

impetus to note circulation outside the lines of ordinary trade. The excellent and seasonable weather of the past month has been favorable to trade no doubt, and the December statement bids fair to be favorable, though with the general tightening tendency in financial circles a falling off in the circulation would not be at all surprising. A further strengthening of the reserves, however, is not unlikely.

According to *Bradstreets*, the business failures in the United States for the second week in December were 341 as compared with 321 the preceding week, and 370 in the corresponding week of 1889. The total failures in the United States from January 1, 1890, to the middle of December were 9,842, as compared with 11,023 for a like period in 1889. For the same period in 1890 the failures in Canada were 1842, as against 1735 for the preceding year.

Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents.

LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE:—

Just how rebating goes on in this section is shown by a case which came under my notice recently. On a small risk where there was competition, the agent of a large American company offered the party a policy, with the first year's premium paid thereon, provided he would secure the agent another risk for the same amount. No stipulation was made as to the plan of insurance, but if the party selected a 15 year endowment, and put his friend in on the life plan, I am inclined to think Mr. Agent got more than he bargained for.

London, West, however, takes the palm for philanthropy on the part of an insurance agent. Possibly, the gentleman below referred to has grown wealthy, although his friends do not credit him with having a surplus of this world's goods. Let us assume that he follows the occupation of canvassing as a healthy pastime, for surely it cannot be for gain, as he does not wait for competition, but opens his canvas by offering a big reduction from his printed table of rates! This man should be ostracized by all respectable companies, for the injury he is now doing is incalculable. The agents of assessment societies point to his actions, as a proof that the old-line companies' rates are excessive, and it is helping these concerns at the expense of the properly managed companies who are doing their utmost to stop the rebating business.

Your readers are probably aware, that in 1889 Mr. W. R. Meredith, Q.C., M.P.P., introduced a bill in the Ontario Legislature, providing that where an error is made by the insured as to age, it shall not void the contract, but the sum payable shall be the amount that the premium would purchase at the correct age. As the majority of the companies have a provision in their policies somewhat to this effect, the necessity for this addition to the Ontario Insurance Act is not generally understood. It appears about 3 years ago, Mr. W. R. Meredith was acting for the plaintiff in a suit against an insurance company to recover the amount of a policy. The defendant's company was represented by Mr. R. M. Meredith (now Judge). The defence was apparently weak, and as a last resort set up that the deceased had mis-stated his age, and in the terms of the contract and in law the policy was null and void. The case was adjourned, and counsel for the plaintiff, recognizing that the point raised was fatal to his client, agreed to a compromise. As the stated age was 25 and the actual 27, Mr. W. R. Meredith considered it a case of great hardship to the plaintiff, and determined to bring

in a bill to prevent a repetition of such a defence. The company referred to is not now issuing policies in the Dominion.

Among the successful institutions in this city may be included the Commercial Travelers' Association. Each member pays an annual fee of \$10, for which he has the privilege of using the recreation and reading rooms, of travelling on any railway in the Dominion at a rate of 2 cents per mile, and the right to carry a certain amount of excess baggage free. The association is about purchasing a \$40,000 building in this city, which, when completed, will give the members almost all the advantages of a club. About 12 years ago, the association would make an annual contract with some accident company to issue policies on the lives of the members. The rate was about \$3.50 per \$1,000, and this was paid for out of the \$10 annual fee. After a year or two, the association decided to carry the risk themselves. Their success exceeded their expectations, and about ten years ago they had accumulated a cash surplus of \$60,000. At this time, some of the old members proposed this surplus should be divided, while others thought they should pay something for members who died from other causes than accident. Ultimately it was decided to refer the subject to an actuary, and Mr. McCabe was selected. He formulated a scheme, which was adopted, whereby the beneficiary of a member dying from natural causes became entitled to receive a sum in proportion to his years of membership. The maximum was \$1,200 last year for 10 year members. In case of death by accident, \$1,000 is payable, unless the member has been in 9 or 10 years, when the amount payable would be \$1,080 and \$1,200 respectively, instead of the \$1,000. At the last annual meeting, Consulting Actuary Mr. McCabe presented his report, showing the membership to be some 3,100, while the amount paid beneficiaries last year was about \$23,000. The "Knights of the road" are carrying on this good work in a quiet and unostentatious manner, and have managed to accumulate a surplus cash fund of about \$150,000. This association must not be confounded with the Commercial Travelers' Mutual Benefit Society of this city. The latter is on the assessment plan, while the management and directorate are distinct from the other.

Cannot the Insurance Department take some action against the 7 year endowment societies that are overrunning this country like a Minnesota grasshopper plague? Superintendent Fitzgerald is, in my judgment, an excellent man for the position he occupies, and I confidently believe he will shortly, if possible, invoke the aid of the law to put an end to some of these unlicensed concerns. When these societies propose to issue 7 year endowment contracts, they seem to me to come within the meaning of the Dominion Insurance Act, and should be compelled to make a deposit of \$50,000, and carry assets to cover the proper reserve required for a 7 year endowment. I referred to the *modus operandi* of these concerns in my last, and propose to agitate the subject again and again, in the hope that the powers at Ottawa will find some way to protect the companies who are complying with the law and paying the salaries and expenses of the Insurance Department. Word comes from Eastern Ontario that the representative of a "septennial society," hailing from Syracuse, N.Y., has induced parties holding policies in leading companies to drop them, by the outrageous promises made of an endowment for \$2 per month, and is roping in a large number of members. "What is in a name"? Certainly it seems attractive to the gullible in this instance, for the society referred to is called, "The Knights of Sobriety, Fidelity and Integrity."

Mr. J. K. Macdonald, managing director of the Confederation Life Association, has been elected president of the "Equal Rights Association" here. Mr. R. S. Baird, the successful city agent of the same company, has been elected president of the Reform Association. The same gentleman is a member of the Public School Board, and is credited with making a useful and excellent member. His name has been mentioned for aldermanic honors. I know very little of the gentleman, but the opinion is expressed that a half dozen life agents like him in our Council chamber would be of more benefit in three months to the city