

assets which look large on paper, but fail to meet expectations when wanted to pay losses. There are but few of our non-registering companies but which credit themselves with items of assets, to make up the required reserve, which would be entirely unavailable as a deposit under the registered policy system. There are many who believe that this system should be made compulsory; that the public interests demand that the legislature should provide this protection to those interested in life insurance. The superintendent, however, in this, as in other particulars, is inclined to think it the better policy to leave both insurer and insured unrestricted by law to the widest possible degree compatible with ultimate security. If investigation discloses that companies are not honestly and faithfully reserving assets to an amount and of a character adequate to meet their ultimate liabilities, a remedy will very likely be provided by the legislature compelling the adoption of this system.

Valuation of Life Policies.

The first complete valuation of the policies of all the life companies reporting to this Department has been effected this year. Over 650,000 policies have been valued seriatim. The labor involved has been great, and the utmost care has been taken to insure correctness. The value of the work can hardly be estimated. It is the only reliable means of correctly arriving at the standing of the different companies, and it seems to be a work indispensable to the perfect efficiency of the Department.

A very elaborate table accompanies the report, giving not only the Department valuation, but that of each company as computed by the company. It gives also the capital, gross assets, gross liabilities excluding capital, surplus as regards policy holders, and surplus as regards stockholders, together with the amount of each company's assets for each \$100 of its liabilities, exclusive of its capital liability.

Investments.

By the present law, New York Life Companies are restricted in their investments to stocks created under the laws of this State, United States stocks, bonds and mortgages upon real estate in this State, or within fifty miles of New York city. Many States now require, as a condition to permitting a company to do business in such States, a deposit of a certain amount of the bonds of such State in some department of their State government.

It is respectfully suggested to the legislature that our law should be amended so as to admit of such investments as are required by the laws of other States to enable New York companies to do business therein. Such was the law of 1866, and it is believed to have been inadvertently or ill-advisedly repealed.

It is a matter also for the consideration of the legislature whether it would not be wise to still further enlarge the field of investment, so as to permit some portion of the assets of companies to be invested in real estate securities, or State stocks of the States whence their income is derived.

Before closing this report, the Superintendent feels called upon to again direct the attention of the legislature to the necessity of vesting the Insurance Department with power adequate to the prompt suppression of

Illegitimate Companies.

It is in the field of life insurance that the greatest inroads are being made by companies, societies and associations, organized or acting without organization outside the general insurance laws, or any legal restrictions or supervision. The present laws seem entirely insufficient for the protection of the public against a most dangerous class of institutions, now springing up in different parts of the country, known as

Co-operative Insurance Companies or Societies.

These institutions are well calculated to deceive the unsuspecting. They are put in operation

without capital, and are, for the most part, lawless, irresponsible and dangerous concerns. The remedy—of reporting these cases to the District Attorneys of counties, or to the Attorney-General—has proved insufficient for their suppression; and it is respectfully submitted that the Superintendent be authorized by law to commence and prosecute civil or criminal proceedings for all violations of the Insurance Laws.

As stated in the first part of this report, relating to fire and marine insurance, the consideration of many important questions has either been entirely omitted, or been exceedingly limited, on account of the very short time since the Superintendent's accession to office, and his desire and determination to express none but deliberate conclusions upon important questions. It is a matter for congratulation, under the circumstances, that the discussions by the late Superintendent in his reports, of most of the important questions relating to insurance were so full and so able as they were. It is apprehended that but few subjects for legislative action will arise which have not been referred to in this, or ably considered in some former report.

GEO. W. MILLER,
Superintendent.

LIFE INSURANCE.

This method of family provision is becoming daily more popular in this country, and there can be no greater evidence of the good sense, the prudence, and the stability of a people than life insurance. It is a trait in the national character which is indicative of mental advance, for, as a habit, life insurance is never adopted except where civilization is far advanced towards perfection.

Persons with moderate incomes, whose tardy accumulations from the savings from their annual stipend, have generally abandoned this mode of ultimate provision for their families, and have resorted to life insurance, which secures to them, at any period after the policy is once effected, that support in case of death which would occupy many years of careful hoarding to effect. The advantages, too, which the life companies have recently extended to the insurer, place him in a very different relative position to that which he once occupied. No policy upon which two premiums have been paid ever becomes forfeit to the company. If the insurer is unable to continue his payments, a new policy is granted for the amount of premiums paid, and this is payable on the death of the insured, without the payment of further premiums. In fact, it becomes an investment payable on death. Other facilities are afforded to insurers which deprive the discipline of life insurance, so to call it, of all its cruelties, and have rendered it one of the most eminent means of guardianship to which the most prudent man can consign the ultimate provision for his family.

It is incumbent upon every man to provide beyond the grave—no one lives for himself alone—no one is so utterly selfish but that he wishes to sweeten his days of life by that act of common justice to those dependent upon him—by some provision for them after his labors have ceased to be of avail, and this can be better and more certainly effected by life insurance than by any another measure. It is a reserved fund that cannot be reached until after death, and stands at this distance from dissolution, sacred to the object for which it was created. Although thus associated with the insurer's death, it is often the life of those to whom he bequeaths its inheritance, for it often supplies the comforts of a future which neither his labor nor his prudence would acquire by any other course.

Let us see, for instance, how easily a young man twenty-five years of age can insure his life for the sum of \$500, an amount not only sufficient to redeem thousands of families from want, but to place them in a position, in this country so fertile in resources, of great happiness and comfort. The annual premium upon a policy of

\$500, payable upon the death of the insurer, and which will participate in the periodical divisions of the profits of the company, would be \$10.15 per annum, \$5.15 semi-annually, or \$2.65 quarterly. This does not amount to three cents per diem, and where is there a skilled workman, or clerk, or a man who earns his livelihood by his daily labor, who has the seeds of prudence or kindness in his heart, that would not, when he thoroughly understands the subject, contribute daily this smallest silver coin of the United States towards purchasing for his wife and family this immunity from the frightful trials that appertain to poverty upon the husband's death.

The prudent man, be his means ever so narrow, can, through this resort to the life insurance office, always leave an estate of some description to his family, and we think that it only requires to be better known and estimated, and that it is attainable by such easy and moderate payments, to be adopted as a national provision.—*N. Y. Ins. Journal.*

FIRE RECORD.—York Mills, October 3rd.—The extensive grist mills, owned by Mr. Lewis Moffatt, and occupied by Peter Barclay, were totally destroyed. Loss \$9,000; insurance \$4,000 on building, in Phoenix of London. Barclay had \$1,000 with an American Company.

Port Perry, Sept. 26th.—A dry-kiln attached to the cradle factory of Mr. Lazier, was destroyed by fire. It was full of material at the time, and the loss is not less than \$1,200; without insurance.

Beaumont, P.Q., Sept. 30.—A large barn on the ground of the Lunatic Asylum, with its contents, 10,000 bundles of hay, was totally destroyed, along with two oxen. The barn was insured for \$500, and the hay for \$300. The total loss is estimated at \$2,000.

Blyth, Ont., Sept. 24.—The large carding and shingle mills, belonging to Messrs. McQuarrie & Co., were destroyed by fire; originated accidentally. The loss is estimated at about \$5,000 of which there is not one-fifth covered by insurance.

Peterboro', Sept. 25.—The insurances on Col. Haultain's house were, \$1,840 in the Provincial, and \$1,000 in the Agricultural Mutual.

Port Hope, Ont., Sept. 24.—Mr. J. N. G. Lodge, insurance agent, writes, yesterday morning, 2 o'clock A. M., all the out-buildings of Mr. Samuel Corbett, lots 15 and 16, 6th concession of Hope, were destroyed, together with 1,200 bush. of wheat, 1,200 bush. of oats, 500 bush. of barley 50 tons of hay, also, implements. Loss \$4,000, insurance \$600. Over 220 feet of outbuildings. Cause incendiary.

Streetsville, Sept. 33.—The dwelling house of Thomas Robinson, a mile from this place, was accidentally destroyed by fire, about twelve o'clock to-day. Only a portion of the contents were saved. The loss is heavy, but there is an insurance of \$500 in the Farmer's Mutual of Hamilton.

Ottawa, Oct. 5.—A portion of Eddy & Co.'s match factory at the Chaudiere Falls was destroyed. The fire broke out in the paint-room. With great exertions it was prevented from spreading to the main building. A large amount of property has been destroyed. The origin of the fire is not known.

Windsor, Oct. 5.—A fire broke out in a large woodshed of the Great Western Railway Company, destroying about \$4,000 worth of wood.

WARRANTIES IN MARINE INSURANCE.—A "warranty," in the language of marine insurance, is a condition precedent upon the performance of which the underwriter's liability depends. If this condition is not duly performed, the risks under the insurance do not attach; that is, the contract of insurance is subject to the condition, and until the performance of the condition, there is no binding contract. Even if the non-performance of the condition is caused by events over which the insured had no control, the result is precisely the same as if he had himself knowingly caused the non-performance of it. It follows, from this principle, that if a vessel is insured subject to a war