

In moving the adoption of the report, Mr. Ramsay said: Gentlemen,—In moving the adoption of the report of the directors, which, having been in the hands of each shareholder for some days, you have taken as read, I shall detain you but little by remarks in reference to it.

The year's progress has again been most satisfactory and encouraging, for, as the report points out, at no period in the thirty year's history of the company has such an amount of business been transacted, and that is more particularly remarkable during a period of such painful financial depression, and in the face of the very active and even unscrupulous opposition which I may say appears to be incited among some rival institutions by this company's greater success. While such success is undoubtedly attributable to the great public confidence which the Company's own intrinsic merits have attracted to it, we are also to a large extent indebted to the active and earnest services of the excellent and reliable body of agents with whom the Company has been surrounded.

The magnitude of the Company's operations may be seen by a glance at the table appended to the Directors' report, from which it will be observed that the assurance business of our Company in Canada is about double that of the Company next in importance to it (the *Ætna*), and is more than three times as great as that of any other company.

The beneficial results of the great care taken in the selection of lives offered for assurance is apparent in the moderate number and amount of death claims which are experienced. The percentage of expenses of management has been considerably reduced, and this, in conjunction with the moderate death claims alluded to, and the very favorable result of the Company's investments, among those of which made during the past eighteen years no loss whatever has occurred, explain the liberal profits which our Company has been able to give to its policyholders. It may be added, in speaking of management expenses, that it is extravagance in that item which has been the very fruitful cause of the disasters and destruction which have overtaken companies which have lately failed.

These failures in another country, and some of them of a most scandalous character, have caused some doubts to be cast upon the whole system of Life Assurance, but as such failures have, in nearly every instance, arisen solely from bad and fraudulent management, the system and principles of Life Assurance are in no way to blame for these results.

During the last session of Parliament a Bill for the Government supervision of Life Assurance Companies was passed, by which the supporters of the measure anticipate that the public will be secured against troubles such as have been alluded to as having arisen in companies in the United States. In passing that measure, Parliament deemed it right that companies like our own, which had been acting upon the system of holding reserves based upon a future interest of 5 per cent. per annum (the rate fixed by the Legislature two years before), should have ten years in which to change to a $4\frac{1}{2}$ per cent. reserve, so that if it be found that the result of that change is to reduce the future profits, this fair and proper privilege may enable that to be done in a way so gradual as will prove of benefit to our policyholders. By some the subject of the practice of life assurance business being undertaken by the Government has been suggested, and the fact that that appears to be successfully done by the Government of the colony of New Zealand is instanced. But it should be borne in mind that experience of such a business for such a short period as five years is not a fair nor a sufficient test of the ultimate result of a practice which, it may be mentioned, has, in England, at all events,

proved a complete failure. Business matters of the kind are probably best left to the enterprise and competition of responsible companies like our own, which have large capital at stake for the protection of the public; are managed by persons of reputation and experience; and which publish such full details of their affairs as make their position and security apparent or easily ascertained at any time. Some of the wealthiest and best of the British companies have lately reduced their rates for life assurance to rates nearly approaching our own, and such a course at the hands of companies managed by the most experienced and able persons engaged in the business of life assurance, is a gratifying practical confirmation of the prudence and sufficiency of the moderate rates upon which we have acted for the last thirty years. I would again say, as I did on the occasion of our meeting last year, that we shall be most happy to give any further information as to the business or position of the Company, over and above what is contained in the Directors' report. The Company has everything to gain by a full and frank statement of its position, and the Directors are well satisfied that the more that is enquired into and investigated, the more confidence there will be entertained in its soundness and safety. I now beg formally to move the adoption of the Directors' report, which is before you.

Mr. Gates seconded the adoption of the report, and adverted to the very successful condition of the Company. He said that as Canadians and Hamiltonians we had great reason to feel proud of it. Those who were the greatest enemies of the Company were now reaping benefits from its great success. He referred to the home market which it had opened up for Canadian securities, and the demand in England for them at the present time. The Company deserved well the prosperity which was attending it. Carried.

Mr. Adam Brown moved, seconded by Dr. Billings, and carried unanimously, a vote of thanks to the Directors for their attention to the interests of the Company during the past year.

Mr. Edward Martin had much pleasure in moving that the thanks of the shareholders be given to Mr. Ramsay and the other officers of the Company for the zeal, attention, and faithful services rendered to the Company. This resolution was seconded by Mr. John Riddel, who passed a high eulogium upon Mr. Ramsay for the zeal and attention at all times manifested by him in the Company's interests.

Mr. Ramsay acknowledged the compliment in a few fitting remarks, expressive of thanks therefor. Such words as these acted as an incentive to him to go on and do his utmost to forward the interests of the institution. He paid a high tribute to Mr. Hills, the secretary, and other officials of the Company as well as the agents, who were all an active, painstaking lot of gentlemen. He was pleased to see one of them, Mr. Henderson, of Toronto, who had proved himself one of the most successful agents, present on the occasion.

Moved by Mr. William Hendrie, seconded by Mr. John Stuart, that Messrs. John Riddel and George A. Young be appointed scrutineers of votes for the election of Directors in the room of the seven retiring. Carried.

After performing their duty, the scrutineers reported the following gentlemen elected Directors for the ensuing year:—Messrs. F. Wolferstan Thomas, Montreal; Rev. Canon Innes, London; D. McInnes, Hamilton; George Hague, Montreal; F. W. Gates, Hamilton; Geo. A. Kirkpatrick, M. P., Kingston; the Hon. Mr. Justice Burton, Toronto. And the meeting then adjourned.

At a subsequent meeting of the Board of Directors, A. G. Ramsay, Esq., was unanimously re-elected President, and F. W. Gates, Esq., Vice-President.

MEMBERSHIP IN MUTUAL FIRE INSURANCE COMPANIES.

36 Vic., Cap. 44, Ont.

COMMUNICATED.

As a rule, the insured in so-called Mutual Fire Insurance Companies who have not given premium notes or undertakings, but paid cash for their policies, have been denied the privilege of voting at annual meetings under a rendering of the statute that none but premium note givers can vote for the election of Directors, or aspire to seats at the Board.

But it is submitted that the insured for cash premium has as much right to vote at an annual or other meeting, and is as eligible for a seat at the Board as the insured on the premium note plan.

On the 29th March, 1873, an Act, being 36 Vic., cap. 44, Ont., was passed "to consolidate and amend the laws having reference to Mutual Fire Insurance Companies in the Province of Ontario," or in other words, to supersede, and take the place of, all previous acts relating to such companies in that Province.

Prior to its passage every premium note which had been given as a consideration for insurance was held to be a mortgage on the property insured, (section 57, cap. 52, con. stat. U. C.), and took its rank as first, or second mortgage, as the case might be. But the Ont. statute of 1873, above referred to, abolished that privilege and thus considerably reduced the security to the public which Mutual Fire Insurance Companies had previously afforded. It became a question, then, whether the insured who had paid cash for his insurance had not as great an interest in the management of the company as he who had only given his promise to pay; the security which a premium note capital affords being not altogether of the most unquestionable character.

In the sixth section of the Act just cited occur the following words: "The several subscribers above named and all other persons thereafter effecting insurances therein shall become members of the said company;" and in the seventh section occur the words: "Every person admitted a member by such insurance."

Section thirty-two recites that: "Any policy that may be issued for one year or any shorter period may be renewed at the discretion of the Board of Directors, by renewal receipts, instead of policy, on the insured paying the required premiums, or giving his premium note or undertaking, and any cash payments for renewal must be made at the end of the year, or other period, for which the policy was granted; otherwise such policy will become null and void."

Section forty-one empowers a mutual company to accept premium notes and assess them for its losses and expenses; and section forty-four provides that: "If the assessment on the premium note or undertaking be not paid within thirty days after the day on which the said assessment shall have become due, the policy of insurance for which such assessment shall have been made shall be null and void."

Section eleven provides that: "Each member of the company shall be entitled at all meetings of the company to the number of votes proportioned to the amount by him insured," according to certain prescribed rates; "but no member shall be entitled to vote while in arrear for any assessment, or premium, due by him to the company."

It thus seems evident that to constitute membership in a mutual fire insurance company, nothing is necessary but to effect an insurance in it; and the impression is strengthened by