

THE LONDON AND MIDLAND'S REPORT.

The London and Midland Insurance Company, of London, England, which owns the London Mutual of Canada, the Imperial Fire of Toronto, and the Canadian Hail Insurance Company has issued its report for 1913. Last year the net premium income from fire, employers' liability, personal accident and general insurance business amounted to £238,407 and the interest earnings to £5,736, making a total revenue of £244,144.

Not quite so fortunate in its experience in the fire branch as in 1912, the London and Midland, against the premium income of £194,002 received last year, was called upon to pay losses of £116,871, or 60.2 per cent., while a reserve for outstanding claims of £15,021 was necessary. Commission and expenses represented 40.4 per cent. of the premiums. There is a special charge on this occasion of £6,710, consisting of interest on debentures and loans, legal expenses in connection with the change of name and incorporation of the Canadian Hail Insurance Company and other transactions of an exceptional character. After taking credit for interest, £5,253, and writing off the items of outgo referred to, the fire account shows a balance of £49,493 available as a reserve for unexpired risk. In the three other revenue accounts, covering operations in employers' liability, personal accident and general accident insurance respectively, the showing is as follows: In the first there is a considerable increase in premium income—from £8,664 in the account for the nine months ending December 31, 1912, to £21,040 in the present statement; claims paid and outstanding, commission and expenses absorb £17,156, and £8,416, or 40 per cent. of the premiums, for unexpired liability is reserved. Personal accident premiums for 1913 came to £1,643, and the amount set aside for unexpired risks represents 33 1-3 per cent. of that sum; while in the general accident account the premium receipts (including £7,477 for Canadian Hail Insurance) come to £21,722, and the reserve for unexpired risks is also on a 33 1-3 per cent. basis. The balance sheet shows insurance funds of £68,703 supplementing paid-up capital of £97,083, and assets amounting to £273,726.

In connection with these figures, especially the expense ratio, it needs to be remembered that the London and Midland is still a new company, having only been established a few years.

NATIONAL SURETY COMPANY LAUNCHING OUT.

The interesting announcement is made that the National Surety Company of New York is having its charter amended so as to be able to transact all classes of casualty business, as well as fidelity and surety. It is authoritatively stated that when the company's charter privileges are officially extended it is the intention of the officers to immediately commence writing the "householders' policy" as provided for under the new New York law. This policy will under one contract give insurance against burglary, breakage of glass, water damage, besides covering the assured's legal liability and insure the use and occupancy of his dwelling.

While the officials of the National Surety have no intention of immediately undertaking the writing of employers' liability or workmen's compensation insurance, it is understood on good authority that

should a favorable opportunity present itself and conditions in these classes of business attain a well settled level, the company would at least enter the field for workmen's compensation and automobile liability business.

The National Surety, which transacts business in Canada, has established a reputation for energy and aggressiveness, and this new move has accordingly evoked much interest.

GOVERNMENT'S AGREEMENT WITH THE C.N.R.

The important agreement made as a result of recent negotiations between the Dominion Government and the Canadian Northern Railway for the further guaranteeing of the railway's bonds by the government is in summary as follows:—

1. The union of all the companies (31 in all) in the Canadian Northern System, by the transfer to the Canadian Northern Railway Company itself of the stock of all the others.
2. The reduction of the capital stock of the companies thus united from about \$145,000,000 to \$100,000,000.
3. The guarantee by the Government of Canada of \$45,000,000 of securities of the Canadian Northern Railway.
4. The transfer to the Dominion of Canada of \$40,000,000 of stock (inclusive of \$7,000,000 already owned by the Dominion Government) as compensation for bond guarantee.
5. The Government is protected by a mortgage from the Canadian Northern on its entire assets and from each of the other companies on which money shall be spent on its assets as security against its liability as guarantor.
6. Provision is made for supervision of the proceeds of the guaranteed securities to the end that they must be applied in the completion and betterment of the system.
7. Should the company make default either in respect of the securities now guaranteed or of any prior encumbrance, the Government has power immediately to take over the road as an absolute property of the Dominion of Canada, subject only to bonded indebtedness.
8. Mackenzie, Mann and Company, and Messrs. Mackenzie and Mann individually, release absolutely all claims against the Canadian Northern for construction profits, commissions or other considerations for transfers of stocks.
9. Mackenzie, Mann and Company bind themselves that floating indebtedness will be reduced to normal figures within one year without recourse to proceeds of guaranteed securities.
10. The Government takes also as additional security the interest of Mackenzie, Mann and Company in Canadian Northern Townsites.

UNION LIFE TRIAL POSTPONED.

It has been decided that the trial of Messrs. Harry Symons, K.C., G. E. Millicham and T. G. Hughes, formerly directors of the Union Life, shall be postponed to the next jury assizes at Toronto. It is said that the Ontario Attorney-General's department is in communication with the British authorities, and that as a result of these communications the extradition of H. Pollman Evans, the former president, who is now in France, may be brought about and a criminal charge laid against him in England.