

UNDERWRITERS' AGENCIES

Temporary Measures Have Helped to Solve Troubles— Heavy Losses in Maritime Provinces

Twenty-four and a quarter million dollars is the fire loss of Canada for 1914, as shown by records of *The Monetary Times*. Mr. E. F. Garrow, secretary of the British America Assurance Company, Toronto, reviewing fire insurance in the Dominion for the past twelve months, in the *New York Journal of Commerce*, quoting these figures and discussing general business conditions, says that it would be but natural in the fire insurance business to look for the reflection of these disturbed conditions in a higher average of losses, but strangely enough the total fire losses for the year as recorded by reliable authorities are less than for 1913. No fire of the dimensions of a conflagration occurred in either year, and the \$1,000,000 loss on the Burns Abattoir at Calgary which swelled last year's figures has not been equalled by any loss in this. It is difficult, therefore, to account for the complaint from many offices of considerably higher loss ratios unless, as may be possible, there has been a run of small losses not accounted for in the above figures. One marked result of the times will be a decline in the amount of premiums written, due to the stoppage of building construction and to the reduction of stocks and factory output. While premiums will be less, expenses, unfortunately largely of a fixed character, will as a consequence show a higher ratio, so that as regards net profit, no better than an average year will result.

Serious fires occurred during the early months of the year in the cities of Toronto, Montreal, Halifax, Winnipeg and Vancouver.

Problem of Underwriters' Agencies.

The much discussed question of underwriters' agencies, with all its perplexities and inequalities, has been advanced a stage toward a definite solution by resolutions approved in several boards during the past year, remarks Mr. Garrow. In fact, while the course pursued was in the nature of a compromise, it was nevertheless based upon logical grounds, and for this reason has perhaps removed the issue from the field of insurance politics. The abuses attendant upon the duplication of these agencies had become more marked in British Columbia than elsewhere in Canada, due to the large number of companies operating that field, so that the question was urgently brought home to the members of the mainland board at Vancouver. While the majority were disposed to entirely withdraw recognition, such a course was felt to be impossible because certain underwriters' agencies, previously accorded full membership, had built up considerable incomes which it would be unfair to disturb. Instead, and as a compromise, it was decided to apply a method of classification which would accord recognition to those underwriters' agencies laying claim to it on the ground of (a) maintaining a separate field and office force in the entire territory in which they operate, separate and distinct from the parent company; (b) having been formed for the purpose of taking over or continuing the business of a duly incorporated company which has retired. To these two classes of underwriters' agencies were accorded full membership privileges, including separate votes and a separate set of agents.

Some Have Few Privileges.

All other underwriters' agencies, namely, those that could not qualify under class "A" or class "B," fall into class "C" and become associate members only, without vote or agency privileges, except at places where two agents are allowed to each company, when one of the two may be put down in the name of the associate member. Thus was put into effect the first comprehensive legislation on the subject, to be followed soon after by similar action at Winnipeg and Victoria, and finally by the Canadian Fire Underwriters' Association, which recently approved amendments to its constitution based upon the Vancouver rule. No claim of perfection can be made for what is after all a makeshift, but at least it may be said a simple method is provided for dealing with all future cases, and, what is perhaps of greater consequence, a contentious matter involving many jealousies has been temporarily laid to rest.

Regarding the Maritime Provinces, Mr. Garrow states that insurance companies have lately been scrutinizing with anything but satisfaction the results of the business in the maritime field, embracing the three provinces, Nova Scotia, New Brunswick and Prince Edward Island. For many years the field gave a fair profit, but the period 1911-1913 inclusive

was disastrous, and the year just closing will be even worse. The territory has always been presided over by local agency boards, and, notwithstanding the fact that the lower province agents are a particularly high-minded and responsible class of men, these bodies have fallen into the snare of many of the bad practices besetting the path of such organizations.

It is chiefly upon these factors in the situation the companies are disposed to lay the blame for their adverse experience. It has, too, always been recognized that, having regard to the prevalence of frame and generally indifferent construction, basis rates were much too low, and rating schedules, themselves inadequate, were not impartially applied, but so long as the business paid its way companies were indisposed to face a change with its consequent disturbance. But the feeling is now to cry halt and to ask of the boards at Halifax, St. John and Charlottetown the imposition of such rules and practices as will reflect the wishes of the companies and permit the prosecution of the business at a reasonable profit.

CANADIAN PACIFIC RAILWAY SHIPS

The Canadian Pacific Railway Company will apply to parliament, at its next session, for an act authorizing the company to lease or charter any of its ships, vessels or ferries to any incorporated company having for one of its objects the acquiring, operating, etc., of ships, vessels, etc., and to subscribe for, acquire, hold, guarantee, pledge and dispose of the securities of such company, and for other purposes.

This application apparently is a step in the direction indicated in October, 1913, by Sir T. Shaughnessy, when, addressing the shareholders at the annual meeting, he said:—

"The formation of a steamship company to acquire the vessels whose cost has not been capitalized, to charter or lease those purchased with the proceeds of securities, and to provide means for the construction or purchase, from time to time, of additional vessels of a suitable type to maintain the character of the fleet, and to strengthen its earning power, is receiving some consideration."

DOMINION'S FINANCIAL STATEMENT

The latest financial statement of the Dominion Government shows a decline of nearly \$28,000,000 in the consolidated revenue for the nine months of the fiscal year.

The total to the end of December was \$99,635,943, as against \$127,571,762 for the corresponding period of the previous year. The largest drop is under customs, the main source of revenue, but declines are shown throughout the list with the exception of the post-office receipts, which have increased slightly. Customs revenues totalled \$58,839,937, a decrease of twenty-five and a half millions. Excise receipts amounted to \$16,315,047, a decrease of approximately \$350,000. Postal revenue amounted to \$9,175,220, an increase of \$150,000. Under public works, including railways, the receipts were \$10,166,585, a decrease of nearly a million and a half.

The December revenue showed a decrease of three millions in customs revenue, which amounted to \$4,706,117, while the excise revenue of \$1,052,837 was \$100,000 less than in the corresponding period. The postal revenue for the month was \$1,350,000, an increase of \$220.

The expenditure on consolidated fund for the month was \$9,942,085, an increase of \$634,000, while in the nine months the totals were \$85,651,613 in 1914, and \$75,987,925 in 1913, an increase of a little more than nine and a half millions. The capital expenditure, outside of railway subsidies, increased about four millions in the nine months, standing at \$29,342,347 on December 31st. The outlay on railway subsidies was about one-third of the total for the previous nine months, amounting to \$3,332,590.

The net debt stood at \$376,744,164 at the end of December, an increase of \$11,900,916. The funded debt payable in London has increased, while the debt payable in Canada is slightly lower. Increases are also shown under temporary loans and Dominion notes.

The Title and Trust Company has made application to change its name to that of Chartered Trust and Executor Company.