

PUBLISHING INCORRECT ANNOUNCEMENTS

In its issue of March 25th. The Journal of Commerce & Commercial Bulletin, New York, published the following statement:—

*Royal Exchange Absorbs General Accident
Merger arrangement announced in London.*

"The General Accident, Fire & Life Assurance Corporation of Perth, Scotland, is to be taken over by the Royal Exchange Assurance of London on the basis of an exchange of shares which will represent the equivalent of about £8 to £8 10s in value for each General Accident share. There have been many rumors afloat lately that the General Accident was to be acquired by a strong fire office. These were in general due to the upward trend in the price of General Accident shares. These shares which sold at £1 10s in 1917, have steadily risen during the past few months until they recently reached the price of £7 10s.

Recent Advance in General's Shares.

This marked advance in General Accident shares resulted in frequent more or less specific rumors of impending amalgamation with this or that office, all of which were subsequently denied by the managers of the offices mentioned. Now mail advices have been received from London, stating that it is officially announced that the Royal Exchange is to acquire the General Accident by the exchange of shares. While as yet the details of the plan have not been given out it is very generally understood that the General Accident is to be maintained as a separate institution."

In its issue of March 26th, the same Journal published the following statement:—

Proposed Merger Fails.

(Special Cable to Journal of Commerce.)

LONDON, March 25.—General Accident Assurance Company negotiations for absorption by the Royal Exchange Assurance, have been abandoned for about the fourth time. Negotiations for control of the General Accident are thus fruitless, but it is believed that other institutions are still seeking control.

Any journal publishing such an important announcement, as the statement, that one Company has been absorbed by another, without due care having been taken to ascertain its absolute correctness, is guilty of nothing short of a very reprehensible act, which is liable to result in incalculable inconvenience to at least one of the companies concerned in the published incorrect announcement. There are no doubt connected with the Editorial department of such a publication as The Journal of Commerce men of experience who realize the justification of these remarks, and it seems impossible to believe that the announcement

in question had been properly censored before publication, but was rather due to the carelessness of some office boy.

OCCIDENTAL FIRE INSURANCE COMPANY

While the Occidental Fire Insurance Company, a Western institution, with Head Office at Winnipeg, is controlled by such a great company as the North British & Mercantile, like most Canadian fire companies, that have passed under the control of large British institutions, it may be said to have pursued a safe and conservative policy, rather than aiming at any great expansion. It has however, been a useful Company, with a fine reputation for rendering good service to policyholders.

The annual statement of the Occidental for 1919 indicates a strong financial position. A considerable proportion of its investments consists of Government bonds, and other gilt edge securities, the sum of \$87,560 is invested in first mortgages, the satisfactory nature of which is indicated by the small amount of interest in arrears, totalling \$268. The amount invested in bonds and debentures is given as \$432,906, cash in bank as at 31st Dec. last amounted to \$87,517. Its total assets have been increased to \$705,199 as compared with \$579,294 in 1918. At the annual meeting, the conservative policy was adopted, of transferring its entire profits for 1919, amounting to \$59,563 to surplus account which now totals \$249,040, there is in addition a paid up capital of \$174,762. The reserve for unearned premiums has been increased to \$148,095.

During the year under review the Occidental received in premiums \$387,537. The net losses for the period, are given as \$100,441 and expenses \$86,098, owing to increased taxation, etc., the latter item shows a increase over the preceding year.

CALEDONIAN-AMERICAN INSURANCE CO.

The Caledonian-American Insurance Co. of New York, is now licensed to transact the business of fire insurance in Canada. Mr. John G. Borthwick, manager of the Caledonian Insurance Company, has been appointed manager of the new corner.

As the Caledonian-American Insurance Co. will have the Guarantee of the "Oldest Scottish fire office," its policies should be as popular, as those of the parent company, which has most deservedly enjoyed the confidence of the Canadian public for nearly forty years.

The Caledonian, in addition to its branch in Winnipeg, where Mr. Douglas Cowrie is manager, has just established a branch in Vancouver under the management of Mr. Fred A. Burgess. Both these gentlemen will also act as managers of the Caledonian-American in their respective fields.