BALANCE SHEET, DECEMBER 31, 1901.

LIABILITIES.

SHAREHOLDERS' CAPITAL.

2,051 shares subscribed.. $102,550 00			
Payments thereon..			$43,000 00
Reserve Fund..		$22,500 00	
Contingency Account..		5,000 00	
Dividend No. 4, payable 1st February ,1902..		1,720 00	
Balance Revenue Account..		864 78	
			30,084 78
Re-insurance Accounts outstanding			777 17
			$73,861 95

ASSETS.

INVESTED FUNDS.

Bonds—City of St. John, N.B..	$5,000 00	$5,112 50	
" Province of New Brunswick ..	7,500 00	7,880 25	
" Town of Woodstock, Ont ..	5,000 00	5,075 00	
" City of Brantford, Ont. ..	5,000 00	5,100 00	
" City of Toronto, Ont.	4,866 00	5,105 61	
" Prov. of British Columbia ..	5,000 00	5,250 00	
" Prov. of Manitoba..	4,866 00	5,562 59	
" Prov. of P. E. Island	5,000 00	5,238 50	
	$42,232 00		
Cost price of Bonds.. ..			$44,324 45

UNINVESTED FUNDS.

Deposit in Merchants Bank..	$4,316 95	
Deposit in Cen. Canada L. & S. Co	2,500 00	
Cash on hand in Office..	1,164 06	
Bills Receivable and Accounts Receivable..	2,386 31	
		$10,367 32
Interest accrued..		244 77
Agents' Balances..		18,925 41
		$73,861 95

REVENUE ACCOUNT, DECEMBER 31, 1901.

Premiums received	$113,055 24		
Less Rebates..	4,430 47	$108,624 77	
Interest received..	$1,393 98		
Interest accrued..	244 77	1,638 75	
Reservation from 1900 for unreported losses (Contingency Account)		5,000 00	
			$115,263 52

EXPENDITURES.

Claims payments..	$56,237 34		
Contributed by re-insurers..	4,181 27	$52,056 07	
Elevator inspections.. ..	307 50		
Re-insurance..	6,661 87	6,969 37	
Directors' Fees	605 00		
Agents' commission, printing and general expenses..	45,883 30		
Provincial Licenses, etc.	1,310 83	47,799 13	
			$106,824 57
Surplus for 1901..			8,438 95
Brought forward from 1900..			645 83
			$9,084 78

APPROPRIATION.

For Fourth Dividend..	$1,720 00	
To Reserve Fund..	1,500 00	
To Contingency Account..	5,000 00	8,220 00
Balance Unappropriated..		$864 78

Audited and found correct.

CLARKSON & CROSS, Auditors.

Toronto, 30th January, 1902.

IN a recent number of the "Harvard Law Review" adistinction is drawn between these two classes, which are often confounded by the court s says "The Insurance Monitor," which reports on the matter as follows: "Regarding accidents, pure and simple,, no responsibility attaches to the party who may be regarded as an innocent cause. On this point the courts are agreed. The workman who is sent on an errand by his employer, and is run over in the street has no claim against the latter. But no such harmony exists regarding responsibility for injuries resulting directly from intentional acts through a non-negligent mistake. Injuries are frequently inflicted in a mistaken defense of person or property against a supposed wrongdoer, or in a laudable but mistaken effort to protect against some apprehended injury or danger, where no culpability attaches to either party. So a property loss is frequently incurred through the acts of an innocent third party. In all such cases the general tendency of the courts has been to impose liability on the party who has occasioned the injury, unless the connection is too remote on the principle of *caveat emptor*, which law term means let the buyer beware.

The writer in question hold that all such cases where no negligence can be imputed should be dealt with as pure accidents, to which no liability attaches, and that the present attitude of the courts is a relic of old common-law theories which the modern world has outgrown. This view is, we believe, the correct one, when qualified by proper limitations, and those limitations may well be defined as the requirements of public policy. Accidental injuries to person or propert are among the things that must be reckoned on as results of the freedom of action to which all members of society are entitled. Personal freedom should not be unduly abridge for the protection of the rights of others. The bearer of a costly and delicate vase carries it through a crowded street at his peril. The costly plate glass of a show window must be at the risk of accidental breakage from the public use of the thoroughfare. But that same vase and glass on private grounds are entitled to protection against the innocent acts of an unauthorized wanderer on the grounds. Public policy is, we believe, the true criterion of liability in this kind of cases.

The distinction here made between two classes of casualties which are usually confounded in our courts is a novel one, its bearing on liability insurance is plain, for the liability of the insurer depends on that of his insured to respond in damages.

THE INSURANCE MEN HAVE WON in the fight to prevent the impairment of the Chicago fire department. They raised such a storm about the ears of the aldermen and secured so many letters of protest from prominent business men and manufacturers that the finance committee finally agreed to give Chief Musham $1,800,000, the appropriation of last year, and also to pipe the congested district for a high pressure system to be connected with the fireboats on the river, and to put in five duplicate crews and equipments in the stations where there are the greatest number of calls and consequently the most danger when one crew is out at a fire and another alarm comes in.—"Insurance Press."