

fullest sense, first class, sees some other property, of which the only qualifications to the same title are, that the building is constructed of similar material, and occupied for a similar trade or manufacture, taken by respectable Companies at the same rate as his own, he probably comes to one of several very natural conclusions. He may believe himself swindled by too high a rate, or the other man favoured with cheap insurance for some personal end, or else think that the agent knows nothing about his business. Now, in reality, any one of these may not be the case. Desperate competition, the uncertainty of loss (which experience of late years is reducing to a disagreeable certainty) and, perhaps, we must add, despite our generous denial, a little of the third conclusion above referred to, have contrived to place the business in this contradictory state, and the underwriter in an unenviable light with the insurer. It is in counteracting such evils that a local board finds its best work.

Agents whose experience is limited, or who are but new to the business, will find the experience of the older ones a benefit. Wherever a discrepancy appears between class rate and the actual hazard, there the Board steps in and adds the necessary percentage of rate to equalize them. Under such a system grievances may occur, but can be far more easily met and righted than without it. The friction of competition, without the adjusting hand of an association or board to whose decision all within its pale will submit, must necessarily file away the profit from the rates. It is often asked,—why cannot Insurance Companies carry on a successful business independently as any other commercial or financial concern, without the aid of combinations? In the first place the state of affairs inferred by the question, is not a reality in other classes of business; and secondly, were it so, there are certain features connected with insurance which are the very antitheses of the causes affecting other business, so that a greater caution is required. We find Railway, Steamboat, Telegraph, Mining, and other large concerns not only combining to keep rates up to a certain figure, but entering into actual partnership under the title of pooling receipts. If such a protection is necessary where the actual result of business at certain rates can be foretold, how much more care should be taken, where an enormous possible liability lies like an Alpine glacier, awaiting only some hot breaths to convert it into a destroying avalanche.

The difference between Insurance and other business may perhaps be expressed thus. The tangibility of the latter is what it pays out either in money or merchandise,—the uncertain quantity is what it is to receive; but for which it demands reasonable guarantee, already being aware of its risk and liability. The tangibility of the former or Insurance, is the premium or what it receives, and is too often accustomed to consider earned, the uncertain quantity what it has to pay out in certain eventualities and under certain conditions which it hopes will never occur—and hope is a reckless speculator in moral hazards and frame rookeries.

Although the formation of local boards will not make the idea of possible loss more evident, or diminish the

hope-for-the best, which is the breath of life to many Insurance Companies, though it may not enlighten the benighted agent, who takes no interest in the business, and though it may not purify the mind and make dishonourable men honest in thought word and deed; yet, it will elevate the scale of rates so that the probable loss and expenses may be adequately met by the premium receipts, and thus realize the dream of the hope-for-the-best disciple, it will spread information among those who are anxious to conduct the business of the companies, with both credit and profit to themselves and their employers, and will deprive the unscrupulous rate cutter, whose word is a deception, of his nefarious calling.

CANADIAN INSURANCE LAW.

Our Canadian life companies are yearly taking a more prominent place among the assurance institutions of the world. Their growth was for a long time very gradual, but for the last ten years they have advanced with immense strides. In 1869, the Canadian companies transacted only about nine per cent. of the new life business done in Canada; in 1879 they put in force a larger amount than American and British companies combined. During the same ten years their amount at risk has increased six-fold, their income six-fold, and their assets six-fold. Their position is to-day sounder and stronger than ever before, and it is highly probable that during the next ten years their progress will be simply astonishing. And it must be remembered that many of their past years have been ones of severe depression in business, and when the amount at risk by American companies reporting to New York decreased in consequence from \$2,115,000,000 in 1872, to \$1,440,000,000 in 1879, a difference of \$675,000,000 in seven years! When to this is added the fact, that no purely life company chartered by the Dominion Government has ever failed or ever reinsured, it must be admitted that our home companies are able to do all the business which is to be done here. We merely state this to show that the country has grown out of the stage when our people had to depend on foreign companies for their life assurance. We can now afford to be more independent in our dealings with foreign corporations. A Canadian company is not allowed to issue policies in the State of New York unless it makes a deposit of \$100,000 for the *exclusive benefit* of its American policy-holders, and this deposit has to be increased sufficiently far more than will always cover the liability under these policies. It would be "superintended" and taxed almost to death. Why then should we give New York companies the right to transact business here without let or hinderance of any kind? Is it not true that what is sauce for the goose is sauce also for the gander? But it will be said that the present laws require foreign companies to make a deposit to protect their Canadian policy-holders. We know that this is the impression the public have, but when the matter is investigated it will be found to be not altogether correct. Stock companies are, it is true,