

MOUNT ROYAL ASSURANCE.

Among the more recently-established Canadian fire insurance organisations, the Mount Royal Assurance Company, of Montreal, is conspicuous by reason of the solid success which it has achieved within a comparatively limited period. Not merely has a large business, now extending throughout the Dominion, been built up, but underwriting has been conducted on such prudent lines that uniformly favorable results have been achieved. As a result, the Company now occupies a very fine financial position, offering the amplest security to its policyholders, and giving the best possible promise for its future. To Mr. J. E. Clement, the Company's general manager and secretary since its establishment, to whose underwriting skill the success achieved by the Company is so largely due, the present position occupied by the Mount Royal must naturally be a source of great gratification. It is certainly a matter for congratulation.

THE RECORD OF 1916.

For the Mount Royal, last year was again a period of steadily expanding business and of favorable experience. The net premium income, after deduction of re-insurances, amounted to \$429,606, this being an advance of nearly \$27,000 upon the premium income of 1915. Interest received from investments amounted to \$51,512, making the total net income \$481,118. Net losses paid were some \$55,000 larger than in 1915 at \$215,521 but in view of the experience of the companies generally in the Canadian field last year, the loss ratio of 50.17 per cent. cannot be considered otherwise than as highly gratifying. In 1915, the Company's loss ratio was 39.58 per cent., and in 1914, 41.45 per cent. The loss experience for the last three years is thus a remarkably good one. Expenses of management and commission amounted to \$148,307 or 34.52 per cent. of the premium income, merely a fractional increase over the ratio for 1915. After the transfer of \$9,519 to the re-insurance reserve, making this fund \$268,880, an amount of \$102,771 was available for the profit and loss account as a result of the year's operations. However, the 8 per cent. dividend and 2 per cent. bonus absorbed only \$25,000 of this amount, the remainder being retained to increase the security for policyholders. This security is thus raised to the substantial sum of \$1,015,305, an increase of approximately \$133,000 over 1915, equivalent to well over two years' net premium income, and made up as follows: paid-up capital, \$250,000; reserve, \$268,880; investment reserve, \$81,310; balance at profit and loss, \$415,115. The total assets aggregate \$1,225,758, a growth of nearly \$200,000 for the year. Of these assets, \$164,000 is cash in banks while \$980,975 represents the market value of bonds, debentures and other securities held.

In view of the fine financial position thus occupied by the Company and its efficient organisation, the further steady expansion of its business connections may be confidently anticipated. It may be assumed, however, that its expansion will follow the lines of conservatism of underwriting and prudence in administration which have hitherto been the main-springs of the Company's success.

A \$2,500,000 POLICY AND ITS MORAL.

What is described as the largest personal insurance on this continent has been taken out by Mr. J. Pierpont Morgan, who has applied to the New York Life for a \$2,500,000 policy. The purpose of this policy is said to be provision for inheritance taxes. A new Federal inheritance tax, which is in addition to State inheritance taxes already in force, has lately been imposed. The risk will be distributed among a large number of companies in the East and some of the Western companies, it is said, will also participate.

The policy was written by Mr. Harold Pierce, of Philadelphia, who has been writing insurance policies nearly fifty years, and has written several of Mr. Morgan's partners for substantial amounts for the same purpose. Mr. Pierce's share of the premium will be for the first year, \$62,000 and for the second, \$22,000.

This extraordinary transaction should act as a spur to agents located in those provinces which demand the payment of death or succession duties. In some cases, these now amount to a very considerable sum from a large estate, and there is no better way of providing for their payment than by insurance, which provides cash immediately it is wanted and obviates the necessity for the realization of any portion of the estate, possibly under unfavorable circumstances. Wealthy men in England have long since recognized the advantages of insurance in providing for the heavy British death duties and many of the British offices make a point of prospecting regularly and systematically for business in this connection. The idea is comparatively new in Canada, but with the growth in individual estates and the increased demands of the tax-gatherer, it seems that it might well be developed by enterprising life companies and their representatives. A proposition of this kind would probably enough secure an agent access to a wealthy man, whom otherwise he could not hope to reach. Both individual estates and the insurance companies could be greatly benefited through attention to the possibilities contained in life insurance as a provision against the payment of succession or death duties.

AN UNLICENSED INSURANCE DIFFICULTY.

The New York courts have just decided in a case brought by A. Davis & Son, Ltd., tanners, of Kingston, Ont., against the Russian Transport & Insurance Company that the obligation rests upon the assured to get into the possession of the insurers proofs of loss within 60 days. The Russian company was not licensed to transact business in New York State, its policies there being issued by a firm of brokers, so that this decision apparently means that all the papers have to be sent to Russia to reach the Company's head office there within the 60 days.

ORAL CONTRACT IN FIRE INSURANCE.

The Supreme Court of Massachusetts has decided that an oral contract for fire insurance is not valid unless ratified within a reasonable period of time by a formal policy. In the case in question, the oral contract was made in June, and the property burned six months later, claimant having given no further attention to the matter of insuring it and no policy having been issued. Judgment was given for the insurance company.