

is confined to this class of companies. We are in the habit of seeing similar reckless assertions in the publications advocating the assessment system, together with a variety of other picturesque lying; but it looks rather out of place to find such statements in the columns of a journal professing friendship for and seeking patronage from the reserve companies. Either the writer of the above statement knew it to be true, and so knowing can prove it; or he did not know whether it was true, and made the assertion without caring for the facts. If true, we call for the names of the hundred companies, with particulars, which of course in that case can easily be given. Never mind the "more than a hundred"—an even hundred will do. The fact is that during the last ten years, but five level premium reserve companies in the United States have failed, and one of these simply ceased doing new business and is paying out its policies, while from the others the policyholders will realize a considerable percentage. During the twenty years past, of the companies of this class which ceased corporate existence, a number re-insured with larger and better companies, and the balance have paid dividends to policyholders amounting to several millions of dollars, one of them, the Globe of New York, having paid thus nearly two millions, we believe. The loss to policyholders, by reason of level premium failures during the past ten years, has been less than *three-fourths of one per cent.* of the present assets of the reserve companies. How many hundred assessment concerns have died, no man pretends to know.

To still further show the superlative ignorance of our contemporary, we quote the following choice utterance:—

To whom does the millions of surplus in any one of the old-line companies belong? Certainly *not* to the present policyholders, for the reserve with its interest will meet the face of the policy, and that is all to which the policyholder is entitled. The old line system, then, not only costs the expense of a reserve, but superadds that other expense necessary to a surplus, in which the policyholder can never share.

Here is genuine, creamy richness, grammar and all. It might be a trifle difficult to persuade the policyholders of the Mutual Life or the Northwestern, or any of the other forty odd old-line companies of the United States, that they, having contributed the surplus, are not the owners of it. To be sure, "the reserve with its interest will meet the face of the policy," and in the meantime surplus (to which excess over assumed interest on this same reserve contributes) is being periodically and persistently handed back to the men and women who created it. The "expense of a reserve" no doubt looks like a serious matter to one who does not know where surplus comes from nor to whom it belongs, just as a Hottentot coming to this country would look upon the expense of a roof as a matter for questioning; but experience has demonstrated fully that both the roof and the reserve are necessary. The reserve has the advantage of the roof, however, on the score of "expense," for it keeps on earning money night and day, and finds it always has more than it needs to

"meet the face of the policy." We kindly suggest to our contemporary to avoid making an exhibition of itself in the future, by becoming familiar with a few of the first principles of life insurance, and by reading up on the history of "failures" among level premium companies.

LIVERPOOL AND LONDON AND GLOBE.

The name of the above company has become as familiar in the multitude of offices, counting houses and other business centres throughout the English-speaking world as any of the geographical divisions of either continent, and with good reason. A company with a progressive record of more than fifty years behind it, which has paid for indemnity in cases of loss by fire and by death more than \$127,000,000, which at present holds assets aggregating almost \$42,000,000, and whose income is equal to about \$26,000 per day, has abundant reason to be universally known. The annual meeting to consider the report on the business of 1889, recently held, and a summary of which we give on another page, furnishes only another occasion to note the forward movement of an institution which moves with ever-increasing momentum.

The annual statement shows that during the year 1889, the net premium receipts in the fire branch of the company amounted to \$6,740,285. The losses amounted to \$3,847,035, and the expenses to \$2,096,900, leaving a solid profit on the fire underwriting account of \$796,350. Considering the unusual losses in the United States, where the company's business is immense, this showing is certainly a satisfactory one, for the fire fund has been augmented from this profit balance by \$105,000, and the \$691,350 remaining have been carried to profit and loss account. The total to this account now amounts to \$2,754,890 after paying dividends to shareholders to the amount of \$675,510. This dividend was 30 shillings per share, or, approximately, \$7.50, which, considering that the amount originally paid up on these shares was £2, or \$10.00, was, we should say, a rather satisfactory return to the original holders, and not by any means a bad one, all things considered, for those holders who have paid £40 and upwards per share, though we believe the shares are now quoted at £44.

The life branch of the Liverpool and London and Globe appears from the report to be in a satisfactory condition, the expense ratio being low, and the new business, while not large, yet sufficiently so to keep up a healthy inflow of fresh lives. The total amount of new assurance for 1889 was \$2,065,660, on which the premiums amounted to \$72,655; the total premium income being \$1,132,995. The life fund is now so large and so well invested, that the income from interest and dividends was nearly \$805,000, so that easily enough the managers were able to increase that fund by \$586,630, making the present total \$20,080,620.

How strongly entrenched in the confidence of the public, both in Canada and the United States, this company has become will appear when we state, that in the latter its income from premiums for 1889 was \$4,273,-