INSURANCE NOTES AND HAPPENINGS

Fire Claims Numerous—Proposed Tariff Association for British Life Offices—Insurance of New York Police—Canadian Convention

In discussing the outlook for the insurance business this year the Times comments on the growth in the United States and Canada, during the first quarter of the current year, of the epidemic of fires which started at the end of 1911. The result has been to produce claims far in excess of those in the corresponding period either of 1910 or 1911, and it is expected that unless the losses for the remainder of the year are lighter than in corresponding months of 1911, fire business in North America this year will involve a debit balance to the offices. On the other hand, it is reported that the losses at home and on the Continent have not been abnormal and that as there is no great likelihood of severe drought this year the forthcoming summer months should prove less expensive to the insurance companies than those of 1911. The Times Supplement reports that "Mr. Marlborough Pryor, presiding at the meeting of the Sun Insurance Office, made some very pertinent remarks. Referring especially to the grant this year of a Royal Charter to the Insurance Institute, he said that the moral standard of insurance in this country was already very high, but there were some defections from it, and they looked to the Insurance Institute to elevate the tone of the profession. Everyone will sympathise with the aims of the Institute, and will hope to see their success accompanied by an improvement in public opinion, which in the past has occasionally to its cost been apt to be attracted rather too much by cheapness and to pay too little attention to the more important virues of undoubted security and prompt and generous settlements."

Suggested Tariff Association.

Referring to the suggested formation of a tariff association among British Life assurance offices, the Manchester Guardian is of the opinion that the difficulties met with a few years ago when the matter was seriously considered by the life offices, have not since been removed, and that, on the whole, the practically unrestricted competition prevailing at present is a benefit to the insuring public. "Probably," it says, "the most serious effect of competition which the offices have to contend with at present is the tendency of agents' commissions to increase. This in some cases has had the effect of materially increasing the proportion of premiums absorbed in expenses and has rendered it impossible for certain offices to maintain bonuses at previous rates." But is it the payment of increased commissions which has caused some offices to reduce their bonuses and others to pass them altogether? We incline to the belief that the heavy depreciation in the value of certain gilt-edged securities has been a far more potent factor, and the amount of attention which the offices have devoted of late to the science of geographical distribution of capital would appear to confirm our belief.

Hudson Bay Route and Insurance Companies.

"The great difficulty about the Hudson's Bay route is the insurance," says Sir Montagu Allan, K.B., C.V.O., President of the Merchants' Bank. "Insurance companies," he continued, "are afraid to take the risk, and if they did their rates would be too high to make it worth while. Whether the Hudson Straits will be navigable or not it is hard to say yet."

Arrangements have been completed by an insurance agent at New York whereby the 10,000 members of the police force of New York will be insured for between $12,000,000 and $15,000,000. The annual premium on these policies, approximating $150,000, will be paid by the policemen. They are regarded as uncommonly good risks, since most of them are young, and even the elder men had to undergo a rigid physical examination when they entered the force.

The average policy under the contract will be $1,000, but any policeman may make arrangements with the society by which the insurance was written whereby he can obtain insurance for a sum equal to one or two years' salary. The limit under the agreement is $3,000. No further medical examination is to be undergone by the policemen.

So that the insurance policy of the whole group may not lapse with the loss of a few individuals annually, the bulk insurance has been arranged with a number of squads separately.

All arrangements are nearing completion for the annual convention of Life Underwriters' Association of Canada, which is to be held at Montreal from August 21st to 24th. From all reports this seems likely to be a record gathering.

Mr. John Massey has been elected a director of the Canada Permanent Mortgage Corporation. He will fill the vacancy on the board created by the death of the late Mr. Samuel Nordheimer.

FORTIER & KILPATRICK, LIMITED

The prospectus has been issued of Fortier and Kilpatrick, Limited, incorporated under the Dominion Companies Act and licensed to do business in Ontario. The company's authorized capital is $250,000. This company has been formed for the purpose of taking over, for the province of Ontario—excepting Port Arthur and the territory lying north of the Canadian Pacific Railway between Port Arthur and Mattawa—the patent rights and also the sole right to manufacture sewer pipe with the Thomas glazed cement sewer pipe machine, also, the sole rights to manufacture and deal in Trojan partitions and ceilings, stonewood plastic flooring, sarco asphalt and waterproofing. The company have several side lines, such as washable water paint, asphalt, etc., and the right to engage in any other manufacturing and mercantile business which may be conveniently carried on therewith.

Patent rights for the Thomas glazed cement sewer pipe machine and the right to manufacture Trojan partitions and ceilings and stonewood and Trojan flooring and Sarco asphalt and waterproofing and Trojan washable water paint are being purchased and acquired by Thomas Mills for $90,000, payable as follows:—$20,000 in the capital stock of Fortier and Kilpatrick, Limited, consisting of 200 fully paid and non-assessable shares and $70,000 in cash.

Fortier and Kilpatrick, Limited, in addition to the purchase of the Thomas glazed cement sewer pipe machine, and all rights connected therewith for the territory named, have also purchased the rights, patents, formulas, secret processes, etc., of the Interior Construction Company of Winnipeg for the following utilities: "Trojan" partitions, ceilings, etc., "Trojan" plastic sanitary floors, and Thomas glazed cement sewerpipe.

An offering of $150,000 stock of the company is being made at par. The proceeds from the sale of this stock will be devoted to acquiring the above named rights and patents and for putting money into the company's treasury to manufacture the same. The following are the directors of the company:—Messrs. John H. Hudson, manufacturer, 93 Bernard Avenue, Toronto; George R. C. Merriam, president Traders Limited, 31 Adelaide Street West, Toronto; W. E. Whitehead, manufacturers' agent, 355 Palmerston Boulevard, Toronto; James Aitchison, barrister, Canada Life Building, Toronto; Thomas Mills, banker, 79 Clarence Street, Kingston.

REORGANIZATION OF ROBB ENGINEERING COMPANY.

Steps are being taken to incorporate and organize a new company to take over the properties of the Robb Engineering Company, Limited, one of the oldest companies in the manufacture of engines in Canada, with headquarters at Amherst, N.S. The company has defaulted in the payment of its assessments and taxes and also in the payment of its bond interest, due on July 1st last. The outstanding liabilities amount to approximately $900,000.

At the request of a large number of the bondholders, Corporation Agencies, Limited, has made an examination of the properties and assets of the company and has undertaken to organize a new company. The proposal now being submitted to the bondholders is that the new company shall issue 7 per cent. non-cumulative preference shares to an amount which shall not exceed the net amount of the assets of the company, as may be found by an appraisal of its assets by the Canadian Appraisal Company, Limited, and an accounting by Messrs. Price, Waterhouse and Company, chartered accountants; that is to say, every $100 par value of preferred shares of the proposed new company shall represent net assets of the value of $100. Corporation Agencies, Limited, offers to all the holders of the bonds of the Robb Engineering Company, Limited, to exchange such 7 per cent. preference shares of the proposed new company for bonds of the Robb Engineering Company, Limited, par for par; such bondholders also to receive, in cash, at par, the amount of the interest coupons which were payable on July 1st instant, on the bonds held by them respectively. The offer is conditional upon bondholders depositing their bonds to the order of Corporation Agencies, Limited, at any office or agency of the Bank of Montreal by July 30. In the alternative, Corporation Agencies, Limited, offers those holders of the bonds of the Robb Engineering Company, Limited, who do not wish to accept preference shares of the new company, to purchase and pay for their bonds in cash, at the price of 60 per cent. of their par value, plus the par value of the interest coupons which were payable on July 1st instant.

It is stated that a number of independent wire mills are to be merged, and that the Imperial Steel and Wire Company of Collingwood, Ont., will be the holding company. This company recently paid a stock dividend of 20 per cent. and enlarged its preferred stock capital by $300,000. It has no bond issue.