

THE COSMOPOLITAN LIFE ASSOCIATION.

In reply to a recent inquiry addressed by us to the above association at Toronto, asking for the details of its organization, we have received a lengthy communication from Mr. F. Sanderson, the secretary, explaining the conditions under which it was formed, and enclosing copies of the original articles of incorporation both of this association and of the Cosmopolitan Casualty Association. The original incorporation of the former was in May, 1883, and of the latter in March, 1884, under other names, which, by sanction of the Court, were changed in August, 1890, to the present names. The organization was effected under the Ontario Act of 1877, "respecting Benevolent, Provident and other Societies," not under the Ontario Insurance Act, and it is claimed, apparently with good reason, that associations so organized are not under the supervision of the Ontario insurance department,—from which consequently no formal license is required. These Associations, it is claimed, do no business outside of Ontario, and, of course, so long as this is the case, require no license from Ottawa. It would, therefore, appear that the recent criticisms of these associations, on the ground of having no license from either the Ontario or the Dominion insurance departments, are entirely pointless.

There are other valid grounds of objection, however, as it appears to us, to these associations in their present form, the important one being that, inasmuch as they deal with life and accident assurances purely as a *business*, quite as much so as any regular company, they should have been organized squarely under the Ontario Insurance Act, clearly subject to supervision by the insurance department. There is nothing, strictly speaking, so far as we can see, of the benevolent order about either the Cosmopolitan Life or the Cosmopolitan Accident associations; and the claim that, as organized, they *cannot* come under insurance department supervision, constitutes a very unfortunate feature. We are clearly of the opinion that the directors should at once secure such changes in the corporate conditions of these associations, as to place them under efficient government supervision. Under present conditions public confidence will naturally be withheld. There is but one road to public favor for insurance organizations, viz.: meritorious features, and the largest possible publicity as to these features, under official sanction.

A decision has been rendered by Judge Phillips of the United States Circuit Court at Kansas City, in the case of Dozier against the Fidelity and Casualty insurance company, to the effect that sunstroke is not an accident, but to be classed among diseases. Some weeks ago, in common with many leading insurance journals, we expressed the opinion that sunstroke is as clearly an accident as a lightning stroke or suffocation by gas, and that opinion we still hold. Meanwhile, in point of law, Judge Phillips' decision holds good until reversed by a higher court, or contraversed by some coordinate court.

THE GUARDIAN ASSURANCE COMPANY.

Very happily, as thousands of individuals have found by experience, the name of the above company is expressive of its character, for it has been for almost seventy years a faithful guardian of the interests committed to it, during that time bringing comfort into homes otherwise made desolate by death, and rebuilding the fire-wasted places in the marts of trade. The annual statement for 1890 is, like its predecessors, a statement of satisfactory business and an exhibit of growth in financial strength. The fire funds have been increased, and notwithstanding over \$580,000 of the quinquennial profits apportioned in 1889 from the life funds have been paid out during 1890, in bonuses to policyholders and to shareholders, these funds are well maintained, and now amount to \$12,412,865. The new business in the life department was not quite so large as for the previous year, being represented by the issue of 640 policies, assuring \$1,926,695, and, as might be expected, the ratio of management expense was correspondingly low, being 13½ per cent. of the premiums. The Guardian is noted for its conservatism in the acceptance of risks, no doubtful ones being accepted; and the favorable mortality resulting from this practice is well known. During the six or seven years past the average death claims matured have been less than 65 per cent. of the table rate.

The year's experience in the fire business of the company was a pretty good one, and showed a handsome increase in premiums received, the increase being \$365,335, and the total net premium income \$2,896,420. The losses amounted to \$1,659,000—a ratio of about 57 per cent., and a decrease from that of the preceding year. The total expense of management, including some \$41,000 special outlay in extension of foreign business, was \$1,002,294, which, added to losses, makes \$2,661,294, leaving \$235,126 to the credit of the underwriting account, or, after laying aside \$180,500 for addition to the reserve for unexpired liabilities, a net gain of \$54,626. Adding to this \$134,600 of interest income, and the result is \$189,226 profit on the year's business. Of this amount \$40,000 has been carried to the general fire reserve fund and the balance of \$149,226 to the profit and loss account. The total fire funds amount to \$5,413,500, the life funds to \$12,412,865, and the balance to profit and loss to \$717,790, making the total funds \$16,544,155, from which, however, should be deducted the dividends to shareholders (8½ per cent.), payable in January and July, 1891, amounting to \$425,000. Add to the above funds \$5,000,000 of paid-up capital, and the large paying ability of the company may easily be seen. The Guardian is one of the oldest and best known companies in Canada, where during the past 22 years it has paid for fire losses more than a million and a half of dollars, and where it enjoys, deservedly, the public confidence. Messrs. George Denholm and Robert Simms & Co., of this city, have for many years been the Dominion representatives of the company, while Mr. George A. Roberts, who has had a large experience in connection with the Phoenix of London, Citizens, and Northern offices, is their active manager.