

regard, however, to the five-year (or other short period) temporary reductions of premiums, I should prefer that they should be treated as deferred payments, and therefore, only enter expenditure when actually applied to the reduction of the premium paid; it would in fact, in my opinion, be preferable to make such payments certain instead of contingent.

As the practice of the companies in regard to the foregoing points does not appear to be uniform, and no definite system of account is laid down, either by the British Board of Trade or the United States Commissioners, I have thought it sufficient that the statements given in this Report should distinctly exhibit the facts so far as the native companies are concerned.

It has already been stated that a license was issued to a company, entitled the Dominion Safety Fund Life Association of Canada, and having its principal office in St. John, N.B., which transacts life insurance on the co-operative or assessment principle, supplemented by the formation of a reserve fund contributed by its members. The Company has a subscribed stock capital of \$120,000, of which \$47,400 has been paid up, and this, together with the well-known character of its shareholders and directors, is a sufficient guarantee that the business will be conducted with honesty and prudence. It has been much debated whether a company conducted on this assessment plan can be permanently maintained; there is little doubt that in this case the trial will be fairly made. There is still less doubt that with some of these Companies, which have invaded Canada from across the border, after having been debarred from operating within their own territories, neither honesty nor prudence has distinguished their management. Such companies have acted in open defiance of our law, which has been practically inoperative to restrain them, and some further legislation is urgently called for, by which their operations may be controlled. The necessity of this legislation has been recognized in the United States, where most of the legislatures have passed statutes, explicitly bringing these Companies under the supervision of the Insurance departments.

ACCIDENT AND GUARANTEE INSURANCE IN CANADA, 1882.

The business of Accident Insurance was transacted by five companies, viz :—3 Canadian (two of which combined it with Life Insurance), 1 American (also combined with Life), and 1 British, which combined it with Guarantee business.

The total accident premiums received in Canada were \$102,758, insuring an amount of \$18,620,187, and the sum of \$37,801 was paid for claims, with \$7,885 claims unsettled.

An abstract will be found on p. lviii. Since the close of the year another company, the Norwich and London Accident Insurance Association, has been licensed.

The Guarantee business was conducted by two companies, one Canadian and the other British, but some claims were also paid this year by the Citizens' Insurance Com-