

**THE CALEDONIAN INSURANCE COMPANY.**

The Caledonian of Edinburgh, Scotland, takes the place of the Scottish Imperial in Canada, the latter Company having determined to transact a life business alone in future.

The Caledonian Insurance Company, fire and life, was incorporated by Royal Charter and a special act of Parliament in the year 1805, as an unlimited liability Company; it can therefore lay claim to being one of our oldest British insurance companies. The capital of the Company is about to be increased to \$5,000,000; its fire reserve is almost six times the amount of its entire liabilities.

The exceptionally strong financial position of the Caledonian, and the liberality of its regulations, give it special claims to the confidence and support of our Canadian public. The amount of claims paid up to December, 1882, exceed \$10,000,000.

Messrs. Taylor Bros., of Montreal, general agents for the Northern Assurance Company, have also been appointed general agents for the Dominion of Canada for this old and reliable insurance Company. The name of Messrs. Taylor Bros., which stands amongst the first of those of our best business men for integrity and fair dealing, is in itself sufficient guarantee for predicting a successful and honorable career in the Dominion for the Caledonian Insurance Company, and it is to be congratulated in securing such men as representatives.

Mr. James Cowan, Fire Superintendent, from the head office, Edinburgh, has made an extensive tour throughout the United States and Canada, and expresses himself as thoroughly satisfied with the future prospects of business here.

The Caledonian commences business on the first of September. We wish it every success.

**FIRE PROOF CLOTH.**

An interesting experiment, under the auspices of the British Fire-Proof Company, was made on June 20th on a vacant piece of land in Granby Row, Manchester, England, for the purpose of testing a new fire-proof cloth. This material, which is manufactured from asbestos and other fire-proof substances by the Company, and termed "Amiantine," it is claimed is superior to the action of heat, flames, cold, or change of climate, and it is therefore especially valuable for the reduction of the danger of a fire spreading in mills, warehouses, and other buildings.

The experiments were conducted by Mr. James Caird, the manager of the Company, who was assisted by Mr. Emery, joiner and builder, Leamington Place, Brook Street. Two ordinary wooden floors, consisting of planks one inch in thickness, had been constructed, and one of them had been covered all over with cloth one-eighth of an inch thick, while the other was left in its usual condition. Each floor was raised on supports to about eighteen inches from the ground. About a quarter of a ton of shavings, thoroughly saturated with petroleum, tar and pitch, was placed under and above the prepared floor, and a smaller quantity of plain shavings was placed under the ordinary floor. Both heaps of shavings were set on fire, and when, in about a quarter of an hour or twenty minutes, the uncoated floor had been thoroughly consumed, the other floor was lifted off the fire and the coating was removed; it was then seen that, except in one case where two pieces of cloth had not been properly joined, the boards had received no injury whatever. The heat of the fire to which the floors were exposed was most intense, compelling the spectators to stand at a considerable distance. It is stated that the cloth

had already been laid down as a fire-proof carpet in one mill in Scotland.

**A FEW WORDS UPON LIFE INSURANCE.**

Some people have the idea that life insurance is surrounded with mysteries. This is erroneous. There is nothing mysterious connected with it. The obligation assumed by a company in the issuance of a policy is of the purest business character. It is an agreement to pay in a certain contingency a specified sum, for which it asks for the payment to it of a certain consideration. Its liability under each and every form of contract can be ascertained with mathematical exactness. In ascertaining the premiums necessary to be charged, and the dividends that can be returned, there are certain elements necessary to be considered, namely, that of mortality, expenses and interest.

With a large and scattered patronage, selected with reference to avoiding physical infirmities and hereditary tendencies, a company will, if proper care is exercised, experience a less mortality than the standard tables call for. The gain which a company will make from this source depends largely upon the care it exercises in the matter of selection of lives, and also respecting the daily habits of its applicants for insurance. It has been clearly shown that frequent users of intoxicating liquors are short-lived, and consequently undesirable subjects. The element of climatic influence is an important one, and needs to be carefully noted by prudent managers. If a company would guard against an excessive mortality, it should avoid malarial and miasmatic sections. Statistics of the companies who have written insurance within a hundred and fifty miles of the coast, south of Washington, also upon the Gulf, and in the valley of the Mississippi river, show a rate of mortality largely in excess of that of the Northern States.

The item of expense is another important element to be taken into account. Everybody understands that it is impossible to conduct a business without help, the payment of rent, taxes, etc., etc. Life insurance is peculiar in this particular. The employment of agents, the maintaining of branch offices, printing, etc., are indispensable. Companies may, and sometimes do, act extravagantly in these matters. It should not be encouraged. Economy of management is of the utmost importance to the success of a company. We do not approve of a conservatism which would preclude a company's meeting successfully the sharp competition existing in the business. But there are limits beyond which a company should not go. As most policies are issued with the expectation of returning to the insured whatever is saved from the business, the importance of selecting a company economically managed is apparent.

Another important element of the business is that of interest. In calculating premiums it is a prominent factor. Funds accumulate rapidly with the application of annual interest. In the absence of this material aid the cost of insurance would be largely increased. Other things being equal, the company that receives the largest rate of interest for a series of years can furnish its patrons the cheapest insurance. In comparative merit, then, companies should be examined relative to their expenses of management and the productiveness of their assets. Assuming that all companies are equally careful in the selection of risks, these two elements—expenses and interest—are the test of continued ability to furnish insurance of the lowest cost.—*Etna.*

The income of assessment Life Insurance Companies in Pennsylvania for the year 1882 was \$1,021,088, and their expenditures for death claims and expenses of management, \$1,003,105. Of the 236 co-operatives incorporated under the laws of the State 171 have been dissolved by the Court of Common Pleas of Dauphin county, 7 have discontinued business, 21 have failed to report, and it is believed have retired. This leaves but 37 which have vitality enough to file their reports with the commissioner, showing a mortality of over 84 per cent. This item is commended to the attention of believers in co-operatives.—*The Indicator.*