



# INSURANCE and REAL ESTATE SOCIETY

"Still achieving, still pursuing,  
Learn to labour and to wait."

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## UNDERGROUND FIRE INSURANCE.

Some persons are afraid that one result of the new tariff regulations will be to induce agents of a certain class to send part of their business over the lines to companies which may be willing to take it at rates under those fixed by the tariff. We trust that such will not be the case. No honorable agent would stoop to such a transaction, and if any are found with so little honor as to do it, the penalties imposed by the Dominion Insurance statutes should be rigorously applied whenever the offence can be proved. These statutes are made for the protection of assurers and this of itself is prima facie evidence that any policies issued here by companies who refuse to comply with our laws are of doubtful value.

Any suit to recover on such a policy has to be taken not in Canada but at the head office of the company in the United States. A judgment obtained in Canada is of no value whatever. Unlicensed companies have no assets whatever in Canada which can be attached and furnish no statement of their resources to the Canadian public. As might be expected the companies which do underground business are therefore generally financially among the weakest of American companies, and not too honorable in their dealings. A company that will evade the law by doing underground business, is just the one which will do a dishonorable action in another direction if it has the chance.

## RICHELIEU & ONTARIO NAVIGATION COMPANY.

It is stated that the insurance on this Company's boats has been placed in unlicensed United States Insurance Companies, many of whom of course would not attempt to do a direct business in this country, as they have not the funds necessary to deposit with our Canadian Government.

Are the Directors of the R. & O. N. Co. justified in studying economy at the risk of losing the entire capital of their Company, which is represented by these boats and the insurance upon them?

It is very questionable, in case of loss, how much, if any, of this money could be collected from these U. S. companies in the event of their choosing to dispute the justice of the claims by technical defences, which can be raised without difficulty and would have to be met in the United States Courts, where aliens would have a hard battle to fight to obtain their rights.

The difference of ( $\frac{1}{4}$ ) one-quarter per cent, asked by companies doing a lawful business in Canada is not worth the risk involved by the Directors in this cheese-paring policy. We have reason to know that none of the Canadian companies regret the loss of these risks, but we think it our duty to warn the Richelieu and Ontario Navigation Co., of the uncertainty of the insurance they are paying for.

On another page of this issue, we publish amongst our communications a letter from Mr. J. Finlayson of Chicago, formerly of Paris, Ont., relative to the mode in which the Standard Fire Insurance Company of Hamilton paid his claim of \$2,600. This gentleman states that he had his stock and furniture at Paris insured in the Standard for \$2,600. A fire occurred which totally destroyed his goods, and he at once gave due notice both to the Paris agent and the head office at Hamilton; after the lapse of 20 or 30 days the Company's inspector appeared on the scene, and did nothing towards the settlement of the claim. He again put in an appearance at the expiration of the full period allowed by law for payment of claims, and, to use Mr. Finlayson's words, "began to quibble about it;" finally, however, a settlement was effected on the following terms: the Standard agreed to pay the claim in full, provided Mr. F. took their acceptance at 60 or 90 days, which he consented to do. However, this was not to the end of the matter, for when the acceptance became due the Standard did not meet it, and, consequently, Mr. Finlayson threatened to take immediate legal proceedings, which had the effect of making the company pay \$1,600 out of the \$2,600, on condition that Mr. F. would give them thirty days longer to pay the balance, \$1,000; and thus the matter was finally arranged.

Here is what a correspondent says in writing to us about this Company: "Any public journal acquainted with the ingenuity of that concern, and the extent to which it has prostituted its position as a so-called insurer, would be remiss indeed to its readers in passing it unnoticed, and "one devoted solely to insurance doubly so." This letter is only one of the many we have received about the Standard Fire Insurance Company of Hamilton.