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SUMMARY OF 39th ANNUAL REPORT.

New York Life Insurance Co.

OFFICE, 346 & 348 BROADWAY.

Wm. H. Beers, Vice-Pres't and Actuary.

Morris Franklin, President.

BUSINESS OF 1888.

Received in Premiums.....	\$10,948,486.77	
Received in Interest, Rents, etc.....	2,712,863.89	
Total Income.....		\$13,661,350.66
Paid Death-claims.....	\$2,263,092.29	
" Endowments.....	452,229.80	
" Annuities, Dividends, and for Surrendered Policies.....	3,984,068.31	
Total Paid Policy-holders.....		\$6,699,390.40
New Policies issued.....	15,561	
New Insurance written.....	\$52,735,564.00	

CONDITION JAN. 1, 1884.

Cash Assets.....		\$55,542,902.72
*Divisible Surplus (Co.'s Standard, 4 per cent.).....	\$5,002,514.17	
†Tontine Surplus ".....	2,236,096.04	
Total Surplus at 4 per cent.....		\$7,238,610.21
Surplus by State Standard.....		\$10,300,000.00
Policies in force.....	69,227	
Insurance in force.....	198,746,043.00	

PROGRESS IN 1888.

Increase in Income.....		\$1,710,704.87
Excess of Income over all expenditures.....	4 559,334.78	
Excess of Interest over Death-losses.....	449,771.60	
Increase in Assets.....	4,742,505.90	
Increase in Divisible Surplus (Company's Standard, 4 per cent.).....	53,672.38	
Increase in Tontine Surplus ".....	144,723.85	
Amount added to Tontine Fund.....	1,116,939.00	
Amount paid on Matured Tontines.....	972,215.12	
Increase in Policies issued (over 1882).....	3,383	
Increase in new Insurance ".....	11,410,044.00	
Increase in Policies in force ".....	9,077	
Increase in Insurance in force ".....	27,330,946.00	

* Exclusive of the amount specially reserved as a contingent liability to Tontine Dividend Fund.
 † Over and above a 4 per cent. reserve on existing policies of that class.

THE NEW-YORK LIFE has now perfected a policy called **Non-Forfeiting Limited Tontine Policy**, which combines the non-forfeiture features originated by this Company in 1860, with the valuable options and benefits of the "Tontine Investment Policy." This policy marks the latest advance in life insurance. By a combination of non-forfeiture and Tontine privileges it obviates the objections heretofore made against both the ordinary policy and the ordinary Tontine, and it is confidently recommended as (1) the **safest life policy** issued, as regards liability to lapse; (2) the **most desirable**, as regards character of privileges and benefits; and (3) one of the **most profitable**, as regards cash returns.

CANADIAN BRANCH OFFICE,

UNION BANK BUILDING, NOTRE DAME STREET.

MONTREAL.

DAVID BURKE, SUPERINTENDENT.

INSURANCE

ROYAL

COMPANY.

GENERAL
RESOURCES.

CAPITAL
\$10,000,000

INVESTED FUNDS,
\$28,000,000.

SURPLUS OVER
LIABILITIES.
\$9,616,424.

SHAREHOLDERS LIABILITY
UNLIMITED.



CANADIAN
POLICY-HOLDERS
SECURED BY
\$800,000
DEPOSITED WITH
GOVERNMENT
IN ADDITION TO OTHER
DOMINION INVESTMENTS.

CANADIAN PREMIUMS
EXCEED
\$600,000.

RATES MODERATE.

LOSSES EQUITABLY ADJUSTED
—AND—
PROMPTLY PAID.

CANADA LIFE ASSURANCE COMPANY

— ESTABLISHED 1847 —

HEAD OFFICE, - - - HAMILTON, ONTARIO.

Capital and Funds, about - - \$7,000,000. Annual Income over - \$1,200,000.

A. C. RAMSAY, Pres't.

R. HILLS, Secretary.

ALEX. RAMSAY, Superintendent.

J. W. MARLING, Manager Province of Quebec, 180 St. James St., Montreal.

J. D. HENDERSON, Agent, Toronto.

D. MACGARVEY, Secretary, P. McLARREN, Gen. Agent, Maritime Provinces Branch, Halifax, N.S.

GEO. A. COX, General Agent, Eastern Ontario Branch, Peterboro.

W. L. HUTTON, General Agent, Manitoba Branch, Winnipeg.

The Ontario Mutual Life Assurance Co's

HEAD OFFICE, WATERLOO, ONTARIO.

DOMINION DEPOSIT - - \$100,000.

The only purely Mutual Life Company in Canada.

Total number of Policies in force, Dec. 31, 1883, 5,241. | Covering Assurance to the Amount of - \$6,572,719.71.

Total Net Assets - \$525,939.42. | Net reserve to credit of policy-holders \$402,177.47. | Surplus, \$43,761.96.

The Company's Reserves are based on the Actuaries' "Table of Mortality" and four per cent. interest—the HIGHEST standard adopted by any life company in Canada, and one-half per cent. higher than the standard used by the Dominion Insurance Department.

The rapid growth of the Company may be seen from the fact, that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of \$533,705.55 !!

I. E. BOWMAN, President.

W. HENDRY, Manager.

W. H. RIDDELL, Secretary.

CONFEDERATION LIFE ASSOCIATION.

HEAD OFFICE, TORONTO, ONT.

A HOME COMPANY.

GUARANTEE CAPITAL, \$1,000,000.GOVERNMENT DEPOSIT, \$86,300.CAPITAL AND ASSETS, 31st December, 1883, \$2,152,722.39

Confines itself to Legitimate Life Insurance. Affords Security to Policy Holders, unsurpassed by any other Company.

The system of Distribution of surplus employed by this Association secures, with other advantages, the following:

1st. It avoids the weakening effect of paying too large profits in the early years of the policy, and the consequent inability to do justice, as the policy becomes older.

2nd. It strengthens the position of the Association, and consequently the security to the policy-holders.

3rd. It secures an increase in profits from year to year, and an equitable share to each kind of policy.

4th. It does away with the objection, "that endowment and limited payment policies are taxed for the special benefit of ordinary life policies."

Policies Non-Forfeitable after Two Years, and Indisputable after Three Years.

Hon. Sir W. P. HOWLAND, O.B., K.C., M.G., President.

J. K. MACDONALD, Managing Director

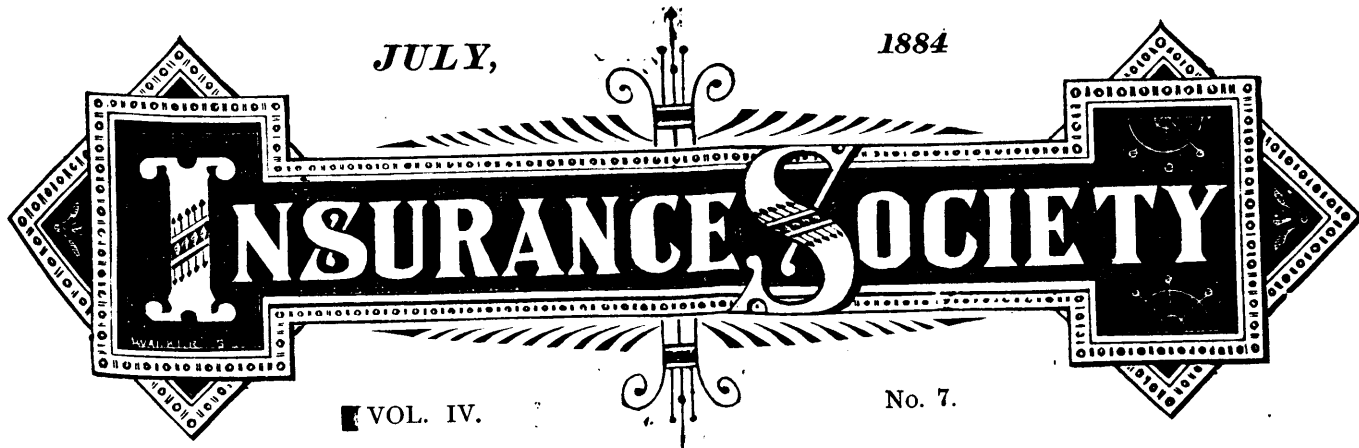
MAJOR J. MACGREGOR GRANT, St. John, Manager for New Brunswick.

AUGUSTUS ALLISON, Halifax, Manager for Nova Scotia.

H. J. JOHNSTON, Montreal, Manager for the Province of Quebec.

JULY,

1884



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A little more than a year ago, we congratulated ourselves and our subscribers on the result of the attempt of the License Inspector to collect the amounts due under the obnoxious Tax Act of 1882, from the various Banks, and ventured to prophesy that the actions against the Insurance Companies and other Corporations would meet with the same fate. Judge Jette's decision in these cases however, which we publish to-day, shows that even Judges do not always agree, and is another example of the glorious uncertainty of the law. He having decided in direct opposition to Judge Rainville's judgment that the tax in question is a "direct" tax, there existing no intermediary between the Corporations taxed and the Taxing Power; and that it is in the nature of a royalty exacted by reason of the exercise of a profession or business, and as such essentially within the power and among the attributes of the Provincial Government.

All the other points raised by the Defendants in the 40 cases adjudged, were most carefully and ably dealt with, as a glance at the judgment will show; but in view of the fact that this decision, as well as that of Judge Rainville, has been taken to appeal, we do not think it necessary or expedient to discuss it at length, but prefer to wait to see how the higher Court will deal with two such contrary judgments.

CONTRIBUTION IN FIRE UNDERWRITING.

PART IV.

In closing our III article upon this interesting subject, in the June issue, we said: "Hence it is apparent that the division of compound policies of the second phase (in the ratio of the losses) is but a mode of arriving at an equitable method for a basis of contribution with co-insurers, specific or compound, and cannot be used to the injury of the insured or of co-insurers."

This raises the question: "What is an equitable method for a basis of contribution among co-insurers under non-concurrent policies?" A problem, by the way, that has taxed the skill and ingenuity of fire underwriters "tyme out of minde," nor has it yet been solved to the satisfaction of all parties.

The fixed conditions or "axioms" under which the distribution of contributive liability among co-insurers, whether concurrent or non-concurrent, are to be made, may be summed up in the following:

- 1st. Indemnity: The insurance contract is one of indemnity under every circumstance.
- 2nd. No arrangement of the clauses of the policy shall be used to the disadvantage of the insured; he must be paid, and the dispute, if any, be settled between the Underwriters.
- 3rd. The insured cannot be called upon to bear any portion of his own loss either as self-insurer or co-insurer, while any of his insurance, compound or specific, remains unapplied to the full extent of its liability, except where the policy may be made subject to average or other limitation by specific stipulation in the contract.
- 4th. All co-insurers shall be bound with equal certainty, and in the same sense, upon the same loss.
- 5th. The contribution clause is operative only between co-insuring Companies, in cases of double or concurrent insurances, and then pro-rata only so far as they may be, or can be made concurrent.
- 6th. No one policy can take precedence in claiming contribution from or at the expense of co-insurers upon the same loss.
- 7th. When the amount of the general loss exceeds the sum of concurrent insurances, the principle of pro-rata apportionment is not applicable.
- 8th. The insured can recover from no Company more than its ratable proportion of an accrued general loss; but where direct contribution among co-insurers fails to meet the full indemnity, the insured can call upon any unexhausted insurance to fill up the deficiency; if more than one policy remain unexhausted they must contribute their ratable quotas to the deficiency.

Such are the equitable underlying principles that must dominate in all methods of apportioning insurances, or contributions to losses under the fire policy; the insured must be paid for all honest losses within his insurance; and at the same time co-insurers must bear their respective quotas, and

no more of such losses. How shall this be done is the question?

As we have already said, this is an unsolved problem though many efforts have been made to explain it. In England, where fire insurance may almost be said to have been first practiced, the practice in the matter of apportionment and contribution of losses seems to be very unsettled, embracing a system of rules for averages, ranges, etc., etc., that has become at length so utterly complicated and confusing that no one can understand them or know how to properly apply them. So long ago as 1859, Mr. David Christie, then of the Sun Fire Office, London, speaking upon this point said: "The different systems in operation are unnecessarily complicated, and the machinery by which each (of the rules) is set in motion so rude and unconnected, that the wonder is, not that any attempt at improvement has given rise to a word of warning, but rather that the cumbersome construction should have lasted so long. * * It has been said that no better reason can be assigned in support of present practice, than that an office expects to recover by it at one time what it loses at another. This reliance on caprice of fortune indicates how little the principles of average are understood, and how strongly attached the offices must be to a system in itself eminently defective, when so little sign of effort has been evinced to replace it by a more intelligent rule."

The late Mr. Hore, in his "remarks on the apportionment of fire losses," p. 10, A. D. 1870, says: "Rules (made by the offices from time to time) exist for the regulation of apportionments, but they are all, more or less of an empirical nature. In many cases, they give anomalous and inequitable results; frequently they are interpreted by different offices as justifying different apportionments of the same loss; sometimes they are disregarded altogether; and they all fall very far short of being applicable to all possible cases."

Yet in all this time there have not been lacking good underwriters with a capacity to take in the situation and plainly point out a clear way to a permanent reform in this direction. Among these we number especially Mr. Thomas Miller, then of the Scottish Union Society, London, and now of the Liverpool office of the Royal Insurance Company, who published his plan of apportionment in the ratio of the losses (the Griswold rule of this Continent) in the Journal of the Institute of Actuaries, July 1856, p. 202, and April 1859, p. 140, and Mr. Christie, above cited, same Journal, April, 1859, p. 146. Wherein are set forth the few essential points necessary to be fully comprehended to render the correct adjustment of the most complicated loss, a simple matter of computation. In 1842 a system of adjustments of losses under floating policies was practiced in Liverpool, England, known as the "Independent liability principle; by which the liability of each policy was first separately ascertained, and from these the true contribution of all co-insuring policies was readily ascertainable, each having first been made virtually specific. But as this system involved important changes in practice and in form of the policy, or from some other cause, it was abandoned.

While this condition of affairs existed, and still exists, in the Mother Country, the practice in this country was still worse, as we had no settled rule, and adjustments were made at haphazard, and in the easiest way possible. And across the line, our yankee cousins, though numbering many so-called rules for apportioning loss among non-concurrent insurances, dating from 1842, as the Reading, the Finn, the Albany and others with no specific designation, were until quite recently, quite as much at sea without chart or rudder as England or ourselves in this matter. But within the last few years, the Miller-Griswold rule, of the Fire Underwriters' Text-Book, has been quite generally adopted among Adjusters there and in the Dominion; and the practice has consequently become more uniform. Of the why and the wherefore of this rule we shall speak in our next issue.

SALVAGE IN FIRE INSURANCE.

Salvage is one of the terms in use in connection with underwriting that has come from the earliest days of marine practice, but the word has undergone some change in its application in the meantime; at first it was used to designate solely the compensation paid for services rendered by salvors, others than officers and crew of disabled vessels, for rescuing property from actual or impending danger on the coasts of seas, and on inland lakes and navigable rivers, and had no reference to the property thus saved, so aid rendered to vessels in distress at sea is termed "Salvage Services." Salvage services are usually paid for by a certain share of the rescued property to be fixed by and at the discretion of Admiralty Courts, where not fixed by law as is the case in some countries. It is a peculiarity in salvage services, however, that no salvage is earned unless the property is saved.

The term, however, eventually came to be applied to any remnants under what is known as "a constructive total loss" in marine practice and the compensation paid to salvors was distinguished as "salvage expenses," which became a subject of general average among the several owners under certain agreed for contingencies, the insured has the option of abandoning the salvage to his underwriters and claiming as for a total loss; the abandoned remnants upon acceptance of the abandonment, become the property of the underwriters to be disposed of for their benefit, and it not unfrequently occurs that good returns are reached by judicious handling of the salvage, upon the chances of a rising market.

Abandonment originated in the principle of indemnity, which requires that the insured shall not be paid the full value of his insurable interest and at the same time retain such interest, or any portion of it, such as retaining the salvage after receiving payment for a total loss. From this same principle results the doctrine of subrogation, under which, upon the payment of a loss, total or partial, an equitable right to such interest itself, vests in the underwriters to the extent to which payment may have been made.

Under the fire policy the term salvage is used in the sense of safe or saved, and is indiscriminately applied alike to

the property at risk and to the insurance covering it. As connected with property under insurance it means that portion, large or small, which may have been saved from or remain after the fire in a sound or damaged condition, when applied to the policy it has reference to any difference between the amount of the insurance and the actual sum paid for loss thereunder, the difference being the salvage or amount saved upon the insurance.

As the fire insurance contract provides for no optional transfer by the insured of salvage property, as in abandonment under the marine policy, except by especial agreement, the property saved, the salvage, remains the property of the insured and at his disposal after having been duly valued, and to the amount of such value diminishes the claim against the insurers. It may sometimes operate to the interest, in vexed claims for loss, to accept an abandonment of the salvage and pay as for a total loss; but compulsory abandonment is not recognized in the fire branch, and where, as in the fire policy, abandonment is free there can be really no salvage as recognized in Marine practice. Nevertheless the equitable doctrine of subrogation of the rights of the insured as against third parties, to the insurers, intervenes as in Marine adjustments, witness mortgagee insurances, where upon payment of loss to the mortgagee the Companies are subrogated to his securities as against the mortgagor to the amount of loss paid.

Inasmuch as the larger portion of all fire losses are partial only as to the amount of insurance upon the burned property, thus leaving more or less salvage after the loss, the chances for these savings always enter largely into the underwriters calculation of rates to be charged upon any class of hazard offered for insurance. The probable loss in the event of fire becomes therefore a serious question for consideration; the connection between rates on the risk and salvage on the loss becomes an interesting element in fire underwriting that is not comprehended outside of the fraternity.

THE GUARDIAN ASSURANCE COMPANY.

On another page we have the pleasure to present the Annual statement of the Guardian fire and life Assurance Company for the year ending December 31st 1883.

In the Fire Department the premium income after deducting re-insurances, was \$1,884,172, being an increase of \$320,200 over that of 1882; the net losses incurred were \$1,139,432, or 60.5 per cent of the premium income. The sum of \$145,000 was added to the reserve fund for unexpired policies, after which the fire account showed a profit, including interest, of \$128,181. The sum of \$90,000 was added to the fire general reserve fund, and the balance was transferred to the shareholders account. The premium reserve fund thus stands at \$847,500, and the general reserve fund at \$1,400,000, making an aggregate fund of \$2,247,500 (apart from the shareholders capital) to meet fire claims. A dividend at the rate of 5 per cent. was declared on the enormous paid-up capital of the Co. of one million pounds sterling. The total invested funds amount to \$19,306,156. This solid British Company was established in 1821,—63 years ago. The general agents for Canada, Messrs Simms and Denholm, are to be congratulated on the result of the business of 1883, in the Dominion, the net losses incurred being in the ratio of only 39 per cent to the net premium income.

EQUITABLE LIFE ASSURANCE SOCIETY.

In this issue we reprint a long article from the *Finance Chronicle* of London, Eng., relating to the position of this society. We do not reproduce it because we agree entirely with the views expressed therein, but because we feel sure our readers will be pleased to have the opportunity of reading it. It is well worthy of their consideration.

Many of the points made in the article are sound and strong and command our entire approval, while others are weak and easy of refutation.

The first and main argument, which relates to the comparison of claims to income in the different Companies, is on the whole sound and correct. It is certainly most unfair to compare one Company with others which are two to three times its age, as if they were on an equal footing—such a comparison is worse than useless and tends only to mislead the public.

The remarks about the expenses of the Equitable are partly correct and partly incorrect. It is quite true that a Company doing such a large new business may have a *somewhat* higher expense ratio than another doing but little new business, and still both may be managed with equal economy. This, however, is not sufficient, we think, to account for the whole five per cent difference, against the Equitable, as the *Finance Chronicle* points out, not only must the proportion which the new business of a Company bears to its total risks in force, be considered, but also the proportion which the *net increase* bears to the total in force.

A Company may reasonably expect a more favorable mortality in the early years of its policies than that predicated by the mortality table, and provided for by the premiums. This question was dealt with by us last year when discussing the question of "Suspended Mortality."

As to how the Equitable's mortality experience would compare with that of British Companies, we cannot express an opinion. The mortality among well selected American lives would compare favorably with similarly selected British lives, but it is questionable whether a similar result can safely be predicated from the wideness of the field from which the Equitable draws its business, embracing as it does such places as Australia, Austria, the West Indies, etc., and there can be little doubt that the lives in these foreign places cannot be selected with the same care as if selected at home.

The remarks as to the transitory character of the Equitable's business have considerable force, and it is all the more remarkable when we bear in mind that such a large proportion of its business is on the Tontine plan, by which no surrender value either in cash or paid-up assurance is given to those who drop out, so that it may reasonably be presumed that the holder of a Tontine policy will keep it up if it be at all possible to do so.

If the question whether the Equitable should not be adding a larger proportion of its income to its reserves, is intended to imply that it is not setting aside every year sufficient to cover the increase in the reserves, the matter is at once settled by a reference to the New York Blue books.

PROVIDENT MUTUAL ASSOCIATION OF CANADA.

A Boston paper, the *Guardian*, contains an editorial regarding this society and a letter from Mr. Chas. D. Holmes, its inspector, contradicting a few of our recent assertions respecting it. He says that the clause in the Association's bye-laws by which assessments can be collected even though they fall due after the lapse of the certificates, is printed in the canvassing circulars of the Association, and is specifically mentioned in the applications for membership. On reading this we took another look through the various canvassing circulars in our possession, and failed to find one, of all we had, which referred to this bye-law. We have since found, however, that in one circular, apparently of very recent date, the bye-law is quoted. We have every reason to believe, however, that no circulars were issued with this quotation, until after the date of issue of the certificates of the great majority, if not of all of those persons whom it is now suing.

We have again examined the forms of application for membership in which it is said the clause is "specifically stated." We can find no reference whatever to it however. If Mr. Holmes will show us where it is to be found in the application, we will be glad to let our readers know.

Mr. Holmes' letter is headed "Reply to INSURANCE SOCIETY of Montreal," but curiously enough, he only attempts to reply to this one secondary point in all the strictures made by us in our April number. Does he consider the others too strong to reply to?

Our readers may judge of the paper in which Mr. Holmes' letter appears by the following expressions which we have hurriedly picked out of this single issue, and which are all applied by it to the level-premium companies or their advocates, or arguments:—

Unfair, nauseating, spurious, baseless, unscrupulous, disgusting, bitter, contemptible, gross misrepresentations, manifest untruths, personal prejudices, hypocrisy, cheek, nastiness, falsehood, grovelling in dirt and filthiness, etc. Perhaps many will feel that we should have taken no notice of anything coming from such a source.

NORTHERN ASSURANCE COMPANY.

The Annual statement of this Company shows a considerable increase of premiums in the fire department. The net premiums of which amounted to £520,207 for the year 1883, as against £460,126 in 1882, an increase of £60,000. The net losses were £330,187; and the expenses of management and Commission amounted to £160,877. After making provision for unexpired risks, the result shows a profit of £9,116 on the the year's transactions.

In the life department the new assurances amounted to £377,706, the premium income on which amounted to £12,090. The total income in this department for the year was over a quarter of a million sterling; and net addition to the funds amounted to £107,781. The sum of £60,000 was distributed to the shareholders for the year 1883.

The Northern was established in the year 1836,—almost half a century ago,—and its fire premiums for that year were £900 which have now increased to the very respectable sum of £520,000. The total assets of this fine old Company on the

31st of December last, (including the shareholders paid up capital of £300,000) amounted to the grand total of over three million pounds sterling (\$15,000,000). It is unnecessary to add that the security offered by the Northern Assurance Company cannot be gainsayed. Messrs Taylor Bros. are the general agents for Canada of this Company and also for the Caledonian of Edinburgh. These gentlemen have been established for the past forty years and are well known throughout the Dominion for upright and honorable dealings.

THE CALEDONIAN INSURANCE COMPANY.

The Seventy-ninth Annual report of this Corporation for the year 1883, states that the fire premiums amounted to £93,126, being an increase of £27,460 over those of 1882. The fire losses were £52,332, or 56¼ per cent of the premium income, as against 63¾ per cent in 1882. The fire insurance funds on the 31st of December 1883 amounted to £292,233, which consists of; paid up capital £90,000, guarantee fund £150,000; reserve premiums £34,066, and a balance of £18,167. From this it will be observed that the fire funds amount to more than three times the premium income. The Chairman stated that the object in giving the figures in this form was to make the public appreciate the position of the office a little better. The total assets of the Caledonian at the present time exceed one million pounds sterling (\$5,000,000). The Caledonian was incorporated in the year 1805 and is therefore in its eightieth year, and it may therefore justly lay claim to being one of our oldest fire offices. The Caledonian has always done a very conservative business, confining itself exclusively heretofore to Scotland and England, hence the limited business. Messrs Taylor Bros. the general agents are therefore to be congratulated in inducing the Company to come to Canada, which is the only place it transacts business outside of Scotland and England, we believe it has not even found its way to the Green Isle. Messrs Taylor Bros. commenced to transact a direct business for the Caledonian in September of last year. We wish this respectable old office every success.

Norwich Union Fire Insurance Society.—The annual meeting of this Society was held at Norwich, Eng., on the 1st inst. From the report submitted we find that the net premium income for 1883 was £567,595; an increase of £57,352 over 1882. The net fire losses amounted to £357,281; the management expenses, including commissions were £164,593. After setting aside one third of the premiums (£189,198) as a reserve against liabilities on policies not expired, the balance at the credit of profit and loss account on Dec. 31st 1883 (including £78,874 brought forward from 1882) was £134,723. The fire fund at the close of the year stood at £538,922, being an increase of £30,967 over 1882. Mr Alexander Dixon is the chief agent for Canada of this solid British Fire Office with head offices at Toronto.

Lachine Fire. The measure of Lachine's calamity says the *Montreal Star*, is not the \$50,000 worth of property destroyed. Fires that have done more dollars' worth of damage to property have been less calamitous. The greatest extent of the disaster is summed up in the words "sixty families homeless." This is just one of those cases which calls for immediate financial aid from the wealthy people of Montreal as well as Lachine, and we would urge them to give twice by giving quickly. That drunkenness was the cause of the Lachine fire, seems, from the remarks of Father Piche, to be literally the case, for we find him telling his flock that the fire commenced at one saloon where liquor was sold on Sundays, and ended in another establishment of the same kind.

THE EQUITABLE LIFE ASSURANCE COMPANY OF THE UNITED STATES AND BRITISH LIFE COMPANIES.

(From the Finance Chronicle London, Eng.)

In January of the present year Mr. Watson, manager of the Scottish Provident Institution, addressed a memorandum to the agents and policy-holders of his office, regarding the *Equitable* of the United States; and in the beginning of March, Mr. Hyde, president of the latter company, issued a reply. It is far from our intention to attempt to enter into the various points discussed in those two memoranda as between the two offices individually; but as Mr. Hyde in his reply has gone out of his way to make a gratuitous attack upon a representative body of British life offices, we feel compelled to examine the matter somewhat in detail—not in the interests of any particular company, but in the interests of our home companies and the insuring public generally.

The attack to which we refer is embodied in "Table A" of Mr. Hyde's letter, and the method of attack is to combine death claims with expenses and to bring out the ratios which both bear to the total income for the eight years 1874 to 1881. Omitting, for the sake of space, the amounts of income, claims, and expenses, the percentages brought out in this remarkable table are as follows. We give them in Mr. Hyde's own order:—

Company.	Ratio of Claims of In' me	Ratio of Expenses to Income.	Ratio of Claims and Expenses to Income.	Difference in favor of Equitable.
Equitable Life of the U. S.	23·06	15·36	38·42	—
United Kingdom Temperance...	33·87	8·25	42·12	3·70
Hand in Hand	38·11	5·32	43·43	5·01
Scottish Provident	36·82	7·95	44·75	6·33
Provident Clerks'	38·11	9·00	47·11	8·69
Gresham	31·34	18·42	49·76	11·34
Royal	42·95	11·18	54·13	15·71
Life Association of Scotland....	43·38	12·31	55·69	17·27
Northern	48·75	7·39	56·14	17·72
Scottish Amicable	49·77	7·62	57·39	18·97
Star	44·24	13·23	57·47	19·05
Scottish Provincial	49·64	11·52	61·16	22·74
N. British and Mercantile.....	52·15	9·46	61·61	23·19
National Provident	59·57	5·96	65·53	27·11
Scottish Widows Fund	58·07	7·74	65·81	27·39
Scottish Union and National ...	53·96	12·35	66·31	27·89
Standard	57·93	13·61	71·54	33·12
Provident	65·50	10·78	76·28	37·86
Scottish Equitable.....	69·10	8·94	78·04	39·62
Norwich Union.....	82·78	7·91	90·69	52·27
Guardian	93·58	7·90	101·48	63·06
Average results of the "20 British prominent companies."	51·36	10·35	61·71	23·29

A note is added informing us that "Expenses include dividends paid to shareholders, less 4½ per cent. on the paid-up capital."

Such is the table which we are invited to accept as conclusively proving the superiority of the *Equitable* of the United States. It will be observed that Mr. Hyde has adopted a method of graduation for his final results which must be admitted to be *graphic* in the extreme. It is one which entirely conceals the awkward deviations of the curve in the Claims column, as well as its erratic course in the Expenses column. The manipulator makes no remarks regard-

ing these irregularities, but passes at once to his final argument, that by from 3·70 per cent. to 63·06 per cent., or on an average by 23·29 per cent. per annum on its total income the *Equitable* has a "gain over the twenty British prominent companies." Let it be carefully noted that Mr. Hyde does not commit himself to the statement that by the 23·29 per cent. is his company *more profitable to its policy-holders*, but only that that is its "gain." We wish to examine the true meaning of this expression, to measure the real force of the foregoing table; and to do so we must examine separately the two separate parts in its composition, the Claim column and the Expenses column.

A life policy might be purchased by an annual payment exactly proportionate to each year's risk, increasing every year with the age of the assured, the annual renewal of the assurance being subject to a fresh medical examination. To do away with the very obvious objections and risks attending such a method, an uniform premium is charged over the whole period of assurance, greater in the early years and less in the later years of the contract than the risk actually requires. The company must sacredly lay aside the excess of premium in the early years, to make good the deficiency of premium in the later years: it must save in the years of plenty for the years of scarcity, otherwise when those years of scarcity arrive, as arrive they certainly will, it will not be able to meet its liabilities. Hence it follows that the younger a company is, and the larger the amount of new liabilities it takes upon itself, the greater should be the proportion of its yearly income saved to meet those liabilities, which are only deferred, and the great bulk of which will fall in when the corresponding revenue of itself will be insufficient to honour the calls. The ratio of claims to income will increase with the age of the company; and the day may come when its death claims will absorb not only its entire yearly income, but a considerable portion of its accumulated funds as well, leaving the company not only perfectly solvent, but able to work out its contracts in a manner eminently profitable for its policy-holders. Further, the company which transacts a large portion of its new assurances under high scales of premium—such as limited payment policies and endowment assurances—must, to ensure its solvency, lay aside a very considerably larger proportion of its income than a company which obtains but a small amount of that class of business, and the great bulk of whose assurances are under the ordinary whole-life scale of premium. *For the portion of premium actually required for death risk is the same year by year under every class of policy; consequently the higher the premium a company receives from lives of the same age, the larger is the proportion of that premium which it requires to save, if its engagements are to be faithfully and punctually honoured.*

Hence, when we come to test the merits of a group of offices by Mr. Hyde's method, namely, by finding what proportion their outgoings in claims bear to their total income, it is essential, if the results are to be correctly interpreted, that we have full information (a) regarding the ages of the companies, and (b) regarding the amount and nature of the new assurances which they transact.

(a) Relative ages of life companies. On first examining Mr. Hyde's "Table A" we were surprised to find no information given regarding the ages of the companies; but our surprise gave place to a painful sense of Mr. Hyde's unfairness when we discovered that he had selected for comparison with his own company twenty British offices *all older than the Equitable of the United States*. The youngest is the *Gresham*, established in 1848, and thirty-three years old in 1881; the oldest is the *Provident*, established in 1806, and therefore seventy-five years old in 1881. The *Equitable of the United States* was established in 1859, and was, therefore, twenty-two years old in 1881. *Fourteen of the offices selected by Mr. Hyde were more than twice the age of his company!* Why was a column not devoted in "Table A" to record the year in which each office commenced business? We cannot believe Mr. Hyde to have been unaware that this information was essential; and in having withheld the key to the cipher he has laid himself open to the grave charge of having misled the public. He must have known that, had he supplied the key, the most inexperienced of his readers would not have been long in letting in daylight upon the true meaning of his results. What possible connection can there be between the claims of an office twenty-two years old and one seventy-five years old? The former is, or ought to be, laying aside a very large proportion of its income, because its death claims are as yet light. This, however, is not "gain" in the sense in which Mr. Hyde would have the public regard it—that is, profit actually earned for the policy-holders—but only the bare provision the company must make to ensure its solvency in the future years when its death claims will be heavy; it is the necessary addition to the *reserves* of the company, not an increase of its *surplus*. The company seventy-five years old is now paying to the representatives of its deceased policy-holders the large sums which were committed to its care, and which it so skilfully and faithfully administered during years long before Mr. Hyde's office saw the light. In a word, when the ages of the companies are inserted in "Table A," Mr. Hyde's manipulation of figures is found to embody its own condemnation, for it consigns the oldest, the strongest, the most profitable of our home offices to a region of hopeless insolvency as compared with the position of the *Equitable of the United States*.

(b) Amount and nature of new assurances. "Table A" shows that the ratio of claims to income in the twenty British prominent companies averages 51.36, while the *Equitable's* ratio is only 23.06; and Mr. Hyde wishes to convey the impression, though he studiously avoids making the actual statement, that by 28.30 per cent. per annum is the mortality experience of his company *more profitable* than that of British offices. We have shown what this "gain," as Mr. Hyde calls it, really is; and when we go a step further in our investigation and examine the amount and nature of new assurances transacted by the *Equitable* the above percentage acquires a very different meaning from that which Mr. Hyde attaches to it, for the results of our enquiry give rise to the question, Ought not the *Equitable's* "gain"—that is, *its addition to its reserves*—to be larger

than it is? Mr. Hyde admits that the expenses of his company are greater than those of British offices, but he argues that the company which in one year issues "policies to the tune of over sixteen millions sterling" is surely "getting something" for its outlay. "One result of this outlay," he says "is shown in our favorable mortuary experience, owing to the more recent selection of our risks; and the normal rate of mortality is not likely to be reached for a considerable time, owing to the constant infusion of new blood." We beg that the closest attention may be given to this part of the subject, for apparently it is the point in Mr. Hyde's argument which is unassailable, but which is really most weak and flimsy.

Mr. Hyde's position, boldly stated, is that the great tide of new business which flows into the *Equitable* effaces the undeniable drawbacks inseparable from its collection—lavish expenditure, hurry in selection over so wide an area, &c.—by inducing a favourable mortality experience; that is, by reducing the mortality of the company from the rate experienced among the general public to the rate which is found to hold among assured or selected lives, as indicated in the Table of Mortality on which the company's calculations are based. This, it must be noted, is all Mr. Hyde can or does claim for it. Even if it did this, however, to the full extent claimed by Mr. Hyde, it would not confer upon the *Equitable* a greater share of the "benefits of selection" than is enjoyed, in proportion to their business, by all our leading British companies; for we do not think that even Mr. Hyde would be rash enough to assert that the selection of lives for assurance is less stringent in our home offices than it is in the *Equitable of the United States*.

But we venture without fear to express the opinion that, if the mortality experience of the *Equitable* were submitted to a searching scientific investigation, it would be found to be very much less favourable than that of all leading British companies. Our grounds for this opinion are as follows, and we think they fully support our position. (1) A business of sixteen millions sterling, drawn under high pressure in one year from all parts of the world, cannot be selected with the same minute care, and cannot, therefore, be of the same uniform high-class quality, as the smaller business of our home offices, which is gathered at their own doors, and only placed upon their books after the severest scrutiny by the leading medical men of the day, who have a wide experience in such matters to guide them. (2) The business of the *Equitable* does not remain long enough upon the books of the company to exert that beneficial influence upon the mortality which Mr. Hyde asserts it does. The following figures show the new business secured by the *Equitable* during the ten years 1872 to 1881, and the amount lapsed, surrendered, and not taken up:—

Year.	New Business Policies issued for	Not taken up.	Lapsed and Surrendered.	Total Waste.
1872	£10,382,216	£1,889,230	£4,687,348	£6,576,578
1873	10,690,516	2,164,570	5,498,278	7,662,848
1874	6,837,963	1,165,666	5,935,035	7,100,731
1875	6,107,603	920,760	5,153,453	6,074,213
1876	5,004,115	801,108	4,870,618	5,670,726
1877	4,142,559	659,599	5,078,331	5,737,930
1878	4,288,043	435,045	3,658,668	4,093,713
1879	5,300,508	664,452	3,244,562	3,909,014
1880	7,034,161	1,093,837	2,346,600	3,440,437
1881	9,237,819	1,530,125	2,291,166	3,821,291
	£69,025,503	£11,323,422	£42,764,059	£54,087,481

The administration which is reflected in those figures is very startling, and is, we are glad to think, unique in life assurance history. In the first place it must be noted that the new business for which policies were *written* does not represent the new business *actually completed*. During those ten years, the *Equitable* "issued policies to the tune" of £69,025,503, but out of these, policies were returned not taken up—that is, with the first premiums not paid—"to the tune" of £11,323,422, leaving the amount of assurances actually completed £57,702,081. Mr. Hyde says, "our company last year issued policies to the tune of over sixteen millions sterling." We wonder what was the amount of policies returned not taken up—practically a dead loss to the company! It is easy to *issue* policies to the amount of sixteen or sixty millions sterling; it is quite another thing to make sure of the first premiums all being paid! The new business reported year by year by British companies represents assurances actually completed and taken up.

It will be noticed that, in not a few of these ten years, the annual amount of policies not taken up, policies lapsed and surrendered, is greater than the entire amount of policies *issued*!! The results of the sweating and expenditure of the decennium may be summarised thus:—

Policies issued "to the tune" of	£69,025,503
Policies not taken up.....	£11,323,422
Lapses and Surrenders.....	42,764,059
Total.....	£54,087,481
	£14,938,022
Claims by death and survivance	5,668,447
Net addition to amount of assurances.....	£9,269,575

Or, to put the matter in another way, the premium income of the *Equitable* was £1,327,534 in 1871, and £1,574,812 in 1881, an increase during the ten years of only £247,278, in which is included the increased value assigned to the dollar; and to achieve this result, the *Equitable's* bill for expenses of management and commission amounted to £2,829,865!

Will the advocate of the very rashest policy in regard to new business be bold enough to support Mr. Hyde in his contention that this is a profitable administration for the policy holders of the *Equitable*, and one likely to produce a safe, reliable mortality experience? We think not. Mr. Hyde urges in extenuation of his lavish expenditure that he is "getting something" for his money. So he is; he is certainly securing quantity. What about the quality? Good or bad, however, Mr Hyde is not keeping a hold of it. The business runs off his books nearly as rapidly as water off a duck's back. A vast volume of business is being pumped at high pressure into the *Equitable's* cistern, but it rushes out nearly as fast through innumerable leaks, which Mr. Hyde does not appear to be able to stop. He points us to "the constant infusion of new blood" as a proof of the health and strength of his patient; but he carefully conceals from the non-professional eye the profuse hæmorrhage going on in other parts of the system—a depletion so violent as to

threaten the most serious consequences. We would remind our readers of the case of the *Continental* of New York, to which Mr. Watson refers in his letter. In 1876 it boasted of having secured the largest "infusion of new blood," of any company in the world and within a year the public witnessed its funeral. We maintain that the present administration of the *Equitable* produces such constant and violent changes in its constituency as to make a settled and reliable mortality experience impossible; nay, more, that the evil must be aggravated by the deposit left by the process, in the shape of a body of deteriorated lives whose interest it is to hold on to their policies.

We have now examined somewhat minutely the Claims column in Mr. Hyde's "Table A," and have shown that, not only is it positively meaningless as a test either of the solvency or profitableness of a group of offices which are all older than the *Equitable*, and doing a very different class of business; but that when the actual facts of the case are known they provoke the question: Ought not this company, which has only been in existence twenty-two years, and which, on account of the rapid and radical changes in its constituency, is practically a much younger office, to be spending less than 23.06 per cent. of its entire income in death claims? Ought it not to be adding to its reserves, after paying claims and expenses, a larger proportion of its whole income than 61.58 per cent? We would like to have full, authentic materials for obtaining definite replies to these important questions.

We wish to glance at the Expense column in Mr. Hyde's "Table A," and here, even more than in the Claim column, he has made a terrible blunder, and has provoked a comparison which tells with tremendous force against his own company. The expenses of the *Equitable* are exceeded by those of only one British office, and the absurd nature of Mr. Hyde's method of handling figures is exposed by the fact that this company, which is a most unprofitable one for its policy-holders, nevertheless has the lowest "ratio of claims to income," and appears in the front rank of Mr. Hyde's final results! Including the figures of this office, however, and those of several other expensively managed companies, Mr. Hyde's table shows that the expenses of the *Equitable*, calculated upon its total income, are 15.36 per cent., while those of the twenty British companies average only 10.35 per cent; the difference in favor of the latter being therefore 5.01 per cent. This meant a saving to the policy-holders of these twenty offices of no less than £3,010,278 during those eight years! What became of this enormous sum! It went solely and wholly into the pockets of the policy-holders for it must be remembered that all payments to share-holders are included in Mr. Hyde's Expense column. These "twenty-British prominent companies," by more economical management, saved over three millions sterling during these eight years. This sum has gone to strengthen their reserves and to increase their surpluses; it is there intact, to be paid in addition to the sums assured when the policies become claims. Is it to be wondered at, then, that the claim ratio of these twenty offices is higher than that of the *Equitable*,

putting entirely aside the question of age? It is an axiom that the less a company spends in expenses, the more it will have to pay in death claims. The *Equitable* has spent this additional 5.01 per cent. in expenses of management, and consequently has so much less to pay to the representatives of its deceased policy-holders; these twenty British offices have saved this 5.01 per cent. and have it in hand to pay away in death claims! We are surprised to find Mr. Hyde giving such publicity to facts which so completely place him and his company in check-mate! Given a stringent selection of lives, we hold that a high "ratio of claims to income" is one of the strongest points in favour of a company, for it is tangible evidence that it is skilfully and faithfully administering the sacred interests entrusted to it by its policy-holders—it is making for them the most liberal returns in its power.

Mr. Hyde's excuse for the remarkable expenditure of his policy-holders money is "that the cost for procuring new business has for many years past increased," and "that a company is justified in adopting a reasonable expenditure that yields such rich returns as is the case with the *Equitable Life*. We do not dispute the fact that the cost of new business has slightly increased of late years, but we would ask Mr. Hyde why he does not follow the example of all leading British companies and practise economy in other directions. We differ widely from Mr. Hyde in our interpretation of what is meant by a "reasonable expenditure," and we confidently submit to the British public a question which so closely affects their own pockets. Further, we claim to have demonstrated that Mr. Hyde is getting the very reverse of "rich returns" for the outlay which he authorises. The greater portion of the enormous new business he obtains is positively worse than useless—it is of such a decidedly mercurial character as to cause the most serious disturbances in the mortality experience of the company!

One word as to the question of interest. The wildest talk is still freely indulged in regarding the rate earned by the *Equitable* of the United States upon its investments. We frequently hear 7 and 8 per cent. mentioned! We desire, therefore, in the most earnest manner to direct attention to Mr. Hyde's admission that "for the past ten or twelve years the rate of the *Equitable* has fallen a trifle below 6 per cent." "For the past ten or twelve years"—that is, for half the lifetime of the *Equitable*! We fear that the statements which have been made over and over again during that period by the representatives of the company in this country, will hardly square with this official statement of their president. "A trifle below 6 per cent." We have carefully analysed the accounts of the company for the past thirteen years, and find that the rate of interest earned, averages exactly $5\frac{1}{2}$ per cent. The company must earn $4\frac{1}{2}$ per cent. to enable it to conform to the New York standard of solvency; it, therefore, has a clear margin of 1 per cent. per annum for contingencies and profit. Where, then, has it any advantage over British companies, which base upon 3 per cent. or $3\frac{1}{2}$ per cent., and earn 4 per cent. and, $4\frac{1}{2}$ per cent? British offices have quite as large a margin from interest for contingencies and profit as the *Equitable*,

has, and the scale is turned most decidedly in their favour by their greater economy in expenses of management.

We will go one step further. In Mr. Hyde's official returns to the Board of Trade of this country, under the requirements of the Life Assurance Companies Act 1870, the following are given as the rates of interest earned by the *Equitable* during the four years 1877 to 1880:—1877, £4. 9s. 4d. per cent.; 1878 £4. 13s. 8d. per cent.; 1879, £5. 1s. 2d. per cent.; 1880, £8. 6s. 2d. per cent. We leave the figures to convey their own meaning; but we put the question to every British policy-holder and intending insurer. In purchasing a life assurance contract, the first object of which is to eliminate every element of risk, is it prudent to send your money across the Atlantic into the hands of a company which, in addition to a high rate of expenses, confesses to such violent fluctuations in the value of its securities—fluctuations which we believe to be unequalled in the history of any other life assurance institution; especially when upon that company's own showing, you can have it invested without such risks, and quite as profitably at home?

We cannot drag our readers through the interminable and inconsistent series of figures which Mr. Hyde brings forward at the close of his letter to prove the superiority of the *Equitable* over the *Scottish Provident*. We would only point out that he reaches the climax of unfairness when, in comparing the bonuses of the two offices, he entirely leaves out of account the lower premiums of the latter institution.

Mr. Hyde's letter is from beginning to end a very steamy production. He endeavours to conceal actual facts in a dense mass of vapour, which no one better than himself knew the public are unable to see through, but which rapidly dissolve when brought into contact with the chill atmosphere of the relentless accuracy of actuarial science. It is no disparagement of the intelligence of the public to say they are unable, unaided, to measure the true force of such a production; only a special actuarial training would enable them to do so. Mr. Hyde's letter, as we have said, appears to be an attempt upon what he calls "the gullibility of the British public." This is the natural conclusion at which any unprejudiced mind, we think, can arrive; but if we have misapprehended the actuarial element in his letter, our columns are open to him to set us right.

The Life Assurance Companies Act 1870 was passed for the guidance and protection of the public. The returns which it compels every company to make are ordered once a year by the House of Commons to be published, and may be had for a few pence. Let the public in every instance avail themselves of these returns, and of the assistance of competent actuaries—men known and tried in the profession—in analysing their figures, and they will secure to themselves absolute protection against the dangers of schemes which have so often in the past or may in the future lead to loss and disappointment.

Wanted—A Live Stock Insurance Company, to operate in Canada. Would some of our transatlantic friends send one across? There is a large amount of business to be done in that line in the Dominion.

**CO-OPERATIVE OR ASSESSMENT SOCIETIES,
A PRACTICAL VIEW.**

Once upon a time, as the story goes, a country bumpkin passing through a fair encountered a "cheap-John" haranguing his audience upon the cheapness of the razors he had for sale, as he flashed them brilliantly in the sunshine. "He did not pay a high rent for a magnificent shop together with high taxes, high salaries, etc., and as a consequence have to charge exorbitant profits to counterbalance these like the "old line" cutlers in the neighboring city, but his expenses were light and he sold his wares cheap! cheap!! cheap!!!" The bumpkin would have been more than mortal to have resisted such persuasive eloquence, and accordingly invested his little all in a dozen razors which he expected to retail to his neighbors at an extravagant profit, but as a preliminary he must create a sensation on the following Sunday by his extra-smooth chin—and a sensation he did create, for he scraped and stropped, and stropped and scraped again with razor No. 1, then with No. 2, 3, 4. . . . to 12 in succession, but no progress could be made further than making a succession of severe gashes upon his hirsute projection, which did create no small sensation among his friends. Again meeting the cheap-John a few days later he opened out upon him with quite a storm of abuse for cheating him with razors that would not shave, etc. "Why man," cheap-John blandly replied, "they were not made to shave—they were made to sell."

What has all this to do with assessment societies it may be asked. Well it may be said in reply, a simple story conveying an obvious moral not unfrequently accomplishes what the most elaborate scientific discussion fails to do. The question has already been treated theoretically in these columns, but since no two minds, any more than any two countenances are precisely alike, it is a necessity to present the same subject in various aspects in order to reach all classes. We now propose taking a matter of fact view of these co-operative or assessment societies, and in doing so it shall be our endeavour to divest it as far as possible of technicalities.

It is appointed unto all men once to die. This is a fact which is beyond dispute, and it is the foundation upon which the whole fabric of life insurance is constructed. Having got at this fact to begin with, the next step is to discover whether deaths occur with any degree of regularity and whether any fixed law is deducible. That such is the case has been amply proved from carefully prepared statistics and long experience, it is not therefore necessary to enter more fully upon this point here. From this law it can be predicted with the utmost accuracy how many out of one hundred or one thousand individuals at any given age will die off each year successively until all are extinct. And thus it becomes a comparatively simple calculation to ascertain the value in cash or the equivalent annual payment at any assumed rate of interest for an amount payable at the death of each or any individual. But any divergence from sound principles based upon these laws must infallibly lead the transgressor sooner or later to ruin, whether it be a so called "old line company" or a "new light assessment society." The old line companies have stood the test of time, and as it is not their soundness of principle that has ever been challenged, but only their costliness, it would be a work of supererogation to say aught in their defense. Since however, assessment societies are but of recent date and have not undergone the all powerful test of time, it becomes a matter of ordinary business prudence to investigate their claim to our patronage before intrusting them with the all important responsibility of administering the funds devoted for the support of our dear ones who may be left behind us. The system of these societies as is well known, is to charge each member a

certain rate of assessment graduated according to his age at entry for each death as it occurs, besides a certain entrance fee and annual contribution to cover expenses. These latter may be left out of the count entirely as they are not available for the payment of claims. In the case of fire or accident insurance, the system might perhaps be applied without any very anomalous results, for if a correct average can once be ascertained in either of these classes, there is nothing in the nature of the transaction to cause any material disturbance of average by simple duration of the contract. Widely different however is it in the case of life insurance, for it is beyond all doubt that the risk of death steadily increases as age advances, consequently no system can be sound which does not provide for this. The average ages of the members of an assessment society within one or two years of its commencement, while ranging between 20 to 60, is generally admitted to be about 40. Now, supposing such a society to be composed of 1,000 individuals each actually 40 years of age, and that the amount payable at the death of each is fixed at \$1,000; admitting likewise the accuracy of the "Combined Experience" mortality tables which shows the death rate to be 1.036 per cent or 10.36 per 1,000, we have (throwing aside the fraction) 10 deaths at \$1,000 each, to provide for the first year = \$10,000 in all, which divided among the surviving members 990 thus $\$10,000 \div 990 = \10.10 as the aggregate assessment for the first year against each member. In like manner it might be demonstrated that the death rate must and does increase each year successively, and as a consequence the assessments exigible from each, but this would be too tedious an operation. Let us next examine the position of affairs when the society has been 20 years in existence, (if possible for any to attain that age) and it will be found there will be 712 of the original 1,000 still surviving, all at the advanced age of 60, and supposing the places of the deceased members to have been regularly filled up by persons of the original age of 40, there would be the complement of 288 ranging from 40 to 60, or 50 years in the average, which would give the following death rate according to the table referred to, viz:

$$\begin{array}{l} 712 \text{ at age 60, at } 30 \text{ per } 1000 \dots\dots\dots = 21.32 \\ 288 \text{ at age 50, at } 16 \text{ per } 1000 \dots\dots\dots = 4.61 \text{ or} \end{array}$$

1000 yielding the aggregate death rate of 25.93,—say 26, and requiring the sum of \$26,000 to be provided for, which divided among the surviving members 974, thus $10 \frac{26}{974} \times 20 = \26.60 as the aggregate assessment against each member for the 20th year. Many of our readers who have not devoted much consideration to the subject may not be prepared at first sight to accept the statement that such a large proportion as 712 out of 1,000 at age 40 survive a period of 20 years or reach the age of 60, but the advocates of the assessment system know better than to call this in question as a greater ratio of mortality would only the more conclusively prove the fallacy of their system, for 288 deaths in 20 years gives an average of over 14 per annum out of the original entrants and as the complement is supposed to be filled up to 1000 successively each year, about two more must be added to that figure making the average 16 per annum, or in other words it shows a steady increase from 10 deaths per 1000 at age 40 to 26, at age 60. At age 70 the proportion of the original 1000 surviving would be 468 i.e., a decrement of 244 for the preceding decade, to which has to be added the decrement of the complement, say about 116, = 360 in all, or an average of 36 per annum, after which period the ratio progresses with alarming rapidity. Whether the society consists of 1,000 or 10,000 members or a smaller or larger number than either, the same ratio will hold good, only the assessments will be less or more frequent, but in the case of a smaller number, the amounts payable to the

beneficiaries of the deceased members may fall a long way short of \$1,000 seeing that the terms of the certificate are that the proceeds of a single assessment only not exceeding the amount named in the certificate shall be paid over to the beneficiaries. On this point we may not inappropriately repeat what was said in a former article, viz:

"The average payment at death seems to be only in the neighborhood of three hundred dollars for each thousand dollars of assurance, while in individual cases the rate has come down to \$37.50, \$21.00, and even less."

Notwithstanding what may be so easily demonstrated to the contrary, the prospectuses of such societies pretend to show that a death rate of over 8 per 1000 need scarcely ever be looked for, and this low rate is expected to be maintained by the steady infusion of new blood, but how can it be possible to prevail upon young men of 20 to 30 to join a society whose death rate assessment has reached \$26 to \$36 per annum and upwards besides expense rate, when they can be insured with a reliable old line company for about half these figures. Instead of getting young men to join, the reverse is the case, for the steadily increasing assessments cause the younger and healthier members to drop out, thus leaving only the old and impaired lives remaining, which hastens the final collapse. Most men are shrewd enough in ordinary business transactions, but it is not a little surprising to find how completely their shrewdness forsakes them when they come to deal with the mystical question of life insurance. Let them however bring a little common sense to bear in the matter, and consider how much better it is when a razor that will shave is wanted, to be content to pay a reasonable price to a reliable old line cutler for a good article, or, if life insurance is wanted, to apply to a reliable old line company for a genuine life policy that will stand the test in time of need, in place of allowing themselves to be humbugged by any cheap-John however plausible.

We have in our possession a very cleverly designed cartoon which comes to us from across the lines, and which very aptly illustrates the relative merits of the genuine article and the counterfeit, it is entitled the

"Two pathways in Life Insurance."

At the lower end are two young men setting out upon life's journey, the one to the right hand with a somewhat ponderous burden of an "old line" company's policy, while the other to the left looking uncommonly spry, sets off with the *insignificant* burden of a co-operative certificate. In the centre is represented on the one hand a good angel standing by a genuine life policy, and regarding with complacency the *wise* man setting out to the right, while an angel of quite a different character with the cloven foot imperfectly concealed, appears leering round the so-called "certificate," with ill suppressed malignant grin upon the *foolish* man who so blithely sets out to the left all unconscious of the *finale*. As they advance in years the burden of the wise man rapidly diminishes by profit returns, till at length, after he has dropped into the grave at a happy and good old age, the good angels fly to the relief of the bereaved widow and orphans, to minister to their consolation, and, with an ample supply of funds, to compensate at least for the loss of income. While the burden of the foolish man is steadily increasing with advancing years, till at length he is crushed beneath his heavy load, and when his widow and orphans fondly hope to have their wants supplied by the delusive certificate, they are met by the old gentleman with cloven foot with the taunting reply of—"no funds!" and pointed to the poor house in the distance.

We do not pretend to any superior wisdom or foresight in having predicted the down-fall of the Standard Fire Insurance Company or the Marriage Aid Society, when other journalists were lauding and bolstering them up, or other-

wise concealing their utter rottenness. But we predict with no less certainty the inglorious collapse of every assessment society in existence operating on the system referred to, and that at no distant date. We are abundantly corroborated in this assertion, not only by our knowledge of the intrinsic unsoundness of their system, but likewise by the record of the past of which it will suffice to quote one item as a sample "out of 67 assessment societies of Ohio that reported in 1882 to the insurance department of that state only 37 reported in 1883."—Where are the others?

THE THIRTY FEET SPACE ACT.

Preproduced from Insurance Society July 20, 1920.

(Contributed)

The enactment of the law requiring that, in all new settlements and in all villages, the buildings abutting on any public street or roadway shall have a space of not less than thirty feet between each, has proved of inestimable value to the Dominion.

In the Provinces of Assiniboia and Alberta, the wonderful rapidity of settlement and the tidy and becoming appearance of all the numerous towns and villages has won the outspoken admiration of our neighbours, especially of those in the Western States who themselves are well in the front rank for neatness and good order.

It is acknowledged by those who have given the subject attention, that much of this is due to the enforcement of the Thirty-Foot Space Act, added to the well directed efforts of the Forestry Board.

The origin of this Act should be accounted as one of the first public benefits conferred by the Canadian Fire Underwriters Association, now a recognized power in our midst.

The elders of that Association may have well nigh forgotten its early struggles and trials, and the younger members, accepting it as part of the established order of things, may not have cared to enquire how it came into existence, so that to all a brief resumé of the inception of the Act and of its beneficial consequences will be worth perusal.

The Canadian Fire Underwriters Association, founded in the year 1883, for some years confined itself to the equitable rating of fire hazards, and to adjusting differences between competing companies who at frequent intervals, to further their own petty aims, made the existence of the Association a matter of doubt.

After a struggling existence of a few years, a change for the better occurred; some of the wise counsels of the better men among the elders prevailed, some of the constant disturbers of the peace were decapitated by their superiors, others found peace and good will to be the new order of things and acquiesced; and lastly, (but not the least), a few of the younger members acquired a certain amount of oratorical talent,—not blatant, but tempered with wisdom; and the Association came to believe that the financial success of Fire Underwriting would be advanced more by a lessening of heavy losses incurred in conflagrations (smaller and larger) than by imposing heavy rates to meet them.

They saw that results from good and well protected localities, that paid low rates, were profitable,—and that no reasonable charge could meet the almost certain contingency of a conflagration, small if not sweeping, in an unprotected and closely built town.

Gradually the Association enlarged its scope of action, and without neglecting the financial interests of its members it strove also to act as a scientific body for the advancement of the general weal. Then, by the wise counsels of the experienced, with the able speeches of the younger members, it made its voice to be heard in the councils of the nation, and commanded the attention that is now universally accorded to it, by insisting that the governments—Dominion, Provincial, county and civic, should stay the wanton folly of permitting the careless or wilful act of one man to cause the desolation of the whole neighborhood.

During the years 1884-6 great agitation prevailed throughout the country by the efforts of the friends of temperance to enforce the Scott Act;—the inference came that if Alcohol be attacked by parliamentary act, why not stay the ravages of the Fire Fiend.

In 1884 the village of Port Perry, one-half the business part of which had been consumed during the previous year, was again visited by a conflagration which this time spared nothing. Succeeding years furnished their quota of similar disasters; sometimes only of four or five contiguous buildings, but generally of numbers running into the twenties and thirties, occasionally into the hundreds.

The framers of the Thirty Feet Space Act had many difficulties to encounter, and the fight in Parliament was long and bitter; charges being freely made of special jobbery by Insurance wise-acres to keep the country poor for their own selfish enrichment.

It was maintained that such matters were for each man to consider for himself (where all alike were in danger), that "an Englishman's house is his castle," etc., etc. But as time went on, the unwearied workers, helped by the reasonable talkers, began to prevail on public sentiment to accord with their views, so that eventually the eloquence and the wisdom achieved success, and the Canadian Fire Underwriters Association scored the first victory in its new field as mentor in matters pertaining to protection against fire.

Many members from the Maritime Provinces considered that most of their smaller villages were built in open order sufficiently to meet present requirements, and the Quebec members threatened to kill the bill unless their province were excepted;—the promoters, anxious to secure its partial adoption, and willing to wait for the advancement of education and civilization to ensure its general application in the near future, excepted these districts, and thus the first enactment was to govern new settlements only, but was made to apply to the Provinces in the North West, and to many districts in Ontario.

Building lots being generally 60 feet in width, no building within 100 feet of the street line, was allowed to extend within 15 feet of either side of the lot, unless adjoining proprietor guaranteed a 30 feet space on his lot. This was to be strictly enforced until the settlement was of sufficient importance to provide proper protection by Water Works or Steam Fire Engine; when such had been supplied to the satisfaction of the Commissioners and the incorporation of village or town had been succeeded by the passing of by-laws compelling substantial fire walls at intervals of at

least every 60 feet; then and not until then, the 30 feet space was allowed to be built upon.

Ten years after this the Act was made applicable to all Provinces excepting Quebec and Nova Scotia, and latterly it has been extended over the whole Dominion.

Frequently it is asked, how is this Act enforced and the space maintained as "whatever is everybody's business is nobody's business.?"

The commissioners appointed by Government are able men, who honestly apply the law. The Canadian Fire Underwriters Association, as matter of public policy and for the interests of the Companies represented by its respective members, keeps strict watch against infringements, and the elaborate system of Block Plans now used by Insurance Companies, which are kept continually correct by surveyors who visit each place year after year, notes alterations and improvements as they occur, by measurements which lie not, and, by giving notice of any infringement, brings speedy reform to any offender.

A visitor from Philadelphia assures us that the neat, lively, prosperous condition of the smaller towns of our Dominion, especially of those in the North West, is mainly due to the rigid enforcement of the Thirty Feet Space Act.

The benefits are felt by all classes of the community. The active tradesman in a rapidly progressive village is not constantly imperilled by his neighbor running up a fire-tap and fraudulently realizing out of the Insurance Companies, to the ruin of the whole village;—nor is he in perpetual fear of the vindictive tramp or careless employee with their evening pipe and midnight bonfire.

The wholesale merchant finds that continuous losses by country towns and villages conflagrating, are avoided.

The farmer has now room to hitch his team in front of a popular store, and also (thanks to Forestry Board), shade from summer heat by wayside trees; while he has a reasonable expectation that he will not find a heap of smoking ruins after a long drive to town for supplies.

It may not now be believed that generations lived and passed away on this Continent without reasonable precautions being taken against the ravages of the fire fiend; but the record stands that so it was.

The inception of the present system, of which the Thirty Feet Space Act is but one of the regulations, was due to those who wisely looked above the mere business of money-making, who, by urging and even forcing their fellow citizens into watchful self preservation, benefited the institutions that they served, raised themselves in the estimation of their fellows, and gave to the Canadian Fire Underwriter's Association the eminence, durability and power that it now so worthily maintains.

The Institute of Actuaries of Great Britain, recently offered two prizes, the first fifty guineas and the second twenty-five guineas, for the best two essays on the History of Life Assurance. Mr. Cornelius Walford (who by the way intends to visit Canada in August or September next), so well known to fame, took the first prize. Mr. Edward A. Rusher of the Prudential Life Office took the second prize.

FOUR YEARS FIRE INSURANCE BY BRITISH OFFICES.

(LOSS RATIOS FOR 1881-2-3.)

COMPANIES.	Annual Premium Income.	Loss p. c. 1881.	Loss p. c. 1882.	Loss p. c. 1883.	Average Loss p. c. for 1881-2-3.
1. Law	£ 104,000	33.2	33.7	45.8	37.6
2. Law Union	40,000	25.1	47.0	47.2	39.8
a. 3. County	211,000	...	51.0	37.9	...
4. Alliance	313,000	44.6	47.4	48.3	46.8
5. National	21,000	45.0	67.7	41.2	51.3
6. Scottish Provincial	42,000	43.6	55.8	57.4	52.3
7. Yorkshire	63,000	44.8	55.7	58.3	52.9
8. Union	60,000	59.6	33.1	71.3	54.7
9. Royal Farmers'	37,000	55.2	47.5	66.0	56.2
b. 10. London and Provincial	188,000	...	45.0	69.6	...
11. London Assurance	316,000	49.8	61.0	65.0	58.6
c.g. 12. City of London	299,000	38.5	73.0	64.6	58.7
d. 13. Kent	62,000	60.0	59.6
14. Royal	925,000	51.9	68.1
15. Hand in Hand	53,000	50.2	67.8	62.6	60.2
16. Caledonian	93,000	61.0	63.8	56.2	60.3
17. Liverpool & London & Gl.	1,271,000	63.8	64.1	54.8	60.9
18. Scottish Union	203,000	53.3	60.0	70.5	61.3
c. 19. Fire Insurance Association	244,000	46.5	64.4	74.0	61.6
20. West of England	97,000	57.9	71.0	58.3	62.4
21. N. British and Mercantile	1,108,000	65.3	62.4	60.7	62.8
22. General	78,000	65.3	65.7	62.6	64.5
f. 23. United Fire Re-insurance	267,000	...	52.8	77.0	...
d. 24. Royal Exchange	135,000	56.4	75.2
25. Mutual	218,000	78.5	57.7	61.5	65.9
26. Imperial	791,000	70.0	66.0	62.0	66.0
27. Northern	520,000	63.7	72.6	63.5	66.6
28. Atlas	96,000	51.8	66.7	83.0	67.1
29. Guardian	377,000	73.8	75.3	60.5	69.9
30. London & N. Western	43,000	93.1	49.5	70.6	71.1
31. Commercial Union	746,000	69.4	77.8	66.3	71.2
32. London & Lancashire	499,000	78.6	70.0	65.1	71.2
33. Lancashire	591,000	69.3	73.6	71.1	71.3
34. British Re-insurance	61,000	55.6	90.0	74.0	75.2
35. Lion	145,000	72.0	81.8	67.8	73.9
36. Manchester	215,000	80.5	81.4	62.4	74.8
37. Queen	589,000	79.0	78.7	69.5	75.7
38. National, of Ireland	128,000	81.0	82.0	66.3	76.4
39. Equitable	46,000	66.6	95.9	90.2	84.2

a. 1881 ratio not obtainable. b. First two years' operations. c. First three years' operations. d. Reports not yet published. e. Commenced working June 1880. f. Eighteen months' operations, from July 1, 1881, to December 31, 1882.

g. Accounts made up to end of March 1882, 1883 and 1884. The Sun, Phoenix, Norwich Union, and Westminster do not publish accounts.

SUMMARY.

Year	Fire Premiums.	Fire Losses.	Percentage of Losses.	Commission and other Expenses.	Percentage of Commission and other Expenses to Premium Income.	Interest Income.
1881	£ 10,662,428	£ 6,729,953	63.11	£ 3,035,445	31.28	£ 1,077,893
1882	11,853,056	7,958,749	67.14	3,088,634	30.44	1,096,749
1883	12,665,009	7,914,712	62.49	3,839,597	30.31	1,092,096

In arriving at these totals for 1883 it has been necessary to form an estimate of the accounts of three companies which do not publish any accounts; also of the Royal and Royal Exchange, whose accounts are not yet issued. It will be seen that 1883 compares favorably with 1882, though the larger aggregate income needs a rather larger reserve for unexpired risks. The business of English fire offices extends all over the world, and if 4s. per cent. be the average rate of premium, then the above premium income covers assurances for £6,332,504,500.—*The Review*, London, Eng.

MORE LIGHT.

Mr. Charles Hancock, barrister, deserves the thanks and support of all insurance shareholders for the bold effort he is making to throw open the meetings of the Atlas Insurance Company to the Press. Too long have these hoary institutions wrapped themselves in a mantle of haughty reserve in their relations with the outside world. We are the more impelled to call attention to the exclusiveness of the older insurance companies in this respect from a feeling that no one is to blame. These institutions date from a time when there was no insurance or financial Press to record their doings, and when the ordinary journals of the day took no interest in such matters. Some companies can even point to a clause in their deeds of settlement expressly forbidding the presence of "intruders," by whom was probably meant the officials of rivals institutions. Thus it became the use and wont of such companies to refuse admission to reporters. Custom in this case seems to have acquired the force of law, and nothing but a strong expression of opinion from the shareholders' side of the table will induce directors to admit press representatives. The utility of admitting the Press to these meetings may be strongly urged, while admitting that these institutions, of which the country has every reason to be proud, have probably nothing to conceal.

Mr. Hancock has given notice that at the next annual general meeting he will move the following resolution: "That the reporters of the insurance and other newspapers be admitted to these annual general meetings, and that the annual accounts submitted for consideration and the proceedings taking place thereat be open to full publication in the usual way." The directors will thus have a whole year to show cause why the meetings should not be thrown open, and we dare prophesy they will have no better reason to advance than that such a thing has never been done before. We wish Mr. Hancock all success in his tilt at old fogyism.—*Money*—London, Eng.

Mr. Nicholas DeGroot, assistant secretary of the Union Mutual Life of Maine, was drowned off Portland on Sunday June 15th. He jumped from a yacht while suffering from mental depression. Mr. DeGroot had been for some time in failing health. He was for many years a resident of Brooklyn, N.Y., and the consulting actuary of the United States Life Insurance Company of New York. When Mr. DeWitt resigned the presidency of the latter company to take that of the Union Mutual Life, Mr. DeGroot went with him into the new service. Mr. DeGroot was greatly esteemed among life insurance men and had a wide reputation as an actuary. He was forty-four years old and was born in Edinburgh, Scotland.

New Insurance Company.—The Empire Insurance Association (Limited), London, Eng., was registered on the 28th ult. with a capital of £1,000,000 in £10 shares, to transact fire insurance business in all its branches. Mr. J. Bridgeman of 20 Victoria road, upper Tollington park, has been appointed secretary for five years.

COMMUNICATIONS.

All communications to be addressed to the Editor, INSURANCE SOCIETY, and correspondence to bear the name and address of the author, not necessarily for publication, but as a guarantee of good faith.

The publication of a communication does not by any means commit the paper to the sentiments expressed there in; but a fair hearing will be allowed for all sides of the question we may consider of sufficient interest to the Insurance public

TORONTO LETTER.

Semi-Centennial 1884, Centennial 1934—The sad end of the proposed Underwriters Tableaux, etc.—Remarkable immunity from Fires and Accidents during the Semi-Centennial—That Arch—The National Lunch—One Insurance Agent “approaches” another—Peccadilloes—A water guage story—Information wanted—Spontaneous Combustion.

DEAR EDITOR.—The semi-centennial week and its excitements are over. The rushing and pushing of the good-humoured, gaily dressed crowd of sightseers, with which our streets were daily thronged has subsided. Business has settled down and runs with accustomed volume through the accustomed channels, and we are now heading off for the Centennial Celebration to take place D. V. in June 1934. It is not likely that your humble servant will be on hand to participate in the proceedings, or to report on them on that occasion, yet I hope INSURANCE SOCIETY, in the meantime having become a strong weekly journal, will be well to the front, independent and vigorous as ever and that your correspondent of that day will “pause and look back” on 1884 and be able with pardonable pride to compare the July number of 1934 with the present number, and show evidence of the great progress made in Insurance journalism generally and in INSURANCE SOCIETY in particular.

After all the talk and “valuable suggestions” the proposal for our Toronto Board of Underwriters to take part as a body in the Celebrations, with either a tableau or “banner with a strange device,” came to nothing. This disagreement between members and the final collapse of the whole scheme was brought about by a warm dispute as to whether the Underwriters Board should treat Fire Insurance or Insurance generally, as one of the professions, as an industry or trade, as a benevolent institution, or as one member suggested as one of the Fine Arts. If it be a profession, said some, it would be infra dig. to parade the streets accompanied by an allegorical display, such for instance as “*The first regular meeting of Toronto Fire Insurance Agents as a Board,*” or a banner as was proposed, made of ashes of rose silk, and gold braid, inscribed with the motto,—

“*Vobis aurum pro cineribus damus.*”

(We give you gold for ashes.)

If the business is to be classed as an Industry or Trade, said others, we must provide a van on which would be shown in pantomime or tableau the whole course of a “fire risk” from its solicitation and procurement by a dusty, travel-stained, eager canvasser or agent—through the office of the “*High Commission-er,*” or District Agent, to the Head Office, thence, past the dapper coatless city office clerk to the critical Manager in the Boardroom—still on until the policy reaches the insured, and until the property is destroyed by fire, and the Insured as the final scene, receives his check, or more striking still, portray a long and costly law suit with the verdict against the Company as usual. The van to be followed by a procession of Mounted Canvassers (with Kay and Banks (“*Royal*”) white pony and buggy in the post of honor) being all such Agents or Canvassers as pursue their calling in vehicles—next the Foot Canvassers (that larger army) and lastly the Toronto Board in parlor costume, scarlet and gold rosettes. So much time was consumed in argument, and so much feeling manifested, each one seemingly having a scheme of his own to advocate, that the whole

matter dropped to the ground. What tended perhaps as much as anything else to this conclusion was the reading of a letter received in reply to a general invitation sent to the various Life Companies in Toronto to assist in the proposed procession. The writer said, (you will recognise him by his style) in declining to assist in the proposed show, that, he considered “life was too short, money too tight, and his black trousers too shabby to allow him to take any active part in the proposed “tom-foolery.” The Board room was vacant, in ten minutes after the reading of that epistle.

Before adjourning, the Secretary-Treasurer was authorized to pay for a seat in one of the leading vehicles, for the Vice-Chairman of the Board. He was accordingly to be seen on the first day of the procession as the sole official representative of the Association, riding with his back to the horses. I think the Association might have given him a carriage all to himself. Semi-centennial weather was superb, all but one day Friday, when it rained.

The Fire Insurance, also Life and Accident Companies have reason to congratulate themselves that they made no losses consequent on the doings of the week. When you consider that for a whole week the City was given up to pleasure and sightseeing, with the consequent travelling to and fro, that illuminations were continued each night, and were very general; that during the progress of the processions, lasting hours, the population of the City and suburbs were drawn towards the city's centre, and that especially on the night of the illuminations and fire works on the Bay, when in addition to the great risks incurred on the water by numbers of persons in small boats, and in crowded steamers, thousands climbed to roofs of buildings along the water front whence they could view the scene; when you consider all this, it seems marvellous that no loss of life or limb occurred, and that no serious conflagration occurred. As to the semi-centennial, as a whole it was a passable show. The Firemen's Torchlight procession was very fine; so also, was their parade on the first day. The fireworks on the Bay were a sell, if not a failure. There was nothing resembling a procession of boats as expected and as stated in the programme; they simply moved about ad lib: Still nine out of ten persons thought everything very fine, so that altogether the good folks of Toronto seem to be easily pleased in the matter of shows. The newspapers as in duty bound overflowed with gush,—the usual highflown verbiage, bearing marks of having been written up days before the event. However all is now over and our lovely King street arch, constructed of paper, cotton and wood has been taken down, much to the relief of the “Fire Underwriters” who anticipated a blaze if said arch were illuminated as proposed.

One of the pleasant incidents of the last week of June was the entertainment given to representative Underwriters of this city by Messrs. Scott & Walmsley at the National Club, in honor of Mr. Engelbach, manager of the National Assurance Company of Ireland. Those invited who failed to attend, missed a really excellent lunch, and those who failed to attend, being uninvited, missed one too. I noticed among the guests Mr. Hedley, Mr. Blain, Mr. Pirie, Mr. Manley, etc., all well-known representative underwriters, of Toronto.

Since my last, a lively time has been experienced in the City Council in connection with the voting on tenders for the purchase of the New Pumping Engine. One of the interesting features was the statement by one Insurance Agent who is also an alderman that he had been “approached” by another Insurance Agent and solicited to vote, for a consideration, in favor of the Holly Company's Engine. This statement was made in the shape of an affidavit. Of course such an expose would not be pleasant for the party who did the alleged approaching. I believe a law suit will arise out of this matter. Moral—Do not attempt to approach an Insurance Agent to buy him up, and make him vote against his conscience. The class is not purchasable. Inglis & Hunter, a local firm, secured the contract for the New Engine, so we are in hopes of soon having our much needed extra water pressure.

The little irregularities and peccadilloes of certain members of our Board which have been under investigation as I advised you in my

last letter, are not quite condoned yet. True, one offending member has been cut off and cast into purgatorial fire, so to speak, but the two larger offenders are not as yet in a state of grace. The one fined has not cashed up, and that one who was summarily deprived of the benefits of his seat at the Board has not qualified up to this date for readmission. I am keeping these matters in sight, because, notwithstanding the warm charity which I hope at all times animates me, I am beginning to feel that perhaps the principals in the case, I mean the Big Chiefs, have not that hearty desire to keep the Tariff in the spirit as well as the letter, that they should have, else long ago these matters would have been promptly adjusted. It is becoming increasingly difficult for me to believe that Honor, Rectitude, Loyalty and Purity of purpose are really their dominant motives, when I see Managers hesitate to quickly set straight such of their subordinates as go awry.

As you are aware they have set up a water gauge in the Board room here, showing pressure from the Water Works Department, and a very useful machine it is, and reliable, being self-registering. The range is usually among the seventies, excepting on hot days and at lunch time, when it runs down to 60 owing to the requirements of the worthy Secretary who being a temperance man is also a great water drinker. Of this gauge they tell the following story: During our late festive week, a few of the country Agents were accommodated for the night in the Board room; about daybreak one morning, a certain District Agent who had passed the night on the Board Table, asked his Sub-Agent *under the table* to see what o'clock it was "Where's the clock?" said the sub, "in the corner there said the D. A." Whereupon the Sub got up and gazing and rubbing his eyes for some time in the *dim light*, said he thought it read 8 o'clock but he was uncertain as the hour hand kept bobbing about so, he could not be sure what it pointed to.

Then the D. A. got up, thinking that the Sub, was not quite so well that morning after the fire works of the previous night. But he could do no better than the Sub, until it occurred to him that this was one of the new fangled 24 o'clock clocks, which it required some experience to read. With this, to them, satisfactory solution of the trouble they returned to their lairs.

I hope your present number will give us some details as to what Companies lost at the late Port Perry fire and the respective amounts, we want this information, but cannot get it up here. There was evidently a large amount of Insurance, but the amounts acknowledged up here will not go more than half way to make up the full sum insured. The *Monetary Times* confesses to be unable to get these figures.

Spontaneous combustion occurring amongst a quantity of India Rubber Coats, is charged with the last Toronto fire loss—of \$25,000 at Livingston & Johnston.

Yours faithfully,

ARIEL.

TORONTO, 12 July, 1884.

SOCIETY NOTES AND ITEMS.

The *Ætna of Hartford, Conn.*, has declared a quarterly dividend of 5 per cent.

The *Hartford Fire Insurance Company*, has declared a semi-annual dividend of 10 per cent.

Mr. S. K. Grigg, has been appointed Inspector of agencies for the British Empire Life Assurance Company.

The number of Fires in New York, during the year 1883, was 2,169, and the estimated loss \$3,512,000.

The Cyclists Accident Assurance Association, of London, Eng., an institution about two years old, has collapsed.

Mr. C. Greville Harston, has been appointed manager of the Toronto Agency of the Union Mutual Life Insurance Company of Maine.

The Western Assurance Company of Toronto, has declared a dividend at the rate of twelve per cent per annum for the half year ending June 30th, 1884.

The Eastern Marine Insurance Company, St. Johns, N.B., having a paid-up capital of \$25,000, is to be wound up. Heavy losses incurred during the year is the cause.

Insurance for Clerks out of Situations, has been recommended by the Berlin Congress. Rules and regulations are to be drawn up and submitted for government sanction.

Mr. John Morison, Governor of the British America Assurance Company, sailed for England by the "Servia" on June 18th. Mr. Morison went to England on business in connection with his company.

The total loss by Fire in the United States, for the first six months of 1884, January to July 1st, is computed at \$53,750,000, by the *New York Daily Bulletin*. This shows an increase of \$9,000,000 more than the corresponding period of 1883.

The New York Life Insurance Company has purchased extensive premises in one of the most fashionable streets of Berlin, with the intention of erecting new offices there. The cost of the building to be erected is estimated at 1,500,000 marks.

Mr. F. Stancliffe, general manager for Canada, of the British Empire Life, has appointed Mr. B. H. Ahern (brother of Mr. George U. Ahern of the North British and Mercantile) general agent for the Province of Quebec. Mr. Ahern represents a good solid British Life Company.

Paris Ont., Insurance Agents, think that Brantford agents should not be allowed to encroach on their territory. There are also complaints that young and inexperienced agents are allowed to do pretty much as they please, and get their companies to write larger lines on some risks than they are worth, ground, and all included.

The Paris Fire Brigade. The service employs 1,745 officers and men, commanded by an officer with the rank of Colonel, and divided into two battalions and six companies, with 50 officers. There are 190 stations in telegraphic communication with the chief offices, the telegraph wires in use extending to a total length of 220 miles.

Theatre Burned. The Theatre Royal, Edinburgh, Scotland, was consumed by fire on the 1st inst., loss \$100,000, in addition to which property belonging to a Mr. Heaslip, valued at \$20,000 was also burned. This is the fourth theatre standing on the same site which has been destroyed by fire within the last thirty years. Unlucky site!

Toronto Industrial Exhibition, 1884—The London and Lancashire Life Assurance Company has offered a special prize in Class 91. Colored Crayon Drawing. Subject: "Emblematical of Life Assurance;" open to Amateurs only. The words "London and Lancashire Life," and a sketch of the buildings of the Company to appear in the picture. First prize, \$50; second, \$25.

The Live Stock Insurance Company, to which reference was made in the April issue of *INSURANCE SOCIETY*, as having obtained a Charter from the Dominion Parliament, and which was being organized at Montreal, has, we are informed by one of the promoters, been allowed to go into abeyance for the present. How long it may intend to remain there we are not informed.

The total Loss by Fire at Skelton Bros. & Co., Montreal, amounted to \$77,933.75, and the loss to the insurance companies amounted to \$65,000, subdivided as follows:—Lancashire, London and Lancashire, Scottish Union and National and Western \$10,000 each; Fire Insurance Association, Guardian, Liverpool and London and Globe, National of Ireland, and Northern \$5,000 each.

Mutual Marriage Aid Association of Hamilton. The three officers of this concern, W. A. Duff, J. M. Webber and W. B. Webber, who were discharged on examination at Brighton, were immediately re-arrested and taken to Napanee. The complainant there being a gentleman named Gardiner, who paid \$2,500 and received *nothing*. *Gazette*, July 8, 1884.

English Artillery Team.—Mr. Harold Engelbach, manager of the National of Ireland, received a cablegram, the day before he left Canada, from the Council of the English Artillery Association, of which he is a member, stating that it had been decided to send a team consisting of 22 men and 3 officers to Canada in September next. Mr. Engelbach expressed regret that he could not be present.

Adjusting Fire Losses.—When several companies were concerned in the one loss, it was customary to leave the matter of the adjusting of it in the hands of one office, invariably that of the heaviest loser. In these latter and more enlightened days there seems to be a disposition on the part of each office to employ its own adjuster. Is this departure a saving of expense, or is it owing to the want of harmony, or ———, what is the cause anyhow?

The Patriotic Assurance Company of Ireland, makes a mean and cringing appeal, in the shape of a begging letter signed by Bernard H. O'Reilly *manager*, to the *patriotism* of the various boards of guardians throughout Ireland, to place their insurances in this concern. The grounds for the appeal to patriotism in this instance are: that the Patriotic is the *only* Irish assurance office, whose business is *restricted* to Ireland. Is there no limit to Irish patriotism?

Royal Canadian Insurance Company and P.E.I.—If the statement made in the last issue of *INSURANCE SOCIETY* with reference to the Royal Canadian withdrawing from P.E.I. be correct—and we are informed by the best authority that it is—, is it not equally likely that the other statement is also correct;—and if our contemporary's statement be false in the one instance, is it not equally likely to be false in the other; to say nothing about the libellous part of it.

Accident Insurance.—From our contemporary the *Post Magazine* we learn that this species of insurance is very unprofitable in France. Taking 17 companies, the result is as follows:—Premium income, £434,538; claims £259,401; Commission, £84,284; Expenses, £118,653; Loss, £27,800. Turning the figures into percentages of premium income, we have the following result. claims 59.70 per cent; commission 19.39 per cent; expenses 27.31 per cent; loss 6.40 per cent.

Insurance Musical or Literary Society.—In our English Exchanges we read from time to time about the

proceedings and meetings, etc., of the London "Insurance Musical Society," which seems to be in a very flourishing condition, and the cause of much enjoyment to our English Insurance brethren. We think that there can be no reason why a musical or literary society of some description cannot be started by our Montreal insurance clerks, and we are sure that such a society would be appreciated.

That Brokerage Question.—The Board of Fire Underwriters have decided to impose a fee of \$50 on each broker elected, after the first of August next. According to all accounts there are a sufficient number already elected for a city twice the size of Montreal. This looks like "locking the stable door after the horse has been stolen." Among the elected brokers are: a Government (Custom House) Official; a dry goods importer; a G. T. R., clerk, and a Coal Merchant. It is an easy matter to elect brokers, but as in Boston and New York they are now finding to their cost, it is not by any means such an easy matter to get rid of surplus brokers.

Richelieu and Ontario Navigation Company.—We are informed that the insurance on this Company's boats has again been placed in New York (except a few surplus lines) by a Montreal broker. If this broker, has either directly or through the medium of a life insurance agent, which amounts to the same thing, placed any of these risks outside of Montreal until the offices here were filled, contrary to his pledge, we trust that our Board of Fire Underwriters will deal with him in a very summary manner. If that broker has employed a second party to place these risks, the sooner the Companies all "shut down" on him the better, for if not he will demoralize the whole business.

Taxing Fire Insurance Companies.—We notice that Ottawa is following suit in taxing fire offices, and we understand that the Board of Fire Underwriters has consequently decided to lower the classification of Ottawa from A to B. This is dealing with the matter intelligently and in a business like manner, and the Board are to be commended for their action. The Canadian F. U. Association recently fixed the rates in these cities, without calculating upon the said taxation, and of course they must now in self-defense, as we have over and over again suggested, raise the rates, in those Cities where the companies have a special tax imposed upon them. The whole burden of this absurd, unjust taxation will fall upon the insurers. The insurance companies have no right to take the trouble of legally disputing these claims, excepting it be in the interest of the insurers, but simply to raise the rates.

Mr. Harold Engelbach, general manager of the National Assurance Company of Ireland, who has been on this Continent since the latter part of April, sailed for Dublin, Ireland, via Quebec by the S.S. *Sardinian* on the 12th inst. Mr. Engelbach informed us that he was very favorably impressed with the majority of our Canadian cities and towns. He visited the principal cities of the Dominion including Winnipeg. He has also been in San Francisco and established an agency there. The National of Ireland ranks amongst our first-class British offices, and its Canadian agency is in the hands of experienced, efficient and conservative underwriters, Messrs. Scott & Boulton who are the chief agents for the Dominion. Messrs. Boulton & Bourne are special agents for Montreal and District, the latter gentleman was for some years in the home office of the National before he came to Canada.

Richelieu and Ontario Navigation Co.—Are the Directors of this Company justified in placing their insurance in

unlicensed U. S. Companies? Even supposing there is a slight difference in the rate, are they justified in studying economy at the risk of losing the entire capital of the Company which is represented by these boats and the insurance on them? It is very questionable, in case of loss, how much if any, of this money could be collected from these U. S. Companies, in the event of their choosing to dispute the justice of the claims by technical defences, which would have to be met in U. S. Courts, where aliens, and more especially those encouraging an illegal and unlicensed business, would have a hard battle to fight to obtain their rights, and a Company doing this class of business would not, we imagine, hesitate much about disputing a claim. We think the Directors should be satisfied about the certainty of the insurance they are paying for, before risking the shareholders' property.

Grand Trunk Railway Insurance.—The *Spectator*, N. Y., says: "the Canadian Syndicate, who thought they had put up a job on the G. T. R., reckoned without their host; lost the risk, and it was taken in American companies, etc." We would inform our esteemed contemporary that the Canadian Syndicate were acting in accordance with past experience, and demanding a rate commensurate with that experience, and we are given to understand that the majority of them, at all events, do not at all regret losing this risk which has invariably resulted, heretofore, in a loss to the companies carrying it. It is not quite, correct to say that no portion of the risk is reinsured here for two-fifths was reinsured in Montreal, and the head office of one of these companies cancelled. It is but fair to state, however, that at least one objectionable feature has been eliminated from the schedule as it now stands, but it is questionable whether this will compensate for the less rate, some 25 cents per annum, at which the risk is now written by these companies. One U. S. company was a member of the Canadian Syndicate, but we presume it considered it was justified in "backing out" when the schedule was altered, although the opinion is very strongly expressed here that it was not justified in so doing. It is quite certain that if it had not done so the Canadian Syndicate would have had their way.

The Harden Hand Grenade Extinguisher.—We witnessed a test exhibition of this extinguisher on Friday last, 18th inst., in an open space at the foot of McGill st. Some new boards, tongued and grooved together, standing about 7 or 8 ft. high, and having sides of about 12 or 14 inches, were coated with tar and then saturated with coal oil, small pieces of wood being also saturated with oil and placed at the bottom. It was then set on fire with lighted paper,—a large volume of flame and smoke being the result,—which was subdued by the use of three or four of these grenades, (we do not think the wood took fire.) These grenades would no doubt be valuable in checking a fire at its inception, provided a person was present just at the time to use them, but as a gentleman present remarked: So would a bucket of water. We

would like to see them tested on one of those old sheds, which we noticed in this space, let the two ends be simultaneously fired, and let water be used on one end, and, the grenades on the other, this would we think give the public a better idea of their utility and superiority over water than any test made heretofore. The price of these bottles or grenades, is \$12 per dozen.

The *Commercial List*, of Philadelphia does not favorably regard the practice of the Mutual Fire Insurance Company, of writing lines for \$40,000, and says: "Theories may be very good, but the result of practical experience proves that small companies taking such large lines have a short existence. For a new and small company to assume larger risks than our oldest and strongest companies shows a lack of underwriting experience."

(LINES COPIED OFF A BOARD ROOM BLOTTER.)

The Inquest.

Who shared Commission?
 "I said T. P.
 "With Mr. C...ee
 "I shared my commission.
 Who next sinned this way?
 "T' was I said S. S....
 "Perhaps I broke your law
 "The grain risks to claw,
 Who else did this wrong?
 "T' was I, said L. C.
 "But you cannot blame me
 "I but followed T. P.
 "Having grounds, don't you see
 "For obliging C...ee.

The Verdict.

Up rose the Sec. as they cleared the deck,
 Said he, "Mr. P.
 "You are fined a fee
 "Of dollars fif-tee
 "Please pay it to me,
 "I can't said T. P.
 "For I haven't a V.
 (I won't, growled F. B. from over the sea)
 "As for you Mr. S.—
 "We must dub you "outlaw"
 "More perverse I ne'er saw
 "And for you Mr. C.
 "We shall write to B....y
 "Meanwhile you must be
 "From this Board—absentee.

TORONTO, July, 1884.

WILLY BILLEE.

SUN LIFE ASSURANCE COMPANY OF CANADA.

UNCONDITIONAL INCONTESTABLE LIFE POLICIES.

THE objection is very often made to Life Assurance that the Companies may take advantage of some of the numerous and complicated conditions on the policies, and thus either avoid entirely the payment of claims, or compromise with the widow for a small sum. There is considerable force in this argument, but it cannot be urged indiscriminately against all Companies. The SUN LIFE ASSURANCE COMPANY, OF CANADA, issues absolutely unconditional policies. There is not one restriction of any kind on them. The assured may reside in any part of the world without giving notice or paying one cent of extra premium. He may change his occupation at will; he may travel, hunt or do anything else without any extra of any kind. The contrast is remarkable with other policies. Ask an Agent to show you one; it speaks for itself. Remember THE SUN is the only Company in America, which issues an unconditional policy.

Directors. { THOMAS WORKMAN, Esq., President,
A. F. GAULT, Esq., Vice-President,
J. S. McLAUGHLIN, Esq.

D. MORRICE, Esq.,
HON. A. W. OGILVIE,
W. J. WITTHALL, Esq.

E. J. BARBEAU, Esq.,
S. H. EWING, Esq.

ASSETS, about \$1,200,000

R. MACAULAY, Managing Director.

LEGAL DECISIONS IN INSURANCE CASES.

COMPLIED BY
MESSRS. MONK & RAYNES, ADVOCATES,
MONTREAL.

SUPERIOR COURT, MONTREAL.

The following judgment was pronounced by the Hon. Mr. Justice Jetté on the 23rd May in the cases of the Provincial License Inspector Mr. W. B. Lambe, against the following Insurance Companies:—

Confederation Life, British America, Royal, City of London, Queen, Northern, Ætna Life, Liverpool and London and Globe, Citizens, Phoenix, Lion Life, Scottish Union and National, Scottish Imperial, Norwich Union, Accident, Royal Canadian, Phenix of Brooklyn, Guardian, Western, Commercial Union, Ætna Fire, North American Life, London and Lancashire Life, Union Mutual Life, Travellers' Life and Accident, Ætna Life, Heritable Securities and Investment Association, North British and Mercantile, Sun Life, London and Lancashire, Sovereign, London Assurance Corporation, Imperial, Quebec, Equitable Life of United States, Hartford, Lancashire.

The blanks representing the particulars of each claim.

PROVINCE OF QUEBEC } SUPERIOR COURT.
DISTRICT OF MONTREAL.

23RD OF MAY, 1884.

Present :

HONORABLE MR. JUSTICE JETTE,

No.

WILLIAM B. LAMBE,

Es qualitt.

PLAINTIFF.

vs.

DEFENDANT.

The Court, having heard the argument of Counsel for both parties, in this case, having seen the pleadings, examined the documents filed, the admissions given and on the whole deliberated :

Considering that by Act of the Legislature of the Province of Quebec, 45 Vict. chap. 22, intituled "Act to impose certain direct taxes on certain Commercial Corporations," it has been enacted that every Insurance Company accepting risks and doing business in this Province, should pay annually, the following taxes, to wit:—

1st. A Company doing life Insurance business only, \$500; 2nd. A Company doing other but life insurance business, \$400; 3rd. A Company doing two or more kinds of business at the same time, the said tax of \$400, and an additional tax of \$50 for every branch office over and above the head office; including also the life insurance business; 4th. lastly, for every office situate in the City of Montreal, a sum of \$100, and that these several sums should be due and payable on the first juridical day of the month of July, every year, to the License Inspector of the Revenue District where the Company's office is situate;

Considering that the Company Defendant is an Insurance Company having an office and doing business in the City of Montreal, to wit :
So that under the operation of the statute hereinabove cited the Company is liable for the several sums enumerated, aggregating a total of being the amount claimed from Defendant by Plaintiff, *es qualitté*, as being due and payable since the 3d July, 1882. Considering that the Defendant has met the demand of the Plaintiff by two pleas alleging.

1^o. That the statute referred to has no legal existence, because the same has been irregularly enacted in the name of Her Majesty who forms no part of the Provincial Legislature and has no legislative power in this Province.

2^o. That if this law has any existence, it is in any case, unconstitutional and cannot affect the Defendant,

(a) because the said Company has not been incorporated by the Provincial Legislature and the Company holds a regular license from the Federal power to exercise its rights.

(b) Because the tax claimed is not a direct tax :

(c) Because the said tax is imposed on certain classes of the population only, the said tax being levied not on property but on Commercial populations only and not being one of the taxes which the Legislature has power to create.

(d) Because the tax claimed constitutes a regulation of commerce.

(e) Because the said tax is of its nature a license.

Considering that Her Majesty, personification of the Sovereign Power throughout every Province of the Empire, forms an essential part of the different Legislatures created by the particular Government of the said Provinces and that the Lieutenant Governors in each separate Provinces are but the representatives of the Queen ;

Considering therefore that the statute invoked has been validly enacted ;

Considering that every person or private Corporation enjoying rights of any kind within the limits of the Province is necessarily under the control of the Legislative Power of the said Province and subject to such obligations which the said Power may impose as a share or contribution to public requirements and that no license granted by Federal Power can relieve the Defendant from such obligations ;

Considering that the tax claimed is a direct impost upon the Corporations burdened by it, and that there exists no intermediary between them and the taxing power which feature is the true and essential criterion of *direct* taxation ;

Considering that the extension of the tax to the different classes of the Community is not a matter which can be discussed before the Courts, the Legislature being the sole judge of the opportuneness of such extension ;

Considering that nothing in the Constitutional Act of 1867—has deprived the Provincial Legislatures of the Power to tax Commercial and other Corporations and that the tax in the present case is in the nature of a royalty exacted by reason of the exercise of a profession or business and, as such, is essentially among the attributes of Provincial Legislative authority ;

Considering that the tax claimed does not constitute a regulation of Commerce, in the sense of Art. 91 of the Imperial Statute of 1867 ;

Considering therefore that the Defendant's exceptions and pleas are not founded, dismisses the same and condemns the Defendant to pay into Plaintiff *es qualitté* the said sum of with interest from the 3d July 1882, and costs distracts to Messrs. Lacoste, Globensky & Bisaillon, attorneys for Plaintiff *es qualitté*.

Port Perry, Ont., Conflagration. The following is a list of the companies and the amount lost by each by their disastrous fire which occurred on the 4th inst. at Port Perry and to which reference is made in another column.

British America.....	\$3,000
Caledonian.....	5,000
Citizens.....	14,850
Commercial Union	6,000
Glasgow and London (including Sovereign).....	9,000
Gore Mutual.....	4,000
Hartford.....	800
Imperial.....	10,100
Lancashire.....	7,000
Mercantile of Waterloo.....	5,000
Northern.....	11,500
North British.....	5,000
Norwich Union.....	9,000
Phoenix.....	13,000
Phenix of Brooklyn.....	1,000
Queen.....	8,100
Royal	13,250
Royal Canadian.....	2,000
Waterloo Mutual.....	5,000
Western (partly re-insured).....	24,000
Giving a total loss to the Insurance Companies of over \$150,000,	

GUARDIAN FIRE AND LIFE ASSURANCE COMPANY.

The Directors beg to submit the following report on the business of the Company for the year ending 31st December, 1883, together with the annual accounts in the statutory form.

Life Department.—The number of proposals received and disposed of during the year was 547 for \$2,026,450. The following statement shows the new business actually completed in 1883 :—

No. of Policies.	Sums Assured.	Annual Premiums.	Single Premiums.
451	\$1,662,200	\$53,913	\$3,991

Re-assurances were effected with other offices during the year for \$155,000, thus reducing the company's risk under the new policies issued to \$1,507,200, as against \$1,442,235 in the year 1883. The deaths of the year numbered 140, and gave rise to claims under 177 policies assuring, with bonuses, \$1,113,303. From this amount, the sum of \$85,535 re-assured with other offices, has to be deducted, leaving \$1,027,765, as the net amount of the claims for the year. Both the number of deaths and the amount of the claims have been below the expectation. The total number of policies in force on 31st December last was 7,085 assuring, with bonuses, \$36,805,070. Of this sum \$3,813,910 was re-assured with other offices, thus reducing the ultimate liability of the company to \$32,991,160. The amount of the life fund at the same date was \$11,085,000 or 33½ per cent. of the ultimate liability. The expenses of management and commission, excluding the sum of \$7,500 on account of the transfer of the business of the London and Provincial Law Assurance Society, was \$116,726, being £12 12s. 7d. per cent. on the premium income, or £8 6s. per cent. on the total income.

Fire Department.—The fire premiums, after deducting re-insurances, amounted to \$1,884,172, being an increase of \$320,200 over last year, and the losses to \$1,139,432, being 60·5 per cent. of the premiums. While this account shows a material improvement over last year, the ratio of loss, having regard to the increase of business, is still unsatisfactory. After adding \$145,000 to the premium reserve fund for unexpired policies, the fire account shows a profit, including interest, of \$128,181. The directors recommend that a sum of \$90,000 be added to the fire general reserve fund, in part replacement of the sum of \$105,000 taken from it last year, and that the balance be transferred to the shareholders' account. The premium reserve fund to cover unexpired policies will then stand at \$847,500 and the fire general reserve fund at \$1,400,000. There will be therefore an aggregate fund (apart from the shareholders' capital) of \$2,247,500 to meet fire claims.

Shareholders' Capital Account and Dividend.—The interest on the paid-up capital, with the transfer fees and a small balance brought forward from 1882, amounts to \$219,648, and after adding to this sum of \$38,181, to be brought from the fire account, a sum of \$257,828 is available for dividend, which is sufficient to pay 5 per cent. on the paid-up capital, free of income tax, and to carry forward a balance of \$7,828. The directors recommend to the proprietors that a dividend be declared on each share of the subscription capital for the year ending the 31st December, 1883, of £2 10s., being at the rate of 5 per cent. on the paid-up capital; and that, £1 5s. on each share having been paid as ad-interim dividend in January last, the balance of £1 5s. on each share, be paid on Tuesday, the 1st July next, free of income tax. The directors regret to have to announce the resignation of his seat at this board by Mr. Charles William Curtis, in whom they lose a most esteemed and valued colleague. The resolutions passed at the recent extraordinary general meeting, relating to the annuity fund, will be submitted at this meeting for confirmation.

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LOSSES PAID,	4,020,876.52

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