

WESTERN ASSURANCE COMPANY.

The sixtieth annual report of the Western Assurance Company shows that during 1910, the policy which has been in force under Mr. W. B. Meikle, managing director and general manager, during recent years, of cutting down liability in congested areas and, generally, of improving the quality of the business, has been continued during 1910. To this policy is due the fact that fire premiums were less in 1910 than in 1909. In Canada and in foreign fields other than the United States there was, in fact, during 1910, a normal increase in the Company's premiums, but this increase has been more than offset by the policy adopted in the United States. As Senator Cox, the President of the Company explained at the recent annual meeting a number of agencies, where it seemed hopeless to obtain profits, have been changed and liabilities in congested areas of large cities where the building laws or the fire protection do not come up to the necessary standard have continued to be cut down.

To the Western, as possibly, also to other fire companies, operating in Canada, 1910 was a somewhat disappointing year in the matter of losses. The first six months of the year gave promise of a better showing than the numerous fires which marked the second six months of the year, eventually permitted. The Western's net losses for 1910 were \$1,061,080, or a ratio of 55.47 p.c. to the net premiums of \$1,912,745. This compares with a ratio in 1909 of 47.68 per cent.—an exceptionally favorable experience, and the lowest figure of any year since 1860.

The Company's marine business, of which a large portion is drawn from the Great Lakes shows a satisfactory 1910 record. Net premiums were \$786,853, or an increase of \$88,426 over 1909. This business has produced a profit of \$74,209. A favourable feature of this marine business is that the greater portion of it covering risks upon cargoes, which run off in a few weeks, the heavy re-insurance reserve which the annual premiums written upon hulls have to bear, is not required.

Net profits for the year, amount to \$222,698, \$71,968 from the Fire Department, \$74,209 from the Marine Department, and \$76,521 from interest while the total assets of the Company on December 31 last, were \$3,213,438. Unearned premiums and other liabilities aggregated \$1,513,385 so that there is a surplus to policyholders of \$1,700,053.

At the Company's annual meeting some interesting references were made by Mr. W. R. Brock, vice-president, to the Insurance Act, particularly section 139, which allows insurance with unlicensed companies outside the Dominion, provided the insuring company does not solicit the business, with

no other formality than an annual return by the insurer to the Superintendent of Insurance. On this point, Mr. Brock remarked:—

Naturally this condition of affairs affects the rates the unlicensed companies are able to quote. When we turn to the Insurance Laws in the United States, we find that they are by no means so liberal to Canadian and other Foreign companies. In New York State, for instance, a policy placed with an unlicensed company is absolutely void unless the assured and his broker have both filed affidavits that after diligent effort they are unable to obtain the necessary amount of insurance from authorized companies, and a tax of 3 per cent. is levied on premiums paid to unadmitted companies. And if a Canadian Fire Company seeks a license in New York, it must first deposit at least \$500,000, and must comply with other conditions much more onerous than those imposed in Canada.

In Canada licensed American Fire Companies pay exactly the same taxes on premiums as domestic companies. In the United States, on the contrary, Canadian Fire Companies pay an additional tax on a large part of their income. In a number of the more important States this surcharge on Foreign companies amounts to two per cent. of the premiums collected and, as fire premiums are computed to leave only a narrow margin of profit, it will be readily appreciated that this constitutes a serious handicap.

Mr. Brock's contention that one law should govern all insurance companies, and that companies which honestly comply with the law, should not therefore, be put at a disadvantage in their own country, will be supported by many fire insurance men, following as it does, the view expressed in these columns at the time the Insurance Act was under discussion.

WORKMEN'S INSURANCE ABROAD.

The Bureau of Labour, Department of Commerce and Labour of the United States, has just issued the first of two volumes dealing with Workmen's Insurance and Compensation Systems in Europe. The present volume describes the systems in force in Austria, Belgium, Denmark, France and Germany.

The country with the most complete system of workmen's insurance, it is stated, is Germany* where practically the entire wage-earning population is required by law to be provided with some form of insurance against industrial accidents, sickness, invalidity, and old age. Benefits are also provided in case of maternity for wage-earning women, while for some industries there is a system of insurance to provide benefits for the widows and orphans of wage-earners.

Employers defray the entire cost of the accident insurance, and it includes practically all the industrial workers in the country. The most striking evidence of the wide scope of this system is contained in the figures for the operations of the year 1908. In this year the number of persons insured against accident was about 27,000,000, the total receipts were about \$57,000,000, the total expenditures were about \$48,000,000, and the amount of the reserve was \$65,000,000. The number of workmen compensated for the first time in the year 1908 was 143,000. Separate laws provide a system of compulsory sickness insurance for wage-earners in which the employers pay one-third and the workmen two-thirds of the expense. In 1908 the number of persons (not including agricultural laborers) insured against sickness was about 13,000,000, the receipts were \$95,000,000, and the expenditures were \$91,000,000. Besides these two branches there is a third national compulsory system relating to insurance for old age and invalidity, in

* A reference to the subject of Workmen's Insurance in Germany will be found in our issue of August 26th, 1910, p. 1243.