

Mr. McGoun, the Citizen's champion, tries to strengthen a weak case by alleging that the "obvious object" of the criticism to which his Company has been subjected "is to embarrass and, if possible, materially injure it in public estimation." The "obvious object" of such a remark is to prejudice the case and to make inuendo do duty for argument. If a knowledge of our motive in challenging the Citizen's position and management is regarded as of any importance we shall avow it plainly. It is to neutralize the effects of a very bad precedent, to guard sound and recognized insurance principles from incroachment by speculative adventures, to warn intending life insurers of the danger to which they are exposed, and to aid in building up our home insurance interests on a strictly sound basis. If the directors of the Citizens are in a mood to be advised we suggest to them that they make application at the coming session of the Dominion Parliament for such amendments to their charter as will secure the interests of all classes of their patrons, and that they test the validity of their notes by calling up, say \$150,000 in cash, and make a suitable deposit with the Receiver-General. They will then have a valid claim to patronage as a life assurance company, but not till then. The attempt to conduct four kinds of business on the present basis with but \$10,000 of capital appears to us hopeless; to make a pyramid stand on its apex is at best a tedious and profitless task and one that cannot in any case be more than temporarily successful, and we think the management of the Citizens ought to abandon the effort while they may do so without discredit.

#### THE EQUITABLE LIFE ASSURANCE SOCIETY.

—The progress of this society, as shown by the annual statement in another part of this paper, is perhaps the most striking proof of the immense development of life insurance on this continent that could be adduced. The cash income in 1871 was \$7,612,237, and the net cash reserve is over fourteen millions. After providing the reinsurance fund and leaving the capital intact, there remains a divisible surplus of \$1,698,343. Payments to policy-holders, including amount paid for annuities, matured endowments, and surrendered policies foot up to the sum of \$3,459,343—a fact which proves that the Equitable is willing not only to receive money, but to pay it out as freely as received in satisfaction of all just claims.

THE ARNPRIOR WEEKLY informs us that a joint stock company is being formed there with \$40,000 capital to build and operate a large woolen mill in that village. The Messrs. McLachlan Bros. are taking the initiative in the enterprise.

## Meetings.

### BEAVER AND TORONTO MUTUAL FIRE INSURANCE COMPANY.

The annual meeting of this Company, was held March 16th, pursuant to notice, at the Company's office, Toronto Bank Buildings. The President, C. E. Chadwick, Esq., of Ingersoll, was called to the chair. After the usual introductory proceedings, the following report of the Board of Directors for 1871 was read and adopted unanimously, after an interesting discussion:—

#### Annual Report.

The Board of Directors of the *Beaver and Toronto Mutual Fire Ins. Co.* beg to submit the usual Annual Statement of the affairs of the Company for the year 1871. In so doing they have to record nothing of a very striking character, the year's business having been marked by no event out of the ordinary routine of insurance matters.

The number of policies issued during the year was 6,908, covering the sum of \$4,436,096; the number expired and cancelled during the same period being 7,103,\* covering \$5,038,117.12. The number of policies in force, January 1, 1872, was 18,151, and the amount of property insured \$11,792,956.88. The year's receipts were \$105,825 71, and the expenditure \$107,886 62. The amount of premium notes in hand liable to assessment was \$170,760 77. The Fire and Live Stock claims during 1871 reached \$43,760 24.

Full details of the business of the several branches will be found in the tabular statements appended hereto.

It was generally anticipated, even by your Board, that the heavy burthen of the Ottawa losses of August, 1870, would have been followed by a considerable reduction in the Company's business, but happily those anticipations have not been realized. The final winding up of the Ottawa claims, and the collection of the special assessment to provide for the same have been accomplished thus far without difficulty. Certain Companies and Agents desirous of profiting by that misfortune, have been exceedingly industrious in decrying this company and the mutual system generally, but their efforts have proved harmless, inasmuch as we have really gained in public estimation; and it is admitted by all well-informed insurance men that the Ottawa Fires have done more to establish the genuine strength and solidity of the mutual principle of insurance than any ordinary event could possibly have brought about. It is seen clearly even by the general public, who seldom trouble themselves about such things, that an organization which could bear without shrinking a sudden and unprecedented demand of such magnitude, must be fundamentally sound both in theory and practice. Many applications for insurance have been received from first-class mercantile men, who formerly held aloof from Mutual Offices, for amounts heavier than your Board have felt it prudent to retain, and which they have taken the precaution to reinsure largely in other offices.

A very pleasant circumstance connected with the settlement of the Ottawa claims took place at Bell's Corners, in the county of Carleton, on the 11th September last, when as many as sixty of the claimants assembled together to give expression to their gratification at the manner in which this Company had met its engagements in their several cases. The proceedings were reported fully in the Ottawa papers of the day.

As usual with this Company, a very large amount of business has been declined by your Board, because on investigation it was found to be of an extra-hazardous class. Several of the Directors have occasionally employed themselves, from time to time, in personally inspect-

ing the risks taken by our agents, causing sometimes a little annoyance to applicants whose policies have been cancelled in consequence. However unpleasant this may be, it cannot always be avoided, as not merely the nature of the risks, but the character of the neighbourhood, has to be considered, and an apparent unexceptional property will be often compromised by circumstances which cannot be made known, but must, nevertheless, in common prudence, be taken into account.

In accordance with a resolution of the last annual meeting, the Directors have become subscribers to the Guarantee Stock of the Company; the total subscribed stock is now \$38,120, of which the sum of \$13,440 had been paid up on the 31st December last, and a considerable sum since. The whole stock is, of course, liable to be called in whenever the wants of the Company may require it. Your board contemplate repayment of the money thus advanced at no distant date. The uncollected assessments now overdue would, if realized, be ample for the purpose, and our solicitor has been instructed to enforce payment thereof. It may be mentioned here that the estimates given below of moneys due on assessments do not include any policies in force for less periods than twelve months, except in special cases. Thus a large margin is available as a reserve to meet future claims for losses on Cash System Policies.

Your Board have given their best efforts to promote the passage of a Bill laid before the Ontario Legislature, for the amendment of the Mutual Insurance Law, one of the objects of which is to restrict the issue of Cash Policies by Mutual Companies within safe limits. It is probable, and much to be desired, that the matter may be taken up by the Provincial Government during next session. In the meantime, every inducement has been offered to our agents to devote their best efforts to securing applications for insurance on the premium note principle, in preference to the cash system, which latter, if fully carried out, must necessarily result in the destruction of Mutual Companies, and, with them, of cheap insurance.

Your Board very much regret that they have been compelled to refuse payment of claims from three or four parties who had neglected to pay their assessments previous to the occurrence of losses on their property. The law is quite clear on the subject, and justice to other members requires that it should be enforced with impartiality, however unpleasant to all parties.

An assessment of one-fourth of all premium notes in the Farmers' Branch, of 23 per cent. on premium notes in the Mercantile Branch, and of 20 per cent. in the Household Branch, was declared in September last. In the last named Branch no new policies have been issued since May last, in pursuance to the resolution to that effect adopted last year.

The retiring directors on this occasion are C. E. Chadwick, Esq., the Hon. J. Hillyard Cameron, J. W. Collins, and J. S. Parker, Esq., all of whom are eligible for re-election. The whole of the Honorary Directors are annually elective. One of them, P. McCurry, Esq., of Parry Sound, recently accepted the position at the special request of your Board, in whom the power of nomination is vested during the interval between the various annual meetings.

#### Statement of Assets and Liabilities 21st December, 1871.

ASSETS.	
Cash in hand & in Bank .....	\$ 2,478 96
Short date notes for first payment and cash in Agents' hands .....	\$ 15,780 53
Assessments unpaid....	36,622 28
Sundries .....	2,277 72

54,740 58