

The Monetary Times

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INSURANCE INSTITUTE ANNUAL.

The proceedings of the Insurance Institute of Toronto for the year 1905-1906 have been published in book form. The publication will be of interest and value to everyone engaged in the insurance business. In addition to information regarding the Institute and its meetings, members and affairs in general, the book contains the papers and addresses delivered before the Institute during the year. These are all upon timely subjects, dealt with in a manner which makes them of direct advantage to insurance men. The President's admirable inaugural address is also included. The concluding part of the book is devoted to the syllabus of the Institute's examinations. The examination papers for 1906, and the list of the successful candidates for the same year.

NEW ZEALAND STATE INSURANCE.

Report of the Last Triennium Shows Reduction of the Expense Percentages.

The report of the New Zealand Government Life Insurance Department was recently published, including a special report by the actuary of the business of the triennium ending December 31, 1905.

During that time 9,526 policies, assuring about \$10,500,000, were issued. The total number of policies in force was 45,137, insuring \$52,300,000. The total assets now stand at \$21,600,000, an increase of \$2,200,000 during the triennium. The average rate of interest earned has gradually increased from 4.4 per cent. to 4.5 per cent.; the ratio of expenses to income, excluding taxation, has gradually decreased during the past six triennial periods, as exhibited in the following table:—

Year.	Expenses of Total Income.	Expenses of Premium Income.
1890	14.4	20.2
1893	13.4	19.0
1896	12.0	17.5
1899	11.9	17.5
1902	11.3	16.8
1905	11.0	16.7

The taxation, not included in the above, is now 3.1 per cent of the premium income.

Valuation as in Canada.

The valuation of the Department's policies was made on the same basis as the new business of Canadian life insurance companies is required to be made, namely, the Institute of Actuaries' Hm Table of Mortality and 3½ per cent. interest. The surplus for the three years resulting from the valuation amounted to slightly over \$1,000,000, and enabled a compounded bonus of 1 per cent. on the sum assured. This compounded bonus of 1 per cent. is equivalent to a simple bonus commencing at 1 per cent. per annum to the new policies, and increasing with the duration of the policies to 1.4 per cent. per annum in the case of the older policies.

The Department has a temperance section among the policyholders, but, strange to say, the rate of bonus on the temperance policies did not work out as well to policy-

holders as the bonus in the general section by 1/10th of 1 per cent. The explanation is that the temperance section is too small to avoid fluctuations, and contains a large portion of endowment assurances, from which class of business there accrues less mortality profit than from whole life policies, of which the general section is more largely composed.

Amalgamate Temperance and General.

An enquiry was instituted on behalf of the Department by the eminent actuaries Messrs. Hardy & King, of London, Eng., covering the business at the close of the last triennium. Their recommendation was that the temperance and the general sections be amalgamated, as they think that in the future as in the past very little difference will be found between the profits to policyholders of the two separated sections. They say the advantages of separate sections are small, if not problematical; that the disadvantages are considerable and clearly visible.

It would be very interesting to learn from time to time the experience of one or two Canadian companies which have created a temperance section, notably the Manufacturers.

The affairs of the New Zealand Government Insurance Department appear to be conducted with skill and ability, and when it is remembered the extremely low premiums are in many cases little higher than the usual non-profit rates, and generally much lower than those charged elsewhere, the profit results cannot be other than gratifying to the policyholders.

SAN FRANCISCO PAYMENTS.

Investigation has been made by the San Francisco Chamber of Commerce into the fire insurance situation in that city. They conclude that only 41 out of the entire list of 108 companies have paid their losses with anything like promptness.

In this list are 15 British and 27 American companies, foremost among them being the Aetna, Hartford, Home, and Continental; the Royal, Phoenix, Sun, and Liverpool and London and Globe.

Eighteen companies are classified as "doubtful" because of conflicting reports about them. In this list, strangely enough, are the Phoenix of Brooklyn, the Royal Exchange of London, the Svea of Sweden, the Agricultural of Watertown, and the British America and Western of Toronto. Yet the Royal Exchange has made settlements at 85 and 90 per cent. in cash, and the Canadian companies are willing to pay in full, but may want time, while the Agricultural has paid many claims at from 75 to 98 per cent. of their face.

In a group listed as "unreliable" are such well-known and responsible concerns as the Norwich Union, Alliance, Commercial Union, and Caledonian. The reason they are thus classified, obviously unjustly, is probably, because they refuse to pay in full indiscriminately, classifying their risks, because some losses are traceable to earthquake origin, or else traceable to fires caused by the earthquake.

Many American companies refuse to pay in full for various reasons, and some place themselves in the same category with the Rhine and Moselle, who do not admit liability, but are willing to pay 50 per cent. The Transatlantic and the Austrian Phoenix fall back upon the "Act of God" defence, which is particularly obnoxious to San Francisco people. Suspicion and prejudice are both strong in the minds of policyholders whose companies stand on their rights in discounting policies.

FIRES OF THE WEEK.

London, Ont.—J. Elliott's residence. Loss, \$34,000; partly insured. Barrie, Ont.—Dyments' woodyard, foundry, and contents. Losses, \$97,000; no insurance. River du Loup, Que.—Venise and Sanatorium hotels totally destroyed. Delaware, Ont.—F. Blasdall's evaporating factory. Losses, \$5,000; no insurance. Canora, Sask.—Imperial Hotel. Losses, \$12,000; no insurance. Amherst, N. S.—Silliker & Co.'s plant. Losses, \$90,000. Halifax, N. S.—Dominion Coal Company's machine shops. Losses, \$6,000. Phoenix, B. C.—City Hall partly burned; \$300. Toronto.—Rossin House. Losses, \$2,000.

Sir George A. Drummond, president of the Bank of Montreal, favors Halifax as the all-the-year-round Canadian seaport for a fast steamship line between Canada and Great Britain. He thinks that if the Federal Government would grant running powers over the Intercolonial Railway from Halifax to Montreal to both the Canadian Pacific and the Grand Trunk the problem of a four days' Atlantic sea voyage between the Dominion and the Motherland would be solved.