

mal diet and exercise to drastic remedies. The American method, closely followed by the Commissioners, appears rather to depend upon the theory that legislative interference is a cure-all to be administered in large and somewhat indiscriminate doses, at any and all times. Which treatment is Canada to have?

#### A GOVERNMENT LIFE INSURANCE REPORT.

Part I. of the fourth annual report of the Department of Insurance of the District of Columbia has recently come to hand. It covers the business of all life and casualty insurance companies and assessment associations licensed to do business in the district. Fire and marine companies are included in Part II. The report of Superintendent Drake deals in detail with the financial condition of the companies at December 31, 1905, and gives a summary of their entire receipts and disbursements for the fiscal year ended June 30, 1906, together with statements of important current events pertaining to insurance up to that time. To those who are accustomed to grumble that the annual reports of the Dominion Insurance Department are tardy in appearing, it may be interesting to note that Superintendent Drake dates the preface of his report (covering the year 1905), Washington, November 10, 1906, and congratulates himself that "the work of the department, although we are still shorthanded, is fairly well brought up to date"—in proof of which it affords him "pleasure to state that this report (Part I), will be ready for publication several months earlier than the preceding one, covering the business of 1904." However, the personal ability of Superintendent Drake is generally recognized; so that there can be no doubt as to "short handedness" in his department being the chief cause of delay.

While the statistics given in the report are scarcely up to date enough to warrant detailed attention, there are paragraphs in the Superintendent's preface remarks that are of marked interest and value—notably those regarding preliminary term valuations. There is an unbiased summary, too, of the course of events leading up to and following the New York and other state investigations of life companies. Regarding the outcome Superintendent Drake says:

"The extraordinary test of solvency, to which life insurance companies were everywhere subjected on account of sensations that were caused by the investigation and that were heralded by telegraph and otherwise throughout the civilized world, stands alone in the history of financial institutions. The result furnished convincing proof of the absolute safety of the foundation upon which the old-line legal reserve system of life insurance is

based; and while, in some instances, unjustifiable extravagances were revealed, it is nevertheless gratifying to view the evidence in other cases where the companies had practiced the greatest economy, skill, and fidelity from the beginning. Both the new and the old business of many of the life insurance companies have suffered on account of the sensational heralding of the scandal through some unscrupulous newspapers of the country, but the effect of this is already passing away.

#### COMMERCIAL UNION ASSURANCE COMPANY.

To have met almost \$4,000,000 of San Francisco losses, out of the fire revenue account without recourse either to general reserve fund or profit and loss account is a record which speaks volumes for the strength of the Commercial Union Assurance Company. The comparatively slight effect of last year's unusual fire losses upon the company's finances is attributable to the policy pursued in the past of adding to resources rather than dividing profits too freely—a policy not disadvantageous in the long run to shareholders, and certainly of great importance to policy-holders. Fire losses during 1906 amounted in all to over \$9,300,000 or 78.8 p.c. of the premium income; but, as already mentioned, well as to \$4,000,000 of this, or 33.7 p.c. of the premium income, was due to the San Francisco Conflagration. Had it not, therefore, been for that disaster, the ratio would have been about 45 p.c., and the books would have shown a gratifying profit instead of a trading loss for the year. After providing for all losses of last year, the fire department of the Commercial Union exhibits resources consisting of the fire fund of \$10,002,305, a profit and loss balance of \$794,085 (subject to dividend) and \$1,000,000 of general reserves—the total being practically equal to one year's premium income.

That growth and strength have advanced *pari passu* in the case of the Commercial Union is evident from the record of the past few years. The premium income of 1906 was \$11,805,255, an increase of \$1,431,305 over that for 1905. The total of annual increases in the six years of this century has been \$4,745,000, or nearly \$50,000 more than the company's aggregate fire premiums so recently as 1890. That continued growth—aside altogether from amalgamation results—and increasing strength are to characterize the company's future there is every reason to believe. As stated at the recent annual meeting by the Chairman, Mr. P. Bence Tower, the directors "are determined to add to the reserves even more than in the past, so that the company's future may be assured beyond all