

INSURANCE INSTITUTE OF MONTREAL.

There was a meeting of the above Institution held on the 27th ult., in the lecture hall of the Natural History Society at which there was a large attendance. The President, Mr. B. Hal Brown, informed the members that the committee had not yet decided where to engage rooms for the Institute. The Council had nominated three new members for the Executive, and 69 associate members had been enrolled.

A paper was then read by Mr. J. S. Snasdell, of the Sun Life Assurance Company, of Canada, on "Frauds on Life Assurance Companies." After a reference to his long experience as a traveller and in dealing with, "all classes of workers in the life field and with all sorts and conditions of assured lives and beneficiaries" the author went on to distribute the direct or indirect responsibility for frauds on life companies amongst various classes of officials. He placed no small blame upon "insurable interest and assignments," saying, "I believe these two questions are responsible for a great deal of speculative insurance, and this class of business has caused and is still causing heavy losses to life companies." Heavy losses were also caused by "the indifference, negligence, incompetence, or ignorance of local or general agents and medical examiners, as well amongst assured lives, beneficiaries and assignees." The Agent might defraud a company by over-anxiety to swell the amount of his business, and by conniving with others to commit a fraud. The Medical Examiner may deceive or defraud a company by incompetence or negligence or "connivance" with the agent and others to pass persons, who "have one foot in the grave." Or, he may injure a company by over-carefulness, by which a life is declared unsafe when really good. The Assured Life defrauds a life company "by misrepresentation and concealment of material facts," which, however, when discovered, vitiates a policy. The author divided beneficiaries into three classes, as, "First, mother, wife, children, etc.", whom he regards as the most legitimate of all beneficiaries, they having the greatest insurable interest; "second, beneficiaries and assignees for value, who receive, or should receive only, to the extent of their pecuniary interest in the life; and, third, beneficiaries and assignees who either have no insurable interest, or, if such does exist, it is very indefinite, and upon their shoulders rest some of the greatest frauds ever perpetrated on life companies."

In regard to Insurable Interest, the author stated that, "it is almost impossible to find out just where the line is drawn dividing the speculative or wagering policy from the bona fide one," but, "a beneficiary or assignee must, of necessity, benefit more by the continuance of the life of the insured than by

his death." The word "must" in preceding sentence should be replaced by the word "ought," or "should."

Mr. Snasdell proceeded to make some thoughtful remarks on insurable interest and commented upon a number of legal decisions thereon, pointing out the necessity of a company exercising the utmost caution in all business arising out of "Insurable Interest." He gave in detail a variety of incidents showing how frauds were perpetrated, also how they were revealed and punished. From his own experience he narrated a case of "mysterious disappearance," which nearly led to a policy being paid on the presumption that the insured was dead, when, after being missed for 8 1/4 years, he was found to be residing in the Southern States. Cases of suicide and murder, with intent to defraud life companies, were given and this able and interesting paper was closed by the following suggestions to life officers:— First, scrutinize more closely the moral hazard of every risk; second, look more closely into the insurable interest of every beneficiary; third, don't have over-confidence, nor place blind faith in either Field-men or Medical Examiners.

Mr. T. B. Macaulay and Mr. David Burke made a few remarks on the subject of the paper, and complimented Mr. Snasdell on its interest and value. Messrs. R. Wilson-Smith, junior, R. Thicke, C. C. Hole and Jackson contributed musical selections, which were much appreciated.

DEPOSITS IN THE CHARTERED BANKS.

The table on another page in which are given the total deposits held by the chartered banks in a number of years from 1887 to 1902, is a remarkable exhibit. We believe that few Canadians realize the rapid growth of these funds, and in the United Kingdom little is known of the development of Canada. The following condensed data give an impressive idea of the expansion that has taken place in the deposits held by the banks since 1872 and of the extent of their growth as contrasted with the paid-up capital:

Deposits, 1902.	Deposits, 1897.	Deposits, 1887.	Deposits, 1878.	Deposits, 1872.
\$ 397,178,892	\$ 215,366,232	\$ 108,862,227	\$ 64,960,151	\$ 48,957,482

The paid-up capital at each of the same periods as above, was:

Paid-up Capital, 1902.	Paid-up Capital, 1897.	Paid-up Capital, 1887.	Paid-up Capital, 1878.	Paid-up Capital, 1872.	
71,137,510	62,285,196	60,845,788	63,137,640	45,003,435	
Increase of paid-up capital since 1872	26,134,075	Percentage of increase	58.5 p. cent.	Increase of deposits since 1872	348,121,410
Percentage of increase	717 p. cent.	Excess of deposits in 1872 over capital paid up	3,954,047	Excess of deposits in 1902 over capital paid up	326,041,382

In 1872 the capital paid up and the deposits were nearly the same amount, whereas at this date the deposits stand in proportion to the paid-up capital as 5.58 to 1.00, that is, the deposits held by the banks amount to more than 5 1/2 times their paid-up capital.