

SOME DEFECTS IN ANNUAL STATEMENTS.

He would indeed be a jaundiced critic who did not acknowledge the frankness and fairness of the great majority of insurance annual statements. But as there are spots on the sun, so there are occasional defects in annual statements. Most of them are not very serious. But they sometimes scarcely square with the sentiments expressed in expansive speeches by the officials who are in some degree responsible for them.

Broadly speaking, most of these defects come under two headings. There are the attempts to make companies look as large as possible, and ingenious arrangements of figures concealing facts which a competent critic would be interested to know. The insurance business, speaking generally, still has the big figure craze, and a few companies are irresistibly reminiscent of the frog in the fable. Their chief occupation at annual statement time, is to puff themselves up. They get figures in their annual statements that the prosaic, but subsequent, Government blue book never mentions. In the process some of them lose their sense of humor. There are companies who insist on dragging uncalled capital into the balance sheet, and to make things square have to put it down as a liability as well as an asset. The unfortunate thing is that only a financial critic can appreciate the rich humour of a joke like that.

"NEW BUSINESS WRITTEN."

A standard and, by this time, ancient defect in life insurance companies' statements is "new business written" or "new business issued" instead of "new business paid for." The only reason the one formula is used is that it means larger figures than the other. There is no particular harm in the practise, perhaps, but why not at least give both sets of figures? "Business written" or "business issued" is somewhat shadowy; "business paid for" is the real thing. Why not then state it?

An example of the second order of defects was furnished the other day by a company which put down its gross premiums on one side and on the other side of the account, "dividends, taxes and re-insurance" in one lump sum. The amount of net premiums was thus not shown nor the proportion of expenses to net premiums. The public, being unacquainted with the idiosyncracies of annual statements, would not notice these things. But any unfriendly critic or wideawake agent in competition, would pounce on them at once, as a means of raising prejudice against the company. In a few weeks, too, the real facts will be easily ascertainable from the Government blue book. Is such a game of pseudo-concealment really worth the candle, in view of the unfriendly use to which it may easily be put?

Let us close this dissertation by a little story. Down under, in Australia, there is an insurance company started three or four years ago, and run by an eccentric individual, who seems to have a touch of exaggerated ego. For some inconceivable reason, the company's literature is flung all over the world. A pile of it comes to THE CHRONICLE from time to time. It is a solemn fact that in none of it is the amount of insurance in force ever mentioned. There is lots about new business "written" and the like, but never a word or a figure about the vital fact of the business retained!

STANDARD BANK'S NEW GENERAL MANAGER.

Mr. Charles H. Easson, who has been appointed general manager of the Standard Bank in succession to the late Mr. G. P. Scholfield, taking up his duties at the beginning of this month, was for many years in the service of the Bank of Nova Scotia, for whom he served as manager successively at New Glasgow, Ottawa, St. John, Winnipeg and Toronto. In 1912 Mr. Easson accepted the position of general manager of the Bank of New Brunswick. On the amalgamation of that institution with the Bank of Nova Scotia Mr. Easson returned to the service of the latter bank as manager at Toronto, a position which he resigned late in 1916 to become vice-president of Brown's Copper & Brass Rolling Mills, Ltd. Mr. Easson is well known and esteemed in financial circles and his long experience in various districts of the Dominion should stand him in good stead in his new and important position.

GRIST FOR LLOYDS' MILL.

Lloyds of London, it seems, are doing a brisk business in "bombardment" insurance in New York and other cities on the eastern American coast. Rates are quite reasonable as the risk is not considered an extremely serious one. There is also a demand in the United States for explosion insurance, which the fire companies are writing.

The Prudential Insurance Company of Newark, N.J., has now opened a group insurance department.

ESTABLISHED 1873.

The Standard Bank of CANADA

QUARTERLY DIVIDEND NOTICE No. 106

NOTICE is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 30th April, 1917, and that the same will be payable at the Head Office in this City, and at its branches on and after Tuesday, the 1st day of May, 1917, to Shareholders of record of 1st April, 1917.

By Order of the Board,

J. S. LOUDON,
Assistant General Manager.

Toronto, March 22nd, 1917.