

About one-quarter of the policies now issued are on the ten annual payment plan. The effect of this large infusion of limited premium policies is to increase very perceptibly the ratio of the required reserve to the amount insured. It does not increase the hazards of the business, but adds to its resources and strength; but at the same time it enhances the moral hazards, and imposes upon the guardians of these funds the duty of more carefully husbanding their resources to meet the liabilities of the future. There should be a frequent comparison of the required reserve with the actual accumulation.

The term *valuation*, is applied to a policy, either to its value or worth to the Company, or to the insured. For finding the valuation of a policy, it is only necessary to compute the premium reserve, or ascertain the amount required to reinsure all the outstanding risks of the Company. There should always be funds enough on hand to reinsure with another sound Company all its outstanding risks.

Life Insurance proceeds upon the law of mortality and the rate of interest on money. With these two principal assumptions, it is not difficult to ascertain the exact average cost or premium for insuring a life at any given age. To meet the probable expenss of the business, there is added to this premium a margin varying from ten to forty per cent., making the gross or actual premium charged. But it must be assumed that this margin will be used up year by year in expenses, and no profit from this source can be safely anticipated, as present assets. Consequently, the valuation must be based on the net or mathematical premium without the margin. If it can once be fairly believed that there is no mystery surrounding the process technically called valuation, its importance will be more generally understood.

Next to the introduction of policies on the limited premium and non-forfeiture plans, the advance in the number and proportion of endowment assurance policies is worthy of notice. The effect of a large number of term insurance policies combined with endowment, upon the business and stability of companies, is unquestionably salutary. It diminishes the actual hazards so far as they depend on the correctness of the assumption of mortality, the one feature acting as a counterpoise to the other. To the insured this kind of policy changes somewhat the motive and effect of insurance. The whole-life policy provides only for those who survive the person insured while the endowment combined with insurance provides for the dependants of the insured and contingently for the insured himself. It also has something of the attractions of an investment. Endowment assurance is more like an investment than insurance of the whole life, because it provides contingently for a return to the insured himself. If a man were sure of living to the average age of mankind, or living out the full term of an endowment assurance policy, he would deposit his money with the savings bank; but as he is not and cannot be sure of this, he invests with the Insurance Company. In that view (of possibly *not* living out his expectations), the Life Insurance is the best possible investment; for it promises and performs what the savings bank is too slow to accomplish. It reverses the laws which govern investments. To get the benefit of the latter, the depositor must live, or his survivors must wait; but the sooner the holder of a Life Insurance policy dies, the larger the instant return, relatively to the money he has paid.

This is one of the beauties of Life Insurance, that while death shortens the period during which industry may provide for the weak, it does not cut short the provision which the policy secures, but makes the benefit larger as measured by its cost. The wise will ever regard Life Insurance as a security against the uncertainty of an individual life, and there is no safer plan of deposit than a well managed Insurance Company.—*N. S. Northern Monthly.*

## Financial.

### MONTREAL MONEY MARKET.

(From our own Correspondent.)

MONTREAL, Sept. 15, 1868.

Our Money Market continues the same that it has done for some weeks back, and I have no new features to note. There has been a rather heavier demand at the Banks for accommodation, but this is not owing to any demand for money to remit West, but rather from the shortness of the usual remittances from the country. Good paper continues scarce, and is readily taken up at low rates; in the street the terms are 12 to 16 per cent. for ordinary paper, and 3 to 4 per cent. for really good. Gold has fluctuated very little since my last, the range being about 144. Silver remains steady at a slight decline on my last quotations. Mr. Weir, a money broker in this city, has issued a circular, according to which he agrees to buy up all American silver at 2½ per cent. discount, and export it on a guarantee of a certain sum to be paid him monthly as indemnification for any loss; said money, as I understand it, to be raised by the different towns in the two Provinces. He estimates by this plan he would be able to relieve the market of fully \$1,000,000, and that gradually the price would rise to par. I only had a hasty glance over his circular, but will send you one when they are fairly before the public. The stock market has been inactive, the high price of first-class securities having checked operations. Dominion stock has attracted attention, and sold largely at 101.

### BANK OF ENGLAND.

The following statement shows the condition of the bank for the week ending Wednesday, August 26, 1868:—

Issue Department.	
Notes issued.....	£34,617,335
Government debt.....	£11,015,100
Other securities.....	3,984,900
Gold coin and bullion.....	19,617,335
Silver bullion.....	£34,617,335
Banking Department.	
Proprietors' capital.....	£14,553,000
Reserve.....	3,331,497
Public deposits (including Exchequer, Commissioners of National Debt, Savings Banks, and Dividend Accounts).....	2,979,410
Other deposits.....	19,838,830
Seven day and other Bills.....	502,953
Government securities (including Dead Weight Annuity).....	£41,205,680
Other securities.....	£13,790,131
Notes.....	15,597,078
Gold and silver coin.....	10,661,705
	1,156,766
	£41,205,680

### TORONTO STOCK MARKET.

(Reported by Pellatt & Osler, Brokers.)

Bank and Building Society stocks have been freely dealt in this week, and the market closed firm.

*Bank Stock.*—There are buyers of Montreal at 134 and sellers at 135. Ontario is offered at 99, with buyers at 98½. Considerable sales of Toronto at 116 to 116½. There were sales of Royal Canadian at 88 and 89, and is in demand at the latter rate. Buyers offer 103 for Commerce, sellers at 104. Merchant's sold at 105½; sellers now demand 106. There are buyers of Molson's at 112; none

in market. City is offered at 102½. Sellers ask 108 for Jacques Cartier, with buyers at 106½. Union could be placed at 101½; sellers ask 102½. Other Banks nominal.

*Debentures.*—There were sales of Canada sterling five per cents. at 90½ and 91, and of Sterling sixes at 100½ and 101. Currency sixes are offered at 100½. There were small sales of Toronto at rates to pay about 7 per cent. interest. County are in demand and very scarce.

*Sundries.*—Building Society stock higher. Canada Permanent sold at 119 and 119½; which rates are still offered. For Western Canada 111 to 111½ is freely bid. Freehold sold at 105½ and 106, closing with purchasers at the latter rate. City Gas sold at 105 and 105½, and in demand. British America Assurance is held at 56, with buyers at 5. Canada Landed Credit sold at 63 and is in demand at that rate. Very few Mortgages offering. Money is easy on good short date paper.

PROVINCIAL NOTES.—The following is a statement of the Provincial Notes in circulation on the 2nd of September, and of the Specie held against them at Montreal, Toronto and Halifax, according to the returns of the Commissioners under the Provincial Note Act:

Provincial Notes in Circulation, payable at Montreal.....		\$2,899,926
Payable at Toronto.....		1,211,074
Payable at Halifax.....		94,000
Specie held at Montreal.....		450,000
“ “ Toronto.....		400,000
“ “ Halifax.....		18,800
Debentures held by Receiver-General under the Tender Act.....		3,000,000

STATEMENT of the Revenue and Expenditure of the Dominion of Canada, for the month ended 31st August, 1868:—

REVENUE:—Customs.....	\$891,157 95
Excise.....	144,174 24
Post Office.....	52,337 28
Bill Stamps.....	4,210 95
Public Works including Railways.....	100,063 95
Miscellaneous.....	185,988 71
Total.....	\$1,377,933 08
EXPENDITURE.....	\$964,293 28

### Railway News.

GREAT WESTERN RAILWAY.—Traffic for week ending 28th August, 1868.

Passengers.....	\$36,206 66
Freight and live stock.....	38,009 01
Mails and sundries.....	2,212 50

	\$76,428 17
Corresponding Week of '67.	77,539 64

Decrease..... \$1,111 47

RAILWAY TRAFFIC.—In the railway traffic returns for August, the Great Western Railway returns were \$260,017 against \$270,183 in August last year; Grand Trunk, \$627,713 against \$600,799 last year; the Northern Railway shows a decrease of \$10,000 as compared with last year; Brockville and Ottawa, \$14,115 against \$10,213 and the St. Lawrence and Ottawa, \$9,349 against \$9,518.

DEPOSITS.—The New York Life Insurance Company's deposit consists of \$75,000 in U. S. 5-20 bonds. The Atlantic Mutual of Albany, N. Y., has made a deposit of \$50,000 in U. S. 10-40 bonds.

TELEGRAPH EXTENSION.—The Montreal Telegraph Company have this week opened offices at Frenchman's Bay and Odessa, which are now ready for business.