

GORE DISTRICT FIRE INSURANCE COMPANY.

Last year's report shows that the Gore District maintains its position, and makes the same steady progress which has attended it during the term of Mr. Simons' management, to whom a high but just and well-earned compliment was paid at the meeting. The losses were pretty heavy, and, as we notice from a list accompanying the report, nearly all arose from hazardous risks. Eleven or twelve fires occurred in grist and saw mills, two in drug stocks, two in foundries, one in a stove factory. The experience with frame taverns was extremely bad, about twenty per cent. of the claims being in connection with these structures. This experience will probably cause the Company to look more shyly at special risks, notwithstanding the high rates they bear.

An universally recognized principle in fire insurance is thus stated: "The insured 'should never make money by a loss. The 'contract should never be so arranged that 'under any set of circumstances it would 'be profitable to the insured to meet with 'disaster.'" It would be mere waste of space to argue the soundness of a principle which harmonizes so thoroughly with the teachings of experience and the dictates of common sense; yet it is constantly being violated. The mode of doing business—accepting the representations of the assured as the basis of the contract, without thorough and independent examination—induces the constant transgression of this primary law of insurance. As flagrant and disgraceful a case of the kind as has ever come to our knowledge is that which has just been made the subject of a tedious coroner's inquest in this city. Such reprehensible practice can only demoralize the business and ruin stockholders.

It is a rather difficult question in fire insurance practice to decide just how far the assured may be held responsible for the valuation he places on the insured property for the purposes of insurance. A case recently before the Court of Common Pleas—*Riach vs. Niagara District Mutual Insurance Company*, bears directly on this point. The plaintiff had insured the contents of a store for \$2,000, estimating the value of the insured property at \$5,800, but which the jury found did not exceed \$3,500. The loss by fire was \$1,400. It was held that "a representation of present cash value is 'not a warranty, but is so far material that 'on the trial the jury should say whether 'or not there was an over-valuation to the 'knowledge of the applicant, and if so the 'policy is void.'" In this case the question

to be submitted to the jury, as stated by Hagarty, J., on the new trial which was granted was whether "it is possible for a 'man honestly to state that his goods were 'fairly estimated at \$5,000, when in truth 'they were only worth \$3,500." A mere false estimate of value will not therefore invalidate a policy, but it must be *knowingly* false.

EUROPEAN ASSURANCE SOCIETY—LIFE INSURANCE FAILURE.—This concern has been in hot water for the past eighteen months, defending itself against winding-up petitions in the English Court of Chancery; but has at last succumbed. It has now admitted the charge of insolvency, and proposes to reduce the policies 20 per cent. all round and liquidate. Time has been given the Society by the Court to elaborate a proposal to that effect. The failure of this Company is a serious affair, since 30,000 policy-holders and 1,700 shareholders are thereby involved in losses and harassed with disappointments. It will be remembered that the Canadian Act of 1868, requiring a deposit from all the Companies was the means of driving this sorry concern from the Dominion in time to prevent serious mischief.

MONTREAL AND NEWFOUNDLAND SEALING COMPANY.—A company with the above name has been organized in Montreal, with a capital of £150,000, shares \$100 each, and will apply for an act of incorporation at the next meeting of the Dominion Parliament. The stock is nearly all taken up by some of the most wealthy men in Montreal, Quebec and the Provinces, and the Company have already contracted for two large steamships to be built in Scotland, and to be ready to leave St. John, Newfoundland, in time for next season's fishing. In the list of Directors are the names of Sir Hugh Allan, Wm. Murray, &c. Henry McKay is the acting secretary and treasurer.

MUTUAL INSURANCE.—We are authorized to say that a meeting of representatives of the various mutual fire insurance companies will be held in September next, to discuss matters of common interest. Due notice will be given of the time and place of meeting by advertisement in this Journal.

STANDARD LIFE.—A policy holder writes us as follows: "Can you afford any information to the policy-holders of the 'Standard' Life Assurance Company as to when they may expect the division of profits which was to have been allotted in May, 1870—more than a year ago. The agents here seem quite unable to give any satisfactory replies about the subject, and this unusual delay is creating an uneasy feeling in the minds of many interested parties besides myself."

Meetings.

GORE DISTRICT MUTUAL FIRE INSURANCE COMPANY.

The thirty-second annual general meeting of the members of the Gore District Mutual Fire Insurance Company, was held on Monday, the 10th June, 1871, in the office of the Company in Galt, Ont. John Fleming, Esq., in the chair. The secretary, Mr. Thos. M. Simons, read the

Thirty-second Annual Report.

The following is a summary of the transactions of the Company for the year ended 31st May, 1871:—"The number of Policies issued was 2,047, insuring 1,848,856, and the amount of Premium Notes received was \$70,153.33. The number of Policies in force at the end of the year was 3,092, insuring \$2,887,710, and the Premium Notes amounted to \$130,136.10. The average risk was \$933.93. The net amount of Cash Premiums received was \$12,346.33. The number of claims during the year was 53, amounting to \$27,744.76. The report of the inspector concerning them accompanies this, and contains ample information. The number of declined applications was 124.

There were unpaid at the end of the year assessments amounting to \$3,539.80; and first payments on Premium Notes and Cash Premiums, \$791.09, a large proportion of which has been paid during the current month.

In regard to claims, but two remained unsettled at the end of the year. The delay was occasioned by the claimants themselves. In no instance during the year has the payment of a claim beyond the period of its adjustment been deferred by the Company, nor has any claim been disputed.

Of the disputed claims, to which reference was made in the report of your directors for the year ended 31st May, 1870, judgment on two has been given in favor of the Company, and a similar result is confidently anticipated for the others.

The large amount at the debit of law costs is accounted for by the fact that at the commencement of the year there were no less than five claims which your Board had felt that it was incumbent upon them to dispute.

The system now generally adopted of making assessments payable at the head office works well, and seems to be quite satisfactory to both insurer and agent.

The cash system of the Company has continued to work successfully, although, according to the rate of assessment for the last three years the Cash Premium insurer has paid no less than eight and one-quarter per cent. more than the premium note insurer.

The question of a standing reward for the conviction of incendiaries having been submitted to the Board by the Mutual Insurance Companies Association, your Directors passed a resolution to the effect that in their opinion the reward for such conviction should be \$200, to be at all times available for payment on the production of satisfactory evidence to convict; each of the associated Companies to be assessed therefor in proportion to the amount by it insured.

The agreement for re-insurance which subsisted between the Toronto Mutual and this Company ceased to exist by consent of each on the 30th April last, when all re-insurance policies of the one with the other were cancelled.

Very satisfactory arrangements for reinsurance have, however, been made with other Companies, so that this Company has sustained no inconvenience whatever, but can still accommodate its customers with insurance for larger amounts than it would otherwise be able to carry.

The effort which was made at the last session