

## INSURANCE NOTES AND HAPPENINGS

## Lloyds' New Premiums—Agents' License Law in North Dakota

There have come into force the revised rates of premiums which Lloyd's underwriters have decided to enforce as the result of the disasters experienced by them of late, and the change will undoubtedly be productive of good results. It has been calculated that an all-round advance of 5 per cent. in the rates charged by the "Room" for insurance protection would not only recover before the end of the year the losses which have recently been sustained, but would also leave a substantial surplus. This estimate gives some idea of the enormous volume of business transacted, a factor which is very often left out of account by those who write in a rather sensational manner regarding the effects of such claims as were made in respect of the wrecks of the "Delhi," the "Oceana" and the "Titanic." Undoubtedly this succession of claims was a calamity for the "Room," but the net total was not so great as some people imagine. By way of illustration we may recall that, while a total loss was paid in respect of the bullion which the "Oceana" had on board when she went down, the greater part of this was recovered and realized in time to meet the sums which became due on the sinking of the "Titanic." In other words, although the "Oceana" ranked technically as a "total loss," practically the whole of the most valuable portion of her cargo was eventually salvaged at a cost of between £40,000 and £50,000.

## Life Insurance Agents' License Law.

Much misunderstanding and misinformation is current regarding the statutory provisions in the North Dakota law relating to agents' licenses. In one quarter the impression prevails that officers of a domestic insurance company may solicit applications for insurance and issue policies by mere virtue of their official relations with such company.

This is not true. No special privilege or exemption hedges the officers of insurance companies. In their official capacity their duties are administrative or clerical, as the case may be; but soliciting insurance and issuing policies is an entirely different function, over which the State very properly has supervision. Section 4508, Revised Codes of 1905, provides that "Whoever solicits insurance on behalf of any insurance corporation or person desiring insurance of any kind, or transmits an application for a policy of insurance, other than for himself, to or from any such corporation, or who makes any contract for insurance, or collects any premium for insurance, or in any manner aids or assists in doing either, or transacting any business of like nature for any insurance corporation, or advertising to do such thing, shall be held to be an agent of such corporation to all intents and purposes." Agents must have licenses. In this connection an opinion recently rendered by the Attorney-General's department has been submitted:—

## Agent Cannot Delegate Authority.

"It seems to me that the language of Section 4509, Revised Codes of 1905, clearly indicates that every officer, broker, agent, or sub-agent, of any insurance corporation of any kind, except county mutual insurance corporations of this State, must procure a certificate of authority from the commissioner of insurance before he can act or aid in any manner in transacting the business of such corporation in placing risks or effecting insurance therein. I, therefore, believe it is as necessary for an officer to hold an agent's license if he intends to solicit insurance for his corporation as for an employed agent of the company to have such license."

"The above opinion," says Mr. W. C. Taylor, State Insurance Commissioner, "bears heavily upon another phase of the matter. An officer of a bank, let us say, receives authority to act as agent for a company writing fire insurance or hail insurance, or both. The license is then treated as if it blanketed everyone connected with the bank, whereas it confers authority exclusively upon the individual to whom it is issued. The agent cannot delegate authority to others to represent him. Section 4509 provides that no agent or sub-agent of any insurance corporation of any kind, except county mutuals, shall act or aid in any manner in transacting the business of or with such corporation, in placing risks or affecting insurance therein, without first procuring from the Commissioner of Insurance a certificate of authority as provided by law. These requirements may seem harsh and unreasonable, but they are necessary if the integrity of this great enterprise—the insurance business—is to be maintained."

## Insurance Against War.

The London Times says: "For some reason, which the underwriters are quite unable to explain, several independent enquiries were recently made for terms for war insurance. To cover the risk of an outbreak of war between this country and Germany within the next twelve months six guineas (\$30) per cent. is quoted. This risk had not

been seen in the market for a considerable time past. Very likely it may not be seen again for some weeks. It is assumed that some of the enquiries were connected with Stock Exchange dealings."

## Carried Heavy Insurance.

Mr. John S. Huyler, the well-known candy manufacturer, who died recently, had insurance policies on his life aggregating \$270,694.

Mr. O. F. Dannecker, treasurer of the Western Life Assurance Company, of Winnipeg, was a visitor to the Toronto office of The Monetary Times this week.

The entire insurance for the Allis-Chalmers plants in Milwaukee, Chicago, Cincinnati and Scranton will be placed in Milwaukee this year as the receivers are under the jurisdiction of the local Federal Court, and the New England Mutual companies lose this \$15,000,000 risk, which was formerly divided among them. Messrs. George H. Russell & Company, of Milwaukee, were given the contracts to place through their correspondents in the other cities, placing the Milwaukee plant insurance themselves, and giving the risks on the plants in the other cities to their correspondents in those cities. This is one of the biggest insurance deals of the year.

## ONE VIEW OF ENGLISH CONDITIONS

The governor of the Bank of England, Mr. A. C. Cole, at a Mansion House banquet, drew a sorry picture of financial conditions in England. Mr. Lloyd George, the Chancellor of the Exchequer, was the guest of honor at the function, and Mr. Cole's talk followed a speech of the Chancellor's which was thoroughly optimistic and took great credit to the Government for trade prosperity, debt reduction, etc. Mr. Cole recalled that the Bank of England had advanced a large sum to the Birkbeck Bank after its failure, in order that the distress of the depositors might be somewhat mitigated. The whole of that bank's securities were pledged to and deposited in the Bank of England. The Birkbeck Bank had to stop payment, not on account of the methods of its business, but solely on account of the depreciation of these securities. He had the percentage of the depreciation in these securities taken out class by class. The bank had over half a million pounds in brewery investments, and when the bank stopped payment the depreciation of these quoted investments amounted to 47%. The bank had also a quarter of a million invested in ground rents. As these were not quoted securities he could not give the definite figure of depreciation, but undoubtedly it was heavy.

This depreciation of home securities was equally, if not more important to the small investor as to the large holder. As regarded this present summer, the trade of the country had been fairly prosperous, and the current banking business had been satisfactory. Bankers, however, had again to write down securities, and consols were down to the lowest point that this generation had seen them. This was a question that demanded the serious attention of the Government for what would their position be if they came into the market as borrowers? The Prime Minister recently spoke of the amount of debt the present Government had paid off. He (Mr. Cole) a year ago stated that in his opinion the provision made for debt redemption was sufficient, but the question was, How were they going about it? The Government was entitled to take credit for the amount of debt it had redeemed by the appropriations from the new sinking fund. The appropriations from this fund had amounted for the last six years to £31,500,000. These appropriations would have been more if the Government had not cut down the new sinking fund. The other amount appropriated to the debt reduction, something over £15,000,000, came from what was known as the old sinking fund. The credit or discredit of that amount of redemption belonged to the departments which had inaccurately estimated the figures for the Budget.

After pointing out that the amount paid in death duties in the last six years was £129,000,000, Mr. Cole declared that these payments, necessitating forced sales of gilt-edged securities, kept down the price of all securities in the gilt-edged market.

After September 3rd the Traders Bank of Canada will cease to exist, its absorption by the Royal Bank of Canada then actually taking place. The headquarters of the Royal Bank will remain at Montreal. Mr. Strathy is to be the manager of the Ontario department. Ontario customers will look to his office as to loans and other phases of the former Traders Bank business.

Port Arthur has entered into a tentative agreement with Mr. F. G. S. Ham, of London, Eng., one of the manufacturers who recently made a tour of Canada, providing for \$100,000 plant and the employment of 250 men. Mr. Ham is to deposit \$1,000 as a guarantee of good faith before the date of the special election at which the ratepayers of the city will be asked to approve the by-law will be fixed.