

**SURETY LOSSES LARGELY PREVENTABLE.**

With a view to ascertaining the causes which lead to losses under surety bonds the National Surety Company has made an analysis of a number of cases which have been closed up so as to afford accurate data. The result is remarkably interesting, as it indicates clearly that a large proportion of surety losses are preventable. After a close investigation of the losses taken for consideration the following percentages of causes for such losses were discovered:

	Percentage of total loss paid on cases examined.
(1) In Relations with Indemnitors—	
Deliberate evasion of indemnity agreements cost	16.4
Worthlessness or insufficiency of indemnitors cost	6.2
Taking advantage of technical releases through consents, etc., executed by agents without getting the home office or indemnitors' previous approval, cost	1.9
Or a total of	24.5
(2) As to False or Misleading Financial Exhibits or Representations—	
False statements as to ownership of real estate cost	3.3
False financial statements cost	15.4
Or a total of	18.7
(3) As to Agencies—	
Bonds wrongly executed by agents and disapproved by home office cost	8.1
Bonds originally disapproved by home office and subsequently accepted on agents' protestations	4.0
Or a total of	12.1
(4) As to Principals—	
Speculative building, both general and sub-contractors, thereon	7.6
Lack of capital	5.5
Failure caused by too low bidding	1.6
Guaranteeing efficiency, etc., of new and untried patents or processes cost	5.2
Normal underwriting expectancies, where anticipated danger was covered by sufficient indemnity or salvage recovered reducing loss	5.1
Bonds accompanying supply contracts made the basis of loans	2.7
Or a total of	27.7
(5) As to Home Office—	
Failure to exact a recent financial statement in which unexpected conditions would have developed and bond been refused	5.3
Acceptance of faulty or deficient indemnity agreements	3.1
Failure to investigate and confirm alleged balances in bank or holdings in cash	4.1
Clerical errors in transferring statements	1.7
Failure to uncover usually easily discovered conditions which would have prevented writing bond	2.8
Or a total of	17.0

The percentages refer to the total number of cases examined up to a certain date, but the investigation covering all losses paid is still in progress. This scientific inquiry into the causes of surety losses the management of the National Surety believes will result in a further reduction of its loss ratio in the future.

A Canadian banker whose knowledge of the west is probably as intimate as that of any other one man, says the Toronto Globe, is authority for the information that the final estimate of the crop will be much larger than those current around the harvest time. He places the yield of wheat now at 200,000,000 bushels, of which 175,000,000 bushels at least are milling wheat. Damage by deterioration from exposure has been very greatly exaggerated.

**Legal Decisions.****PROVISIONS AS TO NOTICES BINDING.**

The case of Youlden vs. the London Guarantee & Accident Company recently came before Mr. Justice Middleton, in the Trial Court at Toronto. This was an action by Nina Youlden to recover money under a policy issued by defendants, insuring Henry Youlden against accident and death by accident.

**Judgment:** The medical men stated that there was no physical condition indicating a strain; that the injury, if it existed, was internal only. The symptoms made it quite plain that the malady was caused by the invasion of the system by pernicious bacteria. This invasion might arise from various causes. I find that the symptoms indicate that the deceased suffered an injury in lifting the timber in question, and I further find that this injury was the cause of his death. But it is admitted that the provisions and stipulations of the policy as to notice were not complied with. I cannot agree with plaintiff's contention that these terms are not binding on her, and, therefore, it is not necessary to consider the other questions argued.

Action dismissed, without costs.

**A GASOLINE QUESTION.**

In the Supreme Court at Ottawa on Wednesday was argued the appeal of the Anglo-American Fire Insurance Company vs. Morton. The action, as reported, was on two policies by which the appellant company insured billiard tables and implements in the billiard room. When the first policy was issued the property insured was in one large room and afterwards a portion was partitioned off and used by the insured, owners of the building and the billiard room outfit, as an office. After the second policy issued on the property in the room with the office adjoining, the owners abandoned the office and leased it to persons who then carried on the business of a restaurant therein, using gasoline stoves for cooking, etc., in connection with their business and keeping five gallons of gasoline continually on the premises. A small fire occurred after this in the restaurant which was put out. Later a fire destroyed the insured property. At the trial the action was dismissed by the trial judge, who held that there had been a change materially to the risk on the premises containing the property which was not made known to the insurance company. He also stated that but for the Privy Council decision in the case of Thompson vs. the Equity Fire Insurance Company (1910, A.C. 592) he would have held that gasoline was kept on the premises contrary to a statutory condition of the policy. The Court of Appeal for Ontario reversed this judgment and ordered a judgment to be entered for the plaintiff. On the conclusion of the arguments, judgment was reserved.

Application has been made by Mr. S. A. Heward, of the Bank of Montreal for election as a member of the Montreal Stock Exchange. It is reported that Mr. Howard will act as floor member for Messrs. J. C. MacKintosh & Co. Two other applications for membership are now before the exchange.