

The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

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MONTREAL, AUGUST 27th, 1920

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THE GENERAL FINANCIAL SITUATION

A series of applications by public utility concerns, for permission to increase their rates, has again brought prominently forward the matter of the position of these companies under circumstances of heavily increasing costs. That particularly in the last two years, the public utility companies as a class have been heavily hit by wage increases is well known. The fact possibly accounts for the neglected condition into which the stocks of these companies have fallen on the local Exchanges. While most of the stocks in question are of the standard investment variety, with to some extent, an assured clientele of investors, the general body of those having investment funds for disposal is naturally desirous at times like the present, of becoming interested in enterprises, in which increasing costs can be met by increased charges to the consumer. This neglect on the part of the general body of investors, combined with tight money, has in recent months reduced the price levels of the stocks of these companies to a point, it seems to us, considerably below; in most cases, their intrinsic value, and their prospects justify more attention being paid to them from the investment point of view.

That in the case of the companies, whose applications for rate increases are now before the public the Railways and the Bell Telephone Company, and what is a more local affair, the Montreal Tramways Company, there is very fair evidence for an increase in rates, will, we think, be agreed, by those who do not allow violent anti-corporation prejudice to outweigh conclusions drawn from facts which are not controvertible. The question is, to what extent should these increases be granted, and the hearing which has been given by the Railway Commission in the railways case, and the similar hearing which will follow in the telephone case, is probably the last way that could be devised for arriving at a fair decision. At all events, all sides have an opportunity of putting their case adequately. In the case of the Telephone Company's application for increased rates, the business community has no doubt received something of a shock in the propo-

sals for "measured service" rates which are put forward by the company. That the adoption of any such scale of "measured service" as that proposed by the company would enormously increase the charges for telephone service by many large business concerns goes without saying. Probably enough, the scale proposed by the company would work hardship in certain cases, and considerable revision may be necessary in order to get a reasonable basis. That to the general body of telephone users, the "measured service" principle, in comparison with the principle of the "flat rate" is the fair one, cannot, however, we think, be seriously controverted. Payment in proportion to use of service is an elementary business principle, and there is no reason why this principle should not be applied to telephones as to any other service. The "measured service" principle is, we believe, generally in force in the larger centres of the United States, and the probabilities are that some use of it will be made in any revision of telephone rates following the present application of the company.

It would be well if the same principle could be applied in the case of the fares of the Montreal Tramway Company, though as a result of the existing contract with the City, there is probably no chance of it. To charge the same fare for a ride of half dozen short blocks as for a trip from Dominion Park to Cartierville is patently absurd, and a zone system of fares would not merely have the effect of making those pay most who travel furthest, but it would, we are inclined to think, largely increase the company's revenue. It is amusing in connection with the pending increase in tramway fares as a result of increased wages to note the attitude of indignation adopted by the local Trades and Labour Council. When wage increases are made affecting commodities or services used or employed by those outside the sacred ranks of so-called Labour, such increases are, of course, highly desirable—it is merely a case of spoiling the Egyptians. But when wage increases touch such a universal matter as tramway fares—the boot is on the other foot with a vengeance. This incident reminds us of a recent one in England, when clerks engaged



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In the Provinces of Quebec and Ontario

PERSONAL
ACCIDENT

GUARANTEE
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BURGLARY



SICKNESS

LIABILITY

AUTOMOBILE
LIABILITY

PROPERTY DAMAGE

COLLISION

CHARLES H. HOLLAND, President

CANADIAN OFFICES

Montreal

**Royal Insurance Building
RICHARD J. BOND,
Superintendent for Canada**

Toronto

**Royal Insurance Building
JULIAN H. FERGUSON,
Superintendent for Ontario**

The Chronicle

Banking, Insurance and Finance

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MONTREAL, FRIDAY, AUGUST 27th, 1920

(Continued from front Page)

in Trades Union offices had to threaten a strike in order to secure an increase in their wages commensurate with the increase in the cost of living. If the attitude adopted by the local Trades and Labour Council in regard to these Tramway fares were even a belated recognition of the fact that higher wages merely mean higher prices to the consumer, it could be welcomed, but it is doubtful if the protest has any such logical basis as that. There is no doubt that as a result of the war the Labour movement has degenerated in the matter of wages into a game of grab-get as much as you can for as little work as possible.

While the premium in New York Funds in Canada continues to be firmly maintained at around 12 to 14 per cent., where it has now been established so long as almost to have become a fixture, some authorities are inclined to look for a rapid decline in the premium. With grain moving out rapidly, some authorities even express the belief that the premium on New York Funds will fall as low as 5 per cent. this fall. While the arguments mentioned undoubtedly carry weight, it may be pointed out that a continuance of our buying abroad on the extravagant scale which the trade figures show for the early months of the fiscal year would have a tendency to keep up exchange, and there are as yet no signs that this buying is decreasing.

On the local Stock Exchanges, business has dwindled considerably in volume, but the tone has been good, and the pulp and paper stocks particularly have recovered much of the ground which they lost in the slump of some few weeks back. To some extent, no doubt, the market has been helped by the better news from Poland, while holders of securities with good prospects and well fortified by substantial margins, are not anxious to let go of them. Thus, while buying power in the market is limited, there is no pressing liquidation, and confidence in the stability of the local situation, has been pretty well restored. With regard to the future, there is a general expectation that the early fall will see another forward movement in the

market, to some extent depending upon the supplies of money which are then available for purposes of speculation. In regard to bank money, it is possible when the pressure of crop-moving is over, some calls for temporary accommodation may be made by the Dominion Government the extent of these being dependent upon the freedom with which tax collections come in. The Stock Exchange, however, is much less dependent than formerly upon bank money for purposes of financing, owing to the growing importance of supplies of private funds, and there is an expectation that in the later months of the year, available funds will be less restricted than at present.

In regard to the outlook for the pulp and paper industry it is noted by trade authorities that while Canadian mil's are now selling newsprint on long term contracts at \$100 a ton and making good profits, the export price of Scandinavian newsprint, partly as a result of the great shortage of supplies in Europe, but largely as a result of higher costs, has risen to over \$340 a ton. This disposes of the possibility of Scandinavian competition for some time to come, a factor, which not so long ago, was considered to have serious possibilities for the Canadian industry.

CANADIAN SHIPBUILDING INDUSTRY

The Canadian shipbuilding industry is to be assisted in taking foreign orders by an arrangement under which the Government guarantees the notes of purchasers up to 50 per cent. of the value of vessels of 3,700 tons and over, the Government to be secured by a first mortgage on the boat. When vessels now under construction are completed the Canadian Government Merchant Marine will have a fleet of 63 vessels of 380,000 tons to operate in conjunction with the National Railway system.

TRAFFIC RETURNS

Canadian Pacific Railway				
Year to date	1918	1919	1920	Increase
July 31	\$82,133,000	\$89,095,000	\$103,925,000	\$17,830,000
Week ending	1918	1919	1920	Increase
August 7	\$2,882,000	\$1,442,000	\$3,956,000	\$514,000
August 14	2,759,000	3,238,000	4,043,000	745.0 0
August 21	2,942,000	3,374,000	3,895,000	521,000
Grand Trunk Railway				
July 31	\$28,336,317	\$41,479,339	\$47,423,281	\$5,943,882
Week ending	1918	1919	1920	Increase
August 7	\$1,236,343
August 14	1,285,464	1,906,718	2,443,144	476,423
Canadian National Railways				
Year to date	1918	1919	1920	Increase
July 31	\$42,178,530	\$49,392,635	\$54,678,488	\$5,285,863
Week ending	1918	1919	1920	Increase
August 7	\$1,546,387	\$1,846,593	\$2,235,110	\$388,602
August 14	1,783,071	1,926,349	2,235,179	327,379
August 21	1,832,914	2,150,250	317,456

Established 1855
CANADA PERMANENT MORTGAGE CORPORATION

TORONTO STREET - TORONTO

President, W. G. GOODERHAM
 Vice-President, R. S. HUDSON
 Joint Gen. Managers, R. S. HUDSON, JOHN MASSEY
 Assistant Gen. Manager, GEORGE H. SMITH

Paid-up Capital \$ 6,000,000 00
 Reserve and Surplus Funds 5,900,493 28
 Investments 33,054,238 02

Deposits of one dollar and upwards are welcomed.
 Interest at THREE AND ONE-HALF per cent. per annum is credited and compounded twice a year.

For more than sixty-five years this Corporation has safeguarded the savings of many thousands of our citizens. Its unquestioned position ensures to the depositor and investor

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The Trust and Loan Co.

OF CANADA

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 Reserve Funds 2,000,000.00

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30 St. James Street - Montreal



THROUGH good times and bad times for the past 45 years this Bank has steadily given its best efforts to the development and upbuilding of the agricultural, manufacturing and commercial business of this Country. Our efficient service is available for the benefit of all customers.

THE Standard Bank

of CANADA

Montreal Branch, 136 St. James St.
 E. C. GREEN, Manager

The
MERCHANTS BANK OF CANADA

HEAD OFFICE - MONTREAL

Capital Paid-up \$ 8,400,000
 Reserves and Undivided Profits 8,660,774
 Total Deposits (June 30, 1920) - 161,000,000
 Total Ass'ts (June 30, 1920) - 198,000,000

Board of Directors

SIR H. MONTAGU ALLAN, C.V.O., President
 A. J. DAWES, Vice-President
 F. HOWARD WILSON, THOS. LONG, A. B. EVANS
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 GORDON M. MCGREGOR,
 D. C. MACAROW, General Manager,
 T. E. MERRITT, Supt. Branches and Chief Inspector
 W. A. MELDRUM, General Supervisor.

Draw on Your Customers

through the Merchants Bank. With Branches in all parts of Canada, and correspondents abroad this Bank is in a position to present Drafts promptly have them accepted and collect payment with the least trouble and cost to you.



391 Branches in Canada

Extending from the Atlantic to the Pacific
 London, England, Branch: 53 Cornhill, E. C. 3
 New York Agency: 63 & 65 Wall Street

EXPORT TRADE

The extensive foreign connections of this Bank enable us to place at the disposal of our customers the best existing world-wide banking facilities.

Our local Manager is in a position to give you both assistance and advice.

ESTABLISHED - 1875

IMPERIAL BANK OF CANADA

180 BRANCHES IN CANADA

AGENTS IN GREAT BRITAIN

England: Lloyd's Bank Limited, London and Branches
 Scotland: The Commercial Bank of Scotland, Limited, Edinburgh and Branches.
 Ireland: Bank of Ireland, Dublin and Branches

AGENTS IN FRANCE

Credit Lyonnais, Lloyd's and National Provincial Foreign Bank Limited

THE FOREIGN SITUATION

While much is currently said of the Polish outlook and of the military developments in the warfare with Russia, the underlying fact which is of largest significance to the situation is that there has been little if any improvement in the elimination of inflation abroad. The report on currency conditions recently rendered by the League of Nations, although now several months old (i. e., since its material was compiled, there having been delay in publication) shows a bad state of things throughout the European nations, and it would seem from the latest available figures that currency conditions are not very materially improving. There has been an upward swing of notes in almost all of the countries during the past few months, and especially during the past few weeks. German exchange conditions ought not to be too harshly judged, in view of the imminence of the Polish conflict on her borders, yet it is true that the decline in the value of the mark is due in no small degree to internal financing which has involved continuous large issues of notes on the part of the Reichsbank. This growth of note issues has been very general and in most places indicates not simply private inflation but continued dependence on the part of the Government upon the banks for its needs.

**BANK PRESIDENT LIABLE
Responsible for Thefts**

An interesting decision has been rendered in the United States Circuit Court of Appeals in the case of Bates vs. Dresser. According to this decision the president of a bank is held responsible for any thefts of employes resulting in loss to the bank. It will be remembered that this action was brought by John L. Bates, receiver of the National City Bank of Cambridge, Mass., against Edwin Dresser, president, to recover \$300,000, the amount lost by the fraudulent operations of one of the bank clerks during a number years. Mr. Dresser died after suit was brought and the suit was revived against the administrator of his estate, resulting in a judgment of \$264,088 against his estate.

The clerk whose thefts were responsible for the loss to the bank was employed at a salary of \$12 a week. He was in charge of depositors' ledger and so ingeniously manipulated his figures that he escaped detection of even the bank examiners.

The suit was brought against the directors, also, but the Circuit Court of Appeals held that the directors had not been guilty of negligence in the performance of their duties. But the finding was different with respect to Mr. Dresser, who was held guilty of negligence in not detecting the fraud of the clerk. It was held that he should have suspected a \$12 a week clerk who was in the habit of coming to work in an automobile which he owned.

This fact with other circumstances should have caused a thorough investigation of his work in the bank and his life outside the bank.

The United States Circuit Court rules that among the duties of a bank president, who is active in the management of the bank is the duty "not only to know the character and habits of the bank's employes and exercise reasonable supervision over them, but to use diligence in respect to all matters bearing upon the question whether they should be retained in positions of trust."

CANADIAN SAVINGS

The approximate amount of savings deposits in Canadian banks, loan associations, Credit unions, etc., as compiled by L. D. Woodworth, Secretary of the Savings Bank section of the American Bankers Association, from unofficial sources, is as follows:—

Post Office Savings Banks	\$43,000,000
Government Savings Banks	13,600,000
Québec Savings Banks	50,000,000
Loan and Savings Companies	65,000,000
Provincial Rural Credit Associations	1,700,000
Trust deposits with trust companies	30,000,000
Chartered banks	1,300,000,000
	<hr/>
	\$1,503,300,000

Aims of "Thrift"

"We must change the terms by which we talk thrift," said Mr. George E. Brock, President of the Home Savings Bank of Boston, when addressing the Vermont State Bankers Association.

"We have overworked that 'rainy day' argument, he continued. "For instance, talk to a husky young man about a rainy day. He is young and vigorous, and always expects to be, he is not looking for a rainy day. We will not get far with him with that argument, but connect his savings with his pay envelope, teach him that his savings will create a job, and the more he saves the more steady will be his job, and we may cause him to think. Let our slogan therefore be *"Save Your Money to Create Your Job, and Save More Money to Perpetuate Your Job."* * * *

"A home budget system which starts with the question 'how much of my earnings ought I to save?' and from that point distributes the remainder over the necessities of life, has in it much of the science of wise spending. We bankers who have been brought up to keep other people's cash right to a penny are apt to get careless with our own, but I believe the time will come, in these days when we are expected to give to the government the most intimate details of our personal resources and liabilities, when a systematic budget will be of great assistance to us in making up our returns.



THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY, LIMITED CANADIAN BRANCH HEAD OFFICE - MONTREAL

DIRECTORS:

James Carruthers, Esq. Sir Alexandre Lacoste
 M. Chevalier, Esq. Sir Frederick Williams-Taylor, LL.D.
 William Molson Macpherson, Esq.
 J. Gardner Thompson, Manager. Lewis Laing, Assistant Manager *
 J. D. Simpson, Deputy Assistant Manager



THE LIVERPOOL-MANITOBA ASSURANCE COMPANY

Liability Guaranteed by THE LIVERPOOL & LONDON & GLOBE Insurance Company Limited
 Head Office: Cor. Dorchester St. West and Union Ave., MONTREAL

DIRECTORS:

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 J. D. Simpson, Assistant Secretary.
 Jas. Carruthers, Esq. M. Chevalier, Esq. Sir Alexandre Lacoste A. G. Dent, Esq.
 John Emo, Esq. J. C. Rimmer, Esq. Wm. Molson Macpherson, Esq.
 Sir Frederick Williams-Taylor, LL.D.

FIRE INSURANCE



The Globe Indemnity Company of Canada

Liability Guaranteed by THE LIVERPOOL & LONDON & GLOBE Insurance Company Limited
 Head Office: 343 Dorchester Street W., MONTREAL

CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary
 Employers' Liability and Automobile

== FIRE INSURANCE ==

DIRECTORS

John Emo, Secretary and General Manager
 John Pinkerton, Assistant Manager
 Lewis Laing, Fire Manager
 J. D. Simpson, Assistant Fire Manager

J. Gardner Thompson, President, Lewis Laing, Vice-President,
 Jas. Carruthers, M. Chevalier, Wm. Molson Macpherson, A. G. Dent, J. D. Simpson,
 Sir Frederick Williams-Taylor, LL.D. Sir Alexandre Lacoste.

INSURANCE COMPANY OF NORTH AMERICA

CAPITAL - - - \$5,000,000
 ASSETS IN EXCESS OF \$36,000,000

Issues specially desirable forms of Use and Occupancy, Rental and Leasehold Insurance
 Agents in all the principal Cities of Canada and the United States

ROBERT HAMPSON & SON, LIMITED

General Agents for Canada - - - 1 ST. JOHN STREET, MONTREAL

THE BRITISH GENERAL INSURANCE CO. LIMITED OF LONDON, ENGLAND

FIRE INSURANCE

Head Office for Canada : Lewis Building, Montreal

THOMAS F. DOBBIN, Manager for Canada

EDMUND FOSTER, Assistant Manager

JOHNSON—JENNINGS, INC. AGENTS—INSURANCE—BROKERS

AMTRA INSURANCE CO. OF HARTFORD
 ST. PAUL FIRE & MARINE INSURANCE CO.
 BRITISH TRADERS INSURANCE CO., LIMITED

25 ST. SACRAMENT STREET
 MONTREAL, P.Q.

NORSKE LLOYD INSURANCE CO., LTD.

The Norske Lloyd Insurance Company has made excellent progress since its establishment in 1905, and it is a tribute to the enterprise and skill of the management, that after fourteen years operation, the Company is now recognized as occupying a very substantial position in international re-insurance business, and particularly in marine underwriting. While the latter department is still a predominant factor in the Company's business, the fire and casualty departments have both shown considerable development during the past two years.

The annual statement for 1919 published on another page, reveals a strong financial standing. Without including the life department, the amount reserved for unexpired risks at the end of the year totalled \$3,621,073, equal to 85 per cent. of the total premiums for 1919, which percentage may be considered as very satisfactory. To the above mentioned amount falls to be added, the general reserve fund of \$1,931,506, so that, in addition to its capital, the Company has funds of over \$5,550,000, equal to 130 per cent. of the annual premiums which amounted to \$4,217,919 for the year under review.

It is worthy of mention that the paid up capital now amounts to the large sum of \$2,721,684. Of the total assets of \$11,540,767 more than \$7,750,000 is in a good class of securities, cash on deposit and in hand, so that the Company has more than ample liquid resources at its disposal for the requirements of its business.

It may be noted that the premium incomes of the leading British marine insurance companies showed a substantial reduction for 1919 as compared with the war period, and it is not surprising that the Norske Lloyd suffered a similar falling off in marine premiums. A considerable number of companies have also announced that their experience during the latter part of 1919 and in the early months of this year was far from satisfactory, so that it is interesting to note that the Norske Lloyd has by no means had the worst results experienced by companies generally in the marine field.

Marine Department

The marine department yielded premiums of \$1,667,638, and the claims were 85.5 per cent. of the premiums, as against 91.77 in 1918. Commission and expenses charged to this account figured a ratio of 9.82 per cent. of the premiums—making the total outgo 95.00 per cent. or about 2.50 per cent. better than 1918.

Casualty Department

The premium income of the Casualty department showed much progress, being \$1,328,995, as against \$854,355 in 1918. Accompanying the substantial increase in premiums, was a favourable loss ratio of 34.10 per cent. The Commissions and expenses charged to this department figured a ratio of 34.90 per cent., making a total outgo of 69 per cent., which compares with 60.50 per cent., for the preceding year. Although this is an increase of 8½ per cent. of the premiums, it is insignificant because a total outgo of 69 per cent. in accident business is far below the average of the general accident companies, and gives evidence of careful underwriting.

Fire Department.

The fire premiums for the year were \$1,221,285 indicating an increase of nearly \$200,000 as compared with 1918. Claims were \$912,615, showing a higher loss ratio than that hitherto experienced by the company; in fact, this is the first time since the inauguration of the fire department in 1911 that a check in results has been experienced. It is, however, probably an incident to which little importance need be attached, being doubtless accounted for by special circumstances.

The Norske Lloyd is well known to many companies operating in Canada. The Company maintains a steady attitude year by year, in the building up of its reserves, thus creating a sound foundation. As is well known, the writing of the British business of the Norske Lloyd is in the hands of Sterling Offices Limited who act as managers and secretaries of the Company.

AUSTRALIA AND NEW ZEALAND BANK OF NEW SOUTH WALES

ESTABLISHED 1817

Paid-up Capital	-	\$23,828,500
Reserve Fund	-	16,375,000
Reserve Liability of Proprietors	-	23,828,500
		\$64,032,000
Aggregate Assets 31st March, 1920		\$377,721,211



SIR JOHN RUSSELL FRENCH, K.B.E., General Manager

351 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua (New Guinea), and London
The Bank transacts every description of Australian Banking Business. Wool and other Produce Credits arranged.

Head Office: **GEORGE STREET, SYDNEY** Agencies: **Bank of Montreal** London Office: **29, THREADNEEDLE STREET, E.C. 2**
Royal Bank of Canada

Commercial Union Assurance Company Limited

of London, England

as at 31st Dec., 1919.

Capital Fully Subscribed.	\$14,750,000	Total Annual Income exceeds.	\$75,000,000
Capital Paid Up.	7,375,000	Life Fund, Etc.	99,147,565
Deposit with Dominion Gov't.	1,416,333	Total Funds exceed.	209,000,000

Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1919.

Capital Fully Paid	\$1,000,000	Total Income	\$4,145,585
Fire Premiums 1919.	3,957,650	Funds.	6,826,795
Interest Net	187,935	Deposit with Dominion Gov't.	365,567

N.B.--In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$209,000,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, 232-236 ST. JAMES STREET, MONTREAL

W. S. JOPLING, Manager

THE CANADA

ACCIDENT & FIRE ASSURANCE COMPANY

Head Office, MONTREAL

T. H. HUDSON, Manager, Fire Department.

H. F. RODEN, Manager, Casualty Department

Policies Guaranteed by
Commercial Union Assurance
Company Limited

Local General Agents, (Fire)

G. U. PRICE & CO., LIMITED
Bank of Toronto Bldg., Montreal

GUARANTEED BY EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED, OF LONDON, ENGLAND

SECURITY OVER

\$93,000,000

THE

BRITISH



CROWN

FIRE
AUTOMOBILE

ASSURANCE CORPORATION LIMITED

J. H. RIDDEL,

OF GLASGOW, SCOTLAND

E. C. G. JOHNSON,

Manager

HEAD OFFICE FOR CANADA - TORONTO

Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

THE FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000 Subscribed Capital, \$500,000 Paid Up Capital, \$200,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

Vice-President and Managing Director: J. E. CLEMENT

Northwestern Mutual Fire Association of Seattle, Wash. Licensed for the Dominion

The Northwestern Mutual Fire Association of Seattle, Wash. is now licensed to transact fire insurance in Canada. The Company was organized in 1901, and writes business on the cash basis, charging, it is stated, the regular stock company rates, and professes to return savings to its policy-holders, there is no assessment liability.

Mr. Norman S. Jones, of Seneca Jones & Son., Hamilton, Ont., has been appointed chief agent for Canada, who states that business is done direct with the owners of property, no agents being employed. Notwithstanding the latter fact, however, it will be noted, that the underwriting expenses incurred in 1919 figured at a ratio of 32.4 per cent. It may well be assumed that the numerous salaried inspectors employed by the Company are doing nothing more or less than canvassing for business, under the guise of inspectors, thus assuming the very expenses that they warn the public against in stock companies.

Mutual insurance has always had its lure for those looking for low priced policies, instead of guaranteed insurance. Organization in sound insurance means strong agency forces. The funds possessed by stock companies are the capital and surplus provided for making good and guaranteeing all contracts in the event that the losses for a period greatly exceed the normal.

Owing to the Northwestern Mutual's strictures regarding the quality of the business accepted, the balance of the insurable property in Canada, not written by the Northwestern Mutual, will probably be divided among the other numerous companies operating in the Dominion.

AUTOMOBILE INSURANCE STILL BOUNDING AHEAD

In its issue of the 19th December, 1919, The Chronicle published a table of premiums and losses in Automobile insurance from 1910 when this form of insurance first appeared in the Government blue books, to 1918. The figures for 1919, which are now available in the latest blue book, show that this branch of insurance last year made an enormously increased stride. The expansion in automobile premiums during 1919 over 1918 was, in fact almost equal to the whole of these premiums in 1917, as the following figures show:—

	Premiums	Losses	% Losses to Premiums
1919	\$3,412,864	\$1,605,201	58.5
1918.	2,153,014	891,565	41.4
1917.	1,424,835	571,400	40.1

While premiums show a very large increase, it will be noted that losses were in a fair way to being doubled in comparison with 1918, and their ratio to premiums is, in fact, the highest in the ten year history of the business in Canada with one exception. The business has problems of its own; but there is no doubt of its unbounded vitality and its extraordinary potentialities. Obviously, however, growth in volume of business, which does not mean corresponding growth in profits, is of no ultimate value to the companies transacting it. A business growing at this rate clearly is developing conditions very rapidly, and the problem before automobile underwriters is to meet these new conditions in such a way as to make the business continue to be worth while.

COLUMBIA
INSURANCE COMPANY OF NEW JERSEY

Annual Statement as of December 31st, 1920

ASSETS	
Government and Municipal Bonds	\$ 790,488.00
Railroad and Miscellaneous Bonds	563,890.00
Cash in Banks	175,145.50
Premiums in course of Collection and other Assets	267,431.48
	\$1,796,955.08

LIABILITIES	
Cash Capital	\$ 400,000.00
Unearned Premium Reserve	390,134.38
Losses in process of adjustment	105,426.82
All other claims	88,000.00
	983,561.20
Surplus over all Liabilities	813,393.88
	\$1,796,955.08

Head Office for Canada
Montreal

R. MacD. Paterson }
J. B. Paterson } Joint Managers

A. McBEAN & CO.
GENERAL AGENTS FOR MONTREAL
LEWIS BUILDING, MONTREAL

EQUITABLE LIFE ASSURANCE SOCIETY WITHDRAWS FROM CANADA

Under date of August 16th, 1920, The Equitable Life Assurance Society of New York, addressed the following letter to its Canadian Policyholders.

To Equitable Policyholders in Canada:

For many years the Equitable has been following the policy of gradually withdrawing from the writing of new business in territory outside of the continental limits of the United States, and of concentrating its energies upon the intensive development of its Agency Forces in the latter field. In furtherance of that policy the Equitable from time to time has so withdrawn from all outside fields except Canada, Great Britain, and Ireland. It has now decided to discontinue the writing of new business in those countries.

This action will not affect in any way your rights as Equitable policyholders. So long as there remain any outstanding policies of the Society in Canada there will be maintained in the Dominion whatever offices and organizations may be necessary to properly serve the holders of such policies. If at any time you desire information in connection with your policy in the Equitable, please take up the matter either with the office through which you pay your premiums, or with the Home Office in New York.

Yours truly,

J. V. E. WESTFALL, *Vice-President.*

The Equitable Life has been operating in Canada for over half a century, having entered for business in 1868, and at the end of 1919 had \$36,302,048 of insurance in force. The Society has a high standing throughout the Dominion, as it has all over the world, wherever its Policies are known. In 1919 new policies issued and paid for in Canada amounted to \$6,909,895, as against \$4,079,215 in 1918, and \$3,362,555. The Equitable Life was not aggressive in so far as Canadian business was concerned.

THE BUILDING INDUSTRY

It is in building and the allied lines that there is perhaps the least satisfactory outlook. We are far behind on accommodations in housing and a like case exists abroad. This is a complex problem, partly due to scarcity of capital, partly to taxation and partly to labor conditions. The community will not be speedily relieved, but will only gradually recover from its present troubles. From the investment standpoint—and this has its direct bearing not only upon the building industry but upon any business which requires a large fixed capital—there are serious problems to be met. It will be a good while before the lack of capital which now exists is overcome and during this transition period there will inevitably be more or less suffering or hardship due to readjustment of prices and the alterations in demand and supply which follow upon all such changes. Sound observers are now of the opinion that this state of things will not continue in any acute form for an unduly long time. It is, however, true that there is demand for capital in many directions, with lack of saving or real investment, and that in consequence there will have to be high rates of return upon money. This necessarily furnishes somewhat of a handicap which business will have to meet.

So, in the words of Mr. Kipling, "the more we work and the less we talk the better results we shall get." Work, in fact, is the chief desideratum of the present situation—work and its outcome in production. There is fundamental soundness and abundant new wealth all over the country. Continued repression of credit inflation and its attendant evils and steady development of business upon a sound basis will shortly restore a normal footing in every branch of trade. Saving and investment will bring back an adequate supply of means of production, of building and of other permanent facilities.

**Insure in one of Canada's Oldest and Strongest Fire Insurance Companies
Organized in 1862**

The Acadia Fire Insurance Company

OF HALIFAX

LIABILITY UNDER ALL ACADIA POLICIES GUARANTEED BY
PHOENIX ASSURANCE COMPANY, LIMITED
OF LONDON

WHOSE ASSETS EXCEED \$98,000,000

MONTREAL AGENCIES, LIMITED

GENERAL AGENTS

MONTREAL TRUST BUILDING, MONTREAL

JAS. D. CHERRY, Manager



FIRE **CASUALTY**
The Northern Assurance Co. Limited
Of England

ASSETS . . . \$79,801,255.00

Including Paid up Capital of \$4,010,100.00

Head Office for Canada: Lewis Building, 17 St. John Street, Montreal

ALEX. HURRY, Manager Casualty Department

G. E. MOBERLY, Manager

FIRE

THE

FIRE



Royal Scottish

INSURANCE COMPANY LIMITED
of Glasgow, Scotland

HEAD OFFICE FOR CANADA
17 ST. JOHN STREET
MONTREAL

G. E. MOBERLY,
MANAGER

This Company's contracts are guaranteed by
The Northern Assurance Company Limited, of England

THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY
INCORPORATED 1865 ASSETS OVER \$16,000,000

REPRESENTED IN TORONTO BY
McADAM, SHERRITT & COMPANY
General Agents

EXCELSIOR LIFE BUILDING

36 TORONTO STREET

BRITISH TRADERS' INSURANCE COMPANY, LIMITED

HEAD OFFICE: HONG KONG — ESTABLISHED 1865 — HEAD OFFICE FOR CANADA: TORONTO

FIRE & MARINE INSURANCE

LOSSES PAID SINCE ORGANIZATION OVER \$50,000,000

JOHNSON—JENNINGS, Inc., General Agents,
MONTREAL.

Manager for Canada, C. R. DRAYTON

THE STRATHCONA
FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,
90 ST. JAMES ST.

"For ten years the STRATH-
CONA has pursued a safe and
steady course and is now begin-
ning to gather the fruits of its
wise and sound policy."

CANADIAN FIRE RECORD

Fire at Moncton, N.B.—On the 24th instant a fire broke out in the Brunswick Hotel, destroying the two upper storeys, and resulted in considerable damage to the remainder of the building and contents. Insurance stated to be as follows:—North America, \$47,500; Providence Washington, \$15,000; National of Paris, \$10,000; Fire Insurance Co. of Canada, \$10,000; American Equitable, \$10,000; British Empire, \$5,000; Yorkshire, \$5,000; Canada Accident, \$5,000; British Crown, \$5,000; Hartford, \$10,000; Eagle Star & British Dominions, \$7,500; North River, \$5,000; Acadia Fire, \$30,000. Total \$165,000. Loss estimated 50 per cent.

Fire near Newcastle, N.B.—On the 21st instant a fire broke out in the lumber yard of the Edward Sinclair Lumber Co. about three miles from Newcastle, N.B. The lumber destroyed was owned by Malcomb Mackay Ltd. Insurance \$204,000. Loss total.

Fire at Mulchill, Man.—Twenty houses and a new school building were destroyed on the 21st inst. caused by bush fires.

Fire at Toronto.—On the 18th instant a fire occurred in Cleveland & Chandlers Garage on Yonge St. Loss about \$4,000.

Fire at St. Titc, P.Q.—On the 19th instant a fire destroyed the boot and shoe factory of Trotter also a number of stores and houses. Loss about \$150,000.

Fire at Montreal.—On the 18th instant a fire broke out on the fourth floor of the harness and trunks factory of Lamontagne Ltd., 338 Notre Dame St. Loss about \$12,000.

Fire at Moncton, N.B.—On the 23rd instant the home of Stanley Hanson, High St. was destroyed together with contents. Loss about \$2,000.

Fire at Marmora, Ont.—On the 21st instant a fire destroyed the office, sheds, planing mills and kiln, owned by the Pearce Company Ltd. Loss about \$25,000 partly covered.

Fire at Simcoe, Ont.—On the 25th instant a fire destroyed the storehouses of Wm. Jacques & Son wholesale rag dealers. Loss about \$20,000, insurance stated to be \$5,000.

Forest Fire in New Manitoba—On the 23rd inst. two trading posts were destroyed by forest fires near the Hudson's Bay Railway at Thicket Portage. Loss about \$35,000.

Fire near Cornwall Ont.—On the 19th instant an electric storm which passed over the Melvin section, caused the destruction by lightning of the large barns of James Shaw, together with contents, comprising 50 tons of hay, machinery, etc. Loss amount to several thousand dollars, partly covered.

PERSONALS

Mr. Cecil B. Reay, who is at present connected with the C. F. U. A. (Manufacturing Dept.) will join the Atlas Assurance Company on 1st of Sept., as its Inspector for the Province of Quebec.

The Continental Insurance Company of New York and the Fidelity (Fire) Underwriters of New York, recently established a Joint Brokerage Department at 17 St. John Street, Montreal, in charge of Mr. Harry Hall. This new department, in addition to the French brokerage office operated by the Continental Insurance Company under the direction of Mr. J. W. Provost, will act as a measure of enlarged service to agents and brokers and give prompt attention to the handling of business located anywhere in Canada.

FIGURE IT OUT FOR YOURSELF—

An insurance agent is in the business to make money. He is continually trying to place more business on his books. The companies he represents are generally instrumental in his success or failure to reach that end. Would it profit him to represent a company that kept him in touch with centres of influence in the insurance world, helped him solicit business, advertised him throughout the district? Figure it out for yourself and then

WRITE US FOR FULL PARTICULARS OF OUR AGENCY.

**FIDELITY (FIRE) UNDERWRITERS
OF NEW YORK.**

HENRY EVANS, President.

Policies assumed half by the Fidelity-Phenix Fire Insurance Co. and half by the Continental Insurance Co. of New York.

FIRE AUTOMOBILE PROFITS

CANADIAN HEAD OFFICE: 17 ST. JOHN STREET, MONTREAL.

W. E. BALDWIN, Manager

NORSKE LLOYD INSURANCE COMPANY, LIMITED—Continued.

Summary of the Company's Operations

Year	Net Premiums	Net Losses	Commission and Expenses	Reserves for Unexpired Risks including Reserve for Losses	General Reserve Fund	Interest and Dividends on Investments	Capital Subscribed	Capital Paid-up
	\$	\$	\$	\$	\$	\$	\$	\$
1906	42,240	15,000	6,950	15,380	2,775	2,000	273,970	55,555
1907	71,080	28,750	10,890	21,240	9,720	2,235	273,970	55,555
1908	95,765	61,690	12,980	30,585	19,445	2,415	273,970	55,555
1909	127,665	56,665	14,720	65,780	34,720	2,495	273,970	55,555
1910	238,940	151,935	26,160	106,490	47,225	7,095	821,920	166,665
1911	377,565	233,135	52,150	172,385	65,000	8,025	821,920	166,665
1912	537,930	353,535	60,340	266,685	83,335	8,945	821,920	166,665
1913	665,635	472,920	75,755	355,220	104,165	12,725	821,920	166,665
1914	887,930	495,010	105,655	524,085	143,825	14,570	821,920	205,450
1915	1,931,145	887,360	152,715	1,366,170	363,015	50,835	1,369,860	794,520
1916	3,847,355	2,001,705	167,585	3,002,335	390,410	93,440	1,369,860	878,270
1917	4,805,200	3,362,050	589,200	3,859,120	1,931,505	137,085	2,767,535	2,506,165
1918	4,422,195	3,106,740	890,970	3,909,010	1,931,505	301,260	2,739,725	2,703,700
1919	4,217,920	2,765,985	1,323,920	3,621,075	1,931,505	287,635	2,739,725	2,721,885

Above figures are exclusive of Life Department.

Canadian Life Underwriters Association

The fifteenth annual convention of the Canadian Life Underwriters' Association was held on the 18th instant at Ottawa. Mr. J. Stanley Edwards, president of the National Association of Life Underwriters addressed the meeting on "The character, purpose and equipment of the present day underwriter" in part as follows:—

Viscount Haldane says: "Neither capital nor labor creates wealth, but brains." The life underwriter of the new era must first of all be an intelligent and trained salesman if this institution of usefulness entrusted to his care is to continue to function. The day has gone by when it is sufficient for an agent to be just industrious and honest; he must be that, of course, but the business of life insurance has now become one of such vast proportions and of such intricate ramifications, serving so many other kinds of business, in so many different ways, that skill, training and knowledge are essential parts of every agent's equipment. Schools of life insurance salesmanship like that at the Carnegie Institute of Technology founded under the auspices of the American Association offer this training.

Many companies are now also maintaining home office schools for agents. This does not mean that an agent should try to qualify as an actuary, but he

cannot expect to act intelligently as advisor to business interests offering them protection against loss of partner or employee or offering individuals provision for life income, for payment of taxes, inheritance or otherwise without adequate knowledge of his subject.

He should also be trained in the best method of selling. The known laws of psychology apply in a marked degree to life insurance salesmanship. A knowledge of the principles of psychology is not "high brow stuff," but is a practical aid to anyone dealing in a business so fundamentally based on human values.

The life underwriters of the new era will be organized underwriters. This is rapidly becoming a reality. Such associations as yours in Canada and ours in the States are the result of well-marked demand for a recognized need of the service that can only be furnished by an organization. These associations are work-a-day associations of proven practical value to all life insurance men. The modern underwriters' association is no longer chiefly concerned with just the holding of meetings and listening to speeches. It is a going business concern that operates every business day in the year, doing something or attempting to do something, for the benefit of life insurance, its policyholders or its agents.



THE MOTOR UNION
INSURANCE COMPANY LIMITED
 (INCORPORATED  IN ENGLAND)

THE BEST IN
AUTOMOBILE INSURANCE
 □ □ □

It is the service that counts! No technical quibbles in dealing with claims. Broad Protection; Quick Service; and a Square Deal every time.

We satisfy our clients and so help the Agents to retain and extend their connections.

Write, Phone or Call

Chief Office } 59 Yonge Street { MAIN
 for Canada } TORONTO { 5369

Assets exceed \$13,000,000
 Premium income exceeds \$8,500,000

The WATERLOO
Mutual Fire Insurance Co.
 ESTABLISHED IN 1863

Head Office - - - Waterloo, Ont.
 TOTAL ASSETS 31st DEC., 1918, Over \$1,000,000
 Policies in Force in Western Ontario Over 30,000

GEO. DIEBEL, ALLAN BOWMAN,
 President Vice-President

L. W. SHUH,
 Manager

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 MURPHY, LOVE, HAMILTON & BASCOM, Agents
 39 Sacramento Street Dominion Bank Building
 Montreal, Quebec Toronto, Ontario
 WILLIAM ROBINS, Superintendent of Agencies
 Dominion Bank Building, Toronto, Ontario

SCOTTISH UNION AND NATIONAL
INSURANCE COMPANY, OF EDINBURGH, SCOTLAND
 ESTABLISHED 1824

Capital,	\$30,000,000
Total Assets,	79,656,734
Deposited with Dominion Gov't, -	391,853
Invested Assets in Canada,	7,695,338

NORTH AMERICAN DEPT., HARTFORD, CONN., U.S.A.
 JAMES H. BREWSTER, Manager

ESINHART & EVANS, Resident Agents, Montreal
 MELAND & SON, Toronto
 ALLAN, KILLAM & McRAY, LTD., Winnipeg

Canadian Banking Practice
ON SALE
BY THE CHRONICLE

Mr. Haley Fiske, President Metropolitan Life, Presides at Convention of Field Men.

The twentieth Dominion convention of the field representatives of the Metropolitan Life Insurance Company was held in Montreal on the 21st instant, and concluded with a banquet at the Windsor Hotel in the evening, when some 350 officials and field representatives of the Montreal district were present.

The banquet was presided over by Mr. Haley Fiske of New York, President of the Company. Mr. Fiske is known as one of the most eminent Life insurance officials on the continent, and is well known in Canada, where he has familiarized himself, in a most thorough manner, both with the large business transacted by the great Company whose destinies he controls, and also business conditions generally, through his frequent visits to various parts of the Dominion for the past quarter of a century.

Every arrangement had been made for the entertainment of the company's guests during the evening, with an orchestral programme, and a number of songs by operatic artists, which were added to by impromptu songs and choruses during the menu, the latter being joined in with gusto, and, including a number of French-Canadian choruses, the banquet went on with real zest from start to the finish, just before midnight. A feature of the banquet was the attendance of about thirty of the nurses of the Metropolitan Life staff, who are engaged in regular work for the company, carrying out its policy of not only insuring, but helping its clients.

Mr. Fiske's Address

"As to who won the war," said Mr. Fiske, "there has been much discussion. My answer is that God Almighty won the war. He used the Canadians as he used the Americans and British. And for the equipment of these men from this continent this company took its part as much as anyone. Since we began business in Canada in 1885 we have collected \$83,000,000 and invested \$103,000,000, so that we can claim to be a truly Canadian company."

To carry on this tremendous enterprise and see that the reserves were kept up, was the work of the field men, said Mr. Fiske, while the majority of the 17,000,000 policy-holders were working men and women. These were paying in their money to avoid the two great spectres of life, death and sickness. The third spectre was unemployment, and he hoped that eventually his company would secure the power to issue insurance policies against this. Figures showed that every eighth man, woman and child in the United States and Canada was insured with the Metropolitan Life.

Mr. Fiske declared that the Metropolitan Life was essentially a Canadian company, as no other company was. There was \$89,000,000 of insurance represented at the meeting, while more than half the people insured in Canada were insured with the Metropolitan. The company had \$61,000,000 invested in Canada, or \$20,000,000 more than the Dominion laws called for, largely in Victory bonds and similar issues. The company had also taken \$7,500,000 insurance on Canadian soldiers during the great war, and in this way had done its part.

In retrospective vein, President Fiske said that 25 years ago his company had been a comparatively small affair, and had during that period grown to become the greatest life insurance company in the world. They had grown from \$22,000,000 of assets to \$864,000,000, with a total of five and a half billions of dollars of business, while the industrial insurance had increased in even greater proportion.

The company's income had increased in proportionate ratio, making a remarkable record for such a period. "I do not say that these conventions have made this rapid growth," said President Fiske, "but I do say that without the loyal and intelligent work of our staff, and the growth of the personal equation in our company, such progress would have been impossible, and these meetings have had a great deal to do with this feeling of personal relationship throughout the company, both with our staff and our clients."

Mr. Fiske welcomed the presence of the company's trained nurses, and emphasized the work they were doing in this way, last year their nurses having made a total of 1,300,000 visits, of which 43,000 were in Montreal. Their work was not only in insurance, but in curative and preventive services, so as to really guard their people, including the issue of millions of pamphlets advising people as to how to guard their health. The whole idea was that the insurance company should act as a wise parent for their clients, with the field men as the brothers and helpers.

ESSEX AND SUFFOLK EQUITABLE INSURANCE SOCIETY, LIMITED

Mr. R. R. Martin, manager for Canada of the Essex & Suffolk Equitable Insurance Society Limited has returned from a trip to the Maritime Provinces, where arrangements have been made for the above company's entry for the transaction of fire insurance. Mr. Martin informs us that Mr. Charles H. Belyea, St. John, N.B. has been appointed the Company's representative for St. John City.



THE EMPLOYER'S

Liability Assurance Corporation, Limited
of London England

Transacts
AUTOMOBILE INSURANCE, covering ACCIDENT, PROPERTY DAMAGE, COLLISION,
FIRE, THEFT and TRANSPORTATION

Personal Accident, Sickness, Passenger and Freight Elevator,
Burglary, Hail, Boiler, Plate Glass, Explosion and Fire
Insurance, Fidelity Guarantee and Contract Bonds..

OFFICES:

Temple Building, Toronto. Lewis Building Montreal

Charles W. I. Woodland,

General Manager for Canada and Newfoundland

John Jenkins,

Fire Manager

Applications for Agencies Invited

Canadian
Government
Deposit

\$1,622,000.00

Stands First

in the
liberality of its
Policy contracts,
in financial strength
and in the
liberality of its loss
settlement.



TRANSACTS:

Personal Accident Automobile
Sickness Burglary
Liability (All Risks) Postal
Fidelity Guarantees. Plate Glass.

382 St. James Street, MONTREAL

ROBERT WELCH, General Manager

Applications for direct Agencies Invited.

The Ocean Accident & Guarantee Corporation Limited

AUTOMOBILE INSURANCE

A Comprehensive Policy covering ACCIDENT, PROPERTY DAMAGE, COLLISION,
FIRE, THEFT and TRANSPORTATION is what the
public demands.

The "OCEAN" can meet these requirements under one contract

Branch Office:

MERCHANTS BANK BLDG,
MONTREAL

JOHN W. WETMORE,
Superintendent.

W. T. FERRY,
Manager for Canada

Canadian Head Office: Ocean Insurance Building, TORONTO

The Dominion of Canada Guarantee & Accident Ins. Co.

The Oldest and
Strongest Canadian
Casualty Company

TRANSACTS:

ACCIDENT SICKNESS PLATE GLASS
BURGLARY AUTOMOBILE INSURANCE
GUARANTEE BONDS FIRE INSURANCE

E. ROBERTS, Manager
101, LEWIS BUILDING, MONTREAL

G. A. WITHERS, General Manager
TORONTO

Branches: WINNIPEG CALGARY VANCOUVER

BLANK TRANSFERS OF LAND

What is the effect of a transfer of land signed by the owner in blank?

In a case recently decided by Judge Hyndman of the Alberta Supreme Court this point came up, it appearing by the evidence that A was the registered owner of a lot in Edmonton subject to two mortgages, traded the lot with B and gave him a transfer signed in blank. B then sold the lot to C and handed over the blank transfer signed by A, and C went into possession of the lot, but the transfer was never filled out nor recorded. C went overseas and, during his absence, A got a quit claim deed of the lot from B, sold it to D for \$115 less than the amount of the mortgages, paying the balance out of his own funds.

Then C informed A that he held the blank transfer, and claimed damages from A, as it was admitted that D's certificate of title was *bona fide* and could not be set aside.

The Court held that A by signing a transfer, even in blank, had no further interest in the land, and should not have done anything to interfere with the rights of an unknown purchaser who had bought relying on the blank transfer.

"I must confess the case gives rise to much difficulty," said the Judge, "and I have grave doubts as to C's right to maintain the action, but nevertheless it seems to me that A, being seized of the information contained in the letters from B, should have realized that having executed a transfer of the land, even though in blank, he had no further interest in the land and should have done nothing which would interfere with the rights of the unknown purchaser from B, notwithstanding the quit claim deed. The mortgages, of course, continued a liability against him, which induced him to act as he did, but even had the transfer been registered his liability would still remain, and I think his correct course would have been to allow the mortgages to be foreclosed in the usual way if necessary, and obtain leave to buy in at the mortgage sale. In that way any interest of an unknown purchaser might have been cut out. If this conclusion is correct then C is entitled to whatever damages he may have suffered."

Qualifications for an Insurance Brokers Licence

The Insurance Department of Pennsylvania are taking steps to ensure that all licensed insurance brokers and agents are properly qualified. The practice has hitherto been for the companies to ask for the renewal of licences of a large number of agents who control only two or three yearly renewals. The Department state that their objection to this custom is that the insurance business

is so intricate and so rapid in its changes and demands that no company can afford to licence individuals who know nothing of policy contracts and how to apply the conditions. Proper coverage demands constant study, attention to details, exhaustive knowledge of a client's business and his requirements. There can be no guess-work about it. The Department has no objection to a part-time man if he is seriously intent upon transacting the business of insurance and knows what coverage means, and if commissions are for his use and not a "contribution" to others in the nature of a rebate. The Insurance Commissioner has therefore issued questionnaires to all Brokers and Agents who have hitherto held licences, as well as to new applicants. The questions which the Broker must answer include the following:—

If you ever had an agent's license, what companies did you represent?

If not in the insurance business, what is your occupation?

What has been your occupation within the two years preceding the time of making this application?

Did you intend to devote your entire time to the Insurance business? If not, what other line will you follow?

If engaged in other business, are you applying for a licence in order to place insurance solely on your own property or on that of your employer?

Do you understand that no person can solicit insurance in this state without being licensed as an insurance agent or as broker?

Do you understand that it is illegal to rebate, to twist policies, or to misrepresent policy conditions, or to misrepresent the standing of Companies?

Do you understand that it is illegal to pay any person or share commissions with a policyholder, or any other person, who is not a licenced agent or broker?

If you now hold a licence, where is your place of business? Is it a dwelling or an office building? Does your name appear on any part of the building or on the building directory as agent, broker or underwriter?

If the licence is granted to you, where will your office be located?

What line or lines of insurance will you solicit or underwrite?

If you have already been licensed as agent or as broker by this department what total of premiums did you write during the year ending.....? Amount? How many individual risks were covered? Number?

Are you indebted, other than in regular course of business to any company or agency for premiums unpaid? Give details?

Attach to this form a memorandum sheet showing what experience you have had in underwriting?

