

in the expenses is to be accounted for by the larger volume of new business secured, and the extension of the Company's operations to the mother country and elsewhere during the year. The initial cost of the latter is of course a productive disbursement which will not recur, and of which the future will reap the benefit. The amount of new business written is progressing every year by leaps and bounds, and if carefully retained will give the Company a good status amongst the young giant life offices of the world. As it is, the Company starts the present year with nearly \$28,000,000 of assurances taken on its books, to provide against which it has \$4,601,777 of good, solid assets, of which \$3,650,681 has been reserved, leaving a substantial surplus of \$351,096 as regards policyholders, and of \$288,596 over all liabilities. The Company's investments appear to have been very judiciously and conservatively selected, and that they have been highly productive is shown by the rate of 5.83 per cent. interest which was realized upon the average net assets. The accounts are stated with admirable clearness and fullness, and present the affairs of the Company with exemplary detail. They record another milestone in its increasing prosperity, and it must be indeed gratifying to Mr. Robertson Macaulay, the President, and his able lieutenant, Mr. T. B. Macaulay, to look back and mark the progress that has been made year by year under their energetic and experienced management.

THE MUTUAL OBLIGATION OF INSURER AND INSURED IN LIFE ASSURANCE CONTRACTS.

The first form of a life assurance application generally calls for the name and address of some intimate friend of the applicant.

We suppose that this question originally had its origin in the idea, that in case of doubtful habits of the applicant, inquiry might be made of the friend named, in verification or otherwise, of such of the statements as aroused any doubt or suspicion. Any doubt as to the usual condition of health, or as to a suspicious family history, or personal history of sickness and disease might be set at rest by reference to the person named by the applicant as his intimate friend.

Such reference, however, is very seldom resorted to, because the companies have come to rely more and more implicitly on their local medical examiners and their medical directors as to all questions affecting the physical aspect of risks; and the higher grade of professional attainment acquired by local physicians seems to fully justify the dependence of the companies upon their skill, their intuition, and above all upon their absolute integrity and honor.

As to the questions relating to the personal habits of the applicant, and other questions not so strictly within the reach of the medical examiner, the companies now find it more advantageous to them to seek their information from outside sources that are commended to them as independent, and not in any way subject to the influence either of friendship or of enmity. This is a good deal better plan than reference to a personal friend of years' standing, and it is not difficult to imagine many cases in which the giving of a truthful report

would be a painful matter to an intimate friend, who would far rather speak good than speak evil of the applicant.

Thus, in this sense, the answer to this question has become practically unnecessary; but the companies like to have it answered nevertheless. If you give the name and address of an intimate friend, you may be giving the agent the clue to some one else who needs a policy of life assurance for the protection of his family, as badly as you need it yourself.

If you are thus instrumental in having your friend also take out a life assurance policy, you may certainly take to yourself the comfort that you have accomplished a good thing. In no way could you better requite the obligation of true friendship, in no way could you secure to yourself a more grateful remembrance on the part of the family of your friend, should he unfortunately pass over to the silent majority, unexpectedly, and before the attainment of what he conceived to be his allotted time.

Some application blanks ask the question whether the applicant has paid the whole or any part of the first premium in advance. Many of them do not ask the question. If asked, you should give it a careful and correct reply, more for your own sake than for the sake of the company. In no other way can you charge the company with the obligation to see that any advance payment made by you to the agent is returned to you in case of the rejection of your application. If no such question be asked in the application, you must look after your own interests. If you have paid an advance premium, and if you find that no policy is issued to you, and still the advance premium is not returned to you by the agent, you should at once write to or communicate with him; and if no definite satisfaction be at once afforded you, you should without any further delay make the facts known to the company.

If in a matter of this kind you suffer an injury by reason of lapse of time, and you neglect to acquaint the company with all the attendant circumstances, it is of course your own fault, and you will have no one to blame but yourself.

In connection with this particular question, we want to say that it is always best for an applicant (if he is dealing with a recognized and responsible agent of a first class company) to pay the whole or a large part of the first premium in advance. It is one of the best evidences of good faith, and binds you to the completion of a contract, at a time when you are prepared to effect *your* part of its completion. Later on perhaps you might feel less able to make the payment, and probably delays would result that might have a very bad influence on your own and your family's interests.

"Strike while the iron is hot" is a very good motto indeed—both for the agent, who should secure the closing of an application in a definite and satisfactory manner whenever he can; and for the applicant, who saves time and trouble by closing the matter when his application is completed—as far as it rests with him to do so.

The companies are often treated with exceedingly bad faith, by persons who apply for insurance, and then afterwards refuse to settle for the policy when issued.