

mooted. As it was thought a menace to have the stock of the company lying around where it might be obtained by hostile interests, Messrs. Fasker and Mr. Marshall, and the late E. F. Clark, met many of the shareholders in Ottawa and Guelph and other centres of the stock, and as a result of these conferences, the bulk of the stock was obtained by the directors, Mr. Fasker being the heaviest purchaser. Mr. Marshall said it took 90 p.c. of all the companies' "loadings" to obtain new business. The witness was asked what right the insurance companies had to retain the money paid in premiums on policies which had lapsed, but Mr. Marshall did not venture an opinion.

The investigation of the Excelsior Life, the Crown, Sovereign, and Continental will be continued until the end of next week, when the commission will remove to London. Then an adjournment will take place until the fall.

THE ROYAL INSURANCE COMPANY.

The old saying "good wine needs no bush" is especially applicable to the Royal Insurance Company. No eulogy of the company or any of its aspects or operations could be so impressive as the figures presented in the report. The fire premiums last year were \$15,271,080 and the net losses \$6,884,170. When agent's commissions, management expenses are deducted there is a surplus left of \$3,007,945 to be carried to profit and loss.

The amount of the fire fund on 31st December, 1905, was \$7,000,000, and reserve fund \$8,000,000. The Royal will pay its San Francisco losses without trenching upon the reserve for meeting fire claims.

One cannot but regard the magnificent resources of the Royal Insurance Company as one of the financial bulwarks of commerce the world over.

At a special meeting of the shareholders of the Royal Insurance Company at Liverpool on 5th inst., the Chairman said:

"We are still without sufficiently definite information to enable us to estimate with some approach to accuracy the company's loss by the San Francisco disaster. The latest information which we have received goes to show that actual damage by earthquake was much less serious than at first supposed but the destruction of property by fire would appear to have been of the most sweeping description. I am able however, to confirm the statement we made on the receipt of a cablegram from our local manager to the effect that our liability within the area affected by earthquake and conflagration amounted to \$6,750,000 or say £1,350,000, and I would add that with regard to the losses arising out of these liabilities it is our intention to deal with them as the "Royal" and all other leading companies deal with all claims under their policies.

Every case will be carefully investigated and the amount of loss and the extent of the company's liability ascertained, availing ourselves, as is usual, of the best expert and legal advice obtainable. The directors must in some cases exercise, as we are called upon from day to day, their discretion but you may be sure that whatever decision is come to in individual cases, they will do what is equitable to our policy-holders, and at the same time safeguard the interests of the shareholders.— That gentlemen, is all we can tell you about the San Francisco fire at present. We must abide in hope."

Policy-holders of the Life Department of the "Royal" have good cause to be congratulated upon the excellent condition of this section of the company's business. Economy in working expenses has ever been the aim of the directors so that the funds of the company might be increased to the best advantage of the policy-holders and thereby yield a large surplus available for apportionment among participating policies. That this laudable ambition has been achieved is manifested by the remarkable record of the company. For forty years the policy-holders have been receiving the same rate of bonuses. The span of years from 1865 to 1905 is a long retrospect. Within that period what changes have taken place in life insurance! The earning power of money has fallen off, competition has become more acute and the struggle for existence more keen. What therefore must have been the prudence and skill unremittently displayed in the management of the life department to sustain exactly the same rate of profits during that long time.

The company seems to be entirely unaffected by any of the adverse changes which have occurred in the general business of life insurance during the past forty years. Not only has the company achieved its remarkable record in the way of profits, but it has established its reserves on the basis of the O.M. and O.M 5 table with 3 p.c. interest. On the 31st December, 1904, the company's actuary calculated that the liability upon insurances in force of \$104,000,000 required, upon the stringent basis mentioned, the sum of over \$36,000,000. After providing for this amount, the directors last year distributed over \$3,226,000 in cash profits among policy-holders, providing thereby a reversionary bonus of 1½ p.c. per annum on the sums assured and making an interim allowance at the rate of 1 p.c. per annum for policies which may become claims before the next Quinquennial division. With such a successful report, it may be well said that the product of unceasing vigilance has been absolute security and large dividend earnings. It is interesting to note that the expenses of the life department are only 12¾ of the premiums