

# THE INSURANCE CHRONICLE.

February 1st, 1908.

## LIFE, ACCIDENT, AND CASUALTY NOTES.

The Committee on banking and currency will take up the insurance bill on Tuesday, at 10.30 a.m.

Mr. C. S. V. Branch, of the Sun Life Assurance Company, at Vancouver, B.C., has left there for Mexico City, where he will in future reside.

The Phoenix Assurance Company, Limited, will apply to Parliament this session for an Act authorizing them to carry on in Canada the business of the Pelican and British Empire Life Office.

A suit for \$50,000 against the Canadian Northern Railway Company has been brought by Samuel Walker for an accident which occurred in the Winnipeg yards when he was working as a switchman.

The 27th annual statement of the North American Life Insurance Company for the year ended December 31st comes to hand as we go to press. The receipts, including net ledger assets, total \$9,314,609; the disbursements, \$8,379,868. The assets are placed at \$8,735,876, and in the liabilities account the net surplus is seen to be \$673,556. The insurance in force at the end of 1907 was \$39,335,272 (gross), and the new insurance issued during 1907 (\$4,662,635, gross), a most creditable record.

In a reference to the working of life assurance companies in Japan, Mr. MacLean, the Canadian Trade Commissioner in that country, quotes a Japanese newspaper to the effect that owing to the economic activity of 1906 in Japan the life insurance business showed a great increase. Yet the increase in 1907 has been still greater. In the case of leading companies, contracts for insurance show an increase of some 30 per cent. This is attributed to the increased interest aroused in life insurance among the Japanese in general, as well as to the general development of trade.

It was announced last week that the Calgary Fire Insurance Company, with a capital of \$500,000, has been licensed to carry on the business of fire and accident insurance in British Columbia, and also that the Calgary Fire and Union Mutual Life Insurance Companies has been authorized to carry on business in British Columbia. It is to be remarked that there is already a Union Mutual Life, a sound Maine company, doing business in the Dominion for many years. And if we understand the Calgary despatch rightly the local company, doing business in the Dominion for many years, is at present at Ottawa.

The 27th annual meeting of the Commercial Travellers' Mutual Benefit Association was held at Toronto last week. Satisfactory reports were presented. During the past year 163 new policies were issued. The total membership is now 1,939, carrying insurance risk of a value of \$1,943,000. Since the inception of the Association \$475,000 was paid out in death claims. The total receipts for the benefit fund were \$42,800, and from his \$40,000 was taken for claims. The receipts for the general account were \$4,725, of which a balance of \$807 cash is carried over. During the year \$43,000 was paid in death claims. There are 162 applications for membership this year.

The record of embezzlement, forgery, defaulting and bank wrecking continues large, though the total for 1907 is smaller than that of 1906, which was the largest since 1894. The total for 1907 is \$10,424,820. Banks and trust companies are the worst sufferers, their losses being \$4,988,605. Public officials have been comparatively honest, having abstracted only \$787,466. The summary of embezzlements, etc., from 1894 to 1908 is as follows:—1894, \$25,234,112; 1895, \$10,423,295; 1896, \$9,405,821; 1897, \$11,248,084; 1898, \$5,851,263; 1899, \$2,218,373; 1900, \$4,500,134; 1901, \$4,985,560; 1902, \$6,769,125; 1903, \$6,562,165; 1904, \$4,742,507; 1905, \$9,613,172; 1906, \$14,739,653; 1907, \$10,424,820.

An English pottery manufacturer named Wm. Watson embarked on a pretty scheme of fraud at about the time he embarked in 1906 for the Pacific Coast. But he has been caught at Los Angeles, and the insurance company, which he defrauded to the extent of \$6,000, expects to get paid back

out of the estate of Watson's beneficiaries who died recently. Watson's alleged confession to the police states that he left a suite of clothes on the beach at North Sunderland, England, in 1906. He went to Paris, then to Quebec, eventually to the Pacific Coast. Domestic troubles led to Watson's difficulties. Watson says he borrowed money from Mrs. Helen Lampert, and had his life insured for \$5,000 in her favor, then took out an additional policy of \$1,000 for his wife. He then conceived the plan above described.

The Superintendent of Insurance for New York, Mr. Kelsey, is not an admirer of certain features of the Armstrong Law of that State. An abstract of his report says:—"For the year 1907, direct advices from New York State companies in advance of official reports show new business issued on paid-for basis of \$455,000,000, and total insurance in force of \$5,859,000,000. Compared with the figure of 1904, the new business of New York companies was less by \$692,000,000 and the aggregate of insurance in force has decreased \$53,000,000. Instead of an average annual gain in insurance in force as shown for several years prior to and including 1904 of about \$473,000,000, there has been a net average falling off of \$18,000,000 for several recent years. He declares on the other hand that companies of other States doing business in New York State exhibit a decrease in business for the years 1904 and 1907 of only \$81,000,000 in new business written and an increase of \$874,000,000 of insurance in force."

## NORTH AMERICAN LIFE BANQUET.

Some eighty insurance men from all parts of the country sat down at the banquet of the North American Life Assurance Company, held at the National Club, Toronto, on Thursday evening. The menu was excellent, and conducted to a happy spirit of expectation for the numerous speeches which followed. Mr. E. Gurney was in the chair, in the unavoidable absence of Mr. J. L. Blaikie. Among those seated at the head of the table were noted the following directors: Messrs. W. K. George, John N. Lake, J. A. Paterson, K.C., and J. K. Osborne. Mr. T. G. McConkey was toastmaster. The toast of "President and Directors" was proposed by the Rev. Dr. Wallace, the response coming from Mr. E. Gurney. The other toasts were, "The Lower Provinces," proposer, Mr. W. K. George, responses, Mr. C. S. Everett, New Brunswick, and Mr. H. S. Crosby, Nova Scotia; "Quebec," Mr. J. N. Lake, response, Mr. G. S. Simpson; "Ontario," proposer, Mr. L. Goldman, responses, Messrs. W. J. Fair, J. T. Moffatt, and A. W. Pennock; "Western Canada," Mr. H. Cassells and Mr. A. Elliott; "Foreign Fields," Mr. N. Marshall and Mr. F. A. Hilton; "Insurance and Financial Press," Messrs. J. A. Paterson, R. S. Mortley, W. S. Milne, and W. R. Campbell. Mr. Alexander gave an interesting recitation entitled, "The Annuity." One happy little saying of Mr. John N. Lake was "Don't put your wishbone where your backbone ought to be." The motto given by Mr. Everett to insurance agents was, "Work, you beggars, work." Altogether the function was most pleasing and successful. The North American Life agents and their friends derived much entertainment and perhaps inspiration.

## PRIVATE SURETIES OR COMPANY BONDS.

The acceptance of the surety of private persons for the fidelity of men or women in positions of trust is becoming less and less popular. Not only because those who benefit by such surety prefer in many cases to pay a company for the service, but because private sureties have become discredited, owing to the fact that private sureties so often resist payment when the man they guarantee goes wrong. Indeed, it is mainly because of this fact that corporate surety business came into existence.

Another hazard which distinguishes private sureties is the risk of forgery of a surety's name. A very striking instance of this arose the other day. The treasurer of a very large fraternal insurance order, the Modern Woodmen of the World, by name Frank Crocker, committed suicide, being in default for some \$400,000. He was cashier of an Iowa bank. The dead man was supposed to be bonded to the Woodmen by private sureties for \$350,000. But the alleged signers of this bond declare their signatures to be forgeries—a declaration which will be tested by judicial enquiry. Whatever the result of the investigation, this and many other unsatisfactory cases of private surety impel the public to look towards sound and well-conducted fidelity guarantee companies as surety for persons in positions of trust.