

FIRE INSURANCE ASSOCIATION, MONTREAL

The following letter has been addressed to the various managers of fire companies in Montreal by Mr. G. E. Moberly, Manager of the Northern Assurance Co.:—

Dear Sir,—Last winter the officers of the Ancient and Honourable Order of the Blue Goose (whose membership is confined to titled officials of insurance companies) inaugurated a class for members of the staffs of fire insurance companies with the idea of affording them an opportunity of becoming better posted in the principles and practice of fire insurance. The class was a success and is being carried on this year under the auspices of the Fire Insurance Association of Montreal with a view to forming something on the lines of the Insurance Institutes of the Old Country, of which one already exists in Toronto, and is a pronounced success.

I hardly need point out the benefits to the companies which would accrue from greater efficiency on the part of their employees. On behalf of the officers of the F.I.A.M., may I ask you to support this movement, particularly by encouraging the members of your staff to join and attend the classes.

It is the intention shortly to hold a dinner under the auspices of the Blue Goose Society and the Insurance Association, which will be open to all officials and employees of insurance companies. It is hoped that you will see your way to attend this dinner, thereby giving your countenance to our efforts on behalf of the members of our staffs.

I enclose the syllables for this winter's meetings, and remain, Yours faithfully,

C. E. MOBERLY,

President, Fire Insurance Association of Montreal.

LONDON ASSOCIATED REINSURANCE CORPORATION, LTD.

It is rumored that the London Associated Reinsurance Corporation, Ltd., Eng., which has recently been formed under the auspices of the London Assurance Corporation, will shortly enter the United States.

SUN INSURANCE OFFICE

As already announced, Mr. A. Hamilton, who was recently appointed Branch Manager of the Sun Insurance Office, at Montreal has opened offices in the old Sun Life Building, 22 St. John Street. As the general agency at Montreal of the Company has been abolished, all business for this Province is now under the jurisdiction of Mr. Hamilton. The Sun is known as "the oldest fire office" in the world, and its liberal treatment of policyholders is unsurpassed.

INTEREST EARNINGS OF LIFE COMPANIES IN CANADA, 1918.

The statistics published on page 43 regarding the interest earnings in 1918 of the life companies doing business in Canada show that while the rates of interest earned by the Canadian companies receded very slightly last year, the rate of interest of the British and American companies was lower than in 1917. The method of compiling these statistics is as follows: The mean of the assets is determined by dividing by two the sum of the ledger assets as at December 31, 1918, and at the same date a year earlier and adding thereto the market values of bonds, stocks, etc., over book values, or deducting in cases where the market value is less than the book value. The addition or deduction is not made in the case of the British and certain of the United States companies, where the Government Blue Book gives ledger values without information as to market divergence. In all cases "assets not admitted" are deducted from the sum of the ledger assets. The interest is considered as made up of receipts from interest and rents during the twelve months ending December 31, 1918, adding thereto the interest and rents due and accrued at the end of the year, less the same items outstanding at the close of 1917. This method has been found generally satisfactory. While there are occasional differences in the form of returns made by individual companies, these differences do not materially affect the results shown.

Canadian Companies' Earnings.

The fractional decline in the Canadian companies' earning power last year follows the slight recession of 1916, which was the first recorded in many years. The 1918 average rate for all Canadian Companies of 5.96 per cent. compares with a rate of 6.00 in 1917, 6.05 in 1916, with a maximum of 6.21 per cent. in 1915. The pronounced increase in the rate of these earnings steadily maintained over a series of years up to 1914, is shown in the following summary of the average rate of interest earned each year since 1900:—

1900	1901	1902	1903	1904	1905	1906	1907		
4.56	4.66	4.75	4.80	4.80	4.93	4.98	5.24		
1908	1909	1910	1911	1912	1913	1914	1915	1916	1917
5.30	5.41	5.45	5.72	5.87	6.17	6.28	6.21	6.05	6.00

The recent recession in the average earning power of the Canadian companies is undoubtedly explained by the change in investment policy of the majority of the companies, a change which has been partly forced by circumstances and legislation. The main factor in the rise of the com-

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