

The Chronicle

Insurance & Finance.

R. WILSON-SMITH,

Proprietor.

ESTABLISHED JANUARY, 1891

PUBLISHED EVERY FRIDAY.

VOL. XXV. No. 45.

MONTREAL, FRIDAY, NOVEMBER 10, 1905

SINGLE COPY, 10c
ANNUAL SUBSCRIPTION \$2.00

Branch Banks. There are 1,147 branch banks in the Dominion; in Ontario, 550; Quebec, 196; Nova Scotia, 100; Manitoba, 96; Northwest Territories, 88; British Columbia, 55; New Brunswick, 49; Prince Edward Island, 10; Yukon, 3. Since 1899 the increase in branches has been 566, the addition being about 80 per cent. In Manitoba the increase was 50; in the Territories, 70; in British Columbia, 8; Ontario, 244; Quebec, 80; Maritime Provinces, 54. These figures show that the increase in branch banks has been distributed over the whole Dominion. In many places a branch has been opened where the business cannot be reasonably expected to pay expenses for a length of time. A bank office has been opened in some locations in order for it to be the pioneer bank, a position that may illustrate "paying too dear for the whistle."

Mortality of Fire Companies in New York State.

In the report for 1905 of the Hon. Mr. Hendricks, Superintendent of Fire Insurance, New York State, he gives lists of insurance companies "which have retired from business and withdrawn from the State since the Department was organized in 1859." They were as follows:

New York Iron and Stock Fire Co's.....	144
New York Mutual Fire Co's.....	30
New York Marine Co's.....	12
Other State Fire and Marine Co's.....	222
Foreign Fire and Marine Co's.....	33
Total.....	441

So extraordinary a number of insurance companies to have given up and withdrawn from business in the wealthy State of New York affords striking evidence of the risks attendant upon fire and marine business. It is notable how often the same title appears in this list of unfortunates. Thus we have 4 American, 8 Franklin, 4 Home, 9 Merchants, 7 National, 7 Peoples, 5 Sun and 4 Union Companies in this list.

The Agency System not Responsible for High Rates.

That the system of employing agents to secure business is not responsible for any increase of rates is shown by the Equitable of London, one of the oldest and strongest of British companies, which is quoted by the "Spectator" as a company that employs no agents, but its average premium rate is \$29.92 per \$1,000 of insurance as compared with an average of \$27.50 charged by American companies that employ agents. The rate charged by the London Life, which employs no agents, is higher than the Equitable. Our contemporary remarks: "These foreign companies do not push for business as ours do, and it is evident that the maintenance by the American companies of the agency system, by means of which large volumes of business are secured, is in the best interests of the policy-holders. Modern business methods demand that salesmen shall take their wares to customers, not that customers shall seek the goods. This is especially true in life insurance, for many persons would neglect their obvious duty to provide for their families were the subject not impressed upon them by representatives of the companies. Hence the necessity for maintaining the agency system, and compensating agents according to their success in selling life insurance—as salesmen in other lines of business are compensated."

Mr. Hendricks on the Equitable Life Assurance Society.

In his official report for 1905 the Hon. Mr. Hendricks has some remarks on the Equitable Life, the changed management of which is of "so great interest throughout the world."

This company was organized in 1859 under the general insurance law, chapter 463, Laws of 1853, which required every such company should have a capital stock of at least \$100,000. This was obviously intended as a protection to the policy-holders during the inceptive period of