

makes the company the victim of methods which the company adopts merely for the sake of convenience. An agent is a paid employee of the company,—whether he is paid by commission or salary has no particular bearing upon the question. He is paid to secure applications for life insurance ; to deliver the policies resulting therefrom ; if such policies be issued, to collect the premiums called for by them, and to faithfully transmit the money to his company. After the policy is issued and delivered, the agent should collect the premium and pay it over to his company in full, according to the pure theory of the business. Thereafter his compensation—whether in the form of commission or salary—should be paid to him ; and if he be allowed, instead of remitting the full premium to the company, to first deduct therefrom the compensation which it is arranged that he shall receive, such prior deduction is a mere expedient, to secure a more convenient conduct of the business. Nevertheless, it does not require a very great deal of sagacity to see that if this convenient expedient had never been adopted, but that in place thereof the companies had invariably required a settlement in full by all their agents, and at some specified time thereafter had paid them the pre-arranged compensation for their services, rebating would not have become as rampant an evil as it now is.

The amount of rebate allowed by an agent being evidently the measure of his over-payment is an injustice to every participating policy-holder in a life company. It is a discrimination in favor of the man who receives the rebate, as against every other policy-holder, and as against every new policy-holder who does not enjoy a rebate, and is therefore manifestly inequitable and unjust, and the proper subject for statutory interference. It is a crying evil of such magnitude, that if any company, in the face of more enlightened opinion dares to countenance it, it simply invites the interposition of the law in order to bring about a condition under which the policy-holders will be treated alike, and with absolute fairness and impartiality.

#### THE SUN (FIRE) INSURANCE OFFICE.

The statement of the Sun shows excellent results for the operations of 1895. The pruning policy pursued in 1894 was continued so thoroughly as to have reduced the total of the sums insured during the year, after deducting the amounts re-insured, below the figures of previous year by \$14,247,000. This will give an impressive idea of the total sum insured by the Sun during the year, which was \$1,953,388,500, an amount close upon two thousand millions of dollars, so that the reduction last year of 14 millions shrinks into the mere bagatelle of 73 parts of one per cent. The premiums received, less re-insurances, amounted to \$4,897,000, an increase of \$974,480 over 1894. It would seem then that the risks taken, though less in volume, were on more favorable terms, having increased while the gross amount of the business had been pruned down, just as a vine yields more fruit in consequence of a large amount of it having been cut off. The losses paid and outstanding

amount to \$2,732,000, which is 55.80 on the net premiums received, which is sufficiently low to leave a large margin for profits. A consideration of the enormous reserve funds and capital resources of institutions like the Sun Fire, by those to whom schemes of local insurance are so dangerously attractive, would be a powerful object lesson as to the incomparable stability of an insurance company having a very wide field of operations over one in a limited area. A conflagration with losses that would hopelessly ruin any municipal scheme, if all the risks had been in the Sun, would be only a disagreeable incident. After providing for the usual reserve of 40 per cent. of the premiums to cover liabilities under current policies, a balance of \$837,580 was left for transference to profit and loss. The funds at close of 1895 stood as follows:—Capital paid up, \$600,000; general reserve, \$5,750,000; reserve for risks not yet expired, \$1,958,780; investment reserve, \$121,250; dividend reserve, \$250,000; and balance in profit and loss account, \$536,220, the reserve having increased since 1894 by \$400,000, being so large as to put the institution in a position of strength such as could not be shaken by any calamity within the range of experience. The Canadian business yielded net cash for premiums in 1895 of \$164,509, the losses incurred amounted to \$118,942. The net amount at risk at close of 1895 was \$15,442,780, which is an advance of \$3,421,493 upon the total of 1894. The expenses of the Canada business are being kept at a moderate figure, the total expenditure per cent. of premiums being 3 per cent. below some of the larger companies. In this respect, as in watching over and furthering the interests of the Sun Fire office in Canada, Mr. H. M. Blackburn is showing himself a zealous, skilful and valuable representative.

#### THE LATE MR. E. D. LACY.

Mr. Edgar D. Lacy, resident Canadian Manager of the Imperial Fire Insurance Company, was a prominent and successful underwriter, who will be much missed in insurance circles. The Imperial prospered under his management since he entered its service in 1883. He induced the company to purchase and re-construct the building on St. James St., to which he gave the title, "Imperial Building." Mr. Lacy's death was very sudden ; he was preparing to go down to his office as usual, when the summons came for his departure hence to another sphere. Our condolences are tendered sympathetically to his bereaved family. The following testimony to Mr. Lacy's popularity with his colleagues is taken from an *In Memoriam* circular signed, G. R. Kearley, Sub-Manager : "The cablegram from the General Manager, expressing extreme sorrow ; the resolution passed by the Canadian Fire Underwriters' Association, speaking of their 'desire to express our admiration of his ability as an underwriter, and of his many kindly social qualities, and we further testify to his great usefulness in the past to this Association,' and the personal loss felt by the office staff, all point to the esteem and regard in which our late chief was held. His unswerving allegiance to correct principles and methods in the conduct of the business, has left its mark for good on the fire insurance business of Canada. You will share with us in the feeling of loss sustained, and those who know him personally will join in the expression of deep sympathy for the bereaved wife and daughter."