

which we have the existing state of things so inimical to the prosperity of the companies themselves and the security of those who hold their policies. A meeting and friendly discussion of the situation would do much to improve insurance interests.

#### RESPONSIBILITY OF BROKERS.

It may not be generally known to the public that the responsibility of stock brokers is one which in certain cases lays them open to criminal proceedings, as instanced in the case of a prominent member of that ilk lately in Toronto, where margins had been placed in his hands and who subsequently became insolvent. He found to his dismay that they could not be included in his estate, and that he had to make them good to the owners under pain of criminality. We quote the following from Statutes of Canada, 32-33 Vic., Cap. 21, Sec. 76, as bearing on the subject:—

"Whoever, having been entrusted, either solely or jointly with any other person, as a banker, merchant, broker, attorney, or other agent, with any money or security for the payment of money, with any direction in writing to apply, pay or deliver such money or security or any part thereof respectively, or the proceeds, or any part of the proceeds of such security for any purpose, or to any person specified in such direction, in violation of good faith, and contrary to the terms of such direction, in anywise converts to his own use or benefit, or the use or benefit of any person other than the person by whom he has been so entrusted, such money, security, or proceeds, or any part thereof respectively, and whosoever, having been entrusted, either solely or jointly with any other person, as a banker, merchant, broker, attorney, or other agent, with any chattel or valuable security, or any power of attorney for the sale or transfer of any share or interest in any public stock or fund, whether of the United Kingdom, or any part thereof, or of this Dominion of Canada, or any Province thereof, or of any British Colony or Possession, or of any foreign state, or in any stock or fund of any body corporate, company or society, for safe custody or for any special purpose without any authority to sell, negotiate, transfer or pledge, in violation of good faith, and contrary to the object or purpose for which such chattel, security, or power of attorney has been entrusted to him, sells, negotiates, transfers, pledges, or in any manner converts to his own use or benefit, or the use or benefit of any person other than the person by whom he has been so entrusted, such chattel, or security, or the proceeds of the same, or any part thereof, or the share or interest in the stock or fund to which such power of attorney relates, or any part thereof, is guilty of a misdemeanor, and shall be liable to be imprisoned in the Penitentiary for any term not exceeding seven years and not less than two years, or to be imprisoned in any other gaol or place of confinement for any term less than two years, with or without hard labor and with or without solitary confinement.

#### THE INSURANCE REPORT.

##### Life Branch.

We resume our notice of the report of Mr. Cherriman, Government Superintendent of Insurance. It is most gratifying to find from the following extracts the progress made by the Canadian Companies during the last year.

The total amount of insurance in force for 1876 is \$84,250,918, which is less by \$758,346 than at the close of 1875, and this decrease is somewhat greater than the corresponding amount of decrease (\$707,061) of 1875 compared with 1874.

The amount of insurance effected in 1876 was \$13,890,127, which exhibits a decrease compared with 1875 of \$1,184,131, while the corresponding decrease in 1875 compared with 1874 amounted to no less than \$4,033,963. This seems to point to a recovery of the business from its striking collapse in 1875, which was in part due to the prevailing commercial depression, and the effects of which are still felt in the diminution of new assurances, and still more in the evidently large abandonment of old assurances. For if we take the amount in force at the end of 1875, \$35,009,264, and add to it the assurance effected in 1876, \$13,890,127, deducting the amount of policies reported as having become claims, \$966,156 and amount at risk at close of 1876, \$84,250,918, there remains approximately the amount of \$13,632,317 as having been terminated during the year otherwise than by death-losses or matured claims. On pp. 60, 62, will be found the result of an attempt to obtain the particulars of this termination; unfortunately some of the companies were unable or unwilling to furnish the information asked for, but making an estimate for these companies, the amount terminated by lapse and surrender is about \$12,386,972.

The progress of the Canadian companies, when compared with the British and American, is exhibited even more decisively than in the previous year. Thus, while for 1875 the amount of insurance in force in Canadian companies showed an increase of \$2,322,977 over 1874, this year gives an increase over 1875 of \$2,691,988; in British companies the decrease in 1875 was \$108,260, and in 1876, also, a decrease of \$582,434; and in American companies the decrease was \$2,621,178 in 1875, and again \$2,867,900 in 1876.

If the amounts of insurance effected during the year are examined it is seen that the decrease shown by Canadian companies in 1875 of \$182,221 has been overcome and converted into an increase of \$388,365 in 1876; that in British companies the process of decrease has still gone on though much arrested, having been \$453,247 in 1875, and only \$6,476 in 1876; and in American companies, whose business underwent a decrease of \$3,398,495 in 1875, a decrease has again occurred in 1876, which, though diminished, still reaches the large amount of \$1,566,020.

The same characteristics are presented by the table of premium receipts. In Canadian companies the amount received for premiums,

• Standard, Star, Connecticut Mutual, Union Mutual.

which had increased by \$68,402 in 1875 over the previous year, has again increased 1876 over 1875 by \$61,287; in British companies the decrease of \$6,512 in 1875 has further somewhat mysteriously undergone a decrease of \$26,141 in 1876, and in American companies the decrease of \$23,913 in 1875\* has been followed by the large decrease of \$114,223 in 1876. Still the American companies receive an income for premiums in Canada (\$1,437,621) larger than that received by the Canadian and British companies together (\$1,365,698), but the amount of insurance effected by the former has during this year, for the first time since 1869, fallen short of the amounts effected in the latter, and has exceeded by only \$1,274,838 that effected in Canadian companies alone. The corresponding excess in 1869 was nearly eight millions.

It is worthy of remark that, while the number of insurances effected in 1876 in American companies (4,191) is nearly the same as that in 1869 (4,191), the amounts effected are very different, being \$6,740,804 in 1876, as against \$9,069,885 in 1869. On referring to the table below it will be seen that the reduction there indicated in the average amount of a policy has only become noticeable since 1874, and as the tendency in the Canadian and British companies is the other way, it may be inferred that the American companies are now operating among a less wealthy class of the community.

There are no data for the number and amount of insurances at the commencement of our records in 1869, nor for the number of insurances now existing; but, taking the number and amount effected in each year, the following results are attained:

Year	Number of New Policies.	Amount of Policies.	Average amount of a Policy.
1869	6,503	\$12,854,132	\$1,950
1870	6,956	12,194,696	1,742
1871	7,407	13,322,626	1,800
1872	11,326	21,070,101	1,860
1873	11,808	21,053,618	1,787
1874	11,754	19,108,221	1,630
1875	9,542	15,074,258	1,571
1876	8,730	13,890,127	1,591
Totals..	74,026	\$128,227,932	\$1,737

This would indicate an average amount for each policy of 1737, and if we assume this average for the known account now in force, \$84,250,918, this would give the number of policies existing as 48,504, or, allowing for a repetition of policies on the same lives, probably about 45,000 lives; so that about eleven in every thousand of the population may be estimated as being insured. In the United States, this number is probably nineteen per thousand; but the average amount of a policy is greater, being about \$2,500. An attempt was made to ascertain the number of lives insured in each company, as well as the number of deaths, but answers were obtained from only 24 out of the 37 companies; these, however, showed 257 deaths among 31,656 lives, which is at the rate of one death in 123 lives, or rather more than eight per thousand, indicating a favorable rate of mortality.

If we take the mean of the amounts in face

\* The American returns of 1874 are marked as imperfect, but only by reason of the Globe Mutual having failed to make a statement, and it is believed that this Company did little, if any, business that year.