

expense in equal proportion to the yearly death costs of insurance, with the exception that if preliminary term valuation be still permitted, an extra allowance for expense may be made for the first year, such to be proportional to all the future yearly costs of insurance, including provision for insurance expense, which may accrue under the terms of the policy. It is further recommended that all preliminary term policies shall stipulate that the holders shall be exempt from being charged in future with any shares of such expense accruing in later years and on account of other policies. If preliminary term policies are to be allowed at all, Mr. Wright is determined that they shall be as equitable as possible, and so defined as not to mislead the policy-holder, and it is, therefore, recommended that if he pay his so-called own, but estimated share of preliminary or first-year expense, his policy shall specifically exempt him from further taxes on the same account.

For the limiting of new business expenses Mr. Wright's plan is to legislate that no company having more than \$10,000,000 of outstanding insurance "shall allow the operating expenses of any fiscal year of the company, not chargeable to the account of guaranty capital or subscribed surplus, and paid thereby, to exceed the total premium loadings, and provision for insurance expense of the current policy years, of all outstanding policies; after allowing for the charge and payment of investment expense out of interest receipts, but not to an amount exceeding the total income from investments for the said year, which may be in excess of earnings at the net rates assumed by the company for competing reserve, and after deducting any surplus actually arising otherwise than by saving in provision for expense, under non-participating policies, and by surrender and lapse charges." It is the evident aim of this provision that while expenses shall be kept within reasonable bounds the formation of new companies shall not thereby be discouraged or hampered.

Companies are not to be restricted as to the extent of their first year compensation to agents, but it is to be stipulated that the commissions granted by any company shall in every case be in proportion to the insurance value of the policy applied for.

Altogether there seems to have been a greater breadth of view in the mapping out of Indiana's insurance changes than was evidenced in the passing of the Armstrong bills by the New York legislature. To quote a letter to THE CHRONICLE from Mr. James W. Noel, the investigating committee's leading spirit: "We are making efforts in Indiana to accomplish scientific regulation of the business of insurance." All success to so laudable an endeavour, whether or not every working detail of the plan is in complete accord with preconceived ideals of government regulation.

HARTFORD FIRE INSURANCE COMPANY.

Under the unprecedented stress of the conflagration year just past, The Hartford has maintained its reputation for honorable and prompt settlement of claims. This characteristic of the company, together with its sustained reputation for skilled underwriting and sound business manage-

ment, accounts for its assured place in the forefront of American companies. Its total assets now amount to \$10,054,843. Its reserves are: for reinsurance \$10,046,540, for outstanding losses (including unpaid San Francisco claims of \$135,061), \$1,117,804, and for all other claims \$2,170,499. There being \$2,000,000 of capital stock, there is thus a surplus to policy-holders of \$4,819,900. The full report is given on page 145.

President George L. Chase has for his able executive corps Charles E. Chase, and R. M. Busell as vice-presidents, P. C. Royce as secretary, and Thomas Turnbull as assistant secretary. For well on to half a century the name of President Chase has had enviable reputation in the fire insurance world, and he still retains direct interest in the affairs of the company with which he has been so long identified. In Mr. Fromings The Hartford has an energetic and efficient Montreal manager.

THE DOMINION BANK.

Year after year there is a satisfactory sameness in the continued progress evidenced by the annual statement of the Dominion Bank. Large earnings, increased resources and expansion in business, important as they are, have come to be accepted almost as matters of course. The past year has been no exception, and the more interest attaches to the report on page 143 because it is the first issued since the appointment of Mr. Clarence Bogert, as general manager.

The thirty-second annual meeting of the bank was held at the head office, Toronto, on Wednesday 30th ult., and was marked by a large gathering of prominent shareholders. The net profits for the year totalled \$530,360, after allowing for charges of management, and making due provision for all bad or doubtful debts. This was \$48,865 in advance of the preceding year's showing and equalled about 18 p.c. on the total paid-up capital. These profits added to \$240,438 made \$788,798 available for distribution. Of this amount \$400,000 was transferred to reserve fund after paying the 12 p.c. shareholders' dividend of \$360,000 for the year—leaving a profit and loss balance to carry forward of \$28,798. The reserve fund now stands at \$3,000,000.

There is to be noted a substantial gain in deposits of over \$2,000,000, these totalling at the end of the year \$36,876,156, as compared with \$34,083,188 a twelve month before. A special feature of the assets is the amount of \$15,801,161 representing what may be termed immediately available assets. The current loans for the year reached the total of \$32,015,268, as compared with a corresponding item for 1905 of \$28,564,000. Not the least gratifying feature of the year's business was the success of the Montreal branch under the management of Mr. J. Haydn Horsey.

The number of the bank's directors has been increased from seven to nine, those joining the board being James Carruthers, Esq., and A. M. Nanton, Esq.

New stock to the amount of \$1,000,000 has been allotted at 210, although under the banking act the bank would be justified in asking 230. The authorized capital now stands at \$5,000,000, and that paid up at \$4,000,000.