

THE TRAVELERS INSURANCE COMPANY.

The thirty-second annual statement of the Travelers Insurance Company, which will be found on a later page of this issue, shows a large increase of business to have taken place last year. The Company has had considerable attention paid to its affairs owing to some changes made in the officials at head office, respecting the causes and the outcome of which we have abstained from making any comments. Disputes and misunderstandings which arise between and amongst the managing officials of a large public joint stock company are best settled by conferences of those directly interested, as whatever irritation exists is very apt to be aggravated by the matter being discussed by outside parties. We trust the re-arrangement recently made will conduce to the welfare of the Company. The total amount of life policies in force at the close of 1894 was \$84,364,530, the statement for 1895 gives the amount at end of last year as \$87,355,158, making an increase of \$2,980,628. The increase of assets year by year is a gratifying feature in the Travelers. During 1895 these funds rose from \$17,669,667 on 1st January to \$19,425,220 at close of year, the increase being \$1,755,553, a fraction over 10 per cent. The liabilities at the close of 1895 are stated to be as follows: four per cent. reserve for life policies \$14,431,110; reserve for re-insurance in accident department, \$1,241,632; unadjusted claims and those not due, with other liabilities, \$354,037, making a total of \$16,763,974, which leaves a surplus of assets to the policy-holders of \$2,661,245. The amount returned to policy-holders in 1895, in life department, was \$1,002,300, and on account of accident claims, \$1,242,287, making a total amount paid on behalf of policy-holders of \$2,244,588. The number of accident policies written as on 1st January last was \$2,219,004, those which became claims in 1895 were 12,556. The Company occupies a very strong position, such as justifies that popularity and general confidence it enjoys.

It would be a task beyond the powers of the most eloquent descriptive writer to adequately express the services to the public, rendered by an accident insurance company with such a prestige as the Travelers has so honorably achieved. Although our railways are now so skilfully managed as to reduce the dangers of travel to a minimum, there is always the chance of accident, from the financial distress of which a wise traveller provides against by an accident ticket. The wiser one, in order to cover other risks, maintains a policy which insures him some recompense should he be disabled by one of these perils to which all are liable. The great success of the Travelers is highly creditable to the management. The Canadian business of the Travelers in 1895 was larger than ever before. The sum received for accident premiums was \$114,018, and total losses and expenses \$84,772. There was \$996,160 of life insurance written of which \$906,380 is reported as taken. Mr. Frank F. Parkins, the local manager well represents the energy and push which has built up his Company, and in his hands its reputation and interests here are well looked after.

MUNICIPALITIES NOT LIABLE FOR DEFECTIVE WATER SUPPLY.

An impression generally prevails in regard to the liability of a municipality for losses incurred owing to the defective condition of the water works, which is quite erroneous. A number of suits have been brought against municipal corporations, for damages caused by their allowing their water works to become inefficient, and thereby preventing the rapid extinguishment of fires. At a first glance this seems a very reasonable claim. The *Insurance Herald* has published a synopsis of the decisions of the Courts on this matter, which are all adverse to the idea of municipal responsibility in this connection. One of the most intelligent and well expressed judgments is that of Judge Gray in the New York Court of Appeals. He considers the proposition that a liability rests upon a municipal corporation for injury arising from its defective public works, as not only startling, but a misapprehension of the nature of the responsibility which devolves upon a corporation in connection with the maintenance of a water works system. It would be well in some cases if this were so, as public bodies might be more careful. But reflection will show that a multitude of actions would be encouraged by fire insurance companies and others, and that cases have arisen, and may still arise, when an expensive conflagration might bankrupt the municipality, if it could be rendered liable for the damages or losses sustained. It is manifest, however, that there must be some form of responsibility resting on corporations for neglect, as otherwise no traveller on a defective roadway or sidewalk would have a claim for damages for any injury directly caused by such public works being neglected. The distinction between such claims and those for damages arising from defective water supply is not easy to state briefly. The difference seems to rest upon there being two classes of functions to be performed by a municipal body, one of which classes is obligatory and the other class optional, or voluntary. The law holds a corporation to strict accountability for neglecting its duty in regard to any public work, but it does not regard a corporation as liable for damages arising from its neglect of some enterprise which has been taken up voluntarily, and not of necessity as a legal obligation. A municipality is not bound to have a water works system, it cannot be held liable for the losses by fire caused by the absence of such a system, it follows therefore that it is not responsible for the losses caused by that system being out of order. In building water works no contract was entered into by the corporation to keep up a constant supply of water for the extinguishment of fires. A suit for damages, therefore, brought by a person whose property was burnt owing to the water works of the town being in bad condition, failed because he entirely failed to prove any obligation on the part of the corporation to have water works at all, much less to have them always kept in an efficient state for extinguishing fires.

So far we have looked at this strictly from a legal standpoint. A corporation, however, which takes refuge behind the letter of the law when charged with