

ROYAL CONTROLS HUDSON BAY INSURANCE COMPANY.

Announcement is made this week of a further development of the Canadian activities of the Royal Insurance Company of Liverpool, England. A controlling interest in the Hudson Bay Insurance Company, of Vancouver, B.C., has been secured and the latter company will hereafter conduct its operations under the Royal's supervision.

By this acquisition, the Royal Insurance Company places itself in position to extend further its very large Canadian connections. The Royal's Canadian business, written under its own name, is already the largest of any fire insurance company transacting business in Canada. Last year the Royal received net cash for premiums in Canada of \$1,450,549. Additionally it has for many years transacted an extensive business in Canada through its subsidiary, the Queen of America, which last year received net cash for Canadian premiums (fire insurance only) of \$607,874, so that the total net cash received for premiums in Canada by the Royal and its connection last year was altogether well over \$2,000,000. In relation to these figures, the present premium income produced by the new acquisition is not large, but we understand that the Hudson Bay has some useful connections, particularly on the Coast, and with the efficient and energetic new management that is now available, these will, undoubtedly, be developed to the best advantage. Development in this respect is facilitated by the fact that the Hudson Bay is a tariff company, so that the trouble incidental to the changing of business from non-tariff to tariff will be avoided.

The Hudson Bay dates from 1905. Its head office was moved from Moose Jaw to Vancouver in 1908, and in 1910 the company was re-incorporated by the Dominion Parliament, and since that time it has been operating under Dominion license, with a paid-up capital as at December 31, 1914 of \$188,080, assets of \$365,508, and a surplus over liabilities and capital of \$74,600. So far as losses are concerned, the experience of the company since 1910 appears to have been fairly favorable, except in 1913, when the loss ratio shot up to 86.69 per cent. The old management, however, seems to have had little idea of economy. In 1914, commission, salaries, travelling expenses and other expenses, exclusive of taxes, amounted to \$74,870 on a net premium income of \$87,868.

THE NEW BOARD.

Following the Royal's acquisition of control, a new board and management have been elected as follows:—Messrs. W. Mackay, Montreal, president; F. W. Walker, Vancouver, vice-president and managing director; George Chappell, Liverpool, England; Messrs. Barker, Marshall and G. Trosley, Vancouver; J. H. Labelle, Montreal; P. J. Quinn, Toronto; John Pickering, Winnipeg, and Arthur Huddell, Calgary.

Policy-holders in the Hudson Bay Company can congratulate themselves on the change in control which has taken place. They now have the backing of the immense resources of the Royal. At December 31 last the Royal's fire fund amounted to \$16,060,000. Besides this fire fund, there is available to meet the obligations of the Royal's fire department, a reserve fund of \$7,786,667 and a profit and loss balance of \$5,436,374, making a total amount

available for the security of the Royal's fire policy-holders, apart from paid-up and subscribed capital, of \$29,283,041, equal to 146 per cent. of the premiums of 1914. That is a position of magnificent financial strength, appreciation of which should have a marked effect in developing the Hudson Bay's business. The negotiations leading up to the acquisition of the Hudson Bay were conducted by Mr. William Mackay, the Royal's well known manager for Canada, who may be congratulated on his success in further extending the important sphere of influence of his great company, the business of which in the Dominion has been largely developed under his direction.

THE COST OF INCENDIARISM.

Of all the crimes which unprincipled men commit against the welfare and well-being of society with the least liability of detection, incendiarism and arson must rank first. Nor need we wonder at this, seeing that certain combustible and highly inflammable materials are nowadays so easily procurable and without suspicion, may even be kept in stock, also, that the intending incendiary has usually within his control all facilities of time and circumstance, so arranging matters that he shall enjoy a clear coast for his nefarious operations. Indeed, it is not uncommon to find such an one, when under accusation, successfully setting up an alibi which he himself has contrived, by the use of a slow burning fuse and combustibles, so that hours before the outbreak of a fire thus induced he is probably miles away. As regards most crimes, some evidences are nearly always obtainable, and some clues indicated by material matters and things connected with the deed where committed; but in cases of incendiarism and arson, the very fire itself provides the ready means of obliteration and effacement of the incendiary's work. It has well been said that of all crimes known to the law, incendiarism most effectually baffles justice, and of all fraudulent agencies brought to bear upon insurance companies, it is the least liable to detection and the most seldom punished.

At least 25 per cent. of the fire loss in Canada and the United States is attributable to criminally contrived fires; some of them started for "fun," some for revenge, but the majority in order to swindle the insurance companies.

It is the custom to lean on the insurance companies. One hears it said constantly:—"The companies will pay the losses." The belief or feeling expressed in this saying is at the bottom of the resistance made by many town councils and corporations when invited to improve their fire plant, and to do generally what the fire underwriters, who ought to know best, point out as for the benefit of all concerned in the reduction of the annual "fire waste." In the management of their civic affairs, citizens realize fast enough, that every outlay for parks, paving, sewers and so on, means for a time an increased tax rate, and are content to look to the future of their town for compensation.

Equally they realize that some other outlays are really economies. If they could come to regard the counsel and suggestions of the insurance companies in some such way, say as from a committee of their own having insurance in charge, and give heed to their recommendations, not as given in the sole interests of the companies but for the profit of all, much would be gained.