

NOTICE

In accordance with the Dominion Insurance Act, 1917, notice is hereby given that The Fire Insurance Company of Canada has received License No. 755 for the transaction of Fire Insurance.

J. E. CLEMENT,
Vice-President and Managing Director

WANTED

Position in a Fire Insurance Office by a young lady having three years' experience in Fire Insurance. Thoroughly conversant with both languages and a typist. Best of References.

Address: A.B.C.
c/o The Chronicle,
Montreal.

WANTED

By British Fire Insurance Company, an experienced Clerk, suitable for position of Junior Inspector. Address:

JUNIOR INSPECTOR,
c/o The Chronicle,
Montreal.

VALUATION OF BOND HOLDINGS.

(Continued from page 1181).

suggests itself is to find a set of values (which might be called "amortized market values of 1917") following the principle of amortization but avoiding any shock by taking some other starting point than the original purchase price. The logical starting point would obviously be the values used at the end of 1917. The result would be a set of values thereafter free from any abnormal fluctuations and always well within the statutory amortized values. This method would also have the further advantage that the amortized market value of a bond purchased prior to the end of 1917 would be the same at the same point of time by whatever company it was held; whereas, under the regular amortization plan it has different values at the same point of time according to its original cost. Of necessity all new purchases would have to be amortized from cost value. As concrete examples of this proposition two cases have been worked out. One of a bond bought at a premium and one bought at a discount, having about 18 years to run, which is slightly less than the average time to maturity of present bond holdings as shown earlier in this paper.

The bond purchased at a premium was a 5 per cent bond, maturing January 1, 1937, for which \$1,086 was paid in 1910. Its regular amortized value on December 31, 1917, was \$1,071, while its market value by the 5-point method was \$920, and its quoted value was \$820.

The bond purchased at a discount was a 4 per cent bond maturing October 1, 1936, for which \$843 was paid in 1908. Its regular amortized value

on December 31, 1917, was \$881, while its market value by the 5-point method was \$730, and its quoted value was \$610.

An accompanying diagram represented the values of both bonds graphically, giving:

- 1.—Regular amortized values to maturity.
- 2.—Departmental market values December 31, 1913, to 1917.
- 3.—Actual market values December, 1913, to 1917.
- 4.—Proposed amortized market values from December 31, 1917.

The diagram showed at a glance the great variations of market values, the regularity of the proposed method as from December 31, 1917, and that such proposed values are always well within the statutory amortized value.

Canadian Banking Practice

On Sale by The Chronicle, Montreal

Great American Insurance Company New York

INCORPORATED - 1872

PAID FOR LOSSES

\$96,971,238.06

STATEMENT, JANUARY 1ST, 1918

CAPITAL

AUTHORIZED, SUBSCRIBED AND PAID-UP

\$2,000,000.00

RESERVE FOR ALL OTHER LIABILITIES

12,927,269.91

NET SURPLUS

8,527,719.31

ASSETS

23,454,989.22

THE SECURITIES OF THE COMPANY ARE BASED UPON ACTUAL VALUES ON DECEMBER 31ST, 1917

HAD THE SECURITIES BEEN TAKEN AT THE VALUES AUTHORIZED BY THE NATIONAL CONVENTION OF STATE INSURANCE COMMISSIONERS THE ASSETS AND SURPLUS WOULD EACH BE INCREASED BY \$2,321,032.00

**Home Office, One Liberty Street
New York City**

Agencies Throughout the United States and Canada

ESINHART & EVANS, Agents
39 Sacramento Street
Montreal, Quebec

MURPHY, LOVE, HAMILTON
& BASCOM, Agents
Dominion Bank Building
Toronto, Ontario

WILLIAM ROBINS, Supt. of Agencies
Dominion Bank Building
Toronto, Ontario