

# The Chronicle

## Insurance & Finance.

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**Fire Tables.** We regret being unable to present the table showing the business and results of the fire companies in 1904, which is delayed owing to a few of the companies not having sent in their returns. We are receiving inquiries daily which show how eagerly the information to be given in our table of the fire insurance in Canada in 1904, is awaited. We trust to have this complete for our next issue.

**New York Life Convention.** About the middle of next May the New York Life proposes to hold a Convention in New York to celebrate its 60th year. Representatives of this great company are expected to be present from all parts of the world, 129 from the United States, Canada and other parts of this continent, 36 from Europe, and others from South America, the West Indies, South Africa, India, Japan, China, etc., etc. Arrangements are being made to have the record of the company thoroughly written to show its progress and present position.

**A Mismanaged American Life Company.** The Superintendent of Insurance, New York, favours us with his report on the examination of the Washington Life Insurance Co., of New York. The report is disagreeable reading. The statement shows that since 1899 a surplus of \$732,128 has disappeared and a deficit now exists of \$80,933. The report reads, "The mismanagement of this corporation is simply incomprehensible. The sums expended in its most futile efforts to secure new business to offset the normal termination of its old policies, calls for censure. The total cost of the new business has in some cases reached the figure of 200 per cent. of the initial year's premiums. The home office expenses have been unwarranted, notably the salary of the president and his son, vice-president. The combined salaries of these two officers lately ap-

proximated \$45,000 per annum. General incoherence seems to have obtained all along the line of management." The report shows "one of the methods in vogue at the home office," was the exchanging of checks between the company and its agents. It is thus described, "An agent is advanced \$2000 during the last two months of the year. Agent agrees to repay this amount by his check on 31st December, with the distinct understanding that the said check shall be held in the drawer of the company's cashier and returned to him on January 1, following." The report charges that false annual returns were made to the Insurance Department by the Washington Life Company.

With the report the Superintendent issues an addendum in which he states that the company has been reorganized and he expresses his very strong conviction that the new management will be marked by "integrity of purpose and honesty in method of procedure." Any Canadian company that switched away from the strait track on to such a line as the above company was running along would be quickly stopped and compelled to retrace its steps.

**What is Profit in Fire Business?** What constitutes profit, from a fire insurance point of view, is a question on which opinions differ. We have first the idea of those who attack the companies because of their alleged exorbitant rates, the exorbitancy being proved by the losses being so much less than the premium receipts, the entire difference being profit, according to these critics. That a company has to pay management expenses as well as losses out of its premium income never occurs to these brilliant persons, nor that it is their duty to lay aside something to provide for conflagrations, or a series of fires beyond the ordinary. This view seems too irrational to be held by any business man, but, strange to say, persons who, in other matters, are clear headed and reasonable seem to