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# Insurance and Finance

## CHRONICLE.

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### THE Insurance and Finance Chronicle.

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PROBABLY the most extraordinary case ever known involving the question: What is an accident? will shortly be heard before a Court in America. Suit is being brought against the United States Mutual Accident Association to recover amount of a policy on the life of a man who died under the following circumstances. A person in a Western State took out an accident policy in that company for \$10,000, made payable to his wife. Having borrowed money from his partner in business, he was induced to transfer this policy to his creditor as security. This man then employed a negro, who for a fee of \$300 murdered the person who was insured. The negro confessed his guilt; the real murderer, the one who inspired the crime, was put in gaol, where in a fit of remorse he committed suicide, and the negro was sentenced to life imprisonment. The widow now claims the insurance, which the Mutual Accident Co. objects to pay. We venture the prediction that the Court will hold that the transfer of this policy was not legal; it has been decided that a wife's rights in a policy cannot be set aside at the will of the insured person. As to whether a murder under such exceptional circumstances is to be regarded an "accident," under the terms of the policy, we shall have to await the result of this trial, but we doubt the liability of the company.

Over due  
debts.

A fairly good indication of the actual state of the commercial condition prevailing in the Dominion at any time may be gathered from the monthly statement of Chartered Banks, and "overdue debts" are the quicksilver in this financial meter, just as correct as the ordinary instruments for indicating atmospheric pressure, but no more reliable, as a rule, in forecasting the clouds or sunshine ahead.

July was no doubt a trying month for both the banks and customers; it is always a bad month for making collections, and an addition of \$205,405 to the sum of overdue debts in the June statement is not in itself a matter of much moment, for probably a considerable portion of this was a mere temporary holding over; but taken in conjunction with the fact that the overdue debts amount to \$3,016,800, or \$160,118 more than at the corresponding period last year, it certainly means that the shrinkage in values had not ceased up to the 31st July last.

The following table gives the total amount under loan by the banks at the dates named, the amount of overdue debts and the percentage the latter bears to the former:—

Date.	Total under loan.	Overdue debts.	Percentage overdue debt to Total under loan.
	\$	\$	
July, 1893	223,115,650	2,856,682	1.28
July, 1894	217,588,734	3,016,800	1.38
June, 1894	222,049,549	2,811,395	1.26

The returns for August will probably not alter the proportion of these items greatly; and if the obligations for the fourth of that month were well liquidated, then a quietly improving tone in trade may be anticipated for the remaining quarter of the year.

Friendly Society  
Inspection.

WHILE the insurance companies are subject to an elaborate code of laws, Federal and Provincial, which makes their operations almost like a man executing the egg dance, for they can hardly move without risk of breaking some regulation of the government, the friendly societies are left without inspection or control in their ordinary business. These societies accept monthly contributions from members, and promise them in return certain allowances when sick, and a sum for funeral expenses at death. Their business is essentially that of insurance, it is done on a very large and an ever growing scale in this country. There are many thousands, scores of thousands indeed, who are relying on these societies for support in case of sickness or disablement by accident, and their families are trusting to them for the decent interment of the breadwinner when the end comes. Now, these persons have no guarantee whatever that the societies they so rely upon are on a sound, actuarial basis. Indeed, it is known that some of them are not, but they are plunging along,