

LONDON MUTUAL FIRE INSURANCE COMPANY

A year ago it was noted that the management of the London Mutual Fire Insurance Company, of Toronto, had adopted a conservative course in getting down their assets to rock-bottom figures, and this course has apparently again been followed this year. The principle of conservatism in assets valuation is not so frequently followed in Canada as it might be, and the Company which follows a wise course in this respect is deserving of commendation.

In one way and another, the London Mutual had a somewhat unfortunate experience last year. Rupture of re-insurance relations necessitated a revision of the underwriting policy with the result of a sharp decrease in the gross premiums written, these totalling \$675,052, against \$770,783. Cancellations, rebates and re-insurance premiums brought the net premiums down to \$541,456—\$10,000 more than in 1913. Losses absorbed \$431,511, less \$40,681 re-insurance recoverable, making a net amount of \$390,830. After payments of expenses, commissions, etc., and making an addition of \$10,077 to the re-insurance reserve in compliance with the Government standard, a loss is reported on the business of the year of \$51,834.

In addition to taking into its balance sheet, bonds, debentures and stocks held at \$310,003, a reduction of over \$25,000 on book value, the London Mutual has set aside \$50,000 out of the cash surplus as a contingency reserve. Cash assets, apart from premium notes, are thus reduced to \$599,679, giving a cash surplus over all liabilities, after including capital stock and contingency reserve, of \$151,686.

A CONTROVERSY AMICABLY SETTLED.

The important announcement was made at the recent annual meeting that the controversy which arose some time ago between the shareholders of the London Mutual, the London and Midland Insurance Company of London, England, and the management of the London Mutual has been amicably settled. It has been arranged that the officials of the London Mutual are to be solely under the orders of the directorate, which is as follows:—Messrs. A. H. C. Carson, president; R. Home Smith, vice-president; A. C. McMaster, K.C., S. M. G. Nesbitt, M.P.P. (vice-president, Dominion Cannery), W. T. Kernahan (managing director, O'Keefe Brewery); H. N. Cowan (president and managing director, Cowan Company, Ltd.); G. H. Williams, president, Canada Hail Insurance Company, Winnipeg), and F. D. Williams. The last named is managing director. Freed from the incubus of this controversy, and able to pursue henceforward an unhampered course, the London Mutual should be now able to make steady forward progress. Its directorate is influential, and the Company happily has the services of a staff and field force, whose whole-hearted loyalty to the interests of the London Mutual is such that any insurance company would be proud to have given it. It is mentioned in the annual report that new re-insurance arrangements have been completed for this year with companies having the whole of their assets in Canada. The Company's business is being well maintained and it is a gratifying fact that so far this year, results compare favorably with the best year in the Company's history. It may be expected that a satisfactory measure of progress will be henceforth continued.

UNDIMINISHED EARNING POWER NO BAR TO COMPENSATION PENSION.

The fact that an injured workman may earn the same salary after, as before, an accident does not militate against his claim for compensation under the Quebec Workmen's Compensation Act, on account of diminished working capacity, according to a decision handed down by Mr. Justice Laverne, speaking for himself and his colleagues, the Chief Justice, Justices Trenholme, Cross and Carroll, of the Quebec Court of Appeals.

Ambroise Lariviere, owner of a saw mill at St. Ours, appealed from a judgment of the lower court, condemning him to pay Arthur Girouard, a former employee, a life pension of \$59.37. Girouard lost an eye when one of the teeth of a circular saw he was operating, flew off. He sued under the Workmen's Compensation Act, and defendant denied responsibility, claiming that the mishap was due to the inexcusable fault of the plaintiff. He pleaded that anyway the victim's earning power had not been decreased, since he was earning as much, if not more, after the accident, than he had earned before.

Mr. Justice Laverne pointed out that the partial and permanent incapacity consisted in a diminution in the aptitude to work. The victim in the present case had worked at different trades—as a chauffeur, a carpenter, mechanic, laborer and farm hand. The physicians were of the opinion that the accident had induced a reduction in working capacity of 30 per cent. As he earned \$475 a year, he would thus have a right to a pension of \$72; the lower court had granted him \$59.37.

After reviewing the evidence, and finding that there had been no inexcusable fault on the part of plaintiff, His Lordship held that he had really suffered a diminution in working ability. He now had open to him only laboring and farm work—as the absence of an eye precluded his following the other avocations.

"The fact that, after he had recovered from his injuries," proceeded His Lordship, "the plaintiff for a certain time earned as much as he had earned previous to the accident, as a laborer, cannot be taken as a conclusive reason to fix his salary at that minimum. This incurable infirmity from which he is suffering will ever be prejudicial to him. Judgment confirmed with costs and appeal dismissed."

ONTARIO TAXES TEST CASE IN THE COURTS.

Last Friday judgment was reserved by Mr. Justice Middleton, sitting in the non-jury assize court at Toronto, in the test case originating from the decision of the Canadian life insurance companies to test the legality of the taxes imposed by the Ontario legislature on their gross premium income. The test case is against the Canada Life, the claim made by the Provincial Treasurer being for \$25,050.

Most of the evidence was documentary and the greater part of the hearing was occupied by counsel in argument. Mr. A. W. Anglin, K.C., counsel for the Canada Life, was asked by the Judge, how the legislature could fairly impose a direct tax upon insurance companies. Mr. Anglin replied that it would have to find what taxes were legal, and what would be a fair method. The natural effect of the tax, said Mr. Anglin, is an increase in the price of insurance.