

THE LONDON LIFE INSURANCE COMPANY—Continued

The personnel of that commission and the manner in which they discharged their duties are matters of public record.

In common with other life insurance companies of this country the affairs of the London Life Insurance Company were duly enquired into. It was highly gratifying to myself and my co-directors, and, I am sure, equally so to the shareholders and policy-holders of the Company generally that notwithstanding the very searching enquiry into the Company's affairs, not a single discreditable transaction was revealed. On the contrary, it was most conclusively shown that the business of the Company had been conducted in an honorable manner, and with proper regard to the interests of all persons concerned therein, and that the company was all that it claimed to be in every particular.

The principal newspapers of the country took a deep interest in the work of the commission, publishing very full reports of the evidence adduced, and, while freely censuring whatever seemed to be out of harmony with sound practice and fair dealing, were likewise disposed to give credit when credit was due. In this connection the London Life not only escaped censure, but received many very flattering press notices from all over the country, on the outcome of the investigation into its affairs.

That in a year in which the public mind regarding life insurance was naturally a good deal disturbed the Company was able to not only hold its own, as compared with former years, but show large gains in new business and total insurance in force, as well as in premium receipts and other income speaks well for the confidence in which the Company is held by the insuring public, and also for the solid manner in which the business of the Company is being built up.

With these remarks I have much pleasure in moving the adoption of the report.

The Vice-President, Mr. A. O. Jeffery, K. C., LL.D., D. C. L., in seconding the adoption of the report, said:

Having regard to the special conditions referred to by the President, the large increase in new business written and the total insurance in force at the close of the year, as shown by the report is undoubtedly very satisfactory. The increase in the amount of new business over that of 1905 (the largest previous issue) is \$1,026,868, or 41 per cent., and the increase in the amount gained is \$354,000, or 29 per cent. It is gratifying to note that these increases have been shared in by both the "Industrial" and "Ordinary" branches.

The scale of profits in force under the present with-profit rates in the "Ordinary" Branch has been maintained and the estimates issued in 1900 have been fully realized. Many letters received testify to the satisfaction of our policy-holders, and the record established has also been a source of great encouragement to our agents.

The rate of interest earned on the investments continues to improve, and without taking credit for any Head Office rental the rate realized the past year was 5.78 per cent. The wide margin between the rate of interest required to be earned on the reserves and the actual rate earned ensures a large profit in the future.

Although the present reserve standard was adopted only seven years ago, over 70 per cent. of the "Ordinary" business is now on a 3-1-2 per cent. interest basis, and nearly 60 per cent. of the "Industrial" business is on a 3 per cent. basis. The remainder of the business is valued on a 4 per cent. basis, as shown in the report of the Actuary, and the Company is gradually accumulating a sufficient extra reserve to place this business on a higher basis without in any degree disturbing the financial position of the Company.

The report was adopted unanimously.

A hearty vote of thanks was tendered the Agents and other employees of the Company for the very efficient satisfactory manner in which they discharged their several duties during the past year.

The following directors were re-elected for the current year viz:

John McClary president; Mr. A. O. Jeffery vice-president; Wm. Bowman, A. C. Emery, W. F. Bullen, George C. Gibbons, Thos. H. Smallman, T. W. Baker and Judge Bell.

Casualty & Miscellaneous

ACCIDENT INSURANCE as a Speculative Proposition was the subject of a paper recently delivered by Mr. Walter C. Faxon, of the Aetna's accident and liability department. Mr. Faxon said that in accident insurance, of a large number of injured persons, whose occupations cover a wide range of duties and hazards, one in every six will be injured each year sufficiently to make a claim. The speaker stated that "the fact that contracts of accident insurance afford opportunity for the individual insurers to realize great advantages during their lifetime, gives speculatively inclined persons the chances they are always looking for to defraud." Mr. Faxon then spoke of the different modes of defrauding, which embrace obtaining money under false pretenses, perjury, forgery, homicide, and even suicide. These attempts at defrauding were grouped by Mr. Faxon as follows: Overinsurance for weekly indemnity, misrepresentation in applying for insurance, stipulated injuries, self-inflicted injuries, including suicide, homicide, disappearance and conspiracy.

court in an accident case reported by *The Insurance Post* of Chicago. The policy provided that "For loss of hand or foot the company shall pay one-half the principal sum not to exceed \$2,500; for loss of life the company shall pay the principal sum not to exceed \$5,000, same must accrue within ninety days from date of accident." The insured was injured and taken to a hospital. Ninety-four or ninety-five days afterward one leg was amputated in an effort to save his life, but he died ten days later. The company denied liability for more than the weekly indemnity up to the date of death. The court held otherwise, however, ruling that the use of the colon made two separate sentences, and limited the ninety-day clause to the death benefit. Judgment was given for \$2,500 for the loss of the leg.

CAPTAIN G. C. COLES, Collingwood, of the firm of F. W. Churchill & Co., was recently appointed by the Dominion Government as Marine Lecturer and Examiner of Masters and Mates. Fifteen lectures have already been given and the course will continue during the winter. Captain Coles has had a large audience at each of his much appreciated lectures.

THE VALUE OF PUNCTUATION was recently illustrated in a decision by a Northern New York

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