

STARTING A NEW LIFE COMPANY.

The interesting account of its early years recently published by the Mutual Life Insurance Company of New York, emphasizes a fact that is, perhaps, too often forgotten by the outside public, that no great financial institution of the present day has been built up by magic. All have had in their early days to meet great difficulties which have only been surmounted through the courage, energy and perseverance of those associated with them. If there has been any magic at all, it has lain in these qualities, and certainly without them success would not have been achieved. The record is also interesting in enabling comparison to be made between the circumstances of the present day as affecting the newly-incorporated life insurance company and those of seventy years ago. What the Mutual Life had to contend with was ignorance of life insurance principles. To-day, the major difficulty confronting a new company is that of making a place for itself in a field very well occupied, without squandering all its funds in the attempt. Of recent years, there has been a very interesting movement, particularly in the United States, in the direction of the mutualisation of leading life companies, and probably enough, that movement will continue. At the same time, it is generally regarded as a matter of impossibility in these days to establish a new company on mutual lines. Such an attempt would require altruism, considerable resources and technical knowledge to give even a chance of success—and the combination is hardly obtainable. While new stock companies can be established, it would be exceedingly foolish for anyone who is actively engaged in their promotion or for any investor who is asked to subscribe funds to them to ignore the grave difficulties with which a new company is faced, and the impossibility of any returns being obtained upon the invested capital for a prolonged period—even if the company is ultimately a success. Of the existing established Canadian companies, we know of only one which did not have great difficulties to meet in its early days before the high road to success was reached. The exception is a company established in comparatively recent years whose sponsors were in a position to make its way relatively easy. Under the present circumstances of a field well occupied by established companies, the difficulties surrounding the development of new Canadian life companies have certainly not diminished, and successfully to cope with them requires a combination of substantial capital, good management and downright perseverance that is only too seldom found. Even with these given, it will take some time to get on the high road to success.

Insure the present and the future will take care of itself.—*Northern Life.*

UNLICENSED FIRE INSURANCE IN CANADA.

The figures subjoined should be read in conjunction with the summary on another page of the recent House of Commons discussion on the subject of taxation of the organisations which, unlicensed and paying no taxes, are transacting fire insurance business in Canada. The 1915 figures, which are taken from the recently published report of the Dominion Superintendent of Insurance, show that at December 31st last year, the net amount of this unlicensed insurance at risk in Canada was \$140,423,205, equivalent to about 4 per cent. of the amount at risk of all the companies regularly entered here and licensed by the Dominion Government. This total compares with \$219,743,335 at the close of 1914 and \$250,001,931 at the close of 1913. The 1915 figures are probably not quite complete; the revised figures, if the analogy of previous years be followed, will probably show the total for 1915 as about \$150 millions.

Even so, there is a falling-off in the amount of this business in force in two years of about a hundred millions, which is doubtless mainly accounted for by the change in industrial circumstances of the period. Some of the speakers in the House of Commons discussion on this matter appeared to be under the impression that almost the whole of this unlicensed business was conducted by the New England Mutuels. But it will be seen from the tables that insurance in mutual companies accounts for only one-half the total. Details of losses occasionally reveal the nondescript character of the stock companies and other organisations doing business in this way. Stock companies from enemy countries, having branches in the United States, at one time figured in this business but presumably the trading with the enemy prohibitions have put a stop to the game so far as they are concerned. It is to be hoped that following the next revision of the Dominion Insurance Act, the distinction between licensed and unlicensed insurance will be done away with, and all organisations who desire to transact fire insurance business in Canada be placed on something like an equal footing.

SITUATION OF PROPERTY BY PROVINCES.

	1915.	1914.
Nova Scotia.....	\$ 1,814,773	\$ 4,548,412
New Brunswick.....	8,185,462	10,343,019
Quebec.....	37,750,860	68,121,237
Ontario.....	73,873,004	97,194,361
Manitoba.....	4,783,306	9,552,221
Saskatchewan.....	5,723,490	5,607,166
Alberta.....	2,894,196	6,267,145
British Columbia.....	5,381,264	17,104,624
Prince Edward Island.....	16,850	2,300
Yukon.....	1,002,850
	\$140,423,205	\$219,743,335

NATURE OF PROPERTY INSURED.

Lumber and lumber mills.....	\$ 6,962,079	\$ 14,646,033
Other industrial plants and mercantile establishments.....	91,557,578	149,935,517
Stock and merchandise.....	31,663,941	26,417,171
Railway property and equipment.....	10,059,893	28,017,089
Miscellaneous.....	179,714	727,525
	\$140,423,205	\$219,743,335

NATURE OF INSURERS.

Lloyds Associations.....	\$37,438,330	\$ 62,809,527
Reciprocal Underwriters.....	13,296,875	20,611,378
Mutual Companies.....	69,354,548	108,847,511
Stock Companies.....	20,333,452	27,474,919
	\$140,423,205	\$219,743,335