

## CALEDONIAN INSURANCE COMPANY

The 115th annual report of "the oldest Scottish Insurance Office," so well known as the Caledonian Insurance Company, reveals a continuance of the successful results, and great prosperity, recorded in the Company's Statement for the year 1918, and which latter were chronicled as being the best achieved from any one years operations in the history of the Company. That this record has been well maintained during the year (1919) under review, is shown by the statement published on another page.. The total funds of the Company are now \$25,128,855, as compared with \$23,066,193 in 1918, indicating a growth of \$2,062,662. The total balances transferred to Profit and Loss, from Underwriting and interest, amount to \$770,721 comparing with \$507,428 in the preceding year:

### *Fire Department.*

For the third year in succession a record has been established in the increase in net fire premiums. For the year under review, the net fire premiums totalled \$3,527,755 showing an increase of \$425,060, following an increase of \$366,940 in 1918 over 1917. The increase in fire premiums for the past five years combined exceed \$1,275,000. The substantial growth in fire premiums for 1919, is accompanied by a satisfactory loss ratio of 45.3 per cent. This is more favourable than in 1918 when the loss ratio was 48.96 per cent. Commission Expenses and taxes absorbed the moderate ratio of 36.6 per cent. of the premiums compared with 35.9 per cent. in 1918,—a slight increase which accords with general experience. The 40 per cent. for unexpired risk on the increase in premium income amounted to \$170,025. The amount of fire insurance fund at the end of the year totalled \$1,411,100 including an additional reserve of \$1,000,000—an increase of \$356,185. This strengthening of reserves is most commendable in view of the rapid development which is taking place in the fire branch. The Caledonian has long enjoyed a high reputation for financial strength, its funds in all departments have been maintained on a scale affording the most complete security to policyholders.

Like other composite offices, the Caledonian operates in practically all branches of insurance. It however, confines its operations in Canada to fire insurance. The Company entered the Dominion as far back as 1883, and its high prestige for honourable and liberal dealings with its clients, is being well maintained under the very popular management of Mr. John G. Borthwick, who is also Canadian manager of the Caledonian-American Insurance Company of New York, (a subsidiary company which entered the Dominion during the present year) and whose advent will mean increas-

ed facilities in fire insurance for the influential organization throughout Canada of the Caledonian Insurance Company. The quality of the business written in the Dominion is indicated by the Company's unusually fine experience during the year 1919, when its loss ratio at 36.50 per cent., was more favourable than was recorded for the majority of Companies operating in Canada. This fine experience was preceded by a loss ratio of 49.19 per cent. in 1918.. We understand excellent connections have been formed throughout Canada for the new arrival, "The Caledonian-American Insurance Company" whose contracts are guaranteed by the parent company, as above.

## REDRAFTING OF CANCELLATION NOTICES

The Editor,

The Chronicle.

Sir:—

The case reported in your issue of 28th inst., *Est. Patterson vs. North British & Mercantile*, it is stated will have the effect of causing many companies to redraft their notices of cancellation. One would imagine the exercise of a little common sense would have rendered such redrafting unnecessary.

Where a premium is not paid the only safe course is to notify the policy holder that the policy is void "for non-payment of premium." It is rather an absurdity to suppose that a Company can go on contending that the assured owes it something and then attempt to evade liability. The premium is the consideration and if it is not paid there is no binding contract; if you sue for recovery of the premium it implies that you gave the assured credit, and if you agreed to trust him then it is equivalent to treating it as "consideration."

There are many practices equally childish that might well be revised, and because the companies have been following them "for a considerable period of time" does not remove them from that category.

"FIRST PRINCIPLES".

Montreal, May 31st, 1920.

## BRITISH COLUMBIA'S LUMBER INDUSTRY

With the possession of the greatest stand of log timber of any area on the American continent, the province of British Columbia must inevitably play a large part in the rebuilding of the devastated regions of Europe, and in meeting the requirements of England, Oceania, India, South Africa and other portions of the British Empire. In addition to this Empire trade, the province's Douglas fir, cedar and spruce continue to be in great demand in the Orient, and there is a great field for future expansion in this direction.