

European Assurance Society,
Established..... A. D. 1849.
Incorporated..... A. D. 1854.

EMPOWERED by British and Canadian Parliaments for

LIFE ASSURANCE,
Annuities, Endowments,
and
FIDELITY GUARANTEE.

Capital £1,000,000 Sterling.
Annual Income, over £330,000 Sterling.

THE ROYAL NAVAL AND MILITARY LIFE
Department is under the Special Patronage of
Her Most Gracious Majesty
THE QUEEN:

The EUROPEAN is one of the largest LIFE ASSURANCE Societies, (independent of its Guarantee Branch,) in Great Britain. It has paid over Two Millions Sterling, in Claims and Bonuses, to representatives of Policy Holders.

HEAD OFFICE IN CANADA:
71 GREAT ST. JAMES STREET, MONTREAL.

DIRECTORS IN CANADA:
(All of whom are fully qualified Shareholders.)
HENRY THOMAS, Esq., WILLIAM WORKMAN, Esq.,
HUGH ALLAN, Esq., FRANCOIS LECLAIRE, Esq.,
C. J. BRYDGES Esq., The Hon. CHAS. ALLEYN.

Manager for Canada, EDWARD RAWLINGS.
Agent in Toronto, W. T. MASON,
15-1yr ONTARIO HALL.

Berkshire Life Insurance Co.
OF MASSACHUSETTS.

MONTREAL OFFICE:
20 GREAT ST. JAMES STREET,
INCORPORATED 1851.—SECURED BY LAW.
AMOUNT INSURED \$7,000,000.
ASSETS .. ONE MILLION DOLLARS.

\$100,000 deposited with the Receiver General for the protection of Policy holders.
ANNUAL INCOME..... \$500,000.

\$100,000 divided this year in cash amongst its Policy holders.

Montreal Board of Referees:—Hon. Geo. E. Cartier, Minister of Militia; Wm. Workman, Esq., President City Bank; Hon. J. O. Bureau, M.C.S.; E. Hudson, Fils & Co.; John Torrance, Esq., Merchant; James Ferrier, Jr., Esq., Merchant; Edward Carter, Esq., Q.C., M.L.A.; C. D. Proctor, Esq., Merchant.

Examining Physicians:—J. Emery Codrington, M.D., Professor of Materia Medica, &c., &c., of the School of Medicine and Surgery, Montreal, and of the Faculty of Medicine of the University of Victoria College; William Wood Squire, A.M., M.D., Graduate of McGill College; Francis W. Campbell, M.D., L.R.C.P., London.

For a sufficient test of merit we beg to state since the commencement of this old and reliable company in Canada, we have had the pleasure of insuring members of Parliament, some of the leading legal talent, and amongst numerous others, several of the leading merchants in this city.

This Company was the Pioneer Company of the non-forfeiture principle, and still takes the lead for every Policy it issues is non-forfeitable after one payment. The Company is now erecting a new stone building, five stories in height, at the cost of \$100,000, similar to the Molson's Bank of this city, but of much larger capacity, having 75 feet front, and 116 feet depth, containing three Banks, some Express Offices, and the Post-Office, yielding about \$8000 income, annually, all of which is the accumulating property of every Policy-holder.

The Company has issued nearly 2,000 Policies since the 1st January, 1867, which is the largest number, in comparison to the expenses, of any Company in Europe or America.

Such are the Results of the Cash System. Full particulars, history of the Company, Rates, &c., can be obtained at the Managing Office for the Canadas.

EDW. R. TAYLOR & Co.,
20 Great St. James St. (over Pickup's News Office),
1yr

The Canadian Monetary Times may be had at any of the News Depots of the Dominion at 5 cents per copy. Orders for quantities to be addressed to A. S. Irving, Bookseller, Toronto.

Subscription one year, \$2; six months, \$1; All letters to be addressed 'The Canadian Monetary Times,' Box 490, Toronto. Registered letters so addressed are at the risk of the Publishers.

The Canadian Monetary Times.

THURSDAY, FEB. 27, 1868.

LIFE INSURANCE.

In order to facilitate reference we, this week, re-print the Table published in our last number, shewing the working of the Half Note and All Cash Systems.

Tables shewing the practical working of the Half Note and All Cash Systems at various rates of dividends declared after the second year of insurance.

60 per cent. dividends. (Death occurring at any time after 3rd year.)

System.	Cash paym't in 1st year.	Cash paym't in 2nd year.	Cash pay't in years from 3rd till death.	Amount paid by Co. at death.
Half Note.	\$106	\$112	\$92	\$8,040
All Cash.	\$200	200	80	8,240

50 per cent dividends. (Death occurring at any time after 3rd year.)

Half Note.	\$106	\$112	\$112	\$8,000
All Cash.	200	200	100	8,200

40 per cent. dividends. (Death occurring in 30 years.)

Half Note.	\$106	\$112	\$113 20 upw'ds.	\$7,400
All Cash.	200	200	120	8,160

No dividends. (Death occurring in 30 years.)

Half Note.	\$106	\$112	\$118 & upw'ds.	\$5,000
All Cash.	200	200	200	8,000

Commencing with the 50 per cent dividends as the simplest, we find that in the first year, the insured pays on the half note policy \$106 in cash, and gives a note for \$100, the extra \$6 cash being for interest on the note, which is always required in advance. Next year he gives another note for \$100, making two notes on which interest has to be paid. In the year then he will have to pay \$112 in cash; when, however, the 3rd premium falls due a dividend is declared which cancels the first note, a new one being given for half the accruing premium, on which, together with one of the old ones, interest has to be paid. The same thing happens during the remainder of the time of existence of the policy; as fast as one note is cancelled by a dividend, a new one is made,

so there always are in existence two notes on which interest has to be paid annually. When death occurs two dividends are allowed for the first two years, during which no dividend has been paid, which cancel the two outstanding notes, and the full sum of \$8,000 is paid as the death claim. Going through the same process with the all cash policy we find that the insured pays premiums of \$200 in the first two years, but after that the dividend of 50 per cent being returned to him annually in cash as fast as a new premium falls due, his premium thenceforward is reduced to \$100. On death the two year's dividends are declared as on the half note policy, but there being no notes to cancel they are added to the policy, making the amount to be paid \$8,200. It practically amounts then to this, that on the half note policy the insured has received, during the first two years, a loan equal to the amount of one premium of \$200, or more accurately \$188, for which he pays during the continuance of the loan, interest, nominally at 6 per cent, but really (it being paid in advance) at 6 4-10 per cent, the loan being paid at death by being set off against dividends. With this exception the two policies during the time of existence, which will be 30 years on the average if continued till death, stand upon exactly the same footing. Surely then the difference between them exists far more in imagination than in reality, being a mere question as to whether by retaining the \$200 or \$188, the insured can make more out of it than the 6 4-10 per cent which he pays to the Company upon a security so good as that (the policy) which he himself gives. We believe the average amount of premiums in America is about \$120. This, therefore, or less, (deducting interest) would be the average loan. Our own opinion is that a small sum like this would most likely be invested by being deposited at interest in a Bank or Savings Bank on which 4 or 5 per cent would be allowed, so that there would probably be a slight loss on the transaction.

In dealing with this question hitherto the fact seems to have been utterly lost sight of or ignored, that the dividends declared would operate upon the all cash policy after the second year, by reducing the premium to the same amount as or less than the cash portion of the half note one; it seems to have been assumed that throughout the whole continuance of the insurance the cash payments on the all cash policy would be double those on the half note one. We believe this to be the general impression among the public, and if so the great popularity of the half note Companies is explained at once.

We need not discuss the case of the 60 per cent dividends, as the result is exactly similar in kind to the 50 per cent, as an examination of the table will shew. It is when we came to the cases where the dividends declared are less than the per centage of notes, and consequently do not suffice to cancel them as they arise, that any material