

PROTECTION OF LIFE AND PROPERTY

Needs of Public Met by Underwriters of Life, Fire and Accident Insurance

Analysing the statistics relating to insurance in Canada Mr. A. E. Blogg, of the London and Lancashire Fire Insurance Company, in his presidential address before the Toronto insurance institute said in part:—

Fire insurance premiums paid for the year 1915 show a falling off, as compared with 1914, of 3 and 8/10 per cent., or a total of \$1,025,000.

Comparing the two years before the war with the years 1914 and 1915, the result shows a substantial increase of \$5,034,000, or over 10 1/4 per cent. This is a fair average of increase in normal times, and as there is only a slight increase in loss ratio, we may conclude that the fire insurance business has not been affected by war conditions.

The destruction of property in Canada by fire during the nine months of this year has been considerably below the average for the last four years. In round numbers thirteen millions, as against an average of sixteen millions. Our aim in Canada, by government and people, must be to bring this high average of fire waste down, and this is a work at which every one can help.

Economy is the order of the day. One might be surprised to find that the expense ratio for fire and allied insurances in Canada shows a slight increase in 1915, compared with 1913. This, however, is more than accounted for by war taxes, and comparing the two years preceding the war with the years 1914 and 1915, there is a reduction of 1 1/2 tenths of 1 per cent. on a total income of sixty-three and one-half millions.

United States Companies Industrial Business.

Of the life insurance companies reporting to Ottawa that transacted more or less new business in 1915 there were 26 Canadian, 8 British and 13 United States companies.

Of the \$121,033,310 of new insurance issued by Canadian companies \$6,037,537 (taken by one company) was industrial insurance and \$114,995,773 was on ordinary plans. Of the \$5,727,313 taken by other British companies, \$746,168 was industrial insurance taken by one company, and \$4,961,145 was on ordinary plans. Of the \$94,358,935 of new insurance taken by the United States companies \$41,821,703 was industrial insurance (taken by two companies) and \$52,537,232 was on ordinary plans.

The industrial business of the United States companies was 86 1/4 per cent. of the whole of the new business of this class secured in Canada while their ordinary business was only 30 1/4 per cent. of the new business of that class.

Of the total ordinary business in Canada amounting to \$1,164,950,951, Canadian companies carry \$813,902,759, or almost 70 per cent.; British companies carry \$57,434,538, or 5 per cent., and the United States companies carry \$293,613,654, or 25 per cent. of the total.

Only a very small share of the industrial business of Canada is transacted by our home companies, as only one of our companies does any of that class of business. While in 1915 only 12 1/2 per cent. of the new insurance on industrial plans was secured by a Canadian company, 66 1/2 per cent., or two-thirds of what is known as ordinary business was secured by our home companies.

Results for Insuring Public.

Of the \$145,665,726 industrial insurance in force in Canada on December 31st, 1915, Canadian companies carried \$16,070,050; British, \$652,480, and United States companies, \$129,943,196.

At the end of 1900 the Canadian companies had \$261,971,401 of ordinary business and \$5,179,685 of industrial business in force; the British companies had \$39,485,344 of ordinary business and the United States companies, \$124,433,416 of ordinary business and \$11,201,843 of industrial business in force.

From December 31st, 1900, to December 31st, 1915, the Canadian companies increased their ordinary business in force by \$551,031,358 or 210 7/10 per cent., and their industrial business by \$10,790,365 or 208 per cent.; the British companies increased their ordinary business in force by \$17,949,194, or 42 1/2 per cent.; and the American companies increased their ordinary business by \$293,613,654 or 236 per cent. and their industrial business by \$117,741,353 or 105 1/10 per cent.

It may be a question worthy of their attention by representatives of our Canadian companies, why the American companies secure so large a proportion of the Canadian life insurance business. I have always been led to understand that mortality is much lower amongst Canadian lives, interest earnings are higher on high-class securities in Canada, and expenses should not be higher. Are not these the main factors involved in obtaining results for the insuring public?

Accident Insurance.

With the growth of the country and the increased vehicular traffic on public highways, the extensions of electric lines, both for radial and other purposes, the necessity for accident insurance becomes daily more apparent and forms a very necessary adjunct for a working basis in an agency insurance office.

The need of the public has in the last two years resulted in many forms of accident insurance—for instance, workmen's compensation by the government seems to be becoming more popular in the Dominion of Canada. Ontario, Manitoba and Nova Scotia have already adopted such an act and British Columbia has legislation to this end now under consideration. In Quebec province a workmen's compensation act has been in operation for several years and has apparently given satisfaction both to workmen and employers.

Automobile Insurance.

With the present craze for rapid transit, the purchase of automobiles has so increased during the past few years that automobile insurance has now become a real factor in the insurance business and forms a good paying class.

There are many other forms of insurance that are assimilated with the accident business, designed for the protection of contractors, manufacturers, landlords, and the public generally, classed as liability insurance, and in connection with the accident business the issue of guarantee bonds has been found a paying proposition and very useful to employers in the safeguarding of their interests; personal accident and health insurance have also proved most beneficial to the carriers thereof, and are a great aid to people not receiving large salaries as it enables them to bridge over a period of stress caused by illness or accident.

PRODUCERS ARE COMBINING FORCES

It is now stated the consolidation of farmers' organizations in Western Canada, previously mentioned in these columns, is nearing completion. The organizations involved are Grain Growers' Grain Company of Manitoba, the Alberta Farmers' Co-operative Elevator Company, the Grain Growers' Association, the United Farmers of Alberta, the Saskatchewan Co-operative Elevator Company, and the Manitoba Grain Growers' Association. The Canadian Council of Agriculture is interested in this movement.

The scheme embraces a system of transferring of shares of the Alberta and Saskatchewan organizations for shares of the Grain Growers' Grain Company of Manitoba. A subsidiary company of the Grain Growers' Grain Company, the New York Exchange Exporting Company, will also be engaged in the gigantic plan. The merger will comprise a membership of more than 100,000 farmers.

The Douglas Fir Exploitation Export Company as a permanent organization is being formed, with thirty-eight out of sixty lumber mills on the Pacific coast as holders in the company, which is planned as a selling combination.

In the off-shore shipping trade provision is being made on the coast for fifty-two auxiliary sailing vessels, which, when completed, will have a capacity for about 75,000,000 feet of lumber. The Canadian government recently bought plans and specifications of the steamship City of Portland, and nine vessels, costing about \$15,000,000, will be built at Vancouver and Victoria under a subsidy arrangement between the William Brown Company, of Montreal, and Canadian government. A subsidiary company, to be called the Brown Auxiliary Lumber Company, has been organized with a capital of \$5,000,000.

The city of Quebec, which is holder of \$76,000 of stock in the Quebec Bank, will agree to the amalgamation of the Quebec and Royal Banks. This was decided by the finance committee, and the city treasurer was authorized to communicate the city's assent, as a stockholder, to the directors of the Quebec Bank.