

The Confederation Life Association has been attacked by the *Insurance Times* of New York as guilty of the habit of prevailing upon people to insure, and "as soon as the policies mature and become claims, to fight the heirs of the insured, under some pretence or other, to evade the payment due." The *Times* instances the case of the late Thomas Eaves of Boston, charging the Company with "an act of injustice and illiberal treatment," by refusing to accept a premium one day after it was due, lapsing the policy, and refusing to pay the claim on death of the assured.

This Association stands well in public estimation, and, being a thoroughly solvent institution, managed and directed by men of high reputation, has been winning a growing popularity.

The managing-director characterises the above-mentioned charges as untrue in every essential particular, and has instituted suits for libel against those who, he believes, have circulated the statements in Canada.

We hope to give attention to this matter in a future issue; but, from facts as at present elicited, it is evident that the policy lapsed by non-payment of premium on 1st March last; that the local agent notified all parties interested, and urged them to keep the policy in force, as there would be profits accruing under the quinquennial division; that no tender of the premium was ever made to any one acting on behalf of the Association; that the case was considered by the directors, who granted the paid-up surrender value, which they considered the only way that they could deal with it, having a due regard to their trust.

Why is Fire Insurance unprofitable in Canada? we asked last year. The essays received were few, and, in the opinions of the judges who discussed their merits, not satisfactory, and the question still arises, why? Many friends still hold that the field is to blame, not the tillers; field too small for profitable working. The following extracts from New Zealand Stock and Share List, of Local Insurance companies there, prove that a smaller field can be successfully worked. Why not so here?

Companies.	Capital Subscribed.	Capital Paid up.	Reserve Fund.	Last Dividend Per Annum.
New Zealand.....	£1,000,000	£200,000	£176,585	15 p. cent.
National, N. Z....	2,000,000	50,000	111,288	25 "
Standard, N. Z....	1,000,000	74,768	16,331	7½ "
South British, N.Z.	1,000,000	100,000	98,879	10 "
Union, N. Z.....	2,000,000	75,000	48,771	10 "
Colonial, N. Z....	1,000,000	50,000	16,235
Victoria, N. Z....	1,000,000	44,766	61,488	100 "
N. Z. Accident...'	20,000	2,000	2,751	12½ "

A personal quarrel on paper is progressing between the Fidelity Company of New York and the Guarantee Company of North America.

The *Spectator* says that the quarrel has taken on the form of abusive circulars, confidential and non-confidential—each company attacking the other in a manner that is calculated to bring discredit on both—and then offers a word of advice that is both well-meant and wise: "Detraction and defamation are means of warfare that have boomerang attachments, and are sure to recoil upon the heads of those who employ them. It would be much more becoming for the managers of these companies to cease their scalp dances, wash off the war-paint, smoke the pipe of peace, and hereafter devote themselves to the better work of educating

the public to a more thorough appreciation of the value and importance of fidelity Insurance. There seems to be no good reason why the lion and the lamb should not lie down together, nor is there any apparent necessity for the lamb being inside of the lion to insure perfect tranquility."

ONTARIO MUTUAL LIEN POLICIES.

We have received a long letter from Mr. Hendry, replying to charges made against his company in various papers. It is too lengthy to be inserted in full, but the most important portion is as follows:

The "Acknowledgment of Lien" as published in your columns and those of other journals has in no manner abnormally increased the Company's past year's income, the offensive document being an entirely different form and substance, and, per consequence, your correspondent's fabric built on a false foundation is false and absurd. The Liens placed to the credit of income have also been placed to the credit of the respective Policy Holders who executed them, and the Company, in its liabilities, has charged itself with the full present value of the unpaid portions of future premiums which the Liens represent (and appears distinctly so stated in our last annual report in the following words: "Amount of Reserve required (including LIENS, deferred premiums, notes, etc.) based on the Actuaries' Table of Mortality, and 4 per cent. interest, \$302,780.90"), so that if the Liens had been excluded from "income," so would they fairly have to be from "liability," and the Company's balance sheet would remain practically the same, and not as falsely cooked by "Curiosity" in the October number of the *Budget*. This correspondent is also wrong in his item of \$10,000 discount on Liens. The Liens represent their own basis of interest and are worth exactly what they bear, the same as any other of the Company's investments, and have as little to do with the reserve. Had "Curiosity" made himself acquainted with the facts of the case as above given he might have saved himself the trouble of writing to you, and the expense of having his *dishonest* effusion printed and circulated by his agents, and also of having them *posted up as public handbills*.

The following communication from one of our Auditors bears ample evidence of the Company's Liens being fully covered by Reserve Liability:—

Nov. 13th, 1882.

To the Editor of the *Budget*, Toronto:

DEAR SIR,—In any reply which may be made in your journal to the attacks which have appeared therein directed against the Ontario Mutual Life Assurance Company, I wish you would insert the following. I know those attacks to be malicious and unwarrantable in every sense.

Yours truly,

GEORGE J. JAFFRAY,

Auditor O. M. A. Co.

CERTIFICATE.

I hereby certify that after auditing the Books and Accounts of the Ontario Mutual Life Assurance Co. last March, I went over the Liabilities held against Liens, and found that the full present value of the reductions on Premiums represented by Liens was *fully covered in Reserve Liability*.

GEORGE J. JAFFRAY.

• Galt, Nov. 13th, 1882.

We have been shown an "Acknowledgment of Lien" form which agrees exactly with that published in the different journals, and think it strange that the actual form should be said to be of "an entirely different form and substance." We think it would be desirable that Mr. Hendry should point out in what particular the published form is incorrect.

We are much pleased to hear that an item of liability corresponding to the liens in the assets was set aside, but would also like to know whether this was valued on a four per cent. or a six per cent. basis. From some expressions in the letter we incline to the opinion that it was at six per cent, but we are not sure, for the wording is ambiguous. It makes a great difference in the amount of the Reserve: