

We now come to a point where the learned Secretary shows his knowledge of his business. He says of us:

"The Editor appears to be wilfully ignorant of the purpose for which a *Reinsurance Reserve Fund* is created, or else his education is again faulty. If he will look once more at the liabilities, he will find a Reserve Fund to meet *all future losses* on outstanding risks equal to 50 per cent. of the gross premiums on policies in force at that time. This is the full Government requirement adopted by both the Dominion and Ontario Insurance Departments, and of which the proprietor of a so-called Insurance Journal should scarcely be so ready to exhibit his entire ignorance."

Exactly! If the learned Secretary be correct in his assertion that the "*Re-insurance Reserve Fund*," as he calls it, is "to meet all future *losses* on outstanding risks" we acknowledge our ignorance of the fact. We had always been taught that this "*Re-insurance Reserve Fund*" was just what its name purports to be, and *could not be used for the payment of loss claims at all*, because it was the *unearned* premiums paid by policy-holders *in advance*, and belonged to them in the event of the Company's ceasing business from any cause before the expiration of the policies, and loss claimants had no claim upon it. As he suggests, we again look at the liabilities, and find as follows (1881 Report):

Gross Premiums received and receivable	
on all unexpired risks. ....	\$39,856.50
Unearned premiums, 50 per cent. ....	19,928.25

Total amount required to RE-INSURE all out	
standing risks. ....	19,928.25

Nothing said here about losses, though.

Well, we are never too old to learn something new, and here we have it. How ignorant old underwriters and the Insurance Commissioners of the Ontario and the Dominion, as well as elsewhere, have been for so many years past, and yet a simple tyro, a neophyte in the business, has made this discovery. We cover our face in confusion.

So we could go on to the end, but *le jeu ne vaut pas la chandelle*, so we close for the present with one more extract

"The Editor asserts that the Standard is doing business illegally in the Province of Quebec. Here, again, he shows his ignorance. Allow me to say the Standard is doing business in the Province of Quebec, and is doing it openly and above board, and intends to continue, not only in Quebec, but in every Province of the Dominion it deems advisable to enter.

In reply to this very confident effusion we have to say that, instead of applying to some "Insurance Company," we have applied to headquarters, with the following result, which doubtless will cause the honorable and learned Secretary some surprise:

MONTREAL, April 13th, 1883.

J. B. CHERRIMAN, ESQ.,

*Superintendent of Insurance,*

Ottawa.

DEAR SIR,—We shall be obliged if you will kindly favor us with the following information at your earliest convenience:

Whether it be legal for an Ontario Insurance Company, holding a license for Ontario Province only, to transact business (take risks, etc.) in the Province of Quebec?

Has the "Standard Fire Insurance Co., of Hamilton," a license to transact business in Quebec Province?

Yours, truly,

THE EDITORS INSURANCE SOCIETY.

# REPLY.

OFFICE OF THE SUPERINTENDENT OF INSURANCE.

OTTAWA, 17th April, 1883.

To the Editors of "INSURANCE SOCIETY,"

102 St. Francois Xavier St. Montreal.

DEAR SIRS,—In reply to your favor of 13th inst. I beg to state that in my opinion: (1) An Insurance Company incorporated by the Legislature of Ontario cannot legally do business beyond the limits of that province, without having a license from the Minister of Finance. See 38 Vic. Chap. 20, sects 2, 3, 14.

(2) The Standard Fire Insurance Co., of Hamilton, Ontario, has no license from the Minister of Finance.

Yours very truly.

(Signed), J. B. CHERRIMAN,

*Superintendent of Insurance.*

Note:—Although Mr. Goad is the publisher of INSURANCE SOCIETY, he is not its Editor, and had nothing to do with the writing of the article to which exception has been taken by Mr. Crawford. The abusive personal language which is applied to him by that gentleman we have not referred to. The object of the writer evidently is, as we have pointed out, to raise so much dust that people will be unable to see the real issues at stake. Mr. Goad, however, is much beyond his reach, and cannot be injured by anything he may say.

## THE STANDARD FIRE INSURANCE COMPANY OF HAMILTON, ONT

The loss ratio of the Standard Fire Insurance Company of Hamilton, according to the Government report for 1882, is 78 per cent (not including the \$6,487 unpaid losses brought forward from 1881), to which if we add the management expenses 39 per cent. it will give a total of 117 per cent., this we are informed is a good showing although it is only 17 per cent. on the *wrong* side.

## LIFE ASSURANCE IN CANADA, 1882.

From the Abstract Report of Life Assurance Companies doing business in Canada for the year 1882, which we just receive as we go to press, and too late for insertion in this issue, we glean the following interesting items.

There are 38 Life Companies doing business in Canada and reporting to the Superintendent of Insurance, viz., 9 Canadian, 18 British and 11 American Companies.

The total net premiums received was \$3,544,605, being an increase of \$450,000 over those of 1881. The net amount of policies in force on Dec. 31st, 1882, was \$115,088,078, as against \$103,290,932 in 1881, being an increase of \$11,797,146. The amount of death claims paid was \$1,276,675 against \$1,389,201 in 1881, a decrease of \$111,526.

The 9 Canadian Companies obtained 7,542 new policies during the year, amounting to \$12,198,045 and the premiums on which amounted to \$1,572,185. The 18 British Companies wrote 1,254 new policies for \$2,833,250, the premiums being \$674,362. The 11 American Companies secured 2,665 new policies for \$5,423,960, the premiums on which were \$1,308,158.

We shall present our readers with full details and some remarks thereon in our next issue.