

Companies and Agents Must Co-operate

Occasionally there is an undiplomatic attitude taken by some general agents in treating the company as though it were an insignificant factor, amounting sometimes, sad to say, to defiance of the rules of the company in the conduct of business. Companies are just as necessary for agents as agents are for companies—the one cannot prosper without the other, and a close, wholesome, strongly co-operative, eager spirit of mutual sympathy and esteem should exist. Anything less than this relation will sooner or later cause a rupture which is bound to be troublesome, vexatious and unprofitable in the extreme to both the company and the agent.

The agency of a first-class company is a very valuable franchise, and it is amazing to see, in some cases, a disregard of the fundamental principles that should exist between companies and such agents. There are few, if any, companies operating nationally that would seek to interrupt any agency which is successfully and adequately handling the territory, but the management of no company seeking to have territory properly cultivated and its underwriting properly safeguarded, and its premiums properly collected and forwarded can be criticized if it demand the performance of these essentials.

INSURANCE AND MONEY

The slow but inevitable movement of national finances back toward a normal basis is quite perceptible these days. Banks are limiting and even refusing loans and renewals where the purpose is to maintain stocks in the hands of merchants at top prices that have been prevailing. The tightening up of loans is notice to the dealer to sell his stock at lower prices, realize the cash tied up and be prepared to purchase new stocks at the lower level. That is the pressure which will bring prices down. They are already coming down and every good citizen should see to it that he does individually all he can to keep the pressure steady. A general refusal to buy at high prices will soon permanently substitute lower prices and the process repeated at intervals will get us down stairs without many broken bones.

There is bound to be some accompaniment of troubles, however, that will affect insurance in more ways than one. In life insurance the difficulties of getting bank loans will send many men to realize on the loan values of their policies. They can not only get the money but can get it under the market rate. Such loans are already being applied for and the only thing that can be done to minimize them is for companies through their agency forces to discourage them as much as possible. The loan and surrender value provisions

in life policies will probably be put to the severest test they have yet encountered. Much hope rests upon the new banking system through which it is believed acute pressures can be relieved. Nothing can relieve the pressure upon the unwise business man who has wholly overbought or over obligated himself.

At this point fire insurance enters the danger zone. There is always with us the man who in times of pressure will sell his building or stock for the insurance money if he cannot obtain funds in other ways. Acute financial times develop an acute moral hazard. Not merely the criminal moral hazard but the moral hazard that comes with depression and hopelessness, which develops in carelessness and neglect. Overinsurance of property is more undesirable and dangerous now than it has been for many years. It is probable that a period of cancellations may soon open if it has not already opened. Local agents cannot be too alert in watching for indications that point to moral hazard and companies should scrutinize their lines with utmost care.

This is not a pessimistic utterance. Considering the pangs of Presidential year and international conditions the country is in excellent condition but it is well in times of flux to look ahead and be prepared.—*Insurance Field*, pared for plain contingencies.

PULP AND PAPER EXPORTS

Comparative statement of value of pulp and paper exports for first six months of fiscal years 1918, 1919 and 1920 are as follows:

	1918	1919	1920
Paper . . .	\$21,821,915	\$27,119,246	\$43,025,764
Chem. pulp.	15,903,189	14,008,388	33,579,554
Mech. " . .	2,512,086	2,618,338	10,638,158
Totals. . .	\$40,237,191	\$43,745,972	\$87,243,476

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