

THE MERCHANTS MARINE INSURANCE CO.

We make room for the annual report of this young Canadian insurance company in our present number. Eating only from April of last year after an unusually rapid organization, the figures of the statement, although showing the result of but nine months' business, evince a degree of success not often met with even in the first year of most fortunate companies. The total net income for the year is \$144,570, out of which have been paid the following sums: Commissions to agents, \$10,675; net losses, \$26,499; salaries and other expenses, \$14,017, leaving at credit of profit and loss account a balance of \$93,378. The position of the company's affairs has warranted the directors in writing off in full the amount of organization expenses, \$16,570, and declaring an eight per cent. dividend, amounting to \$8,000, leaving a balance of \$68,808. Deducting from this the sum of \$29,776, the total amount of all losses for the year which are not yet due, not adjusted or not yet claimed, there still remains \$38,032, a sum in excess of what would be required to reinsure all the outstanding risks of the company to the end of the period under review. A gratifying feature of the report is the ratio of the entire charges and expenses of the year to the amount of the gross premiums, being somewhat less than fifteen per cent., or about seventeen per cent. of the net income. The shareholders of the company may be congratulated on the success of their investments, a result due no less to the activity and zeal of the general management than to the care and vigilance of the Board of Directors.

THE HAND IN HAND MUTUAL INSURANCE CO.

It is a matter of congratulation that in these times that try men's souls we come across something in the way of statements that proves conclusively, that although times are hard and business very dull yet money can be and has been made, without undue or unnecessary risk. These remarks we are led to make from a careful scrutiny of the Report of the above company, at its fourth General Annual Meeting, wherein we find that a scrip dividend was declared of 20 per cent. in addition to carrying forward a considerable amount plus that actually required. The system, which is novel, seems designed to arrive at the happy medium (if we may so term it) between Stock and Mutual Companies, combining all the advantages of both

without the objectionable features, which are evident in either, and there is no doubt such companies, based upon the experience of the Hand in Hand, will grow and flourish amongst us. Upon an analysis of the assets and liabilities of this company a very striking feature is the ratio of expenditure to income, which, for commissions, salaries, rent, etc., foots up to little over \$6,000, or less than 25 per cent., an item of itself which is matter for congratulation to the directors, and one worthy of imitation, for it is unfortunately too frequently the case, that over-anxiety to do a large business has been a fruitful cause of large expenses, and in consequence little if any profit has been made. The cash premiums received during the year were \$26,741.80 to pay losses of \$10,063.65, besides which claim appropriations were made for the years '75 and '76 of \$3,895.00, forming a total of about one half only of their absolute receipts. The very satisfactory ratio of assets to amount at risk (say 2.37½ per cent.) is a strong feature, and should give increased confidence in their stability. The declaration of scrip dividends, which is done annually when practicable, will eventually prove a desideratum for the insured, as it is intended, as soon as they are able to redeem these dividends (or scrip) in full, —but very wisely the directors do not intend so doing until consistent with safety. We will recur more particularly to the system inaugurated by this company, and in the meantime recommend those interested to examine the matter for themselves.

GUARANTEE INSURANCE IN THE UNITED STATES.

"Oh wad some power the Gifftie gie us,
To see oursel's as ither's see us."

The worthy editor of the Insurance Monitor, published in New York, cannot see the necessity of being indebted to Canada for so small a matter as a guarantee company, and thinks they ought to be able to establish one themselves. There is not a question of doubt that the remark made, that there are "a great many thousands of people in this city (New York) alone who give personal bonds" is true in the fullest particulars, but at the same time it cannot be denied that many of these thousands could not, in the face of the recent and frequent defalcations, get a guarantee bond from a company such as the Canada Guarantee Company upon any terms whatever. As a proof of this assertion it is only necessary to add, that in every application made in the Canada Guarantee Company the applicant has to give minute details as to

his present and former employers, the causes of his leaving their employ, whether married or single, (a very necessary question, enabling the management of the company to determine whether the salary given is adequate to remove temptation,) and also references to three or four responsible parties, whose signatures to documents containing pertinent questions are deemed almost the strongest safeguard for the company, as they become to a certain extent pledged for the due fulfilment of the terms of the agreement by the applicant, and consequently feel in duty bound to exercise some surveillance over him. In the case of personal bonds it is too frequently the case that a *quid pro quo* is given, which necessitates dishonesty to carry out effectually, and even in cases, where they are given out of pure friendship and a firm belief in the honesty of the party, how many times has this confidence been misplaced. As far as the venture of the Guarantee Company itself is concerned we content ourselves with saying they know their own business best, but we feel that a timely word of caution might not be inopportune.

Business matters are in a very "mixed" state in the United States just now, and likely to be so for some time, and the great question to be solved by the management is, will the small premium received counterbalance the risk? As Canadians we do not claim to be immaculate, but we do claim that there has been much less flagrant dishonesty among the class of people who use this means of security in this Dominion, in proportion to our population, than in the United States, and would rather see the Canada Guarantee Company still put some of the great many thousands under the disagreeable necessity of applying to their friends to act as bondsmen.

A DOMINION POLICE.

The "Brotherhood of Locomotive Engineers" have wholly failed in their recent strike on the Boston and Maine railroad; and, although it is not a little mortifying to Canadians to reflect on their success here, it is a subject of congratulation that they have been defeated in their own country. We are glad to notice the complete failure of the attempt to defeat Mr. Blake's bill, the chief object of which was to provide for the punishment of special breaches of contract, such as those of locomotive engineers and others. A few members of the House, notably Mr. Irving of Hamilton and Mr. Robinson of Toronto, avowed their sympathy with the strikers, and the conservative party, we presume out of oppo-