

EAGLE STAR AND BRITISH DOMINIONS.

The annual statement of the Eagle Star and British Dominions for 1918 presented to the shareholders by the chairman, Sir Edward Mount, denoted most satisfactory progress in every department. Among important offices which have been taken over, two notable additions were made in the year under review, viz. the English and Scottish Law Life, and the British Crown. The figures of both companies, as well as those of the Commonwealth Insurance Company (another acquisition of the Eagle Star and British Dominions) are included in the accounts for the year ending 31st December, 1918, and the effect as might be expected is very pronounced in the total results. The development disclosed in the results of the operations of the company, constitutes a remarkable record and is characteristic of the enterprise and energy of Sir Edward.

The total assets of the Eagle Star and British Dominions have increased from \$66,618,775 to \$83,517,344 indicating the very large growth of \$16,898,569. As will be noted by the balance sheet the Reserve Fund shows a growth of 100 per cent, having advanced from \$1,250,000 to \$2,500,000. The fire and general insurance fund now stands at \$2,633,130, as compared with \$1,259,527, an increase of \$1,373,603. The fire and general revenue account has grown from \$2,465,215 to \$4,546,205 for the year under review. Of course this remarkable stride forward was largely anticipated in these departments in view of the assistance expected from the amalgamated companies. The loss ratio experienced was more than satisfactory, figuring at 37.58 per cent. After providing for expenses, commissions, excess profits duty, and providing 40 per cent for unexpired liability, the satisfactory balance of \$814,647 was shown, which the directors decided to leave as an additional reserve. In the marine department net premiums of \$8,379,540 were received, and a substantial profit was made; after transferring \$500,000 to the cost of the business acquired, and \$1,250,000 to reserve fund, the marine fund stood at (after deduction of dividends) \$5,318,390.

The great financial strength of the Eagle Star and British Dominions, represented by the possession of assets (already referred to) totalling the huge amount of \$83,517,344, coupled with the company's liberal dealings with its policy-holders, will no doubt be a guarantee that the continual development of its business is assured both in Canada and elsewhere.

The head office for Canada of the Eagle Star and British Dominions was removed to Toronto from Montreal last year, when it was placed under the management of Mr. J. H. Riddel, assisted by Mr. E. G. Johnson. The large and influential firm of Dale & Company, Limited, Montreal, are general agents for the company both for the city of Montreal and Ontario in the fire department, in addition to having charge of the marine department for Canada. As Canadian manager of the

Eagle Star and British Dominions, Mr. Riddel is also well known as manager of the British Crown, a subsidiary of the former. His fine record for the latter company was continued last year, as evidenced by net fire premiums of \$319,035, compared with \$237,110 in 1917, a growth of \$81,925. This substantial expansion was accompanied by a loss ratio of 50.90 per cent. Mr. E. G. Johnson is also associated with Mr. Riddel as assistant manager of the British Crown.

A REINSTATED POLICY.

A court decision upon a point in connection with a life insurance policy which, it is believed, is unique was recently rendered in a Texas court. It appears that the insured took out a policy for \$25,000, which contained a clause providing that the policy should be incontestable after one year. After carrying this policy for several years the insured failed to pay a premium promptly, but later took advantage of the reinstatement clause contained in the policy, satisfying the company of his insurability, and was notified that the policy had been reinstated according to its original terms and conditions. Within a year thereafter the insured died, and the company claimed that he had committed suicide. It also developed that the application for reinstatement carried a printed clause to the effect that if the insured died by self-destruction within one year from the date of his reinstatement, whether sane or insane, the beneficiary would be entitled to recover only the reserve on the policy, amounting to about \$4,000, instead of the face of the policy, \$25,000. The company, therefore, considered that it was only liable, upon the insured's death, to the extent of \$4000. The court, however, in construing the policy contract, held that as the insured had furnished evidence of insurability satisfactory to the company and paid all arrears of premiums with interest and reinstated his indebtedness on the policy, or loan on the policy, as required by the policy, the insurance company could not require, in addition to furnishing this evidence of insurability, etc., an additional promise that if he committed suicide within one year thereafter his beneficiary would receive only the reserve on the policy. The court also upheld the contention of the plaintiff that such additional agreement as to suicide, inserted in the application for reinstatement, was without consideration and beyond the contract right given in the policy for reinstatement, and that the company could not ingraft such additional promise and agreement in the policy. Decision was further given in favor of the plaintiff for the face of the policy, 12 per cent. statutory penalties, and attorneys' fees. It is expected that the insurance company will appeal the case to a higher court. It is believed that no previous court decision has covered just the situation involved in this proceeding, and its ultimate disposal in the higher courts will be awaited with much interest.