

THE STANDARD LIFE ASSURANCE COMPANY.

Scotland is justly celebrated for the shrewdness of its financiers. The solidity of its banking system and all of its important fiduciary institutions is in keeping with the national characteristic in their management. Amongst the assurance organizations of that country, a notable record has been that of the Standard Life Assurance Company of Edinburgh, which, while exercising conservative prudence, has at the same time manifested a degree of energy that has enabled it to make its name favorably known as a competitor, offering its protecting benefits in the desirable fields open to them in the various quarters of the globe where the British flag floats. Having seen the opportunities in Canada as early as 1847, this Company has secured a far larger share of life business within the Dominion than any other British office. And in this matter we think the business has been deservedly bestowed, not only on account of the intrinsic merits of the institution, but because it has entitled itself to the cordial support of Canadians upon the principle of reciprocal patronage. With total assets now amounting to \$38,708,270, not far from one-fifth of that sum has been invested in Canadian securities, such as government and municipal Bonds to the tune of \$5,097,500, and \$2,150,000 in Real Estate Mortgages,—the aggregate investments of their funds in the Dominion being \$8,125,500, which, by-the-way, is an increase for 1892 of over 1 1/8th millions of dollars as compared with the previous year. With \$13,679,680 assurance in force in Canada during the past year, and a total Canadian liability, including reserve, of \$3,194,947, the important status of this company as to its financial strength in the Dominion alone cannot well be over-estimated. We are not disposed to suggest that this course is followed purely on patriotic or disinterested grounds, for the fact is that the investments in Canada yield more satisfactory returns than elsewhere,—a point which we had occasion to quote in our last issue in reviewing the report and remarks of the Directors of another British company.

On another page we furnish our readers with a condensed statement of the results of the entire business of the Company for 1892, which indicates progress all along the line. The new assurance issued amounted to \$11,477,625, under 3,455 policies, showing the splendid increase of \$1,473,265 over the amount of risks obtained during the previous year; and the total subsisting assurance at 15th November was \$112,190,905 as compared with \$109,943,730 at corresponding period of the previous year, or an increase of \$2,247,175. The net premium receipts were \$3,562,290, the consideration for annuities \$207,195, and \$1,555,645 from interest, etc., making a total income of \$5,325,130. The total expenditure for all purposes was \$4,966,735, including a dividend and bonus to shareholders of \$125,000, and leaving a balance of \$358,395 to be added to the invested funds.

There is something of a fascination in studying the progressive steps of a great institution in building solid foundations for its beneficiaries, especially when

one sees that evidences of prudence are ever manifest, so that its affairs move on in uninterrupted success, despite the shocks which may so often be felt around them by concerns more sensitive to the fluctuations of financial markets. Wisdom in the selection of managing officers and agents is of the greatest importance in contributing to this state of affairs, and the Standard Life seems to have been particularly fortunate in that respect, not only at home but abroad. The enviable position the Company occupies in the Dominion reflects much credit upon Mr. Wm. M. Ramsay, manager of the Canadian business, who has long gained the esteem and confidence of the insuring and commercial public, no less towards himself than the company he so ably represents.

PENNSYLVANIA AND VALUED POLICIES.

Every now and then we hear of attempts being made in legislatures to pass a Valued Policy law in one form or another; but such efforts have, for the most part, been defeated by the wiser opposition of those who perceive such enactments to be contrary to honest and fair dealing. The State of Kentucky passed a law of this nature last December; but it is too early yet to speculate upon the probable results of efforts to enforce it. Pennsylvania has had a valued policy bill passed by its legislature, but Governor Pattison has vetoed it for the reasons which we take pleasure in reprinting as follows:—

"Such conditions are not, in my judgment, in accordance with a sound public policy nor with healthful insurance. In the session of 1891 the General Assembly enacted a law providing for a uniform or standard insurance policy. That standard has been adopted by the Insurance Department and the companies, and under it tens of thousands of contracts have been made, involving hundreds of millions of dollars. The first condition of this standard policy and, therefore, the law of insurance in Pennsylvania is, that the insuring company 'shall not be liable beyond the actual value of the property at the time any loss or damage occurs, and the loss or damage shall be ascertained or estimated according to such actual cash value, with proper reduction for depreciation, however caused, and shall in no event exceed what it would then cost the insured to repair or replace the same with material of like kind and quality.' All experience tends to prove that this is a wise limitation upon the rights of the insured. Over-insurance and over-valuation are conducive to fraud, perjury and arson. They breed crime the most dangerous and demoralizing. Commonwealths which, in obedience to a false public clamor, have engrafted a contrary principle upon their insurance laws have reaped whirlwind, and in the end honest insurers will have to pay the penalty in largely increased rates. The experience of our sister and neighboring State of Ohio has been that, under the 'valued policy' law the amount of risks written increased rapidly, but the losses increased even more strikingly. * * * The provision of the bill under review, which compels an agent of the insurer to fix the insurable value after proper inquiry and investigation, will have a tendency to obstruct rather than to facilitate business. * * * Such a law is not needed to protect honest insurers, and those who insure their property beyond its value are not entitled to any special protection."