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All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

IT IS PECULIARLY fortunate just now that our Toronto contemporary, the *Budget*, has felt able to mount the wool-sack, and deliver an *ex cathedra* opinion off hand on the right of a Province of the Dominion to expel from its borders an insurance company authorized by the Federal Government to do business in all parts of the Dominion. Our judicial contemporary plainly says: "Each province has the right to prohibit any insurance company doing business within its borders, no matter whether such company be foreign or Canadian—companies of Great Britain included—and whether licensed or chartered by the Dominion." Some of the best legal luminaries in the country have believed that the whole is greater than one of its parts, and that Federal authority is superior to provincial authority. They have believed that the validity of some portions of the new "Insurance Corporations Act, 1892," of Ontario would not stand the test of a decision by the Privy Council of Great Britain; but now that the *Budget* has decided the troublesome question all minds will be set at rest.

THE CURRENT SYSTEM prevailing in the various States and in Canada, by which an arbitrary portion of the unearned premium is charged against the fire insurance companies as a presumably adequate reserve, is held by Actuary A. F. Harvey of the Missouri insurance department as a very unscientific test of solvency, and in his paper on the subject, read at St. Paul before the annual convention of State Insurance Commissioners, he proposes a very different test. He says: "All that the State should require as a reserve to protect the policyholder during an incoming year is an amount to be determined by multiplying the amount in force at the beginning of that year by the average rate of losses incurred upon the main amount at risk

during a preceding period of some reasonable length, say, five years." A reserve based upon the average loss, rather than upon the premium received, Mr. Harvey regards as more accurate, more sensible, and in every way simpler, and he has a pretty respectable following in his opinion. We would not care to undertake to disprove its correctness.

MANY A MAN who would be justly horrified at the idea of stealing from his neighbor's coal-bin or defrauding his grocer of a sack of flour we fear regards it as a petty sin at most to steal from an insurance company. Occasionally, however, the moral perception of one of these defrauders of insurance is quickened, and under the upbraidings of conscience restitution is made. A case in point is that of the Hartford Fire, which on three different occasions recently has received an envelope postmarked at a New Hampshire town containing bank notes for \$50, \$100, and \$100 respectively. Whether this conscience-inspired serial is "to be continued" or not is unknown. It would certainly save to insurance companies a good deal of money every year if the mind and conscience of the average citizen could be brought to realize that the prohibition in the decalogue against stealing is of a sweeping character, and makes no exception in favor of stealing from corporations.

THE IRON HALL, the chief of the assessment endowment orders, will now have its turn at an investigation in the courts. Three prominent members of Indianapolis, which is the head office of the concern, have presented a petition for the appointment of a receiver. The petition alleges reckless and extravagant management, the payment of reserve funds for general expenses, and false bookkeeping to cover up irregularities. It is alleged that "Supreme Justice" Somerby, the present head and the organizer of the Order, has manipulated the funds to bolster up a banking concern at Philadelphia of which he is vice-president, and in which nearly half the Order's cash assets of over \$1,000,000 is deposited. The report of the Order for December 31, 1891, shows that it had in force 65,204 certificates calling for \$47,786,317, against which it had in the net benefit fund only \$2,237,488, more than