

The remedy, when found and applied, will help the insuring public as surely as it will the long-suffering companies, and better faith in one another, more prosperous times, and more care in erection and protection of cities and towns, will become the rule, to which we are confident all classes of Insurance society would lend a helping hand.

To forward this result we invite essays on the subject above-mentioned, promising to preserve the "incognito" of the writer if so wished; and should the offered premium be a deterrent to any who would otherwise aid us with their literary ability, it can easily be made an anonymous gift to any pet charity.

The conditions are as follows:—

1. The writer to be a prepaid subscriber to *Insurance Society* for the year 1881.
2. The essay to be written on foolscap paper, one side only, and not of greater length than to fill three columns of this journal: say 20 folios of 100 words each.
3. No personal allusion to be made to companies or individuals, (we want abuses declared and healed, not animosities engendered).
4. The essay to be sent to office of *Insurance Society*, 102 St. Francois Xavier Street, Montreal, before June 30, to be distinguished by a motto, not with writer's name.
5. A letter to be written to Chas. E. Goad, personally (to above address) stating author's name and address with accompanying motto, and suggesting three names as impartial judges of the respective merits of the essayists.
6. Competent judges to be selected by us, with the aid of the above suggested names, and the essay that such judges consider the best, to be inserted in our July issue and to entitle the writer to the premium of \$25.00 now offered.
7. It shall be optional with us to publish a second essay in our August number, to the writer of which an award of \$10 will be made if essay be published.
8. All essays to become the property of *Insurance Society*.
9. Names of successful essayists to be published unless the writer may wish to remain anonymous.

GOOD FAITH.

Ask any insurance man who professes a knowledge of his business beyond the mere tongue powers necessary for canvassing, and he will tell you that the two words "Good Faith" express the fundamental principle of all underwriting contracts.

If a reasonable doubt is cast upon the Good Faith of a party of the Second part, no amount of premium less than 105 per cent., to cover adjustment expenses as well as loss, can be considered adequate. Your moral hazard is a sore destroyer of vacant buildings and unprofitable stocks,—the suppositious mice and matches of a thousand mysterious fires.

All this is truism, even to the boy who copies letters, and fyles away declined applications; but what puzzles the boy is that the application of such ancient and serviceable truth, to the general business of insurance, should be so much neglected or forgotten. A recent visit to the Capital of the Province and conversation with the agents of that city has convinced us that the boy is somewhat justified in his wonderment. Since the breaking through of the General tariff and combination some years ago, various attempts have been made to construct and conform to local tariffs in various places, and Quebec among the number. The greatest latitude was here allowed, there being merely a minimum rate

fixed for first class wholesale and retail stocks and on certain classes of milling property. The lightness of the fetter seems to have been but an incentive to break it, and the tariff is likely (unless active steps are at once taken) to become a thing of the past. No local tariff or combination can be successfully formed without the consent and co-operation of the Head offices, nor can it be strangled by the local agents when once formed, unless the Head offices provide the hemp.

If a company overlooks one case of bad faith in its agent they lose their moral control over the agency. One case of compounded crime serves the unscrupulous agent as a peg on which to hang a hundred other delinquencies. To the company it must be of importance to know whether the agent has kept faith with his fellow agents, even though the matter be one to which the Head office is not committed.

If an agent is guilty of bad faith as between himself and his *confreres*, what guarantee has his company that he will act in better faith towards them in the conduct of his business. The weakest link is the greatest strength of the chain. The basest known act of a man is his highest guaranteed character. The agent whose conscience is so elastic that he feels no strain at the cutting of a rate he has pledged himself to adopt, is hardly a competent judge of the good or bad faith of an insurer whose conscience is of the same spongy nature.

Can the company expect from him the honest vigilance in guarding against fraud, and the delicate susceptibility of distinguishing the cloven-hoofed moral hazard from the acceptable risk, that they may justly look for from the representative who, rather than break his pledged word, allows the profitable commission to pass into a less scrupulous pocket? The word of the Head office is law, and if the agent knows that the principle "Good Faith" rules all the actions of his superiors, he will cut his garment to suit the honest home-spun ordered for his use by them.

SOCIETY NOTES.

Mr. Wynn Ellis has been appointed agent for Brantford for the Norwich Union Fire Insurance Society.

The London Assurance Corporation has declared a dividend for the past half year of 45s per share, which are £25, with £12 10s. paid-up and quoted in the London market £64 @ 66.

It is reported that Mr. Hunter, of the Institute for the Blind, Brantford, whose conduct has of late been the subject of investigation, is about to be appointed Ontario Local Government Inspector of Insurance Companies, in place of Mr. O'Reilly, resigned.

The Imperial Fire Insurance Company of London, England, exhibits, as usual, a good statement in its Annual Report. Over forty thousand pounds sterling were added to the Rest, after paying losses and expenses for the year, which show a profitable and carefully-managed business.

Col. A. R. Bethune, agent in Montreal for the Western and Lancashire Fire Insurance Companies and Phœnix Life, is about to move westward to the building of the old Mechanics' Bank No. 196 St. James Street, where he will have a pleasant central office.

The Sun Mutual Life Insurance Company held its Annual Meeting on the 14th inst., when a very satisfactory report was submitted. The assets, including \$437,500 uncalled capital, are \$911,132.93, being a surplus to policy holders of \$562,227.85, of which