

COMMUNICATIONS.

All communications to be addressed to the Editor, INSURANCE SOCIETY, and correspondence to bear the name and address of the author, not necessarily for publication, but as a guarantee of good faith.

The publication of a communication does not by any means commit the paper to the sentiments expressed therein; but a fair hearing will be allowed for all sides of any question we may consider of sufficient interest to the Insurance public.

TORONTO LETTER.

To the Editor INSURANCE SOCIETY.

DEAR SIR,—Your Toronto letter this time is written outside Toronto—not for the first time either, some of the knowing ones will say. I write this in my tent on Island No. "Ninety and Nine," as we call it, it is one of the "Thousand Islands," you know. After those last days of June, during which the "Minimum Tariff" was under consideration by the Canadian Insurance Magnates, I got so sick of "Minimum Rates," "motions" and "amendments"—not to speak of the winding-up entertainment at the "Queens' Hotel"—that I felt in the recesses of my rotund person that the time for my holidays had come; and here I am in consequence. Several Insurance men, from east and west, are, amongst others, camping out.

For the former it is doubtless an agreeable change from a life of canvassing to find themselves under canvas.

In the seclusion of my island home I have nothing to give you of general news as of Toronto. One of the boys writes me to the effect that the Hamilton Tariff has been completed by Mr. Hanson, and is now in force. Judging from a hint given me by a friend of law and order, I think the Tariff there *must* be in force and ready for onslaughts on its provisions, seeing that a Hamilton Board Minute is already out, asking "who took Messrs. ——— risk at '70 on stock, it being rated at '75?" "Who struck William Patterson?" Who!

"The Canadian Fire Underwriters' Association" is now established. All stock companies are members of it, I am told, and certain mixed mutuals have recorded their *sympathy* with the association as to rates, and, well it is comforting to learn this. The insuring public have had a long innings, and it is now the Insurance Companies turn to score something.

Of course in certain towns the rates fixed will cause some squirming, but they are all, so far as I can see, very reasonable and fair, and there does not seem to be any attempt to do more than secure a living premium for the Insurance afforded. Grumbling there will be, but it will, I think, all wear off soon, and if the members of the C. F. U. A. will only be true to themselves, and reasonably fair, all will work satisfactorily.

What a change, to be sure, has been effected! A few months ago it would have been safe to wager that no Tariff of this kind would ever receive the support of all the Fire Insurance Companies in Canada as this one has done. The result of his labors and unceasing perseverance must be gratifying to Mr. McLean. He has reason to be proud of it. Very properly, I see the Association has appointed this gentleman its Executive Officer, and, although the position is but temporary, there is every likelihood of its becoming permanent. Mr. McLean severed his connection as Inspector with the British America at the end of last month, and regret has been expressed that the management of that company had not arranged to retain his services, as, from an outsider's view, it seemed to be one of mutual benefit, Mr. McL. being so long and favorably known to the agents and insuring public of Ontario.

Being holiday time you cannot expect any more from me. I must go and put down my night lines. Adieu!

ARIEL.

Thousand Islands, 17th July, 1883.

THE LONDON MUTUAL FIRE INSURANCE CO.

LONDON, ONT., 10th July, 1883.

To the Editor INSURANCE SOCIETY.

SIR,—This Company was formed in 1859. At that time, and prior thereto, the owners of private residences and farm property were charged from \$1 to \$1.50 per cent. per annum for their insurance, the Companies then doing business making this class of risks a sort of preserve to make up for the losses on more hazardous classes of property.

The promoters of the "London Mutual" foresaw that a large and safe business could be done at cheap, yet adequate, rates, on this particular class of property, and their experience has more than justified the expectations—to-day, insurance being obtainable for three years at less than one-third the rate the old stock Companies charged for one year. The "London Mutual" having been the "successful pioneer" in this class of business has ever been the target at which the malignant shafts of the attaches of the stock Companies have been directed, for the simple reason that we gave insurance at its proper cost, and spoiled the "soft thing" they had so long enjoyed, on non-hazardous risks. For a considerable period we have escaped any notice through the public press, from the "cranks," who in the time gone-by had prognosticated our speedy downfall; our yearly increasing strength gave those interested yet false prophets tangible notice that their "game was up," and we were of the opinion that the last bark had been heard,—in this it appears we were mistaken, for in your issue of 20th June we find one of these "insurance dudes"—too cowardly to write over his own name, but adopting the nomenclature of "a policy holder in a stock Company"—attempts to criticise an advertising circular issued by us, and questions its correctness.

We have never as a rule noticed the effusions of anonymous writers, but, as the appearance of the production in your journal gives the writer a quasi air of respectability, we take the liberty of explaining that the only difference between the contents of the circular alluded to and our returns to the Government is that in the former only our *ascertained* liabilities are shown, while the official return to Government places our "re-insurance reserve" (which we have of course on hand) as a further liability; and, allowing this, our statement shows a large net surplus. Of course, the "insurance reserve" is in a certain sense a liability, yet merely a speculative liability; in our case it is based on Professor Cherriman's theory, while, practically, our experience of nearly 25 years shows that one half the amount placed as a reserve would re-insure all our risks. Why was your modest correspondent not honest enough to state that the difference between the circular and the Government abstract consisted merely in omitting the re-insurance reserve? This would not suit his purpose, however, he wanted a fling at the "London Mutual," and, right or wrong, either being immaterial, he must have it, and then proceeds further quoting a statement made in our circular. "This ever-popular Company continues to do as large a business in the Province of Ontario alone, as any other office in the whole Dominion." Now Mr. Editor, if you or any of your readers will be good enough to refer to the April issue of INSURANCE SOCIETY it will be seen from the Government abstract that we have \$38,015,954 of insurance, *all* in the Province of Ontario, and by this same abstract you will find that no other Company, save one, in the *whole* Dominion approaches that amount; yet in the face of this your correspondent blandly informs your readers that "some sixteen other Companies have done a larger business than it, some doing five times as much." You, Mr. Editor, are of course aware that the criterion of a Company's business is the *amount* of insurance it carries, not the *premiums* received, for that would not be a fair measure, for comparison, as most of the stock companies carry risks worth from about 75c to \$10 per \$100 per year—from a first-class residence to a steam saw mill or even a dynamite factory—while our rates average under \$1.00 per \$100 for a three years' risk, on purely non-hazardous property. Our circular, therefore, in this respect is strictly correct, and, with a single exception, *we do a larger business* in the Province of Ontario alone than any other Company in the whole Dominion, which the Government abstract shows.