

tions otherwise. Premium income and interest amounted to \$91,205. Claims, commissions, expenses and bonus to policyholders absorbed of this, \$54,510; \$38,565 has been carried to profit and loss account and the reserves have been increased by \$17,035. Claims themselves, after adjustment for those outstanding, absorbed only \$10,600 or 23.2 p.c., a low ratio, suggesting a high quality of risks. Management expenses absorbed \$27,595 or 32.6 p.c.

On the profit and loss account, the sum of \$1,268,648 was brought forward from 1909. To that is added profits from the various accounts, interest, etc., a total of \$1,827,404. From this fund practically \$70,000 has been allocated to the various premium reserves, and after payment of the shareholders' dividends, interest, etc., the increased balance of \$1,282,714 is carried forward. As showing the position of the Company, the Chairman mentioned the interesting fact that this balance forward is sufficient, with interest on the funds, and even if no trading profits were realised, to maintain the present dividend of 6s. 6d. per 12s share for a period of 8½ years. A development of note during 1910 was that \$1,000,000 of 4¼ p.c. debenture stock, created and issued in December, 1906, has been redeemed, its purpose having been served.

The Company's funds at the close of 1910 reached \$45,601,860 and its income, \$6,352,065. Of its funds, \$7,326,042 are held in Canada, which field was entered by the Company in 1899, its interests in the Dominion being efficiently represented by Mr. J. E. E. Dickson, of Montreal, Canadian Manager.

METROPOLITAN LIFE INSURANCE COMPANY: EXAMINATION BY STATE OF NEW YORK.

Superintendent Hotchkiss, of the New York Insurance Department, has issued a memorandum, which is a summary of the report shortly to be published on the recent examination of the Metropolitan Life Insurance Company. This examination was pending upwards of a year and, besides including the customary investigation and audit of the company's financial statement, to determine its solvency and the adequacy of its reserves, became a study of its business and agency methods, both at the home office and in the field; of its treatment of policyholders in the writing of insurance, in the collection of premiums, in the distribution of bonuses, in the

payment of claims, and in all the various relations necessarily incident to policy and premium transactions running into the millions each year; together with an examination into the company's methods of investment, management of real estate, care of employees, and its performance of certain new functions of social service inaugurated by it. This examination was considerably supplemented by facts developed on the statutory hearing accorded to the Company, and by a first-hand inspection by the Superintendent of Insurance of its home office and methods. Indeed, it is thought that no company of this character under the supervision of any insurance department in the United States has ever been so thoroughly examined by such a department.

The memorandum itself is of great length and does not lend itself to full quotation. The subjoined extracts, however, cover the points of greatest interest and indicate the general trend of the document:—

COMPLIANCE WITH THE LAWS OF 1906.

The Armstrong report . . . criticized this company for certain matters and methods to which attention has been given on this examination. Thus, the Department's examiners sought to ascertain whether there had been a substantial compliance with both the spirit and the letter of the amendatory laws of 1906. No syndicate participations were found; the objectionable trading in real estate has ceased; while, on an investment of upwards of \$100,000,000 in real estate mortgages, this company now holds through foreclosure but one piece of realty, and no other realty except its home office buildings and property used for office purposes in several cities throughout the country. The two banks previously controlled have now been merged into one, which is used as a clearing house for the company's immense remittance and payment transactions, and pays the company two per cent. on its balances. As of the date of the examination there was but one collateral loan outstanding, and that of relatively small amount. The fire insurance firm mentioned in the Armstrong report still writes this company's fire insurance, and the stock and bond brokers mentioned in such report do a portion of the business of the company; but the latter insists that there is economy—and, therefore, saving and protection—in its practice in these particulars.

THE COST OF INDUSTRIAL INSURANCE.

As compared with the cost of ordinary insurance, industrial insurance is expensive. The examiners' report directs attention to several particulars which should not be lost sight of by any one willing to have all the facts. The ratio of total expense to total premiums has in six years fallen from 43.73 per cent. to 36.60 per cent. In the same period the benefits to new policyholders have increased an average of 20 per cent. and the bonuses, largely to old policyholders, have amounted to an average of about seven and one-half weeks' premiums gratis. Owing to the peculiarities of industrial insurance, it is difficult to express these reductions in cost in terms of

SUMMARY OF CANADIAN TRADE.

	Month of January		Ten months ending January,	
	1910.	1911.	1910.	1911.
	\$	\$	\$	\$
Merchandise entered for consumption	29,224,107	35,698,560	296,266,042	367,291,182
Do. domestic, exported	20,558,406	17,142,416	241,675,219	238,997,285
Total merchandise for consumption and domestic exported	49,782,513	52,840,976	537,941,261	606,108,467
Coin and bullion entered for consumption	1,029,745	965,397	5,784,165	9,289,338
Do. exported	149,538	1,998,411	2,172,784	4,862,961
Merchandise, foreign, exported	838,306	626,663	18,388,570	14,179,399
Grand Total, Canadian trade	51,800,102	56,431,447	564,286,780	634,431,675