fireproof"—such an animal does not exist—they use the term "fire resistant." I heard one manager say that he missed the Quaker Oats loss because the coinsurance clause had a ten per cent. waiver in it and he refused to write the risk, which shows his good judgment, and he certainly cannot be classed as one of the insurance gamblers.

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THE HOME BANK OF CANADA

Original
Charter
1854

Head Office: Toronto

Branches and connections throughout Canada
A General Banking Business Transacted.

SAVINGS DEPARTMENT

Interest paid on deposits of \$1.00 and upwards.

J. F. MACDONALD, Manager

446 Hastings St. West - - - - - Vancouver, B. C.