

BRITISH WORKMEN'S COMPENSATION: IN- CREASING AVERAGE COST OF CLAIM SETTLEMENTS.

Mr. William T. W. Wells, the Edinburgh manager of the British Dominions General Insurance Company, has prepared a series of tables giving the information with regard to claims settlements, under the Workmen's Compensation Act, which the British Board of Trade has obtained during the last few years from the various companies. The tables furnish data based on actual experience which should assist in estimating the minimum liability to be anticipated in respect of outstanding claims. They show that while the majority of the British companies underestimated at the end of the years 1907-9 their liability in respect of claims arising in and still outstanding at the end of those years, a number of offices have evidently failed to profit by their experience, and in subsequent years have still underestimated their liabilities.

INCREASING COST OF SETTLEMENTS.

Mr. Wells' book draws attention to the fact that the average cost of claims settlements of all companies in respect of the years 1908-1911 works out at £8.1. If on the other hand 50 per cent. of the earned premium income (£2,458,364) of 32 tariff offices had been set aside in 1912 the sum provided would allow £7.6 to settle each claim arising and reported in that year—a 60 per cent. reserve would have provided £9.2 for each settlement, thus indicating that a company should set aside a reserve of something like £8.5s for each outstanding claim and provide a reserve of 40 per cent. of the premiums for unexpired risk. The adequacy or otherwise of the latter figure, however, is not dealt with by Mr. Wells, who confines himself purely to the question of claims settlements. The increasing cost of settlements goes by leaps and bounds after the first year, according to the following tables:

	Cost of Settlement
Second year after arising	£136
Third year after arising	204
Fourth year after arising	268
Fifth year after arising	336
Sixth year after arising	482

In the last case the cost of settlement is the estimated sum required on the basis of an annuity. It will be noticed that in addition to current payments, the cost of settlement goes up some sixty odd pounds each year. This uniformity is striking.

MR. JAMES MCGREGOR.

Mr. James McGregor, manager for Canada, Commercial Union Assurance Company, who has recently returned from a business trip to the Pacific coast, informs us that the prospects for good crops in the West this year are excellent, and he believes if realized they will go a long way towards re-establishing normal prosperity. The lumber business in British Columbia is showing signs of marked improvement.

Mr. McGregor was much impressed with the martial spirit which was very considerably apparent in Vancouver, Victoria, Winnipeg, Calgary, and other important cities and towns visited. The physique and type of the men he had seen in uniform, Mr. McGregor says, was most inspiring, as was also their great eagerness to be sent to the Front.

LIMITATION OF LIFE COMPANIES' EXPENSES.

The fight in New York which developed through proposed amendments to be made in the Armstrong legislation in consequence of the mutualization of the Metropolitan and the Prudential has resulted in a compromise and an amendment to section 97 which limits the acquisition expense on new business, is now expected to go through in a modified form satisfactory to both the parties to the fight. In this matter, the Metropolitan and the Prudential had the support of the New York Insurance Department. Mr. Hasbrouck, the Superintendent of Insurance, stated *inter alia*:—

"The measure was proposed by the department for the purpose of affording relief to those companies which have changed from stock to mutual and which thereby become subject to the statutory limitation placed upon total insurance expenses. These companies formerly issued non-participating policies at low rates of premium, which policies now become entitled to share in the profits of the business. The companies must have relief from the present expense limitations or else raise their rates, although they earn each year ample surplus after paying all expenses and policy claims.

"The companies affected are old and established institutions. It does not require demonstration that their present rates are more than adequate for all purposes. Their own history is sufficient attestation of this obvious fact. Claim is made that these companies are seeking to spend more money for administrative purposes. The answer to this is that before mutualization no total expense limitation whatever was applicable under the law. The proposed measure fixes such a limitation at a conservative figure."

NEW INSURANCE LEGISLATION FORESHADOWED.

Referring to previous questions concerning the Union Life Assurance Company, Hon. Charles Marcell, at the opening of Monday's Parliamentary sitting, stated that he had received a letter requesting him to ascertain from the Minister of Finance whether the latter deemed the insurance branch of his department properly organized to safeguard the public interest since the retirement of Superintendent Fitzgerald.

Hon. Mr. White declared that if he did not possess confidence in the insurance branch he would take immediate steps to have it reorganized. The troubles of the Union Life, he added, were due to negligence, or worse, on the part of its directors and officers.

The Minister stated that he had in mind the introduction of a bill at the next session which would make impossible the recurrence of many of the troubles which had developed in connection with the Union Life.

MORE FAT JOBS.

Impatient friends of the new Ontario Workmen's Compensation Act are pointing out that the salaries of the three commissioners are respectively \$10,000, \$8,500 and \$7,500, and insist that these are excessive in view of the nature of the services to be rendered.

Well, what are they kicking about? What's the use of a Government administration if it isn't to give out fat jobs as a reward for political services rendered?