

and simple life assurance companies. This leaves the Travelers of Hartford the only remaining company which transacts a casualty or accident business in connection with life insurance. The opinion of the Superintendent against combining life business with any other branch of underwriting has been heretofore expressed, and has only been confirmed by further experience and observation, both in this country and Great Britain.

The Hartford Live Stock Insurance Company and the Aetna Live Stock Insurance Company, both of Hartford, Conn., have been unable to meet their engagements, and have probably sunk all of their paid-up capitals. The premiums charged were inadequate to carry the risks and heavy expense of the business, or certain classes of questionable risks were taken too freely.

*Government Supervision of Insurance Companies* is now an established feature in the State governments of New York, Massachusetts, California and Missouri, through separate officers and distinct departments of their executive governments organized especially for this purpose.

The crying evils of fraud, extravagance, dishonesty, bankruptcy and amalgamation have so lowered and sapped away the vitality and good name of life insurance in Great Britain, that a single American company issues a greater number of new policies in a year than twenty leading English companies. Parliament has been again invoked to provide some suitable remedy, and the American system of annual statements, with adequate powers of supervision and personal examination under the Board of Trade has been proposed, and a bill introduced by the Right Hon. Stephen Cave, to be cited as "The Life Assurance Companies Act, 1869," which bill, as amended in committee, provides in substance as follows:—

At the end of each financial or calendar year, any person or persons or companies, corporate or incorporate, transacting the business of life insurance, except those registered under the acts relating to friendly societies, shall file a statement with the Board of Trade, which may be deposited in the General Registrar's office, showing its income and expenditures and its balance sheet at the close of the year, in certain forms set forth in schedules to said act.

All companies established before the passing of the act, once in every ten years, or once in every five years, or at such shorter intervals as may be prescribed by their charters or by laws, shall cause an investigation to be made into their financial condition by an actuary, an abstract of whose report, in a form prescribed by schedule, shall be filed with the Board of Trade within six months from its date.

The Board of Trade may, with the consent of a company, alter the forms prescribed in such a manner as to adapt them to the circumstances of a particular company.

If any statement is filed which is false in any particular to the knowledge of any person who signs the same, such person shall be liable, on indictment, to fine and imprisonment, and on a summary conviction to a penalty not exceeding fifty pounds.

The Board of Trade, upon the application of not less than twenty persons, having held policies in a company for not less than three years, to an amount not less than twenty thousand pounds, may direct an examination into the affairs of any company.

The general principles of the bill have been approved by Mr. Samuel Brown, and other leading actuaries, and by most of the officers and managers of the sound insurance companies in England and universally by the Scotch companies, which have a world-wide fame for thrift, soundness and honesty.

One notable omission in the act, is its failure to require a deposit, with the registrar or other government officer, of at least £20,000, for the protection of policy-holders, and as a guarantee of good faith and reasonable ability in establishing new or experimental institutions. Such a provi-

sion should, at least be applicable to the organization of new companies before obtaining a certificate of complete registration, giving any governmental sanction to their operations.

Some of the English companies, reported to be in a sound condition, bitterly oppose and denounce the very moderate and judicious bill introduced; and the assertion is bluntly vaunted in the public prints, that no losses have ever been occasioned by British insurance companies. In the light of facts, well known to many of the American people by costly and sad experience, such reckless assertion assumes the aspect of adding cruel mockery to fraud and deception. Over twelve hundred American policies have ceased to be in force in the International since the revocation of its powers of attorney in this State, and most of these have lapsed with only nominal or no surrender values in consequence of the insolvency of the company. After paying premiums for a quarter of a century, policyholders are, even to-day, still doubting and hesitating whether further payments will not subject them to further losses. The living death of a life insurance company is sometimes more detrimental to the public weal than its entire dissolution.

Six British life insurance companies have been admitted to transact business in this State; of this number two have proved to be insolvent, and this is probably an index of the present status of the whole of the one hundred and fifty-one companies now existing in the United Kingdom, one-third of which, doubtless, are not in possession of a sufficient fund in sound assets to re-insure their policies, according to their net values, based on their own assumptions of mortality and interest in their premium tables. One has only to cast a single glance over the necrology of English life companies to see the desolate waste they have made in many a household, instead of the blooming garden of beauty and plenty promised in the gilt-edged prospectus and by the voluble canvasser.

The actuarial thunderbolt has been proved by experience to be a *brutum fulmen* when held in the hands of the company itself; a knowledge of the existence of potential power to coerce, correct and dissolve an insolvent or mismanaged company has a wonderful effect in conserving and maintaining sound institutions.

With only sound companies in existence, every worker and producer, whether by head or hand, should insure his life for some reasonable amount adapted to his pecuniary condition and circumstances. The whole life policy, with equal annual premiums, is generally the best form of insurance for the policyholder.

The Attorney-General has several cases under prosecution against agents and brokers for transacting fire insurance business without holding Certificates of authority from this department as required by the statute in such case made and provided; judgements have been recovered in several cases, and other prosecutions will be commenced whenever the proper evidence is furnished to the superintendent, or to the Attorney-General.

The following is the grand aggregate of the New York companies and of those of other States transacting business in the State of New York, and the comparative amounts between 1855 and 1868:

|                   | 1865.         | 1868.         |
|-------------------|---------------|---------------|
| Assets.....       | \$164,781,934 | \$297,761,849 |
| Liabilities.....  | 137,256,111   | 246,785,552   |
| Income.....       | 65,879,067    | 121,710,891   |
| Expenditures...   | 58,444,156    | 88,260,300    |
| Premiums.....     | 56,503,406    | 105,898,279   |
| Losses.....       | 32,917,550    | 40,478,077    |
| Risks in force... | 3,613,824,965 | 5,399,620,059 |

This report closes a decennium of service (1860-1870) by the undersigned as Superintendent of the Insurance Department of the State of New York. During the many busy years, one duty has so overlapped another that the whole period seems but one long decennial day of arduous labor. It is hoped that some public good has been accomplished which may not die with the writer; if

such is not the fact, the great end and aim of almost incessant toil has been entirely lost, as no other compensation can ever requite for the past ten years of devotion to the exacting routine of official duty.

WILLIAM BARNES, Superintendent.

**FIRE RECORD.**—Mr. C. E. L. Jarvis, Insurance Agent, St. John, N. B., sends us the following:

Carleton County, N. B., Aug. 8.—The water-power Grist and Shingle Mill, at River de Chute, owned by Wortman Brothers, were burned by the work of an incendiary; and on the 15th inst., two dwelling houses, belonging to the same parties, were also destroyed by fire. The mill was insured in the Liverpool and London and Globe for \$2,500, and the houses in the same office for \$1,400.

Woodstock, N. B.—On Thursday morning, Aug. 26th, the Grist and Carding Mills owned by Mr. Robert Davis, in the town of Woodstock, were totally destroyed by fire. The cause of the fire is unknown. The loss is estimated at six to eight thousand dollars, and the insurance was about \$2,000, of which the "Liverpool and London and Globe" had \$1,600, and the "Queen" \$400. Mr. Blair, the lessee of the Grist Mill, lost a large quantity—some 400 bushels—of grain, and his books. A large quantity of wool, belonging to various persons, was burned.

St. John County, N. B., 29th Aug.—The fine water mill at South Bay, belonging to E. Sutton & Co., was destroyed by fire on the morning of 29th ult. The fire, which is supposed to have originated in some way from the saw dust furnace, was discovered at five o'clock, the water was turned on from the sluices, and a messenger was at once despatched to Carleton for aid. The mill contained a gang, three single saws and two machines; the greater portion of which were destroyed, only the belting and the large water wheel having been saved. The Carleton firemen (No. 7 Company) were speedily on the ground, considering the distance they had to travel, and by their aid a large portion of the lumber and the adjoining buildings were saved. With the mill about 200,000 feet of lumber were burned, and the total loss must reach nearly \$60,000. The mill was insured for \$9,000, viz., \$4,500 in each the "Royal" and the "Liverpool and London and Globe." The lumber was insured in the "Liverpool and London and Globe" for \$15,000, but the loss on it will not amount to over \$6,000.

Beverly Township, Aug. 27.—Lumber yard of Peter Wood; loss \$1,500.

St. Marys, Ont., Sept. 1st.—Cheese factory of Thos. Boubier; no particulars.

Toronto, Sept. 5.—Hotel of W. Osborne, on Esplanade street; loss on contents \$300; insured in the Lancashire for \$1,200. Building not insured.

Orillia, Aug. 19.—Barn, and about 400,000 feet of lumber, owned by Chas. & R. Hall, at the North River saw mills, were consumed by fire; supposed to be incendiary; loss estimated at \$4,000; insured in Provincial. Also, house of Geo. Vick, probable loss \$300; no insurance.

Montreal, Sept. 6th.—The stores of Mullarky & McCready and C. H. Baldwin & Co., were damaged to the extent of about \$50,000. The former are said to be insured for \$20,000 and the latter for \$30,000. The fire originated from the boiling over of a pot of varnish.

Weston Village, Sept. 5.—House, barn and stables of John Dennis caught fire and will prove a total loss; buildings insured for \$1,000 in the Queen; the furniture was much damaged by removal and was insured in a mutual company. Also, Brown's pottery, between Carleton and Weston, the frame portion only was destroyed, it was insured in the Home for \$200; the contents are a total loss and insured in the Liverpool and London and Globe for \$1,000.

—Respecting the late Belleville fire, Irwin's machinery was insured in the Liverpool and London and Globe for \$3,000; Mr. Ostrom in the same company for \$1,300, and Mr. Bleeker in the Commercial Union for \$2,000.