

MORE LIGHT ON LLOYDS, LONDON.

The Manchester Policyholder is again pushing its campaign regarding Lloyds, London, and the security furnished by Lloyds' Underwriters to insurers. It will be recalled that the British Assurance Companies Act of 1909 requires companies writing fire and personal accident insurance to file annual returns with the Board of Trade, but specially excepts underwriters at Lloyds.

Ordinary companies transacting fire and personal accident insurance must deposit £20,000 with the Board of Trade and annually submit a report giving particulars as to the fire and accident business, reserves in hand, etc.

A member of Lloyds, doing the classes of business named, need only deposit £2,000 and furnish a yearly statement showing the extent and character of the fire and accident business effected by him. However, there is an alternative for even this reduced requirement, namely, that:

(a) All premiums shall without any apportionment be placed in a trust fund (in accordance with the provisions of a trust deed).

(b) Underwriters shall furnish security which shall be available solely to meet claims, which security may be furnished in the form of either a deposit or a guarantee, or partly in one form and partly in the other.

(c) The underwriter shall submit his accounts to an accountant approved by the committee of Lloyds, and lodge with the Board of Trade, not the accounts themselves, but the auditor's certificate.

QUESTIONS IN THE HOUSE OF COMMONS.

On November 27, last, according to The Policyholder, Sir Harold Elverston asked certain questions of the president of the Board of Trade, to which the latter official replied as follows:

The Board of Trade have no record of the names of the gentlemen who ceased to act as Underwriters at Lloyds during the years 1913 and 1912, but I am informed by the committee of Lloyds that the numbers for those two years are twenty and twenty-four, respectively.

No Lloyds underwriters have furnished the Board of Trade with a statement showing the extent and character of the business effected by them in accordance with Schedule 8 (B) and (C) 1 (b) of the Assurance Companies Act, 1909; 544 underwriters elected to comply with the alternative requirements contained in Schedule 8 (B) and (C) 2, and furnish the board with accountants' certificates.

The amount of the deposits furnished in accordance with Schedule 8 (B) and (C) 2 (b) of the Assurance Companies Act, 1909, by Lloyds underwriters as security for claims in connection with fire and accident and other non-marine business is £263,750. The amount of the security furnished in accordance with the provisions referred to in the form of guarantees is £4,436,000. No part of these guarantees has been given by persons other than Lloyds members.

WHAT THE SECURITY CONSISTS OF.

It thus appears that the security in 1914 consists of the following:

Deposits	£ 263,750
Guarantees by non-members	nil
Mutual guarantees by members	4,436,000
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	£4,699,750

Comparing these figures with previous records

obtained from the same source we find:

	1911	1912	1914
No. of members	501	511	544
Deposits	£228,250	£207,000	£263,750
Guarantees by non-members	353,918	491,530
Mutual guarantees by members	2,841,428	2,885,210	4,436,000

The Policyholder makes the point that the mutual guarantees amount to no less than 94.4 per cent. of the total security, consequently their value is of vital interest to the public.

SECURITY NOT WHAT INSURED SHOULD EXPECT.

In this connection The Policyholder goes on to say:

The full text of the guarantee agreement shows that the liability of each guarantor is strictly limited as against all creditors to the sum set against his name, and within the limits of this stipulation they appear to be severally liable as between themselves to make good the contributions of any defaulter or defaulters. The committee of Lloyds have absolute discretion as to the admission or rejection of any claims, and "nothing in the agreement shall be deemed to confer on any person or policyholder whatsoever any right, title or equity of claim to participate in the moneys to be paid by the guarantors. . . . or to compel the committee to enforce the agreement or to render any account of the moneys received." This means that, apart from the goodwill of the committee of Lloyds, these guarantees, forming over ninety per cent. of the so-called security, are not the class of assets or security which an insured is entitled to expect, and certainly not such as we should recommend him to accept, for the committee may, at their sole discretion, release any guarantor from all liability under an agreement upon such terms as they think fit, or they may even put an end to the agreement and repay to the guarantor the moneys which have been contributed, and no one presumably may question their action.

MAKE WAR ON WASTE.

The people of Canada and the United States spend yearly:—

For Jewellery, about	\$ 880,000,000
For Confectionery	220,000,000
For Chewing Gum	23,000,000
For Liquors	2,200,000,000
For Theatres	825,000,000
For Tobacco	1,130,000,000
For Millinery	99,000,000

Total for Luxuries	\$5,377,000,000
Total for Life Assurance, about	\$ 600,000,000

In other words we spend \$10.00 for luxuries while we pay \$1.00 for the greatest of necessities. We would live our lives more happily and resign them more peacefully if more of this wasted wealth were invested in Life or Endowment Policies.—*Mutual Life of Canada.*

In an interview at Winnipeg, Mr. John Aird, assistant general manager of the Canadian Bank of Commerce, mentioned that at the recent annual meeting of the Canadian Bankers' Association, a small committee was named to confer with the Government regarding any banking questions or matters which come up from time to time for consideration.