

THE WESTERN AND BRITISH AMERICA INSURANCE COMPANIES.

DECIDE TO WRITE OFF ONE-HALF THEIR CAPITAL AND RE-ISSUE A LIKE AMOUNT OF NEW STOCK.

We congratulate our two oldest Canadian fire offices which have had a career respectively of 71 and 53 years upon the action taken by the directors as stated below.

These companies are each held in the highest esteem wherever they transact business, and Mr. J. J. Kenny, who is the Vice-President and Managing Director, is probably one of the most popular underwriters on this continent.

We trust the shareholders will unanimously ratify the decision of the Board of Directors as their action is decidedly in the best interests of both companies.

CIRCULAR.

The following circular has been issued to the shareholders of the Western Assurance Co. A similar circular also to those of the British America Assurance Co., except that \$500,000 is written off and \$500,000 issued. Sufficient subscriptions have been obtained for any stock which shareholders may not care to accept to ensure success of both issues. Circular is as follows:

"I beg to advise that owing to the heavy losses sustained by the Baltimore and Toronto conflagrations, the directors have decided that a portion of the Company's stock should be written off to overcome the impairment in the capital which these disasters have entailed. While such an impairment exists the payment of dividends would necessarily be stopped and in order to obviate this and enable the directors to feel reasonably assured of being able to continue regular dividends in the future they have deemed it well to reduce the capital to such a figure as will give the company a surplus over capital and all liabilities after providing for the exceptional losses by those two disasters. A by-law reducing the paid-up capital of the company to \$1,000,000 has been approved by the Board of Directors and will be submitted to the shareholders for confirmation at a Special General Meeting, to be held on the 9th prox.

"It may be pointed out that this reduction in the capital will not, as a matter of fact, reduce the intrinsic value of the holdings of each shareholder. The assets represented by the shares in the company being, of course, in no way reduced by this action, but it will place the company in a stronger position financially, and as has been intimated, practically ensures the payment of regular dividends. To further strengthen its position with the insuring public, the shareholders at the approaching meeting will also be asked to approve of the issue of one million new stock. These shares will be issued at par, and the shareholders will be entitled to an allotment of them in proportion to their respective holdings. While the directors cannot but regret that the Baltimore fire which, next to the great Chicago fire

of 1871, involved the largest insurance loss in the world's history, closely followed by a twelve million conflagration in our own city, has rendered necessary the action above outlined. It may be reasonably expected that the increased rates of insurance and withdrawal of a number of companies from business which has taken place, will result in such favourable conditions for the companies which remain in the field, as to compensate them within a comparatively short time for the losses they have sustained. I may say that this method of meeting exceptional losses has been adopted in the past by a number of the largest and most successful companies now operating on this continent."

(Signed),

J. J. KENNY.

DETAILS OF LIFE INSURANCE ISSUED AND TERMINATED IN CANADA DURING 1903.

A table presented on page 607 shows the main features of the movement of the life assurance business transacted in Canada during the year 1903. The table shows that the amount in force on January 1, 1903, and on 31st December, 1903, was for the Canadian Companies on their Canadian business exclusively, \$312,680,604, and \$340,821,763, a gain of \$28,141,159; for British companies, \$42,060,350, and \$42,578,999, a gain of \$518,649; for the American companies, \$159,200,654, and \$170,845,947, a gain of \$11,645,293. The aggregate amount of Canadian assurance in force of all the life companies operating in Canada in 1903 was \$554,246,709, as against \$513,941,608 at close of 1902, the total increase during last year being \$40,305,101.

The terminations by death of policyholders amounted to \$5,701,059; by maturity, \$2,104,189; by expiry, \$3,285,928; by surrender, \$6,268,800; by lapse, \$32,154,517. The total amount of life assurance terminations in 1903 was \$58,560,353. So large a sum indicates there having been a wide field opened for new business.

Owing to the exigencies of space, it was impracticable to include three of the columns given in the Abstract of the Superintendent of Insurance, so they are given here:—

Companies.	Old Policies revived, 1903.	Old Policies changed and Increased, 1903.	Change and Decrease, 1903.
	\$	\$	\$
Canadian Companies.....	895,756	623,768	1,689,687
British Companies.....	172,789	12,591	69,263
American Companies....	475,112	615,293	809,605
Total.....	\$1,543,657	\$1,251,652	\$2,568,545

The average percentage of surrenders to amount of policies new and taken up, was 6.84, and of lapses, 35.11, and the average proportion of surrenders to amount in force at close of previous year was 1.23 per cent., and of lapses, 6.31 per cent. The death claims in 1903 averaged 1.11 per cent. of the total assurance in force at the end of 1902.