

PROSPECTS FOR SMALL FIRE COMPANIES

Our contemporary the *New York Journal of Commerce*, say:—

The opportunities and prospects for small fire insurance companies is a perennial subject for discussion. There are some who profess to believe that their day is past. These people are mistaken. There is and probably always will be a place for small companies as the beginnings of large ones. It is not so certain that there is a place for the small company which expects to remain small. With the closer supervision of rates by the States and the extension of the antidiscrimination principle there is not likely to be more than a very moderate margin of underwriting profit in the future and companies will have to depend more and more upon profit from investments. The opportunity of the small company lies in the direction of increasing its business as rapidly as is consistent with good underwriting and prudent expansion, with a view to getting a larger reinsurance reserve on which to earn interest.

Guarantee Bonds under the Grain Act

The case of the King vs. London Guarantee and Accident Company decided by the Exchequer Court of Canada, dealt with the liability of a guarantee company on a guarantee bond under the Canada Grain Act.

It appeared that in the year 1916 one Gorbavitsky applied to the Board of Grain Commissioners of Canada under section 153 of the Canada Grain Act for licenses to operate two Country elevators in Saskatchewan, and also for a license to operate as a "track-buyer" of grain, and gave a bond of the Guarantee Company for \$6,600 in connection with each application, the condition of the bonds being that Gorbavitsky would comply with all the enactments and requirements of the Canada Grain Act any pay any penalties for which he might become liable thereunder.

Gorbavitsky operated the elevators under the licenses under which the usual warehouse receipts were given to parties storing grain therein as required by section 157 of the Grain Act. Gorbavitsky's license as a "track buyer" authorized him to buy in car lots on track, but after the grain had been stored in his elevators and warehouse receipts issued therefor, Gorbavitsky bought some of the stored grain from the owners, for which he failed to pay.

The question then was whether Gorbavitsky by issuing the storage receipts had complied with the

requirements of the Grain Act, in which case the guarantee company would not be liable on his subsequent cash purchases. Judge Audette held that when Gorbavitsky gave the storage receipts as required by the Grain Act he had discharged all the duties imposed upon him by the Act, that his license as a track buyer applied only to purchases on the track and not in the elevators, that when he afterwards bought the stored grain he was not acting under his license, but was exercising the ordinary right of buying and selling, that the bonds did not cover these purchases, and that the guarantee company could not be held liable.

"The operator of a country elevator after discharging his statutory duty as above mentioned, has always his common law rights subsisting to buy or sell, provided such rights are not in derogation of any of the provisions of the statute. Nothing short of legislation can take away these common law rights," said the court.

Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

\$112,397,573.17

STATEMENT JANUARY 1, 1920

CAPITAL
AUTHORIZED, SUBSCRIBED AND PAID-UP

\$5,000,000.00

RESERVE FOR ALL OTHER LIABILITIES

17,191,302.37

NET SURPLUS

11,010,376.51

ASSETS

33,201,678.88

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31st, 1919

Since January 1st the authorized, subscribed and paid-up Capital Stock of the Company has been increased to **\$10,000,000.**

The Company now owns
\$10,000,000 U. S. Government Liberty Loan Bonds,
and **\$340,000 Canadian Victory Loan Bonds.**

**Home Office, One Liberty Street,
New York City**

Agencies Throughout the United States and Canada
ESINHART & EVANS, Agents 39 Sacramento Street Montreal, Quebec
MURPHY, LOVE, HAMILTON & BASCOM, Agents Dominion Bank Building Toronto, Ontario
WILLIAM ROBINS, Superintendent of Agencies Dominion Bank Building, Toronto, Ontario