

Correspondence.

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TORONTO LETTER.

Thoughts anent the Annual Statements—Theory and Fact—The Manager's Thoughts, and the Agent's Facts—Annual Meeting of Toronto Board—Toronto Street Railway Rates—Good Loss Adjustments—An Important Announcement.

DEAR EDITOR.—It seems evident from the various annual statements of transactions during 1901, now being published by all the fire insurance companies, that the Associated or Tariff Offices have none too good results to show for their year's work. Even the total average has not been encouraging. On the other hand the non-tariff offices are following hard and fast upon the trail of their weightier and wealthier rivals and the amount of their annual takings in premiums make up a very considerable sum. It is probably a safe estimate to assume that fully two thirds of the volume of such non-tariff revenue has been taken from the tariff companies direct, or been intercepted on the way to them, which is but saying that the temptation of lower rates has diverted from the customary channels a considerable proportion of the going insurance business. Having collected hastily, and with a marked ardor, ardently, so much of the fire premiums as they could reach, it will now be interesting to see what the non-tariffs will do, or have done, with the proceeds of their industry. The aforesaid published statements to annual meetings of stockholders give partial information only. One must really wait for fuller satisfaction until such time as the Dominion and Provincial Inspectors have passed around with their statistical winnowing machines, which so deftly, though tardily, separate for us the solid wheat of earned premiums, from the chaff of authorized capitals, office furniture, office plans, and certain decayed sections of agent's balances which have done dummy duty for so many years tricked out in the old Sunday clothes of good honest assets. The little, and pardonable, weakness of desiring to look well, so natural in the young and ardent, will surely thus be made manifest, and if not overdone may be condoned. What can be said in excuse for the older individuals who, knowing better, still follow the fashion of pouring into the ears of the patient, silent stockholders the tinsel talk of other years, and hide beneath wordy glammers and flowers of rhetoric the ugly features of their year's experience? Well, let us pardon these also. Let us believe, as well we may, that they have deserved a better luck. It has been said there is a skeleton in every household's closet, may we not extend the allusion and say there is a skeleton in every Fire Insurance Office? Possibly, all the directors of an institution are not aware of it, but it is there we may be sure. It might be for the interests of stockholders of every company if all their directors without exception were made acquainted with their special skeleton and so keep it in mind. Like the skull feature at old Roman banquets, it might serve to keep humble and reasonable and companionable, some whose tendencies are to say and do big things, based too often upon very superficial knowledge. Fire insurance business in these stirring times requires for its successful conduct so much spirit and energy in its votaries, that one should refrain from saying a word tending to discourage any, or dampen their enthusiasm in a good calling; nevertheless, let each keep the skeleton in mind.

I have seen some remarks recently in print, which were made with reference to life assurance matters, and I think they apply with equal force to fire business. The writer was comparing the actual with the theoretical cost of procuring business, and, indeed, there is a wide dif-

ference between the two. A manager pays a certain agent fifteen and twenty per cent. for his premiums and when he comes at the end of the month to sign a cheque, it may be for a goodly sum, he is tempted to think what a nice easy time the agent has in drawing his pay. No worry, care, or responsibility and so on, and, unless working upon profits, only a fleeting interest in the loss ratio! This is the rosy aspect. It may be the fact that the agent has had to make a personal fight of it to retain each important item of his premium account and may have expended a deal of time and earnest talk to retain his revenues, with the prospect that he will have to do just the same thing over again, next year and the year after. All sorts of adverse influences have had to be combated, and met upon their individual merits. Family ties, political and club friendships, and, not seldom, church and society connections were wielded as a great power, exerted in favour of the other man. It is, therefore, well understood by those who have been through it, that the city insurance agent with a large business to protect and increase, is in a constant never-ending fight either personally or by proxy. I leave aside for this time his additional anxieties and the extra trouble and loss involved, when his company amalgamates or retires or does some of those sudden things, without a word of warning to him, because these matters are but occasional. Whatever managers may think about it, I do not hesitate to say that, as things go in our day, the loyal, trustworthy and successful agent deserves all the encouragement and help it is possible to give him, and well earns every cent of his commission and bonus it may be too.

The postponed annual meeting of the Toronto Board is announced to take place on Thursday the 10th of April next.

I hear that the Toronto Street Railway Insurance Schedule is coming up for revision as to rates. No doubt the fact that Street Railway risks in the United States have recently been advanced fifty and even twenty-five per cent. together with the general increase of rates in certain classes of hazard in Toronto, has suggested this action. Hitherto our railway has enjoyed an average rate of 1.04 per cent. and it is now likely this will go up to 1.50, or over.

The friends of the Street Railway amongst our insurance people, I suppose will be stirring themselves, and try to get some exceptions made favouring the railway which you know is a great public favourite.

It is considered that the companies have come out much better than was expected, in the adjustment of the recent fire claim made by the Menzies Turner Company and the Merchants Dying & Finishing Co. Our old friend, Mr. Charles D. Cory, has done his duty as usual and well, in the adjusting of both claims.

The Institute Glee Club purpose holding a musical entertainment under the auspices of the Toronto Institute in St. George's Hall, on the 19th inst. As great preparations have been made for this event, it is expected that all insurance men with their wives and sisters and best girls, and all other like assets and liabilities, will turn out in force and give such support as will ensure a great success.

Yours,

ARIEL.

Toronto, 11th March, 1902.

THE TOTAL BANK CLEARINGS in Jan. and Feb. at Montreal, Toronto, Winnipeg, Halifax, Hamilton, Vancouver, Ottawa, St. John and Victoria, aggregated \$341,439,932 which is an average increase of 22.8 per cent.