

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

### LETTER FROM TORONTO.

*Editor INSURANCE AND FINANCE CHRONICLE:—*

Every insurance man throughout the Dominion is very much interested in the proposed insurance legislation, both at Ottawa and in Toronto, especially the agents, who are anxious to see a stringent rebate law passed. What course the Dominion legislators will take in this matter appears uncertain, as Col. Gibson, M.P.P., in the Ontario House, stated the other day, that the two insurance departments were in correspondence, with a view to make the legislation concurrent. Until within a few days, it seemed certain that the straight rebate clause would be inserted in the Ontario Act, but now it is proposed to only prohibit rebating on insurances of \$5,000 and upward. To the agents here, who have worked so hard to have the desired clause inserted in the Act, this proposition is disappointing in the extreme, and appears strange on the part of the Cabinet, as there has been no known opposition to the rebate clause being inserted in the Act. Evidently there is a good sized Ethiopian in the wood pile, but so far he has not been located.

The People's Life Insurance Company is expected to be in operation shortly, and the manager will be Mr. Lemnitz, formerly of the Excelsior. It will be a mutual, and privileged to issue both life and accident policies. The Ontario Government require a deposit of \$10,000 cash, and the company is to have the privilege of issuing debentures to the extent of \$20,000, by which means it is assumed the \$10,000 will be raised.

The manager of the old and reliable Standard Life is evidently determined to increase the business over that of last year, as I learn the agents are particularly active just now; and Mr. Hunter, the superintendent, has gone on a trip to Winnipeg to stir up their representatives at that point.

Mr. Chadwick, formerly superintendent of agencies of the Temperance and General Life, who has been in Chicago the past few months endeavoring to organize a life insurance company, is said to find it a harder job than he anticipated. He certainly deserves success for his pluck, and I sincerely hope he may yet realize his expectations.

Mr. Geo. A. Cox has returned from his holiday trip, and expresses himself as very much benefited by the change. This genial gentleman certainly looks the picture of good health.

Another insurance manager, Mr. McCabe, has returned to town from the South, where he spent the past few weeks, and looks as though he is quite prepared to get into harness again.

Manager Macdonald of the Confederation Life, who went to California with his son, is expected to return here in time for the annual meeting of the company.

Mr. J. L. Kerr, who for a time filled the position of secretary of the Manufacturers Life, has organized the Globe Loan and Investment Company. The plan is, I believe, the same as many others of a similar kind that have been started here during the past few years. Whatever it is, all wish Mr. Kerr success in his new undertaking, having confidence that he will conduct its affairs in a straightforward manner.

I see that Mr. O'Hara is down for president of a similar company called the Equitable. By the way, the many friends of Mr. O'Hara will be glad to hear that in the short time since resigning the management of the Temperance and General, he has built up for himself a lucrative business as a financial agent.

Great credit is due to Mr. Bowker for successfully prosecuting the Massachusetts Mutual Benefit Association for violation of the Insurance Act, by omitting the words "assessment system" in its literature and advertisements. Manager Charles Purcharde wore a decidedly surprised look when Magistrate Denison pronounced his verdict of \$30 and costs or 40 days imprisonment. The case of the Mutual Reserve and the Canadian Mutual Life Association will be heard in a few days, and a like decision is confidently expected.

It appears that the Mutual Reserve cancelled a policy for \$1,000 on the life of Michael Fitzmaurice, on the ground that he was of intemperate habits. Now, Mr. J. Day of Ottawa brings suit to have the policy reinstated, and the master before whom the case was heard has given the assessment association a hard job by requiring it to prove that the insured was of intemperate habits. That, I believe, is an unsettled point in the English courts to the present day, as judges and lawyers, and also medical men, differ on the subject, for the habitual use of liquor has very different effects on different persons.

That fools and their money are soon parted is evidenced by the latest successful assessment endowment fake, viz., members of one year's standing or those paying up one year's assessment

in advance, are to be guaranteed a free trip to the Chicago Exhibition next year. Inducements are being held out to a prominent man in this city to organize a branch here. He has been warned that if he does he will be prosecuted for obtaining money under false pretences.

Fire insurance is quiet, premiums hard to collect, with losses quite up to last year.

Under the old company the street railway company's business was controlled by the Liverpool & London & Globe, but the new company have decided to divide up the business, which arrangement is of course approved by the agents.

Mr. R. W. Tyre, the prudent manager of the Northern, was in town last week to meet ex-Inspector Lockie, and close up all matters in the hands of the last named gentleman, who will hereafter give his entire time to the Mercantile. Mr. Tyre, by his courteous and affable manner, left a favorable impression on those whom he met during his short stay here.

I regret to say that Mr. McLean, the secretary of the Board of Fire Underwriters here, is confined to his house with an attack of typhoid pneumonia, and owing to his advanced age his physician gives but little hopes for his recovery.

It is with much regret that I have to record the death here of Mr. Jas. E. Smith, who for some years has represented the British Empire in this city. When in good health he was a most successful canvasser, and was one of those men everybody liked. He will be sadly missed by leading citizens and especially in the Conservative party, in which he has been a leader here for some years.

P. B. P.

TORONTO, March 28, 1892.

### OUR LONDON LETTER.

*Editor INSURANCE AND FINANCE CHRONICLE:—*

More than phenomenal success has attended the operations of the Prudential Insurance Company during the year 1891. I applied the adjective phenomenal to the results of the year 1890, and in the absence of any regular comparative, and without attempting to create a new word, I content myself by now saying the results of the year 1891 were quite unprecedented in the annals of the history of British life offices. A company that can report the issue of over 58,000 new policies assuring the sum of nearly £6,000,000, securing a new premium income of £356,000, and adding to its assurance fund over £1,000,000 in one year, is indeed a colossus of the assurance world. It is claimed by the officials of the Prudential that their magnificent results are obtained at a cost of only 10 per cent. on the premium income; but I think this statement must be taken with some qualification. Supposing that the Industrial branch of the office with its enormous ramifications did not exist, what would be the expense ratio in connection with obtaining the business of the ordinary branch? I question whether it would not be double or more than double the ratio just mentioned. This point is important in reviewing the transactions of the Prudential, as sometimes very invidious comparisons are made by its advocates without taking into consideration the fact that the agents who are paid by the Industrial branch largely contribute to the success of the ordinary branch.

#### PRAISEWORTHY SELF-SACRIFICE

has been exhibited by the Board of the Mutual Life Office of London, who have resolved that their members' all be reduced from fifteen to twelve. This is a very right step, and another in the same direction by and by would be truly righteous. I regard the day as not very far distant, when policyholders of mutual companies especially will make a strong protest against the payment of fees amounting to £200 or £300, to twelve, or fifteen, or even more gentlemen, for taking their seats at a board table once a week, simply to indorse the acts of an able and pushing manager. I think that six good business men—men of position and influence—are quite sufficient to manage the business of a company; and if the example of the Board of the Mutual were followed to a much larger extent, no detriment would accrue to the companies involved, while the members would benefit by the considerable saving thus effected. I heard the late Mr. Spurgeon say once, that his idea of a perfect committee was that it should consist of three members, one of whom was in the colonies, another in bed, and the third at the administrative table. And I think he was right, mainly, not only in regard to committees, but to boards also. Looking at the lists of directors published from time to time, one cannot help coming to the conclusion that, as a rule, there are too many.

#### THE LIABILITY OF COMPANIES

to pay commission to agents in perpetuity has been the subject of several actions recently in our county courts. The latest action took place in the Birmingham county court, where a Mr. Barouche sought to recover, as against the Crown Life Office