

The Canadian Bank of Commerce

Head Office—Toronto, Canada

Paid-up Capital - - - \$15,000,000
Reserve Fund - - - \$13,500,000

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - - Assistant General Manager

This Bank has 370 branches throughout Canada, in San Francisco, Seattle, and Portland, Ore., and an agency in New York, also branches in London, Eng., Mexico City and St. John's, Nfld., and has excellent facilities for transacting a banking business of every description.

Savings Bank Accounts

Interest at the current rate is allowed on all deposits of \$1 and upwards. Careful attention is given to every account. Small accounts are welcomed. Accounts may be opened and operated by mail.

Accounts may be opened in the names of two or more persons, withdrawals to be made by any one of them or by the survivor.

The Bank of British North America

Established in 1836

Incorporated by Royal Charter in 1840

Paid-up Capital - - - \$4,866,666.66
Reserve Fund - - - \$3,017,333.33

Head Office in Canada, Montreal
H. B. MACKENZIE, General Manager

Advisory Committee in Montreal
Sir Herbert Ames, M.P., W. R. Miller, W. R. MacInnes

Branches in British Columbia

Agassiz	Kerrisdale	Prince Rupert
Ashcroft	Lillooet	Rossland
Duncan	North Vancouver	Trail
Esquimalt	150-Mile House	Vancouver
Hedley	Prince George	Victoria
Kaslo		

YUKON TERRITORY DAWSON

Savings Department at all Branches.
Special facilities available to customers importing goods under Bank Credits.

Collections made at lowest rates

Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued; negotiable anywhere.

Vancouver Branch
WILLIAM GODFREY, Manager
E. STONHAM, Assistant Manager

fairly treated. The difference between a Fire Insurance Policy and a pound of sugar that may be sold by a merchant is this; that when you go into a store and buy a pound of sugar the party who sells it to you is in no way interested in you, and you are not afterwards interested in him, but when you buy an Insurance Policy you are interested in the Company issuing it and they in you as long as the policy lasts. You have bought the Company's credit; that is what you have bought, its promise, which is a contingent promise, and so as a policy holder you are vitally interested in the solvency of the Company which sold the contract, and it is therefore in the interest of the public that laws should be passed regulating Insurance Companies so that they be solvent and able to carry through their promises. The public is interested that the Company charge an adequate premium, because if they do not the public may be losers as well as the Companies. The public are interested first in seeing that the Companies charge an adequate rate, and secondly that they charge a fair rate, that is discriminate fairly between the different risks insured.

Now in order to make that discrimination fair and the rates adequate, the Companies have prepared various schedules, for the different classes of manufacturing risks, and for mercantile risks. I think I should speak for a moment regarding the Mercantile Schedule of the Canadian Fire Underwriters' Association, which you have just adopted in this Province. That schedule was formed about 15 years ago. The Companies had been faced with a condition of abnormally heavy losses in Canada, and the loss ratio was about 100 per cent of the income for two or three years, losing money steadily. The condition was becoming serious so it was necessary to revise the rates. At that time they were operating under a system of flat rating, that is a tariff making one rate for brick and one for frame, and one for frame brick, veneered or metalled, etc., and different rates according to the business or manufacture carried on. Very little attention was paid to exposure. The towns were grouped into some five classes but it did not enable them to make a proper distinction between one place and another. In order to deal with this, however, they would place extra rates upon certain classes of risks and on certain blocks of buildings in some cities or towns, such as a flat extra of 15 cents in certain cases, in others 25 cents, and in others 10 cents, so that every risk in that class or in that block would pay the same increased rate. The result was the consolidated antagonism of the public; but while they made much of cases where the individual risk seemed to be better than the average, where it was inferior to the average nothing was said about it. However, something had to be done, and I happened to be at that time chairman of the committee at Toronto that was trying to adjust the rates, and frequently discussed the problem with the late Mr. Kenney, manager of the Western Assurance Company, and with Mr. Simms, then Secretary of the British America. Visits were made to New York, Boston, and different cities in the United States, and the matter talked over with various rating officers to see how they had handled such a situation and learned about the systems of rating they used. The Universal Mercantile Schedule was also studied it being the only real effort then made to deal with schedule rating. Every insurance man should read and study the Universal Mercantile Schedule for though it is not adopted here or anywhere today, it was the first effort and it is really worth reading and studying by anyone who is going to be connected with the insurance business.

Well, I found as a result of that inquiry that the Universal Mercantile Schedule was being discarded even then — it had been adopted in a few places. The great objection was that it worked on percentages. It was a schedule that ostensibly provided certain charges for certain conditions, and then there was a list of percentage additions

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