

COMMUNICATIONS.

All communications to be addressed to the Editor, *INSURANCE SOCIETY*, and correspondence to bear the name and address of the author, not necessarily for publication, but as a guarantee of good faith.

The publication of a communication does not by any means commit the paper to the sentiments expressed there in; but a fair hearing will be allowed for all sides of the question we may consider of sufficient interest to the Insurance public.

*To the Editors of INSURANCE SOCIETY,
MONTREAL.*

GENTS.—The agents of the Dominion Safety Fund of St. John, N.B., are adopting a "very taking way" lately with sundry gullible persons in certain parts of Nova Scotia. One of those agents not long ago paid a visit to Liverpool, a town that probably has more of its citizens insured in *safe* companies than any other town of same size in Canada. This agent, in order to get certificate holders, and advance payments for the Dominion Safety Fund, actually told the people whom he solicited, that if they "would pay him an *initiatory* fee of \$17.00, and a further payment of \$30.00 or \$47.00 in all, that they would be granted 3 certificates of \$1000 each, for which their only *future* annual payment for 20 years would be \$9.00, exclusive of the usual death assessments, and that, at the end of 20 years, those who had survived these total payments would each and all receive \$3000.00!!" Now is it not time that such agents and representatives as these were made to feel that they cannot any longer trifle with and mislead the public, who, in hundreds of instances, are duped into *believing* such outrageous statements, and who, thus victimized by unscrupulous promises, hand out their money only to throw it away.

Why does not the Dominion Safety Fund stick to its legitimate business, which is, as specified in its circulars, simply to provide families of *deceased* members with the proceeds of assessments upon the surviving members of the association. The bare proposition that for the payment of \$47.00 and \$180.00, making \$227.00 in all, a return of \$3000.00 would be given to the certificate holder, is enough to stamp as *lunatics* or *scamps* persons making such a proposition. It will be in order for the Insurance Department of Canada to bring the "Dominion Safety Fund Association" of St. John to book for the dishonest course thus pursued by some of their agents, which can only bring the Society into disrepute and speedy ruin, affording another instance of the disgraceful failure of "co-operatives" and "assessment concerns."

Yours,
WATCH.

Liverpool, N.S.

We do not believe the Head Office is aware of or would countenance such glaring misrepresentations. If they are allowed to continue, they will certainly bring the association into very bad odor, and greatly injure its business.—ED.

MUNICIPAL TAXES.

HALIFAX, N.S., 27th September, 1883.

MR. EDITOR,—There seems a wild desire on the part of corporations to tax insurance companies, as the Chinese would term it, to "squeeze them." In this old city a financial solon has made his appearance, and, among other improvements, a bill has passed the Legislature, to require every insurance company, large or small business, to take out a license, paying \$200.00. The question I wish to ask you is this, "can a city government require the taking of a license by a company that has already complied with the Dominion Law, and obtained a license to transact business all over the Dominion? I do not question the right of a corporation to bring a tax on the business done by a company as upon an individual, but not a tax so unequal as this. It would well suit companies with a large business, but would be ruinous to those beginning or to those having, as my companies have, small business, a tax equal to 20 per cent. on one of my companies, and 60 per cent. on another.

"INSURANCE AGENT."

On this point we hesitate to give any definite opinion. This can only be done satisfactory by some competent lawyer. We rather incline to the belief, however, that the tax spoken of would be legal, although it is certainly most unjust and detrimental to the interests of the city itself, to say nothing of the smaller companies. None of the Provinces have the right to require a company licensed by the Dominion Government to take a second license from them, but we believe municipalities have.—ED.

BRANTFORD, 10 NOV., 1883.

To Editor "INSURANCE SOCIETY."

Re "Security for Calls on Premium Notes."

DEAR SIR,—Our security for calls on Premium Notes, as asked for in yours of 9th inst., is simply that which any good note gives, the insured binding himself to pay in such proportions as may be required for losses and expenses. *Not, however, exceeding amount of Premium Note*, which would be a small "mortgage" indeed on a farm!

There was a time when, as you stated, the members of a mutual company were held bound (mortgaged if you please), regardless of any limited amount, but that day is gone, which, by reference to Insurance Law, you will discover, and which I shall be pleased to see rectified in *INSURANCE SOCIETY*, as I feel and hope that you do not intentionally wish to misrepresent or injure any honorable company (if such is possible). From my long experience, I maintain that no company is safer than a "Mutual," properly managed. The many members (stockholders) are each held in small amounts, so that if one should become *bankrupt*, it is hardly felt, as compared with a stockholder of the D. B. Chisholm stamp!

In the "Gore," we (for a three-year application) take a premium note for four times the *annual* stock rate, and then take 20 per cent. of the note *in advance* and yearly until expiration. This they have, during past twenty-five years, found adequate, and being *in advance* there is no danger of a loss of premium. The "London Mutual" insures *owners of real estate only* on Premium Note system. Tenants always on Cash system. So that loss of premium seldom occurs.

Very truly yours,

JNO. A. LEITCH.

Our remarks as to the liabilities of Mutual Insurance Co. members, were general, and apply correctly to every state or Province except Ontario, and not long since it was true there. The exception is made in our Ontario article.—ED.

BRANTFORD, 10th Nov., 1883.

*Editor INSURANCE SOCIETY,
MONTREAL.*

Re "Fraser and Gore Mutual."

DEAR SIR,—Referring to your favor of 5th inst., I can in the main "reconcile" the decision as given on page 141, June No., and Mr. Strong's letter, on page 217, Sept. No., *INSURANCE SOCIETY*. "The former wrongfully delivered a renewal receipt (?) to the latter, which did not bind the company." The agent doubtless did (after the fire) deliver to Mrs. Fraser such a receipt (interim) as I herein enclose, but, like many cases of deception, "the one thing needful"—the application—was forgotten, and "their game was up." *There was no genuine "Renewal Receipt" issued in the case at all, as the time had come for a new application, a notice for which was sent to the agent, for the insured, same as enclosed.*

There is no doubt in my own mind but that something of a *harness premium bargain* was discussed between the agent and Mrs. Fraser—a very low system of doing insurance business—but delayed until too late to have it made *binding*; the old cry of "no danger" doubtless being used. Had the company refused payment on the mere technical ground of *harness premium* (every thing else being correct), I would never take another risk for