

ASSETS.	
Cash on hand in Bank .....	\$ 5,568 45
Bills receivable .....	5,216 32
Loans on Real Estate (First Mortgages) .....	25,322 00
Agents' Balances .....	4,612 09
Interest accrued .....	1,200 00
Office Furniture .....	1,093 68
Due by other Companies for Losses re-insured, and other items .....	1,993 85
Capital Stock (balance not called up) .....	132,350 00
	<hr/> \$177,359 69
LIABILITIES.	
Losses adjusted and in course of adjustment .....	\$4,500 00
Reserve, or Re-Insurance Fund (50 per cent.), and all other liabilities .....	21,500 00
	<hr/> \$ 26,000 00
Surplus (as regards Policy holders) .....	\$151,356 69

To the President and Directors of the Standard Insurance Company:

GENTLEMEN,—I beg to report that I have carefully examined the books, accounts and vouchers of your Company, also the statement of receipts and expenditures for the year ending 31st of March, 1879, also the assets and liabilities, and have much pleasure in certifying to their correctness.

The entire operations of the company have been conducted with much business ability.

I have to thank your Secretary and Accountant for their very courteous attention, and for the assistance rendered by them to me during the audit, and I also have to express my pleasure with the very neat and accurate manner in which the books are kept.

I am, gentlemen, your obedient servant,

JOHN W. KEAR,  
Auditor.

Hamilton, May 3rd, 1879.

The president in moving the adoption of the report said it gave him great pleasure to be able to move the adoption of the report which had been read by the Secretary. This was the second annual report, and he was glad that the predictions made by him last year, with regard to the probable success of the Company for the year then to come and now just expired, had been more than fully realized.

The fact that after paying the losses by fire during the year they had left over \$40,000 for expenses, reserve or re-insurance fund and profits was a cause for congratulation. It is true that the expenses were large; but that is expected in all new enterprises. Another such a year as the past will enable the Company to materially reduce the expenses, and at the same time perceptibly increase its business. As a Canadian he would like to assist in demonstrating that home companies can, not only hold their own, but can also pay a fair dividend to stockholders. It is no easy task to be able to compete with the foreign wealthy companies doing business in this Province, and it can only be done by the strictest economy and a vigilant and prudent oversight of every department.

It should be the policy of Canadians to support and build up their home companies. A vast amount of money is taken out of the country to maintain foreign Insurance Companies that ought to be left here to develop the resources of our own country. In no branch of business can a national policy be more successfully demonstrated than in the support of home companies.

In the future, as in the past, he trusted that it would be the policy of the Standard to pay all just losses equitably; and to resist all fraudulent ones when there was a hope of doing so successfully.

Only by this method can a stop be put to the many fraudulent claims that too frequently

arise in our day. He was glad that with a dawn of returning prosperity there was a decrease in the number of fires. While the report embraced a period up to the first of April last, it gave him pleasure to be able to state as a matter of fact that while the business of the company was never so large as it had been during the month immediately preceding that in which he was speaking, not a single fire had occurred or loss been made by the Company. It was gratifying to himself, as he was sure it would be to all the stockholders, to know that the Company was in a position to declare the usual dividend of ten per cent.

He could not allow the present opportunity to pass without giving expression to the satisfaction he felt in presiding over a Company for the past two years, where every official appeared to be well up in his work and took a personal interest in the welfare of the Company.

The Company had entered upon its third year under the most favorable auspices, and he had every confidence that the coming year would even show a more successful record than the past.

The adoption of the report was seconded by John Baird, Esq., of St. Thomas, and carried.

The election of Directors then took place and at a subsequent meeting of the Board D. B. Chisholm, Esq., was re-elected President.

## Correspondence.

### FIRE LOSS APPORTIONMENTS.

To the Editor of JOURNAL OF COMMERCE.

In your issue of 25th ultimo I am given "an example to solve," of which the following is the true solution:—

OFFICE.	RANGE.			TOTALS.
	I.	II.	III.	
A.....	\$65.30			\$65.30
B.....		\$8.31		8.31
C.....			\$448.46	448.46
D.....	195.59	24.95		220.54
E.....	101.79		98.21	200.00
F.....		33.26	224.23	257.49
G.....	237.42	33.48	229.10	500.00

Losses .... \$600 \$100 \$1,000 \$1,700.

I do not defend any "system" which does not equitably adjust a loss in accordance with the contract, remembering always that there are rights to respect as well as rights to protect.

The blanket policy is a policy for its full amount on each and all of its ranges before a fire; so, after a fire it must contribute in its full amount to the loss on each range; this is its "contributive liability," but a blanket policy may become insolvent by reason of being unable to pay its assumed liabilities, in which case its shortcomings have to be made good by the other insurances which have not been exhausted by preceding apportionments.

A blanket policy is similar to a person who, with \$5,000 of total assets, endorses several notes of \$5,000 each, all maturing at the same time; if only one note goes to default he is able to make it good, but if several go to default at the same time, then, whilst he is a debtor to the holder of each note in the full amount of such note, his ability to pay is bounded by his \$5,000 of assets.

Write the contribution clause on each note, and give each one a specific endorser with a general endorser on the whole, and you have exactly the same state of affairs as by blanket and specific insurances; the blanket endorser or policy ranks as debtor for the full amount of each note or loss, but is only able to pay to the extent of the amount of one note or policy.

Trace fire insurance from its origin in individual underwriting or endorsing, and you will see why this is so, and why the Hore, Griswold, Hauld, Albany and other systems of adjusting are now obsolete.

There is nothing in any policy justifying the present appreciation of these old systems of

adjustment; there has been progress in fire underwriting which has left them all behind, so that it is now too late for any one to quote them as authorities, or to say that a blanket policy becomes, after a loss, different to what it was before the loss occurred; or that it becomes specific in proportion to the amounts at risk in its several ranges, or to the amounts of loss in each of those ranges, or to alter the ratio of liability in proportion to whether the loss be partial or total, or to make the assured suffer loss, with unexhausted insurance upon the subject of the loss, or to deprive co-insurers of the contribution guaranteed to them.

In reply to "Adjuster's" comments in your issue of May 2nd I need only state that nothing in any policy or law warrants his selection of one item of a loss for adjustment before another one.

The specific policies have equal rights of contribution from the general ones, and the general ones have equal liabilities toward each item they cover; if these rights and liabilities accrue simultaneously, neither "the practices nor the theories of experienced agents" can prevent the fact that an adjustment must apply them simultaneously and not consecutively.

Does "Adjuster" consider how his own company is to be affected before he selects the item to be first adjusted, or does he toss up? Is he one of the "professors of Fire Insurance" from whom you some time ago proposed we should all get our diplomas? If so, his practice and theories should be based upon something more authoritative than the slipping of a copper.

Your recent articles on this subject, and the correspondence consequent thereon, have shown that there are many "methods," in use which are not equitable interpretations of the contracts between the companies severally, as well between them and the assured, and will result, I believe, in the adoption of the actual contracts as a basis of all adjustments.

May 7, 1879.

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## Financial and Commercial.

### GENERAL MARKETS.

MONTREAL, May 8th, 1879.

The principal commercial movements of the week are by water, and our harbor is already a scene of busy life. The embargo continued on American cattle till June 1st does not appear to have much effect in the quantity offering for shipment as compared with last season, but the backwardness of the season has also had its effect. The wholesale merchants, except in hardware and groceries, appear to have largely finished their spring business. The growing fall wheat has been affected by the prolonged coldness of the season. The low price obtainable during the interval since last harvest has discouraged farmers, and the area sown is about one-third less than last year. The spring seeding is progressing favorably. The money centres are unchanged; there is perhaps a somewhat less demand for money, but discounts are unaffected. The Consolidated Bank is seeking for a private bill to obtain power to reduce its capital by 33 1/3 per cent., which is likely to be granted. Those who complain or wonder at the smallness of the dividends recently declared by our banking institutions, east and west, should remember this is only a result of the hard times. The too great facilities afforded by minor concerns to men of insufficient capital is reacting upon all. It is a matter for surprise rather than matters