

Sir Donald A. Smith, M.P., Chairman.

AS AT DECEMBER 31st, 1887.

ASSETS IN CANADA,	- - - -	\$840 842.59
TOTAL LIABILITIES IN CANADA,	- - - -	512,153.92
SURPLUS,	- -	\$328,688.67

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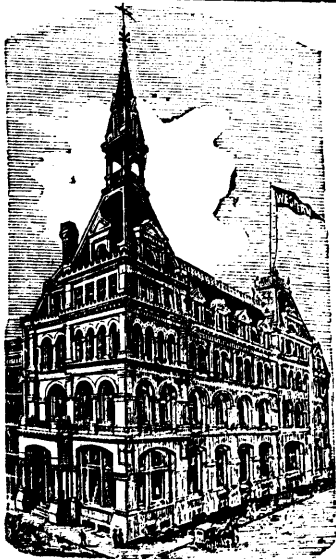
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No. 3.

# Insurance and Finance

# CHRONICLE.

VOL. X.

OFFICE :  
1724 Notre Dame Street. }

MONTREAL, FEBRUARY 1, 1890.

SUBSCRIPTION :  
\$2.00 per ANNUM.

## THE Insurance and Finance Chronicle.

Published on the 1st and 15th of each month,

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Editor and Proprietor.

A. H. HULING, Associate Editor.

Annual Subscription (in Advance)	\$2.00
Single Copies	0.20
Per Hundred Copies	15.00
Prices for Advertisements on application.	

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the preceding month to secure insertion.

IN OUR LAST issue we took occasion to call attention to the liberal tendency of late among the life companies with reference to modifications of the policy contract, which, as a rule, however, apply only to policies of present and future issue. We urged the justice and expediency of making these various liberal features retroactive, benefiting old as well as new policyholders, and stated that, so far as we then knew, but one—an English company—had made its new policy conditions retroactive. We are pleased to learn since then that at least two Canadian companies have made their liberal features retroactive. The Confederation Life some months since adopted a very liberal form of policy, the conditions of which were made to apply to all old policyholders, for which the company deserves commendation. The other company referred to, the Ontario Mutual Life, speaks for itself, through its manager, on another page.

WE PRESENT ELSEWHERE the results of underwriting in 1889 by the United States branches of the British fire insurance companies, and such of the American companies as our Canadian readers are specially interested in. The result recorded ought to be an effectual answer to the chronic cry of property owners for a reduction of rates, every time a new hose cart is added to the fire department of a town or a new fire alarm box put up. This is a good opportunity, too, for the insurance solons of the daily press, who roll ignorance of the first principles of underwriting as a sweet morsel under their tongues while they figure out big profits for the companies, to take an object lesson

on the subject which will be of value. The average losses incurred to premiums received in the above companies have been over 62 per cent., and the management expense about 34 per cent., showing the beggarly margin of 4 per cent., on the year's business *by the cream of the companies*. When we come to take the combined experience of all the companies, great and small, later on, we shall find even this margin has disappeared.

THE DIFFERENCE BETWEEN a fine theory and the application of the theory is nowhere more forcibly illustrated than in the matter of fixing just the correct rate by the fire insurance companies. We are reminded of this by an article in the January *Monitor* on "Fire Insurance Science vs. Guess Work," which well shows the difficulty of getting the experiences of the various companies, and therefrom constructing a combined experience to serve as a scientific basis for correct rating. It is easy enough to say that the experience for a continuous period of each one of twenty, or fifty, or a hundred life companies on a thousand lives, when combined, affords an absolutely correct basis on which the science of life assurance is founded, and that in like manner the separate experiences of a number of fire companies with a thousand fires, when combined, give safe data for scientifically correct premium charges. Of course the conclusion is as easy as rolling off a log, and nobody questions the soundness of the theory. This combined experience, affording data for the desired "classifications," which are periodically held up by the fire insurance doctors as the panacea for all the ills of fire underwriting, is a good thing no doubt, and we all hanker after it, just as we do after the millennium; but one is about as attainable as the other. The simple fact is that companies—and there are not many of them—which have for a number of years carefully recorded and analyzed and classified their experiences, at great trouble and expense, want the information for their own benefit, and will not give it away for any consideration. Each company wants the "other fellow" to do it, and, hence, nobody does it, and so "combined experience" remains and will remain for an indefinite period a pretty theory to write about, but as impracticable as perpetual motion.

UNQUESTIONABLY THE TOTAL amount of life assurance written on this side of the Atlantic during 1889 was larger than during any previous year in its history, though the complete statements of individual companies will not be accessible for several weeks to come. Judging, however, from the information at our command, we can think predict with confidence that the total new business reported by all the regular companies of the United States and Canada will show an increase over 1888 of fully one hundred and twenty-five millions of dollars in assurance actually taken and paid for. In "amount written" the figures will go of course several notches higher. In Canada only policies taken and paid for are reported in the new business, which for 1889 will probably reach pretty nearly \$45,000,000 in the aggregate. As the amount of issued and paid for assurance in the United States will undoubtedly aggregate between six hundred and fifty and sixty millions, we may contemplate a grand total for the United States and Canada of about \$700,000,000 as the result of the year's work. These are enormous figures, but are very likely to be exceeded by the increasing business of 1890.

OUR ATTENTION HAS recently been called to a letter published in the *Cornwall Standard*, of Jan. 17, written by Manager Macdonald of the London Mutual Fire Insurance Co., of London, Ontario. It seems that some wide-awake observer had written a letter or two to the papers, calling attention to the significant fact that the company's 1888 report to its policyholders makes the surplus a little matter of \$302,875 more than is shown in the official report of the Insurance Superintendent of the Dominion! The surplus there given, after allowing over \$306,000 in premium notes as a valid asset, is \$75,334. The explanation made by Manager Macdonald of this prodigious discrepancy is entirely original, and unquestionably entitles him to the championship as being the possessor of the largest known area of "sublime cheek." The explanation, coolly made, is that the "reserve on unearned premiums for all outstanding risks," amounting to \$791,541, charged in the Government report as a liability, is really an *asset*. This will be news to the officers and agents of several hundred companies reporting annually to the Insurance department of Canada, and to the forty departments of the United States, where fifty per cent. of the unearned premium is universally charged as a liability against outstanding risks. We do not wonder, however, that a "mutual" company, trying to do business on the stock plan without a dollar of capital, its main asset being a lot of premium notes of uncertain value, should feel very anxious to have a good-sized surplus, even if found necessary to transform a liability into an asset in order to get it. Unquestionably, if found necessary to collect any considerable assessment on their premium notes, their assumed value would dwindle speedily to a realizable value which would wipe out that \$75,334 of surplus several times over.

CONSIDERING THE MAGNITUDE of the business and the number of persons involved, the frauds attempted in prudential insurance are by no means numerous. A pretty bad case has, however, recently come to light in the experience of the Prudential of the United States. Two agents named Falkenham and Fellicki respectively, sub-agents for the company at Utica, N. Y., conspired, it is alleged, with a Dr. Brownell of that place to report the deaths of four fictitious persons purporting to be insured for considerable amounts, and the money unsuspectingly paid over. A large number of policies, reported at fifty, were procured on fictitious lives for an average of \$1,000 each, and about \$150 in commissions realized on each by the swindlers, in addition to the four bogus death claims paid, before they were suspected. The agents fled, but were arrested in New York. Dr. Brownell was also apprehended, and it seems likely that the guilty parties will be severely punished. The loss to the company was about \$10,000.

THE INSURANCE DEPARTMENT of the State of New York has recently completed the examination of the Fire Association, the last of the trio of the companies of which P. B. Armstrong is president and chief factotum. As in the case of the Armstrong Fire and the Mutual Fire, the examination covers the condition of the Fire Association on November 30th last. This examination shows an impairment of \$57,056.52, and as the monthly statement of the company showed a surplus on the above date of \$49,332.48, the difference is \$106,389. As we have heretofore stated in these columns, the scrutiny of the insurance department officials showed an impairment of the Armstrong Fire of some \$23,000, while in the case of the Mutual Fire the alleged surplus, taking no account of some \$441,000 of dividend scrip, was cut down to \$314,819.34, instead of \$433,545.59, as claimed by the company. Thus has official examination enlightened the public, and shown that bluster is not brains nor noisy assumption solid assets. As we stated in our last issue, Mr. Armstrong published a blustering letter, complaining of the unfairness of the examiners in the case of the Mutual Fire, and denying the correctness of the result reached by them. To this they have made prompt reply, fully justifying their conclusions, as we predicted, and in the course of which they say: "Our only reason for refusing to accept his (Armstrong's) statements as true was the fact that investigation showed them to be utterly unworthy of credence." Mr. Armstrong's big show had better retire and dismiss its brass band.

BASED ON ITS CALCULATION on figures gathered by the *New York World*, the *Insurance News* shows that the fire loss of the United States for 1888 presented very nearly the same ratio to total property value as in 1880, while the percentage of insurance to property value had increased materially. In 1880 the total insurance in force was 16 per cent. of the total property value of the country, while in 1888 the percentage was 20, showing the gratifying fact that property owners insure more generally than they used to.

**ARE THE OLD LINE PREMIUMS EXCESSIVE?**

MORTALITY EXPERIENCE OF TEN LIFE COMPANIES IN CANADA.

In the September number of the *INSURANCE AND FINANCE CHRONICLE* we published an article entitled "Are the Old Line Premiums Excessive?" in which we demonstrated by the recorded experience of 31 British life companies from forty-three to more than a hundred years old, that the ordinary premium charge was none too large to allow a portion to be set aside for a reserve fund which, improved at compound interest, would go to meet death claims as they must occur, under the unvarying law of mortality. It was shown that for the year 1887 the death claims paid by these companies exceeded the current premium income by \$6,927,175, to say nothing of expenses for transacting the business, and the reserve accumulated for that very purpose was drawn on to pay the deficit.

The average rate of mortality among a large number of selected lives having been demonstrated with mathematical precision by the combined experience of companies for the past hundred years and more, the problem is a simple one to so average the payments to be made by the assured at a given age for a given amount as to call for the same amount each year, the aggregate payments, less expenses, with compound interest at, say, 4 per cent. being sufficient to pay the policy at maturity. Of course this "level premium" payment must be larger than required for present losses during the earlier years of the policy, in order that a portion—the reserve—be laid aside for investment to meet the losses of the later years for which, considered by themselves, the premium then paid is insufficient.

The fundamental difference between life assurance on this plan of mathematical certainties and so-called life assurance on the assessment plan ought to be exceedingly plain to every sane man. In the one case the assured pays the fixed amount necessary to meet the mortality liability of the average man of his age, a definite payment for a definite amount of assurance. In the other case each man pays an increasing amount every year on the pay-as-you-go plan, the increasing average age of the membership producing with inexorable certainty an increasing mortality which *must be met*. Light payments during the early years soon become heavy payments, rapidly increasing to enormous payments in the later years of life. The tables of mortality, everywhere accepted, show that it costs twice as much for death claims on a given amount at age 52 as it does at age 40, more than five times as much at 68, about nine times as much at 75, and more than thirteen times as much at age 80. No membership could or would respond to such an increasing demand beyond a few years, hence certain failure must follow.

In order to further illustrate the demands of real assurance for a reserve, we have compiled the experiences of ten companies for ten years in Canada, where for that period they have issued no new assurances whatever. These companies, which previous to 1878-9 had done a very satisfactory and some of them a very large business, elected to withdraw from the Dominion, so far as new business was concerned, on account of the

provisions of an amended assurance law with which they did not choose to comply. The very considerable business which had accumulated of course remained, and has been looked after, and maturing claims met year by year according to the assurance contract assumed. We herewith present the cost per \$1,000 of assurance in force for death claims in 1879, the year after the companies retired, in contrast with that of 1888, making a period of ten years:

NAME OF COMPANY.	Cost per \$1,000.		Increase, Ten yrs.
	1879.	1888.	
Connecticut Mutual.....	16.80	21.16	4.36
Edinburgh Life.....	2.35	16.76	14.41
Life Asso. Scotland.....	20.56	28.33	7.77
National of U.S.....	2.08	53.05	50.97
Northwestern Mutual.....	8.39	16.48	8.09
Phoenix Mutual.....	8.69	20.96	12.27
Reliance Life.....	3.91	8.01	4.10
Scottish Amicable.....	18.35	45.96	27.61
Scottish Provident.....	13.92	23.12	9.20
Scottish Provincial.....	11.74	50.85	39.11
Average Totals.....	13.10	25.52	12.42

This experience clearly shows that the mortality on a given number of lives increases as regularly as the sun rises and sets, having in the short space of ten years almost doubled in the average experience of these few companies. As we have before stated, if at age 40, the cost must double in about twelve years. The average age of those assured when these companies quit business in 1879 was undoubtedly considerably above 40, hence the more rapid increase of the death rate. We also find that the total premium income of these ten companies in 1888 was \$237,658, while the death claims amounted to \$250,862, the reserve being already necessarily drawn upon to help to meet these losses. Besides this, the expense of looking after the business must come out of the premiums, which expense at five per cent. would make nearly \$12,000, or, altogether, some \$25,000, to be provided for more than was collected of the assured. Now, looking back ten years, we find that in 1879 these companies collected in premiums \$490,291, and paid out for deaths only \$210,156, showing the margin from which the accumulated reserve comes with which to meet increased loss *now* when the premium is inadequate to do it.

The above companies have now in force in Canada policies on the lives of something over five thousand persons for about nine and a half million dollars of assurance, and notwithstanding the percentage of deaths is rapidly increasing, not one of these policyholders will ever be called upon for a dollar more premium than he paid the first year he was insured; and yet the companies possess the ample ability to pay off the last claim of the last man of the five thousand, when it matures twenty or thirty or forty years hence, as easily as they paid the first claim presented. Holders of policies in assessment associations, who are hugging the delusion of cheap insurance just now, and congratulating themselves on "keeping the reserve in their pockets," will have a rude awakening a little later on similar to that experienced by the members of the United Brethren Mutual Aid Society of Pennsylvania, whose assessments

increased from \$8.24 per \$1,000 in 1874—four years after organization—to \$43.5 in 1888, and whose society has now apparently about reached the point of dissolution. The law of mortality is no respecter of persons, but operates with perfect uniformity on a thousand lives, whether covered by the heterodoxy of assessmentism or the orthodoxy of genuine life assurance which provides for a constantly growing reserve to meet and vanquish a constantly growing death rate.

#### THE MANUFACTURERS' LIFE INSURANCE COMPANY.

The first of our Canadian life companies to publish the report of their transactions for the year 1889 is the Manufacturers' Life, whose statement will be found on another page. An impartial criticism of the figures presented must of necessity be of a compound character, for there are points which are of a very satisfactory character, and others which are equally unsatisfactory. The following comparison of the reports for the years 1888 and 1889 speaks for itself :

ITEMS.	1888.	1889.	Difference.
Applications received.....	\$6,000,000	\$3,268,200	— \$2,731,800
Policies written.....	4,002,500	3,008,800	— 993,700
Assurances in force.....	5,716,900	6,110,100	+ 393,200
Premium income (deducting re-assurances).....	117,751 55	143,956 19	+ 26,204 64
Total Income.....	122,715 01	157,354 79	+ 34,639 78
Do. including gift of \$100,000.....		257,354 79	+ 134,139 78
Death claims incurred.....	14,000 00	59,506 83	+ 45,506 83
Expenses.....	\$7,231 08	\$9,158 37	+ 1,927 29
Total Disbursements.....	96,231 08	149,523 49	+ 53,292 41
Surplus of Income over disbursements.....	26,333 93	\$40 33	— 25,493 60
Do. incl. the \$100,000..		100,840 33	+ 74,506 40
<b>ASSETS.</b>			
Real Estate.....	Nil.	29,963 14	+ 29,963 14
Mortgages.....	62,434 97	135,882 33	+ 73,447 36
"Life interests".....	4,050 00	\$50 00	— 3,200 00
"Reversions".....	3,454 12	2,840 00	— 614 12
Dominion Bonds.....	53,000 00	53,000 00	.....
Stocks.....	.....	6,000 00	+ 6,000 00
Cash.....	3,782 40	6,209 23	+ 2,426 83
Agents' balances and Bills receivable.....	16,500 01	10,927 18	— 5,574 83
Interest and rents due and accrued.....	1,729 73	1,341 16	— 388 57
Net outstanding and deferred premiums.....	54,365 92	43,521 37	— 10,844 55
Office furniture.....	4,493 33	4,493 33	.....
Total assets, Govt. basis... (apart from the \$100,000).	203,810 48	295,025 74	+ 91,215 26
Impairment of capital			
(apart from the \$100,000).	50,517 76	98,580,54	+ 48,062 78

The foregoing comparison throws the gains and losses of the year into such prominence that but little comment is required. As we have already said, there are both good and bad points to be noted. The most unfavorable feature is the fact that on the ordinary working of the business there was a loss during the year of \$48,062.78, or rather an increase in the impairment by that amount. This is largely due to the abnormal mortality during the year. A death rate of slightly over \$10 per \$1,000 of mean amount at risk is very heavy in a company only two years old. The expenses also are very heavy. But it must in justice

be pointed out that the expense account of 1889 must have been largely swelled by the residue of the expenditure incurred previously. There is every reason to hope that the current year will witness an improvement under this head. Turning now to the other side of the case, we would draw attention to the improvement in the character of the assets. There has been an increase in the investment items and a decrease in the others. We think, however, that either the company or the insurance department should in all cases furnish the public fuller details about "Life interests" and "Reversions." What is the nature of these items? Are they secured by mortgage on real estate or how? It is remarkable that investments so unusual in Canada should be found in the assets of any young company.

But the most important feature in the whole report is undoubtedly the payment of the \$100,000 to the company to make good the impairment of the capital. The method followed was explained by us fully in our last issue. The donors are to be reimbursed from the dividends which would otherwise be paid to the stockholders. The action is one which commands our most hearty approval. It should inspire confidence in the directorate, since it shows that the men who compose it are both able and determined to give the company all the financial backing which may be necessary to carry it on to success. The problem must be solved, however, how to manage the company's affairs so that the surplus which has now been secured may not be wiped out but be added to by each year's transactions. A large amount of business is on the books, and the object of the executive should now be rather the accumulation of surplus than the securing of a very large amount of new business, desirable as that is. It will be by the assets and liabilities rather than by the assurances that the success of the new management will be measured.

The consulting actuary of the company is Mr. David Parks Fackler, of New York, who is one of the most eminent actuaries on this Continent. We wish the Manufacturers and its new manager every success.

#### THE WATERLOO MUTUAL FIRE.

On another page will be found the annual statement for 1889 of the Waterloo Mutual Fire, which speaks for itself. The assets, including premium notes, amount to \$264,549, 07, deducting the re-insurance fund, to \$204,328.19, a gain over the previous year of over \$18,000. The losses from fire were \$70,850.68 against \$77,400.85 for the previous year, showing an increased business, offset by a considerably decreased loss. We see that the total income for the year was \$119,567.89, against \$112,645.13 in 1888. The company issued 6,309 policies during 1889, and has now in force 13,949, insuring \$12,577,030, after deducting \$441,448 of re-insurances, making the average to each policy \$900. The officers of the Waterloo are enterprising and active, and the affairs of the company honestly and prudently managed, and we believe it enjoys the confidence of the general public.



### THE FRENCH LANGUAGE . OUR PUBLIC SCHOOLS

We note with pleasure that the commissioners of the English schools in this province are at last awaking to the fact that in some respects they have been at least fifty years behind the age. They have been diligently serving up venerable but to most people valueless Latin and Greek to the boys entrusted to them, and neglecting the positive famine for French which exists.

A few years ago the proportion of time spent on the different subjects in the Montreal High School was, if we remember aright, as follows:

Latin and Greek—one hour and a half every day.

French—half an hour every second day.

What a farce this was in the province of Quebec! The relation should have been reversed at least. We are pleased, as we have said, to notice that a slight improvement has taken place of late. But we do not hesitate to say that the well intentioned but antiquated policy which formerly prevailed is responsible for driving hundreds, if not thousands, of our brightest young men to Ontario and the United States. Their school course had not qualified them for any of the host of positions among us, which none but a person speaking both languages can fill, and the result was that French Canadians were taken on and the Englishmen had to go to places where English is the sole language. We repeat the assertion, which we have made on more than one occasion, that every intelligent boy who completes a course in any of our public schools, and cannot then converse and write fluently in French, is a walking announcement of the failure of our school system to do what is expected of it.

### THE HARTFORD FIRE INSURANCE COMPANY.

The Hartford Fire, like some other good things, improves with age. It has just completed its eightieth year, and in its annual statement, which we print on another page of this issue, it furnishes the public with some very interesting reading. We have learned to expect "increase" written on the results attained by this company from year to year, but considering the unusually large fire loss of the country for 1889, we did not expect to see such a favorable showing as that which greets us for January 1st, 1890. We find that the total cash income was \$3,059,533, the total expenditures, excluding dividends, \$2,554,554, and the consequent resultant profit \$504,979. The total assets now amount to \$6,142,454, and the net surplus to \$2,456,079. It is a condition of affairs seldom met with to find a company in possession of a net surplus equal to almost 40 per cent. of its total assets, as is the case with the Hartford. The increase in the surplus during 1889 was pretty close to a quarter of a million, being \$222,096, while the increase in assets was \$392,374. Success in fire underwriting at the present day is not an accident but the result of skilful generalship. To know when not to do it is quite as important as when to do it to the winning company. Thorough knowledge of the business in all its details, a knowledge of men, the ability to discount the future by using the table of facts

which past experience furnishes, and a cool, even courage are among the qualities which must be found in the management of a successful company. These fortunately are qualities possessed by the long-time president of the Hartford, Mr Geo. L. Chase, and shared in no small degree by Secretary Royce and the office staff. The business of the company in Canada has been large, and it has been profitable, as might well be expected when committed to the management of such capable underwriters as have been chosen to represent it, among whom is Mr. Fred. W. Evans of this city.

### "SCRUTIN DE LISTE" ELECTIONS.

The fact that rumors are in circulation, to the effect that the Quebec Government propose to adopt the "scrutin de liste" plan of voting in the cities of Montreal and Quebec, has drawn attention to this system which is in use in France. Canadians have but a slight idea of what the plan really is. A prominent Montreal daily paper recently had an editorial describing its working, but unfortunately for its readers did not itself understand the question, and under the name of the *scrutin de liste* explained the details of an entirely different system, that of the "cumulative vote" as it is called in England.

The *scrutin de liste* is simply as follows: A city like Montreal is not divided into constituencies as at present, but is left as a whole. The number of members to which it is entitled are elected by the united body of voters, each man having as many votes as there are members to be elected. He cannot place more than one vote to any one candidate (as he could under the "cumulative" system), and whichever candidates receive the majority of all the votes cast are elected. It is very easily seen that the effect of such a method is to extinguish the minorities entirely. In Montreal, the East end voters would elect all the members which Montreal would send to Parliament, and the English-speaking section in the west and the south would be entirely unrepresented. The system is a glaringly unjust one, and in countries where it is in use it has caused great dissatisfaction. Of all the methods in the world it is the least suitable to a divided city like Montreal, and we do not for one moment suppose that those in authority would even think of adopting anything so notoriously unfair.

A new fire-proof floor has, according to *The Chronicle* (New York) been introduced into this country from Spain, where it has been used a number of years. Its general features are the use, to form the arches, of a hard, well-burned clay tile laid flat, with the several courses breaking joints. The composition of the mortar is a secret, but it adheres so closely to the tile and is so firm and solid, when it has fully hardened, that its strength is about equal to that of the tile. The arches are either cylindrical or domed, and in either case weigh but little more than half the weight of the ordinary brick arches. The principal saving, however, is in the reduced number of beams used, owing to the much greater span which may be made with the tile arch.

### FIRE INSURANCE IN THE U. S. IN 1889.

Following are the results shown by the record of the principal companies for 1889 (including Inland and Marine business) so far as at present obtainable.

#### UNITED STATES COMPANIES.

	Prem's received.	Losses incurred.	Per cent.	Management expense.	Per cent.
Ætna.....	\$2,833,925	\$1,647,396	58.13	\$ 910,700	32.13
Agricultural.....	813,276	395,200	48.59	373,799	45.96
Continental.....	2,203,985	1,260,797	57.20	907,500	41.17
Connecticut.....	1,069,531	634,878	59.36	386,802	36.17
Firemen's Fund....	1,237,788	765,220	61.81	416,383	33.64
German-American...	2,430,361	1,454,916	59.86	896,053	36.86
Hartford.....	2,821,339	1,608,892	57.02	930,383	32.98
Ins. Co. North Am..	3,995,748	2,779,208	69.55	1,215,410	30.41
Phoenix, Hartford...	2,559,539	1,601,032	62.55	832,536	32.52
Phenix, Brooklyn...	3,415,737	1,875,159	54.89	1,401,305	41.02

#### U. S. BRANCHES OF FOREIGN COMPANIES.

British America.....	607,890	376,796	61.98	180,875	29.58
City of London.....	502,668	436,642	86.86	184,549	36.71
Com'l Union.....	2,390,554	1,523,113	63.70	785,596	32.86
Guardian.....	843,293	507,941	60.23	381,254	45.21
Imperial.....	1,087,912	698,614	64.21	289,103	26.57
Lancashire.....	1,454,982	978,431	67.24	506,209	34.79
Lion Fire.....	416,331	337,537	81.07	136,881	32.87
L. & L. & Globe....	4,273,371	2,766,368	64.73	1,299,037	30.89
London & Lanc....	1,553,944	1,030,512	66.31	505,987	32.56
N. British & Merc...	1,893,191	1,294,761	68.39	666,493	35.20
Northern.....	944,443	792,792	83.94	357,044	37.80
Norwich Union.....	1,019,597	599,924	58.84	338,144	33.16
Queen.....	1,475,924	890,374	60.32	460,391	31.19
Royal.....	3,079,212	1,763,303	57.26	1,035,916	33.64
Scottish Union.....	502,875	367,737	73.12	150,507	29.92
Sun Fire.....	1,211,377	814,411	67.23	417,305	34.44
Transatlantic.....	263,140	146,542	55.69	105,212	39.98
Western, Can.....	1,240,505	904,919	72.94	373,444	30.10

### THE ÆTNA FIRE INSURANCE CO.

In scanning the brief statement of the old Ætna of Hartford for 1889, which appears elsewhere in this issue of the *INSURANCE AND FINANCE CHRONICLE*, we are reminded of the truthful force of that terse adage that "nothing succeeds like success." So well established has become the reputation of this company for furnishing insurance which insures, that by the unwritten law of affinities it attracts the best class of business; for the best men controlling the best business naturally seek for the best insurance, than which there is none better than that furnished by the Ætna. A company which, during such a disastrous year as that which has just closed, and carrying an average of more than \$310,000,000 of risks, can report a gain in assets of more than \$300,000, and which, added to its net surplus about \$115,000, tells a story of superb management such as few companies can boast. President Goodnow and his official colleagues constitute a managerial force which has come justly to be looked upon as a model of underwriting skill, uniting comprehensive enterprise with safely conservative methods. What is true of the class of business attracted by this company is equally true of its agents in the entire field, for as it can command it selects only the best. And this is forcibly true of its Canadian representatives, among whom Mr. Fred. W. Evans, in charge of its

Montreal business, stands conspicuous. We are not surprised to find that under such capable management at the home office and in the field, the assets of the Ætna have passed the ten million dollar mark, being exactly \$10,071,510, while the surplus amounts to \$3,700,666, fast approaching its large cash capital of \$4,000,000. To say that this large amount of assets is invested in the best class of securities which the country affords is only to say that the officers of the company are not only good underwriters but managers in the largest sense.

### FIRE INSURANCE IN CANADA FOR 1889.

We present to our readers on another page the results of the fire insurance business in Canada for 1889, the figures given being kindly furnished the *INSURANCE AND FINANCE CHRONICLE* by the several companies in advance of the official returns to the Insurance Department. We also give the results of the five preceding years by way of comparison. Fortunately, Canada escaped any very great conflagrations during the past year, and consequently the loss ratio has been somewhat more moderate than for previous years. Veteran underwriters, however, have long ago learned that "one swallow does not make a summer," and that one year's results in a given field do not furnish a reliable indication of the conditions of the business as to profit and loss. Results to be of any value must be based on the experiences of a series of years, just as the year's business of the merchant must be judged by the sum total of profits and losses for the twelve months, not from the experience of a single month.

Even with the favorable experience of the Canadian business, during last year the margin of profit is sufficiently narrow when we consider the necessary expense of agency work, the excessive taxation in various forms saddled on the companies, ordinary office expenses, and the clerical help made necessary by an enormous amount of detail scarcely known to any other business in the world. So long as the short-sighted public are so exacting and willing to lay taxation and other burdens on the fire insurance companies, and the insurance departments, in their wisdom, require the laying aside annually of fifty per cent. of all the unearned premiums as a re-insurance reserve, an exceptionally good year now and then is indispensable to their existence. What the experience of the present year may be is uncertain, but it has certainly begun inauspiciously for fire insurance. Already several destructive fires have occurred in various parts of the Dominion, those in Montreal and vicinity alone amounting to considerably more than a hundred thousand dollars during January. If the big fire at Sherbrooke, the Balmoral hotel and adjoining fires, the Bishop engraving and printing establishment, and the Parker foundry fires of this city are to be often duplicated, the outlook is not, to say the least, cheerful. Let us hope, however, that in this case a bad beginning may make a good ending.

**FIRE INSURANCE BUSINESS IN CANADA FOR THE YEAR 1889.**

WITH COMPARATIVE RESULTS FOR THE YEARS 1884, 1885, 1886, 1887 AND 1888.

Compiled by THE INSURANCE & FINANCE CHRONICLE from figures supplied by the Companies.

COMPANIES.	LOSS RATIO. To Premium Receipts.				BUSINESS OF 1888.			BUSINESS OF 1889.		
	1884.	1885.	1886.	1887.	Net cash rec'd for Premiums.	Net losses Incurred.	Per ct. of Prem.	Net cash rec'd for Premiums.	Net losses Incurred.	Per ct. of Prem.
<b>CANADIAN OFFICES.</b> (Canadian Fire Business only.)										
British America.....	57.10	61.30	58.00	68.81	197,723	135,927	68.74	232,902	129,026	55.39
*Citizens.....	65.42	63.62	68.00	80.03	205,027	136,754	66.70	35,748	215	00.60
Eastern.....								97,397	61,133	62.76
aMercantile Waterloo.....			71.50	65.32	91,349	48,653	53.25	97,094	60,727	62.54
Quebec.....	57.37	46.47	57.71	80.05	87,955	60,506	68.79	174,405	114,267	65.51
Royal Canadian.....	57.00	61.85	90.25	77.48	175,802	125,604	71.44	336,079	147,225	43.80
*Western.....	69.92	44.46	52.62	51.46	340,858	170,095	49.02			
Totals.....	65.35	56.12	64.37	69.96	1,137,247	733,582	64.55	973,625	512,199	52.68
<b>BRITISH OFFICES.</b>										
Atlas.....				65.86	45,895	25,671	55.93	56,419	28,165	49.90
Caledonian.....				64.79	106,885	68,725	64.30	107,504	73,172	68.06
City of London.....	68.07	56.13	80.82	78.73	153,789	100,725	65.49	145,284	80,090	55.12
*Commercial Union.....	48.96	46.86	87.98	71.73	286,903	138,948	48.43	312,384	170,398	54.54
Employers' Liability.....	73.78	64.26	74.58	32.78	48,748	34,442	70.65	54,928	24,578	44.74
Fire Ins. Association.....				89.86	117,721	86,518	73.50	108,929	52,309	48.02
Glasgow and London.....	69.74	70.13	66.45	73.22	319,829	219,028	68.48	260,880	171,224	65.59
*Guardian.....	43.25	59.40	70.68	74.17	179,807	96,294	53.55	190,565	110,923	58.20
Imperial.....	50.67	54.13	67.28	47.56	213,440	87,933	41.19	219,858	87,550	39.82
Lancashire.....	48.11	49.64	66.13	49.62	212,992	95,133	44.66	223,322	89,009	34.61
†Liv. & Lond. & Globe.....	68.51	59.01	71.56	71.38	253,446	126,380	49.86	257,143	14,691	21.69
†London.....	54.16	53.53	87.93	69.53	75,883	35,511	46.79	67,708	45,092	29.32
*Lon. & Lancashire.....	58.94	80.29	77.79	56.96	123,183	44,764	36.34	153,755	33,472	43.45
National of Ireland.....	59.45	67.44	98.16	80.48	73,413	39,549	53.87	77,935	81,610	47.77
Northern.....	59.00	69.74	89.27	69.16	169,702	94,906	55.92	170,822	181,537	58.13
†North British and Mer.....	86.64	55.45	89.27	64.08	312,663	173,261	55.41	312,286	35,620	42.14
‡Norwich Union.....	61.93	48.95	62.43	69.61	87,699	41,164	46.93	84,549	76,300	35.62
Queen, London.....	55.71	54.66	57.43	53.13	206,427	100,338	48.60	214,193	108,038	42.68
Royal.....	74.16	47.68	69.83	56.79	228,850	103,760	45.34	253,084		
Scot. Union and National.....	60.96	55.39	61.52	61.55	523,580	281,832	53.82			
Totals.....	64.90	60.16	26.25	46.25	115,916	59,905	51.69	114,598	42,450	37.04
Totals.....	64.15	56.59	68.01	64.29	3,856,771	2,054,790	53.27			
<b>AMERICAN OFFICES.</b>										
Ætna.....	46.74	60.23	70.59	58.75	129,986	72,200	55.55	120,290	49,477	41.13
*Agricultural, N.Y.....	46.61	60.91	68.62	69.33	75,134	45,235	60.00	82,000	70,700	86.21
Connecticut.....			40.90	64.45	42,515	23,394	55.02	41,669	10,666	25.69
Hartford.....	58.00	57.60	56.51	53.88	128,510	66,466	51.72	128,236	46,909	36.58
Phenix, Brooklyn.....	43.06	47.89	37.13	144.63	69,845	28,344	40.58	59,665	27,296	45.74
Totals.....	50.16	57.45	58.44	72.42	445,990	235,639	52.83	431,860	205,048	47.48
<b>RECAPITULATION.</b>										
CANADIAN OFFICES.....	65.35	56.12	64.37	69.96	1,137,247	733,582	64.55			
BRITISH ".....	64.15	56.59	68.01	64.29	3,856,771	2,054,790	53.27			
AMERICAN ".....	50.16	57.45	58.44	72.42	445,990	235,639	52.83	431,860	205,048	47.48
GRAND TOTALS.....	63.60	56.61	66.09	65.66	5,440,008	3,024,011	55.58			

\* Approximated for 1889. † New Brunswick and British Columbia excluded. ‡ British Columbia estimated. § British Columbia not included. a Four months business.

**GENERAL RECAPITULATION FOR SIX YEARS.**

YEARS.	Premiums.	Losses.	Per cent.
	\$	\$	
Business of 1884.....	4,980,138	3,161,262	63.60
Business of 1885.....	4,891,808	2,766,563	56.61
Business of 1886.....	4,911,984	3,263,144	66.09
Business of 1887.....	5,217,366	3,436,210	65.66
Business of 1888.....	5,440,008	3,024,011	55.58
Business of 1889.....			
Total 6 years.....			

## Financial and Statistical.

### BANK OF ENGLAND NOTES.

The monetary questions which are at present agitating England are in many respects somewhat similar to those which we are discussing here in Canada. That of circulation occupies the most prominent place in both countries. The legal restrictions on the issue of bank notes in England are peculiar. In 1844 Sir Robert Peel brought in his "Bank Charter Act," by which the Bank of England was authorized to issue notes to the extent of £14,000,000, and to hold Government bonds as an offset to these. No additional amount can be issued except in exchange for the gold itself. These additional issues thus correspond exactly to the silver notes or "certificates" in use in the United States. For every such five pound note, five sovereigns or their equivalent in gold are stored away in the vaults of the "Issue Department" of the Bank of England. All other banks in England were prohibited from issuing notes: all, unless they were existing in 1844, and had no office within sixty-five miles of London. Even these were limited to the amounts which they actually had in circulation at the passing of the Bank Charter Act. If any of these provincial banks failed or opened a London branch, their powers of circulation were forfeited to the Bank of England, which by this means is authorized now to issue notes to the extent of about £16,000,000 against government securities.

The uses to which gold is applied have increased so largely of late years, that they have exceeded the available supply, the amount of which has on the other hand been falling away year by year. The consequence is that gold has become dearer than formerly. But as gold is the standard of value in most commercial countries, the practical effect is that it takes more things now to buy gold, or in other words that prices have by this means been lowered. It is estimated that ten dollars will now purchase as much as fifteen would twenty years ago.

And while the supply of gold has thus been running short, that of silver has been increasing wonderfully. The yearly production doubled in about twenty years, and silver has thus become cheaper, just as gold has become dearer. As silver is the legal standard of many countries, including India and most of the East, the theory of bi-metalism has been raised, the idea being to make both metals legal standard at a fixed relative value. This is certainly a desperate cure, and may even be worse than the disease, as we have on several occasions pointed out.

But the question is at last forcing an answer: Is there no way by which the use of gold can be safely economised? As long ago as June, 1886, and again in June, 1887, we pointed out that much of the stringency in the gold market: artificially produced by the British banking laws. We urged that two changes should be made: (1) That the minimum amounts for which a note can be issued by the Bank of England be changed from £5 to £1, or even ten shillings. There is an immense amount of gold in circulation which

would speedily be replaced by such notes which would be preferred, as they are so much more convenient. (2) That the amount which can be issued against a reserve of government bonds be increased considerably. There is at present £18,000,000 of gold (and this is the lowest point touched in twenty years) locked up in the issue department of the Bank of England, and there can be no doubt but that from £8,000,000 to £10,000,000 at least of this is unnecessary. If £16,000,000 could be safely issued against Government bonds in 1844, £26,000,000 can just as safely be issued to-day, for the trade of the country has greatly extended in the meantime. And if one pound notes be introduced, it will enable the amount to be still further augmented, for the increase in the circulation will be of the safest and most permanent kind, since smaller notes cannot be so easily run on.

We notice by our recent English exchanges that the changes which the British government, after careful consideration, are supposed to have decided on are precisely the two above mentioned. We may perhaps be pardoned for saying that we consider the fact that the *INSURANCE & FINANCE CHRONICLE* recommended them so long ago is a good proof of the soundness of the views of this journal on such matters.

### THE BANKING ACT AGAIN.

Our readers may perhaps begin to tire of the continual discussion of this question in our own and other columns. There can be no question however but that the light which has been thrown on it by the journalists of the country has been of the utmost value, and it is gratifying to note that comparative unanimity has now been reached. Almost all agree that our present banking act requires but very few changes to make it one of the best if not in fact the best in the world, and that the principal change should be in connection with the circulation. It is further agreed that the American National bank system would have an injurious effect in Canada and that the circulation can best be secured by means of a small deposit with the Government by each bank in proportion to its circulation, to be used in redeeming notes in case of the failure of any bank. As the circulation is already a first lien against the assets of a bank, this additional precaution will make the notes absolutely safe. In order to insure their passing at par everywhere throughout the Dominion, it is proposed to compel all our banks to receive each other's notes at par both before and after suspension. To indemnify them in the latter case it is suggested that the notes of an insolvent bank shall bear interest from the date of suspension. These changes commend themselves to our judgment, and if they or others of similar effect are carried out, the amendment will be a very decided advantage to the country.

In connection with our Banking system it will be interesting to quote what is said by the daily *Commercial Bulletin* of New York, one of the ablest journals of its class. We quote as follows:

Taking it all in all, the Canadian banking system as it now stands is a model of banking legislation. The law does not needlessly trench on the liberties of the

banks, and yet it provides safeguards that amply protect the depositors and noteholders. It has so far worked admirably for the convenience of the banks' customers and of the public at large. Its provisions relating to circulation have satisfied every requirement as to elasticity and safety. While the banks on the basis of their present capital have the power to issue about \$60,000,000 of notes, the actual issues have ranged between a maximum of \$36,000,000 and a minimum of \$30,000,000, showing that their liberal powers of issue have been exercised with conservatism and have not proved a temptation to inflation. The entire freedom of the circulation to contract and expand in adaptation to the changing requirements of business has shown its beneficial results in the moderateness and steadiness in the rate of interest previously unknown; and no case of failure has occurred in which the noteholders have failed to be paid in full.

We know of no system that more closely conforms to the best and broadest economic ideals of banking; none better calculated to afford the largest possible public accommodation; none better adapted to insure a safe utilization of the surplus balances of the people; and none better qualified to supply the daily fluctuating wants of trade with a safe and convenient circulating medium.

The only point in the constitution of the banks that can be regarded as open to serious objection is the provision which compels them to hold one-half their reserves in the form of Dominion notes. This places them in a position of partial association with the Dominion finances, inconsistent with pure banking principles, and which might under easily conceivable circumstances involve them in embarrassment. It is, however, the sort of penalty that governments resting on an expanded financial basis are too prone to exact when granting banking privileges, as our own banks well know to their cost and confusion.

The *Bulletin*, then goes on at some length to give a description of the American banking system and its dependence on the national government, pointing out the defects in the system, after which it closes as follows:

Nothing but the grossest fatuity could permit Canadian legislators to gratuitously subject the vital currency arrangements of the country to the convenience and the cruel mercies of the Government. No such expedient is needful to protect the noteholders, who are already superabundantly guaranteed. Under existing law, the notes are a first charge on the entire assets of the banks with the duplicate liability of the stockholders added; and just what that means in plain figures will appear from the following statement, as for Nov. 30, 1889:

Assets created by paid-up capital, reserve funds or	\$ 60,190,000
" surplus " .....	20,140,000
All other assets.....	172,650,000
	<u>\$252,980,000</u>
Double liability.....	60,190,000
Total .....	<u>\$313,170,000</u>

The amount of notes outstanding at the same date was \$34,900,000, showing that the circulation was only 11 per cent. of the amount of assets pledged as a first resource for its redemption. The noteholders of Canada need desire no better guarantee than this; and if they are wise enough to learn from the unfortunate experience of their neighbors in mixing currency arrangements with Treasury finances, they will never permit resort to any such vitiation of banking functions within their domain.

According to the recent bulletin of the American Iron and Steel Association, the total production of pig iron in the United States in 1889 was 7,604,525 tons, in gross, being an increase over 1888 of 1,114,787 tons. This is an increase of over 17 per cent. The net production in tons was 8,517,068 in 1889, against 7,268,507 in 1888.

The list of commercial failures in Canada during 1889 shows a considerable increase over each of the five years preceding. The number of failures for 1889 was 1747, and the amount of liabilities \$14,528,884, against 1667 in number and \$13,974,787 in amount for 1888. Considered by provinces, we find that Ontario shows a small decrease from 1888 in the number of failures, and a slight increase in amount. The maritime provinces and Manitoba all show a decrease in both number and amount, while the provinces of Quebec and British Columbia show very decided increase, that of Quebec being 169 in number and \$2,389,281 in amount.

Speaking of the bill relating to cheques, bills of exchange and promissory notes now before the Dominion Parliament, the *Star* of this city says: "If the bill is passed, it will introduce into Canada the English system of crossing cheques. By simply drawing two parallel transverse lines on a cheque, with or without the name of a bank written between, the drawer can make sure that his banker will only pay the amount of the cheque through another banker. This system puts a serious obstacle in the way of cheques being cashed by persons who have no right to cash them, and also affords a means of tracing to its completion any transaction by cheque. By crossing a cheque with the name of the payee's banker, it is made absolutely certain that the money will only be paid to the credit of the payee's account."

#### GUARANTEE COMPANY OF NORTH AMERICA.

The annual report of this sterling company, which we lay before our readers in this issue, fully justifies the expectation which its past success has created, for it is a report of increased public patronage and of increased financial strength ample to meet that patronage. We need not tell our readers that this company is both the oldest and strongest on this continent, but they may not know that it is also the second largest guarantee company in the world. Year by year it has added to its patrons the most influential corporations and financial institutions in the country, 215 of which in the United States alone have been added during the past year, making a total of 1,250 there whose employees are bonded by the company. The entire issue of bonds was increased last year by 11,006, and the total amount at risk on December 31st was \$37,178,074. A better view may be had of the progress made if we compare a few important items for the past three years:

	1887.	1888.	1889.
Cash Capital.....	\$300,000	\$304,600	\$304,600
Net Surplus.....	125,317	170,816	221,929
Surplus as to policy-holders....	425,316	475,416	526,509
Premium Income.....	295,349	212,544	253,114
Total bonds in force, amount..	28,104,283	30,157,700	37,178,074
Total Resources.....	925,846	985,474	1,045,430

Such an exhibit tells its own story, and must be gratifying to the directors of the Guarantee Company and full of assurance to its army of patrons. The present commanding position has not been reached by accident, but rather by dint of hard work and the exercise of rare ability such as belongs to Managing Director Rawlings and his associates. The Guarantee Company of North America is a credit to its home city, Montreal, and to Canada, its birthplace.

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents.

### FROM THE ONTARIO MUTUAL LIFE.

WATERLOO, ONT., Jan. 17th, 1890.

Editor INSURANCE AND FINANCE CHRONICLE:—

I note your remark on the first page of No. 2 of THE INSURANCE AND FINANCE CHRONICLE, and am astonished at your statement, that you "yet know of but one—an English company—which makes its recently adopted liberal features retroactive."

The Ontario Mutual, which has now about completed its twentieth year, began with, or soon thereafter adopted, advanced liberal conditions in its contracts; and from time to time its advances in that important and popular direction have been continuous, and as progressive as equity appeared to admit, leading off in advance of most of its contemporaries, in its guaranteed surrender values attached to each policy; its prompt payment of claims on completion of papers; its equitable mode of annual surplus dividends, its simple, equitable and liberal form of policy, and in its endeavors at all times to accommodate itself to the individual necessities of its members under guard of their collective interest; these and many other important and favorable adoptions have been made in every instance retroactive in the fullest sense of the term, governing the Company's treatment of the policy of March, 1870, with the same liberality as that of January, 1890.

Faithfully yours,

WILLIAM HENDRY, *Manager.*

### HALIFAX CORRESPONDENCE.

Editor INSURANCE AND FINANCE CHRONICLE.—

A wave of bitter cold for this region at last is now hovering over us. "Go to Halifax" is rather indicative of warm quarters, but at present it would mean ten to fifteen below zero. Insurance agents here are not used to this kind of weather; they prefer another temperature. If they must choose between hot and cold, the majority would prefer the warm climate, therefore I presume that "go to Halifax" has very naturally come to be understood in the warm sense. Insurance agents of every class are hugging the fire-place just now, and *laking things cool* with the hopes of its getting warmer.

The London Guarantee and Accident Company pushed hard this year to get the accident insurance on the city firemen. Their estimate was \$6.25 per man for over 200 men. There was sharp competition for weeks before, but chiefly between the L. G. and A. company and the Manufacturers'. The firemen, having been taken counsel of by the public accounts committee of the city council, were pretty well canvassed by the representatives of both companies. One company or division of firemen recommended the L. G. and A., one the Manufacturers', and the others left the decision of the question to the council. The reason of this was that the city contributes \$5 per man, and the men themselves have to pay the balance, or be insured while at fires only. The council finally put it up to competition. Four companies tendered, viz., the Manufacturers', the London Guar-

antee and Accident, the Citizens, and the Travelers. There was close shaving between the three first, but the Manufacturers, being the lowest, was awarded the contract. This is the second year that company has carried the risk. Its general agent Mr. J. B. Paton, while admitting that the firemen and the city have secured rather lower rates than under ordinary circumstances are warranted, feels that his company can carry the risk at the present contract rate \$6 per man, having had during the first year very little to pay for indemnity claims. If this year proves as profitable as last, he thinks the Manufacturers' will take the bid next year without difficulty. It may be mentioned here that the Manufacturers' agents are certainly well deserving of the contract, for until they thought of the scheme it was never even dreamt of by other agents as practicable; but the idea was conceived, and both the manager, Mr. Patton, and Mr. Hart, the city agent, left no stone unturned until the city council accepted their proposition, and an act of the Provincial Legislature was passed authorizing the same.

With regard to life insurance it is generally conceded that canvassing here is rather overdone, and that business men feel rather bored. If all said on the street be true, some of the American companies have taken extraordinary means to secure risks, making *slashing rebates*. It is also known that other extravagant means have been resorted to, to secure trade. Rebates and extravagant commissions, such as are being resorted to, can only to my mind demoralize the business of life underwriting. It should be discountenanced, and denounced in unmeasured terms. Good men should be paid liberal salaries, and poor men not employed at all. The business public who cannot help knowing this state of affairs must at least think it strange, that so much of the first year's premium should be swallowed up in commissions and expenses, as is shown in each year's report to the various superintendents and commissioners in the United States and Canada. The oldest and largest companies should take the initiative and institute some reform in this respect. The smaller and younger companies must then follow. Is it not true that the oldest and largest companies are indeed the greatest sinners in this matter?

Outside of insurance, the W. C. T. U. have made things lively among the aldermen, the license inspectors, saloon keepers, hole and corner groceries, etc. The head of the inspector has been demanded by the Union. Delegations have waited on the mayor and aldermen in council. On division in council as to whether the inspector should be dismissed, eight stood for and eight against, the mayor giving his casting vote against, and so the inspector still retains his berth, with the city divided in sentiment, and the temperance zealots up to fever heat.

BLUENOSE.

HALIFAX, Jan., 1890.

## Notes and Items.

The deputy manager of the United States branch of the Guardian of London, Mr. James S. Swan, has resigned.

The contributions to the London fire brigade by the various London fire insurance offices for 1889 were over \$134,000.

Mr. Harry Smith Homans, the European manager of the New York Life, we regret to learn, died in Paris on January 12th last.

Mr. A. H. Brodrick of Liverpool has been appointed general underwriting agent for England of the Insurance Company of North America.

"Rough notes," our excellent contemporary of Indianapolis, will please accept thanks for a bound volume of that journal for 1889 duly received.

Mr. H. W. Bowie has been appointed general agent of the London and Lancashire Life for Nova Scotia and Cape Breton. His headquarters will be at Halifax.

The Employers' Liability Assurance Corporation of London has increased its deposit in the United States to \$670,000, where its business seems to be rapidly increasing.

Mr. W. F. Bingham, for several years chief book-keeper of the United States branch of the Sun Fire Office of London, has been recently appointed assistant secretary of that branch.

**New Brunswick Board of Fire Underwriters.**—We regret that owing to pressure on our space we have been compelled to hold over the report of the annual meeting until our next issue.

Mr. Hugh C. Dennis of Toronto has resigned as manager for Ontario of the Equitable Life of New York, to assume the duties of superintendent or inspector for the entire Dominion.

Mr. C. F. Mullins of San Francisco, the manager of the Commercial Union Ins. Co. for the Pacific coast, has gone to England on a brief visit to the head office of the company, and for pleasure.

The correct total loss by the Boston fire of November 28th last was \$3,841,388 according to Superintendent Abbott of the protective department of that city. Loss to insurance companies \$3,173,458.

Mr. E. J. McRobert, of Edge Block, London, Ont., has been appointed district manager for the Mutual Life of New York for the counties of Middlesex, Elgin, Kent and East Essex, with headquarters at London.

The London and Lancashire Fire Ins. Co. has purchased a lot on William street, New York, for \$125,000, on which it will soon erect an eight-story office building for occupancy upon the expiration of its present lease.

The Mutual Reserve Fund Life of New York wrote less new assurance in 1889 than in 1888 by over \$3,000,000. Though nearly \$35,000,000 new assurance was written, it succeeded in reporting only some \$12,000,000 as its net gain.

**Resignation.**—Just as we go to press we learn that Mr. Henry O'Hara, the managing director of the Temperance and General Life Assurance Co. of Toronto has resigned; and Mr. James B. Fudger, the secretary, has been appointed manager.

The manager at Montreal of the Equitable Life, Mr. Sargent P. Stearns, has recently appointed Mr. P. LaFerriere general agent for the Province of Quebec. Mr. LaFerriere is well known in this Province, having been for about ten years the inspector for the Canada Life.

**A modest claimant.**—A certain tenant, in a building adjoining that in which a fire recently occurred on St. James street in this city, claimed \$500 damages with a good deal of bluster. "Five hundred or nothing, sir," was the indignant ultimatum. The claim was settled for exactly \$36!

The Insurance Commissioner of California has revoked the license of the Armstrong Fire Ins. Co. of New York, which prohibits it from transacting any further business in that State, as the result of the recent investigation by the New York Insurance Department showing an impairment.

The New York Senate has instructed a committee to investigate the whole question of electricity in its employment for lighting, or as a motor in the various cities and towns of the State, clothing it with power to employ stenographers and experts, and to report remedial legislation before April 1.

We are pleased to note that the Fire Underwriters' Association has recently petitioned the city council of Montreal for measures to be taken to decrease the growing hazard of the electric light wire. We trust the agitation will be kept up until all the wires are put underground, where they belong.

The Eastern Assurance Co. of Halifax has declared an interim dividend of 5 per cent. for the term ending Dec. 31, 1889, payable Feb. 1, 1890. Managing Director Cory is to be congratulated on the result of the first four months business of the Eastern, the record of which appears elsewhere in this issue.

Mr. John Wilson, the long time superintendent at Cincinnati of the Metropolitan Life, was instantly killed in a train accident while riding to that city from his suburban home on the 17th inst. Mr. Wilson was not only one of the oldest but one of the most trusted and successful among the superintendents of the Metropolitan.

The law library of the New York Life Insurance Company in its new building in this city has recently been inaugurated, the members of the Montreal bar being invited guests. The library already includes over 7,000 volumes, and is said to have cost \$27,500, to which additions will doubtless be made from time to time.

**Appreciates it.**—One of the prominent underwriters of the Dominion writes of the INSURANCE & FINANCE CHRONICLE for 1889 as follows: "While being a perfect record of the insurance matters involved during the year, it is an exceedingly interesting volume in relation to special matters of a more private character, all of which have been handsomely and well dealt with."

The Scottish Union and National makes a fine showing for 1889. Its gain in assets was \$147,848.27 and in surplus \$121,447.87. The total assets in the United States now amount to \$1,673,758.80, and its surplus to \$1,264,223.32, while in Canada—a part of the American Branch—it has invested over \$1,000,000. Manager Bennett does business for profit instead of glory.

The United States Life Ins. Co. of New York, though not one of the largest, is one of the best among the life companies, and holds a large place in the confidence of the public. Its record for 1889, as was to be expected, shows progress all along the line of its operations. A handsome gain appears in the amount of new assurance issued, while the increase in assets and in surplus has been most satisfactory, giving evidence of careful and conservative management. Some attractive new features in the form of policy issued have been adopted and found to be popular alike with agents and patrons. The company moves on safe lines and commands success because it deserves it.

According to the Coast Review, the fire loss on the Pacific coast during 1889 was \$8,700,000, which was about double the loss of 1888, and about 90 per cent. of the premiums. The loss in California alone was less than usual, being about 42 per cent. The big fires elsewhere were the cause of the big average.

**Acknowledgments.**—Actuary Standen of the United States Life sends us a very attractive illustrated story showing the benefits of life assurance, entitled "The Great Buxton Mystery." From the same source comes the *Ingleside* annual, being an artistic almanac for 1890. The Phoenix Life has also published a very neat almanac, illustrated with portraits of authors, and very attractive.

Under the law in Pennsylvania prohibiting insurance by property owners in mutual companies not authorized to do business in that State, James C. Bidle, a manufacturer, was a few weeks since, it will be remembered, adjudged guilty in the courts. He has appealed the case to the Supreme Court, where it will be heard in March. The decision will be awaited with interest elsewhere.

Among the callers at the CHRONICLE office recently were Messrs. Geo. H. Marks, manager of the London Assurance, New York; J. F. Ellis, Toronto, A. H. Gilbert, Toronto; D. Monroe, Cornwall; H. W. Bowie, Ottawa; R. Junkin, Brockville; F. Holloway, Quebec; H. Sutherland, Toronto; Geo. Broughall, manager of the Equitable Life, Winnipeg, and C. D. Casselman, Morrisburg.

Flitcraft's Life Insurance Manual has reached its third edition, revised to January 1890. New forms and changes in policies and applications of the companies appear, and several valuable tables, giving paid-up and reserve values, expectation of life, and kindred information, have been added, making the manual a valuable agents' companion. We can furnish applicants from the CHRONICLE office.

The largest life assurance premium ever received at one time was lately paid in one cheque by five members of the Havemeyer family, of New York, to the Mutual Life. The amount was \$578,345, or more than the entire new premiums received for a year by a good many companies. The policies were for \$100,000 each and the premiums single payments. The transaction was effected by L. C. Hopkins, general agent, New York.

**Mendacious Journalism.**—If "heaven hates a coward," certainly all decent men have a right to depise the course of a journal which nauseates its readers with fulsome praise of an insurance manager when prosperous and in a position to bestow favors, and turns upon the same manager when, in the vicissitude of fortune, he vacates his position, to cover him with mud. Such an exhibition emphasizes the degree of human meanness sometimes attainable, but, fortunately, rare.

A very interesting question goes to the Supreme Court of Pennsylvania for decision at the March term. The case is that of Riegel against the American Life Ins. Co. The question raised in the suit before Judge Thayer in the lower court was whether, where a policy was assigned and accepted by the assignee (regular notice being given the insuring company) after the death of the assured, both the assignee and the company being at the time ignorant of the death, the assignee could recover. Judge Thayer decided adversely to the claimant, and hence the appeal.

**Montreal and vicinity has,** for some time past, been favored in the matter of fires, no large ones having occurred. During the past week, however, two or three destructive conflagrations have taken place, the most serious being that of the Balmoral Hotel in this city on January 26. The damage by water in the building, only part of which was burned, and to adjoining property was considerable, and the total loss may run over \$75,000 on which there was some \$200,000 insurance. On the day previous, a destructive fire occurred at Sherbrooke, entailing a total loss of some \$45,000, involving the loss of two buildings, with other damage.

The record of the City of London Fire insurance company in the Canadian field for 1889 has been as follows:

Ontario Prem.,	\$58,927.90.	Losses,	\$27,056.11.	Loss ratio,	45.91
Quebec	None	Losses,	2,359.65.	.....	.....
Manitoba Prem.,	58,493.81.	Losses,	38,676.28.	Loss ratio,	66.12
N. Scotia Prem.,	13,226.27.	Losses,	3,406.50.	Loss ratio,	25.75
N. Bruns. Prem.,	14,635.08.	Losses,	8,591.21.	Loss ratio,	55.12

Mr. H. M. Blackburn is general agent of the above company for Ontario and attorney for the entire Dominion, while the interests of the company for the Northwest are in the hands of Mr. G. W. Girdlestone of Winnipeg.

We regret to learn that Mr. C. C. Foster has tendered his resignation as Dominion manager of the London Assurance Corporation. We understand that his long and faithful service has been liberally recognized by the company, and that he has consented to remain in charge of its interests until the selection of his successor. Mr. Foster has long been in the company's service, and his duties have been discharged with conscientious fidelity, commending him to the universal esteem of the underwriting fraternity. Mr. G. H. Marks, the United States manager of the Corporation at New York, will be pleased to receive applications for the vacant position from suitable parties.

**To Agents and Companies.**—We have on hand a limited supply of that very useful book which ought to be in the hands of every life insurance agent, viz.: "Three Systems of Life Insurance," by Mervin Tabor. The author is deceased, and no future edition of the book need be expected, making copies now on hand desirable and valuable. The book is a clear and comprehensive analysis of the three plans of life insurance—the Level Premium system, the Natural Premium System, and the Assessment system, and also contains valuable tables of reserves, compound interest, etc. We have three styles of binding, with prices at \$5.00, \$2.50, and \$2.00, which we can furnish to agents and companies at 50 per cent. discount on the \$5.00 edition, and 20 per cent. on the other two.

**Received with thanks.**—From Mr. J. P. Bourne we have received his "Handy Assurance Guide" for 1890, giving the latest returns of the British life companies, with expense ratios, etc. It is *multum in parvo* and a most serviceable compilation. From Mr. J. L. Stearns of Halifax we have received a most serviceable desk calendar of the Mutual Life of New York. From the Mercantile Ins. Co. of Waterloo comes a large wall calendar 14 x 20, a month to a page, printed in red figures readable twenty feet distant—a very sensible affair. The New York Life issues a double-year calendar, 1890 and 1891, by months, on each of twelve finely illustrated tablets artistically hinged together. A very fine monthly calendar, with an elegantly steel engraved head-piece, the calendar cards in colors, is issued by the Canada Bank Note Company of this city, and reflects great credit on that institution.



The German life companies have a scale of premiums for insuring policyholders against war risks. For the class liable to be called out in case of war for active duty, the additional premium charge is about \$3 per \$1,000; while for professional military men, not combatants, such as surgeons, paymasters, auditors, etc., the extra charge is much less. We understand that the Mutual Life of New York, doing a large business in Germany, has arranged to take war risks in that country in competition with the German companies.

There is a comical, interchangeable sort of see-saw in the idea of insuring against damage from those immaculate things, called sprinklers; a kind of endorsing the endorser, protecting the protector, watching the watchman, and so on. To make the tangle just perfect, there should be one more mechanical inventor, some sort of automatic preventor set to guard the sprinklers from sprinkling when they ought not. Then the insurer could come in on this last device, as a remove so delicate and distant from a probable cause of loss as to charm even a Philadelphia lawyer, if he should be retained to defend the company against the claim.—*Insurance Monitor*.

The case of *McLachlan et al.* against the Accident Ins. Co. of North America, tried some time ago, and appealed to the Court of Queen's Bench sitting at Montreal, has recently been heard and a new jury trial ordered. The case involved a partnership accident policy for \$10,000 issued to the firm of McLachlan Bros. & Co., composed of four members, the registered partnership being confined to the two McLachlan brothers. The policy provided that in case either member of the firm should withdraw, the insurance on his person should cease. In April, 1886, John S. McLachlan withdrew from the registered partnership, retaining an interest, however, as to profits. In November, 1886, John S. McLachlan was drowned accidentally. The company resisted payment, on the ground that the deceased had quitted the firm. The verdict below was adverse to the plaintiffs and they appealed. The Court of Appeal has decided that the real question as to whether the deceased had actually quitted the firm was not properly decided in the former trial, and hence ordered a new trial.

## Legal Intelligence.

GUARANTEE INSURANCE—CONSTRUCTION OF POLICY.

REPORTED BY CHAS. RAYNES, ADVOCATE, MONTREAL.

SUPERIOR COURT, MONTREAL.—*The Commercial Mutual Building Society vs. The London Guarantee and Accident Company.*

This was an action on a guarantee policy for losses alleged to have been sustained by the plaintiffs, owing to various defalcations on the part of the employee warranted by the policy.

The policy issued in January, 1883, was renewed in 1884, and lapsed on the 1st January, 1885. The defalcations complained of were alleged by the declaration to have occurred between the 1st of September, 1884, and the end of the insurance. They were discovered on the 14th April, 1885, and immediately notified to the company.

By the terms of the policy the guarantee company undertook to make good defalcations "committed and discovered during the continuance of this agreement, and within three months

from the death, dismissal or retirement of the employee." The policy also contained the following stipulation:—"And no more than one claim, and that only in respect of acts or defaults committed within twelve months from the date of the receipts by the company of such notice of discovery as aforesaid shall be made under this agreement."

The defendants denied all liability, contending that no defalcation had occurred for which they were responsible, inasmuch as any such defalcation had not only to be "committed" but also "discovered" during the continuance of the agreement.

Mr. Justice Davidson, before whom the case was twice argued, adopted this view of the case, and dismissed the action, holding that the proper interpretation of the clauses above cited, as far as the present case was concerned, was that the defalcation must not only be committed but also discovered during the continuance of the policy, and that the present cause of action not having been discovered within that term, but only four months after the policy ceased to exist, did not amount to a liability for which the defendants were responsible. The clauses of the judgment relating to this part of the case are as follows:

Considering that the policy only promises to make good defalcations "committed and discovered during the continuance of this agreement, and within three months from the death, dismissal, or retirement of the employee;" considering that the defalcation did not of itself make the company responsible, seeing that such defalcation had not only to be "committed" but also "discovered," and that both committal and discovery had to be "during the continuance of this agreement," which discovery did not exist in the present case; considering that the issue presented is not as to the application of a technical condition subsequent, but involves an interpretation and the extent of the very condition itself; considering that the defendant has maintained his third plea doth dismiss, etc.

(A writ of appeal has been issued by Plaintiffs from this judgment.)

VACANT AND UNOCCUPIED.

*Snyder v. Firemen's Fund Ins. Co. (S. C. Iowa, 42 N. W. Report.)*

A clause in an insurance policy, stipulating that "no liability shall exist under this policy for loss on any vacant and unoccupied building, unless consent for such vacancy or unoccupancy be hereon indorsed," is not limited to vacancy at the date of the policy, but refers as well to buildings becoming vacant and unoccupied after the policy is issued.

## MUNICIPAL DEBENTURES,

### GOVERNMENT AND RAILWAY BONDS

### INVESTMENT SECURITIES,

BOUGHT AND SOLD.

Insurance Companies requiring Securities suitable for deposit with Dominion Government or other purposes, can have their wants supplied by applying to

R. WILSON SMITH,

British Empire Building, MONTREAL

Debentures and other desirable Securities purchased.

## BRITISH & FOREIGN MARINE INSURANCE CO

Capital and Surplus Assets, - \$7,669,000.

Issues Open Policies to Importers and Exporters.

EDWARD L. BOND, General Agent for Canada, MONTREAL.

# ➤ ANNUAL STATEMENTS. ➤

## THE WATERLOO MUTUAL FIRE INSURANCE CO.

The Twenty-seventh Annual Meeting of the members of the above company was held at the Board Room on Wednesday, January 15th, 1890, the President, Mr. Chas. Hendry in the chair, at which the following financial statement was presented by the auditors:

### FINANCIAL STATEMENT.

Balance on hand as per statement, 31st Dec., 1888..... \$76,585 92

#### Receipts.

Premiums.....	\$77,995 29
Assessment .....	36,690 94
Interest.....	3,399 27
Additional Premiums.....	506 55
Rent.....	785 00
Transfer Fees.....	187 84
	\$119,564 89

\$196,150 81

#### Expenditures.

Losses (less re-insurance).....	\$70,850 68
Rebates and Cancellations.....	6,283 23
Commissions to Agents.....	16,977 14
Re-Insurance.....	4,513 22
President's Salary and Directors' Fees....	1,692 50
Secretary, Inspector, and Clerks' Salaries.	5,400 00
Bonuses to Agents.....	1,822 18
Adjusting Losses.....	1,145 80
Office Postage.....	536 31
Agents' Postage.....	52 75
Books and Stationery.....	205 85
Advertising.....	486 75
Printing.....	500 02
Law Costs.....	914 46
Fuel, Light, and care of office.....	208 17
Exchange .....	146 35
Telegraphing.....	105 37
Express Charges.....	52 41
Janitor's Salary.....	120 00
Auditing.....	136 00
Miscellaneous Expenses.....	1,696 34
Balance.....	\$2,305 28
	\$196,150 81

#### Assets.

Real Estate.....	\$15,120 23
Mortgages.....	36,660 00
Debentures.....	10,000 00
Deposit Receipts (Molsons Bank).....	3,585 00
Bills Receivable.....	3,784 28
Unpaid Assessments.....	2,237 05
Agents' Balances.....	2,649 56
Due by other Companies.....	1,586 87
Office Furniture.....	502 73
Unpaid Rent.....	193 33
Molsons Bank, account current.....	5,985 34
Cash.....	89
	\$82,305 28

#### Liabilities.

Adjusted and Unadjusted Losses.....	\$2,306 00
Re-Insurance Fund, to provide for all outstanding risks.....	57,915 00
	\$60,221 00
Balance of Assets.....	22,084 28
	\$82,305 28

Balance of Assets.....	\$22,084 28
Accrued Interest (not due).....	2,645 20
Premium Notes, less premiums and assessments paid thereon.....	179,598 71
	\$204,328 19

Total Assets above all Liabilities. \$204,328 19  
Audited and found correct.

J. M. SCULLY, 1  
BENJ. DEWITT, J. Auditors.

#### DIRECTORS' REPORT.

To the Members of the Waterloo Mutual Fire Insurance Co. .

GENTLEMEN,—The Directors of The Waterloo Mutual Fire Insurance Co. beg to lay before you their report for the year ending the 31st December, 1889, being their twenty-seventh (27th) annual report.

There will be submitted for your consideration the several detailed statements of your Secretary and Auditors. From these statements we have prepared the following synopsis of the transactions of the year just closed. We have during the year issued 6,309 policies. The total number of policies in force is 13,949. The aggregate amount insured under these policies, less reinsurance \$441,448, is \$12,577,030, an average to each policy of \$900. The number of claims paid is 162. The amount paid thereunder, less \$1,839.27 reinsurance, is \$70,850.68. The total assets of the Company are \$264,549.19. The liabilities are—amount required to reinsure all outstanding risks \$57,915, computed at 40 per cent. of the gross premiums and assessments on all policies in force, to which must be added unadjusted losses at the close of the year, computed \$2,306, leaving a balance of Assets over Liabilities of \$204,328.19.

The amount paid in losses on fires that occurred within the year, including the amount reported as payable on adjusted losses, is 57 per cent. of the amount earned in Premiums and Assessments.

In conclusion your attention is called to the two main objects of your meeting here to-day, viz., disposing of the statements to be read to you and the election of the directors. The retiring directors are Messrs. Randall, Shuh, I. D. Bowman, Wm. Snider, and Tye, all of whom are eligible for re-election.

We very much regret the necessity devolving upon us of reporting that during the past year two of our members have been called away by death, viz., Mr. Wm. Hawk and Mr. Cyrus Bowers.

The board filled the vacancy caused by the death of Mr. Wm. Hawk by appointing Mr. J. Allehin for the balance of the year. The death of Mr. C. Bowers occurred so late in the season that the Board left over the filling of that vacancy to this meeting. The terms for which Mr. Hawk and Mr. Bowers were elected expire at the close of the year 1891, and it will therefore be necessary for you to elect two gentlemen to fill these vacancies.

CHARLES HENDRY, *President.*

The various reports and statements were adopted on motion of Mr. Chas. Hendry, seconded by Mr. John Allehin. Messrs. Riddell and Bean were appointed scrutineers, and the election of Directors was proceeded with. The retiring directors, Messrs. Randall, Shuh, I. D. Bowman, Wm. B. Snyder and H. D. Tye were re-elected unanimously. Messrs. Allehin, J. L. Wideman, P. E. Shantz and Chas. Aherns were nominated to fill the vacancies caused by the death of Wm. Hawk and Cyrus Bowers. Messrs. Allehin and Wideman were elected on the first ballot.

Messrs. B. Devitt and J. M. Scully were appointed auditors for the current year.

The directors met at the close of the annual meeting, and Mr. Chas. Hendry was appointed president and Mr. Geo. Fandall vice-president for the coming year.

# Manufacturers' Life Insurance Company.

The third annual general meeting of the Manufacturers' Life Insurance Company was held at the company's offices, 53 King street west, Toronto, on Tuesday, 21st January.

On account of the official duties in Ottawa of the president, the Rt. Hon. Sir John A. Macdonald, he was unable to attend.

The first vice-president, Mr. George Gooderham, was called upon to occupy the chair, and Mr. Jno. F. Ellis, managing director, to act as secretary of the meeting.

At the request of the chairman, the secretary read the report, which is as follows :

**REPORT.**

The directors have much pleasure in again meeting the policy-holders and shareholders, and laying before them a statement of the transactions of the company for the year 1889.

During the year, 1,984 applications for insurances, amounting to \$3,268,200, were received, upon which 1,716 policies were issued for \$2,730,300. On 452 applications received in 1888, 193 policies were also issued to the amount of \$278,500, making the total issue for 1889, 1,909 policies for \$3,008,800. 237 applications, for \$462,100, received in 1889, and 259 carried over from 1888, for \$374,700, were declined. There were also 31 applications, for \$75,800, incompleated at date of report.

This amount of new business is a matter for congratulation, when we consider the fact that never in the history of life insurance in Canada has a company been attacked so persistently and, we regret to say, so maliciously as the Manufacturers'. From the inception of this company it has been recognized as a formidable competitor. The position and reputation of the president and executive officers, the commercial standing of its shareholders, the immense aggregate of the business secured during the first two years of its existence, the *esprit de corps* which has been maintained amongst the full force of its agents, the energy with which its interests have been conserved throughout the length and breadth of the Dominion, have each and all been keenly noted by jealous rivals, and older companies have for the time being called a truce between themselves in order to unite their forces for a combined attack on so formidable a competitor.

The directors would particularly call attention to the large available surplus for the security of policy-holders, amounting to no less than \$128,739 98, which with the uncalled subscribed

stock amounts to \$622,419.98, a sum sufficiently large to convince the most critical as to the financial strength of the company.

Attention is also called to the fact that the capital stock is intact, and now that the large and unavoidable expenditures incident to organization in the different parts of the Dominion, the extensive advertising, and many other special but temporary avenues of expenditure have been either closed or narrowed down, the directors can confidently promise a future of profit and usefulness.

The attention of the public is called to the large amount that is being paid in premiums by Canadian policy-holders to foreign life companies, during the past twenty years, amounting to over forty millions of dollars. A large portion of this has been withdrawn from the capital of the country, and thereby aiding in building up the resources of other countries.

With the strict insurance law of Canada, and the careful Government inspection, insurers in Canadian companies are fully as secure as they possibly can be in a foreign company, and they have the satisfaction of knowing that the resources they are assisting to accumulate are all invested in their own country.

The company's medical referees, Drs. J. F. W. Ross and P. J. Strathy, have prepared a careful report of the company's mortality experience since its formation.

The board has secured the services as actuary of Mr. D. Parks Paekler, of New York, one of the most eminent actuaries on the continent, so that in all matters affecting rates, surrender values, etc., his skill and judgment are at their command.

As you are aware, during the past year certain changes in the management of the company have been effected, but it is with satisfaction that your directors are now able to refer to the appointment of Mr. Jno. F. Ellis as managing director. His past career as a successful business man, and his experience as chairman of the Insurance Committee of the Board of directors, are a guarantee of his fitness and adaptability for the position he has been called upon to fill.

The services of the company's staff of officers, inspectors, and agents deserve very favorable recognition.

The directors all retire, but are eligible for re-election.

JOHN A. MACDONALD,  
President.

GEO. GOODERHAM, }  
WM. BELL, } Vice Presidents.

**FINANCIAL STATEMENT.**

Authorized Capital, \$2,000,000 00; Subscribed Capital, \$621,000 00; Amount Paid-up, \$127,320 00.

**CASH ACCOUNT.**

1889.	To Cash on hand and in Bank 1st Jan .....	\$ 3,782 40
" "	" for Premiums.....	149,944 35
" "	" Annuity Premiums.....	374 00
" "	" Interest .....	6,407 63
" "	" Premiums in advance .....	628 81
" "	" Investments Repaid.....	55,242 47
" "	" Cash advanced by certain Directors to be repaid only out of the Dividends to Stockholders under the Charter.....	100,000 00
		<u>\$316,379 66</u>

1889.	By Salaries, Commissions, Medical Fees, Rent, Taxes, License Fees and other expenses of Management.....	\$ 59,158 3
" "	" Death Claims.....	59,506 83
" "	" Surrendered Policies .....	75 00
" "	" Re-insurance Premiums .....	6,990 97
" "	" Annuitants.....	883 29
" "	" Investments— Including Mortgages, Reversions, Bank Stock, etc.....	153,555 97
" "	" Cash on hand and in Bank.....	6,209 23
		<u>\$316,379 66</u>

**BALANCE SHEET.**

1889.	<b>ASSETS.</b>	
By	Market Value of Dominion Bonds .....	\$ 53,000 00
" "	" Mortgages on Real Estate.....	135,882 33
" "	" Real Estate held by Company .....	29,963 14
" "	" Stocks.....	6,000 00
" "	" Life Interest .....	50 00
" "	" Reversions.....	2,840 00
" "	" Office Furniture .....	4,493 33
" "	" Bills Receivable .....	7,967 99
" "	" Advances to Agents, &c.....	2,957 19
" "	" Interest due and accrued .....	1,341 16
" "	" Outstanding Premiums.....	34,646 87
" "	" Deferred Premiums.....	13,710 20
" "	" Cash on hand and in Bank.....	6,209 23
		<u>\$299,861 44</u>

1889.	<b>LIABILITIES.</b>	
To	Re-Assurance Fund as per Actuary's Certificate.....	\$153,401 00
" "	" Reserve on Annuity.....	2,000 00
" "	" Premiums Paid in Advance.....	628 81
" "	" Death Losses awaiting proofs .....	5,000 00
" "	" Contingent Fund, providing for Medical Fees, Re-insurance, &c.....	5,255 95
" "	" 10 p.c. to cover cost of collecting outstanding and deferred Premiums.....	4,835 70
		<u>\$171,121 46</u>
	Surplus on Policy-Holders' Account.....	128,739 98
		<u>\$299,861 44</u>

Capital Stock Paid-Up.....	\$127,320 00
<b>NOTE.—</b>	
Surplus as above on Policy-Holders' Account.....	\$128,739 91
Add Uncalled Capital Stock.....	493,080 00
<b>Total Surplus on Policy-Holders' Account.....</b>	<b>\$622,419 98</b>

We have examined the books, documents and vouchers representing the foregoing Revenue Account, and also each of the securities for the property in the above balance sheet, and certify to their correctness.

H. J. HILL,  
J. MCA. GRIFFITHS, } Auditors.

We, the undersigned, hereby certify that we have examined the securities held by the said company, and find the same correct.

F. NICHOLLS,  
R. CREAM,  
Auditing Committee of the Board.

ACTUARY'S CERTIFICATE.

John F. Ellis, Esq., Managing Director Manufacturers' Life Ins. Co.

DEAR SIR,—I have valued the policies of your company as at 31st Dec., 1889:—3,338 policies for \$6,110,100. Total Reserve, \$153,401. In making this valuation the Institute of Actuaries' Table of Mortality, with 4½ per cent. interest, was used. The reserve upon the annuity is \$2,000, and was valued \$2,000.

Signed,  
DAVID PARKS FACKLER,  
Consulting Actuary.

Mr. Gooderham moved the adoption of the report, and said that he was sure that all present regretted the absence of their president, the Rt. Hon. Sir John A. Macdonald, who, but for the present sitting of the Dominion Parliament, would have been here to fill the chair. Sir John has given the directors his valuable time and advice in the interests of the company, and we all know of what assistance his name and advice have been and are to the company.

The report just read speaks for itself, and needs no extended remarks from me, yet I wish to state that the directors have the utmost confidence in the future of the company, and are determined to maintain it in such a financial and prosperous position as will command the full confidence of the insuring public. To do this in these days of keen competition for business, the directors recognize that not only must a life insurance company show its ability to pay promptly all policy claims, but it must be able to promise to its policy-holders large profits in the shape of, for example, quinquennial dividends and bonus additions. The directors are confident that they have placed the company in a position to compete on favorable terms with its most successful rivals for the best class of Tontine and endowment business, etc., and that the position of the company is now so assured that its friends need have no fear of recommending it as one which will give most satisfactory results to its patrons.

Perhaps a word of explanation is due here to the item in the receipts of \$100,000. All of you are aware that a great deal of capital has been made out of the fact that the company showed in its last annual statement an impairment of capital. While we all feel that this is more apparent than real, yet the board did not wish agents of rival companies to have even this to point to as an objection to insuring in the Manufacturers'. They have therefore, through an arrangement with the stockholders, given the company this sum. The company is not liable therefore in any shape or form. It is a *bona fide* gift, the arrangement being that the dividends that would actually go to the stockholders, on account of their paid up stock, shall go to the parties who advanced this money for the stockholders. You therefore can easily see that this amount of money adds greatly to the earning power of the company, and to certainty of dividends being declared to policyholders. Especially in view of the fact that under the charter of the company ninety per cent. of all profits belongs to the policy-holders.

Mr. Wm. Bell, of Guelph, seconded the adoption of the report, and in doing so stated that he most heartily endorsed all that had been said by the chairman. The amount of new business secured and in force, with the present financial position of the company, guaranteed a bright and successful future, and that the efforts of the directors and the staff of agents to make it profitable alike to policyholders and shareholders would, he felt sure, be crowned with good success.

A vote of thanks was tendered to the medical directors, Drs. J. F. W. Ross and P. J. Strathy, and the medical examiners of the company throughout the Dominion, for the careful and very satisfactory manner in which they had examined all applicants for insurance. A vote of thanks was also tendered to the agents, inspectors, and office staff of the company for the handsome business that they had secured during the past year. The election of the directors for the ensuing year was then proceeded with.

# THE Guarantee Company OF NORTH AMERICA.

17th ANNUAL STATEMENT TO 31st DEC., 1889.

CAPITAL SUBSCRIBED, - \$668,600.00.

CAPITAL PAID-UP, - \$304,600.00.

ASSETS.

United States Government Bonds...	\$14,700 00	
" City of Brooklyn (New York) Bonds.....	216,875 00	
" Richmond City Bonds (Va.).....	1,230 00	\$232,805 00
Railroad, Corporation & Municipal Bonds (Canada).....		270,741 24
Cash in Banks, U.S. \$57,583.36; Canada \$50,879.00.....	\$108,462 36	
" on hand (Bankable Funds)....	647 55	\$109,109 91
Mortgages, Accrued Interest and Sundry Minor Assets.....		52,464 98
Premiums in due course of collection.....		19,308 53
<b>Total Assets.....</b>		<b>\$684,429 66</b>

LIABILITIES.

Legal Reserve for unearned Premiums on risks in force, and all other contingencies.....	\$157,920 75
Surplus to Policyholders.....	\$528,508 91
Capital paid up.....	\$304,600 00
Surplus to Shareholders.....	\$221,908 91

RESOURCES.

Total Assets as above.....	\$684,429 66
Reserve Capital subject to call.....	364,000 00
<b>Total Resources for Security of Insured...\$1,048,429 66</b>	

Total number of Bonds issued to date...	116,324
Total Applications rejected to date.....	9,942

Total applications to date.....	126,266
---------------------------------	---------

(Of which full records are retained in Office for reference.)

<b>Total amount of Claims paid and provided for to date.....</b>	<b>\$717,528 18</b>
--	---------------------

Business strictly confined to issuing BONDS OF SURETYSHIP for Employes of Banks, Railways, Commercial and Financial Corporations.

SIR ALEXANDER T. GALT, President.  
EDWARD RAWLINGS, Vice-President  
and Managing Director.



STATEMENT OF THE CONDITION OF THE

**AETNA**

**INSURANCE COMPANY**

**Hartford, Conn.,**

On the Thirty-First Day of December, 1889.

Cash Capital,	\$4,000,000.00
Reserve, Re-Insurance (Fire),	2,073,162.32
Reserve, Re-Insurance (Inland),	17,536.86
Reserve, Unpaid Losses (Fire),	191,024.79
Reserve, Unpaid Losses (Inland),	9,206.90
Other Claims,	79,912.77
<b>Net Surplus,</b>	<b>3,700,666.01</b>
<b>Total Assets,</b>	<b>\$10,071,509.65</b>

LOSSES PAID IN SEVENTY-ONE YEARS—

Sixty-Four Million Six Hundred and Eighty-one Thousand Dollars.

J. GOODNOW, *President.*

A. C. BAYNE, *Secretary.*

WM. B. CRARK, *Vice-President.*

JAS. F. DUDLEY, WM. H. KING, *Ass't-Secretaries.*

*Head Office for Canada, ... Montreal.*

**WOOD & EVANS, . . . Agents.**



1794

OLDEST  
INSURANCE COMPANY  
IN HARTFORD.

1890

One Hundred and Sixtieth Semi-annual Exhibit  
— OF THE —

**HARTFORD**  
**FIRE INSURANCE CO.**

OF HARTFORD, CONN.

— JANUARY 1ST, 1890. —

**Total Assets, - - \$6,142,454.49**

**Liabilities.**

Capital Stock, . . . . .	\$1,250,000 00
Reserve for Re-insurance, . . . . .	2,197,320 61
Reserve for all unsettled Claims, . . . . .	239,055 13
<b>Net Surplus</b> . . . . .	<b>\$2,456,075 75</b>

**Income and Expenditures.**

Total Cash Income, . . . . .	\$3,059,533 53
Total Expenditures, (including dividends), . . . . .	2,804,554 41
Gross Assets—increase, . . . . .	392,374 02
Net Surplus—increase, . . . . .	222,096 16
Re-insurance Reserve—increase, . . . . .	182,755 17
Market Value of Stock, . . . . .	315 00

**GEO. L. CHASE, President.**

**P. C. ROYCE, Secretary.**

**THOS. TURNBULL, Ass't Secretary.**

*METROPOLITAN DISTRICT, 158 Broadway New York.*

**GEO. M. COIT, Manager.**

**GEO. S. A. YOUNG, Ass't Manager.**

*Western Department, Chicago, Ill.*

**G. F. BISSELL, Manager.**  
**P. P. HEYWOOD, Ass't Manager.**

*Pacific Department, San Francisco, Cal.*

**BELDEN & COFRAN,**  
Managers.

*Agencies in all the Prominent localities throughout the United States and Dominion of Canada.*

**WOOD & EVANS,**  
**GENERAL AGENTS,**

**ST. JAMES ST., - - - MONTREAL.**

# The Equitable Life

## Assurance Society of the U. S.

Next year the Equitable Society will begin to pay *Dividends* on its 20-year Tontine policies. If the experience of the present year corresponds with that of the year just ended, the results of these policies will be as follows.

### Tontine Profits.

1. On 20-payment life policies, and on *Endowments*, a *cash surrender value* equal to all the premiums paid, with *Compound Interest* at rates varying from 3¼ to 5 per cent. per annum.

2. In every instance a cash return exceeding the amount invested, making the cost of the assurance in the *least* favorable cases less than the *interest* on the premiums paid.

### Examples:

#### 20-Year Endowment Policies for \$1,000.

Age when Issued.	Premiums Paid in 20 Years.	Cash Value.	Paid-up Value.
30	\$992	\$1,706	\$3,650
35	1,028	1,746	3,310
40	1,060	1,813	3,070
45	1,128	1,932	2,950
50	1,240	2,156	3,000

#### 20-Payment Life Policies for \$1,000.

Age.	Premiums.	Cash.	Paid-up.
30	\$622	\$909	\$1,940
40	756	1,204	2,030
50	1,096	1,746	2,450

#### Ordinary Life Policies for \$1,000.

Age.	Premiums.	Cash.	Paid-up.
30	\$466	\$573	\$1,200
40	644	850	1,440
50	970	1,387	1,930

The Society issues policies for any round amount from \$1,000 to \$100,000. The latest form is designated

### The Free Tontine,

and is a *simple promise to pay*, and has *no conditions on the back*. It is incontestable after two years; non-forfeitable after three years; unrestricted as to travel and occupation after one year, and gives a choice of six methods of settlement at the end of the Tontine period.

The Society also issues a new investment and Indemnity

### Bond

under which a *safe and profitable* INVESTMENT is combined with the *most liberal form* of LIFE ASSURANCE extant.

This Bond is payable at maturity in *cash* or may be *extended at interest*.

Assets, \$105,000,000	Income, \$30,000,000
Liabilities, 82,500,000	New Assurance, \$175,000,000
Surplus, \$22,500,000	Outstanding Assurance, \$625,000,000

J. W. ALEXANDER, V.P.

H. B. HYDE, President

## THE Fire Underwriters' Text Book,

By J. GRISWOLD,

AUTHOR OF "A SYSTEM OF CLASSIFICATION OF FIRE HAZARDS AND LOSSES," "HAND BOOK OF ADJUSTMENTS OF FIRE LOSSES," "BOOK OF CANCELLATION TABLES," ETC.

This valuable work, published in 1872, and uniformly recognized as a standard authority among fire Underwriters, has now for some years been out of print and unobtainable. Every effort by advertising, and the offers of high prices for second hand copies having proved unsuccessful, the undersigned, having made arrangements with the Author, Mr. J. Griswold, proposes to re-print a limited edition of the work, thoroughly revised and

BROUGHT DOWN TO DATE BY THE AUTHOR,

with a copious Index referring to some 2,500 subjects; the whole comprising upwards of 850 pages, bound in full law sheep style, and furnished to subscribers only at the old price of \$7.50 per copy.

The high reputation enjoyed by

### The Fire Underwriters' Text Book

for years past renders any encomiums on our part unnecessary. The late Mr. Walford (3 Ins. Cyclop. 566) appropriately says: "Which is literally a handbook for every underwriter in any part of the world where the English language is spoken. Its aim is cosmopolitan, its usefulness inexhaustible. . . . We have made frequent reference to this work in these pages, and must continue to do so."

Besides the varied addenda made in the present edition for the benefit of underwriters generally, there will be found numerous citations of adjudicated cases in the courts of highest resort, bearing upon the various subjects treated therein, thus presenting the form of

### An Annotated Digest of Insurance Decisions.

and the *raison d'être* therefor, that will be exceedingly valuable to legal practitioners, as well as to underwriters.

While the new edition will contain all of the old matter, there will be found in addition much that is new and pertinent within the last seventeen years, bringing the work down to the present time.

The work is now in course of publication, and will be ready for delivery in a short time. Orders addressed to

The Insurance and Finance Chronicle,

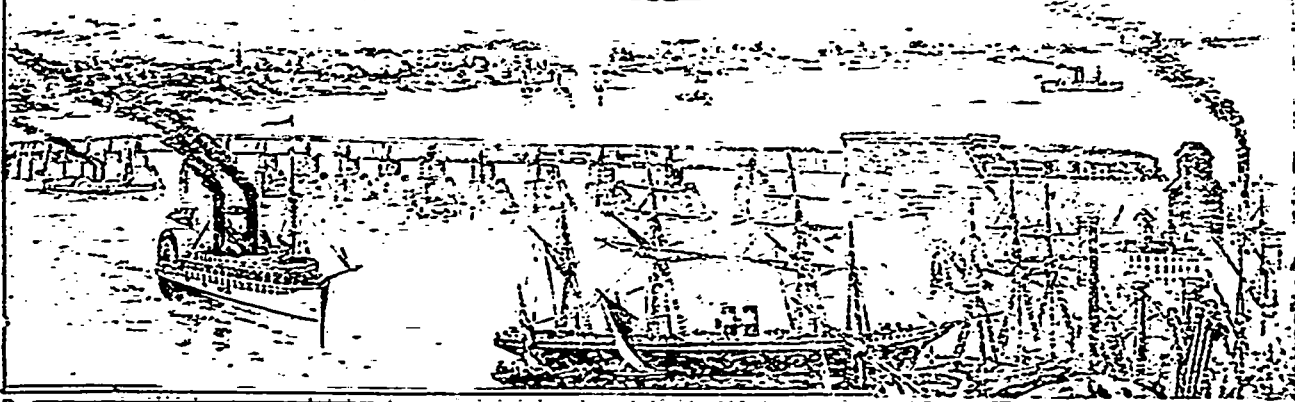
1724 Notre Dame Street,

MONTREAL.

will receive prompt attention.

R. WILSON SMITH, Publisher.

# MONTREAL INSURANCE COMPANIES.

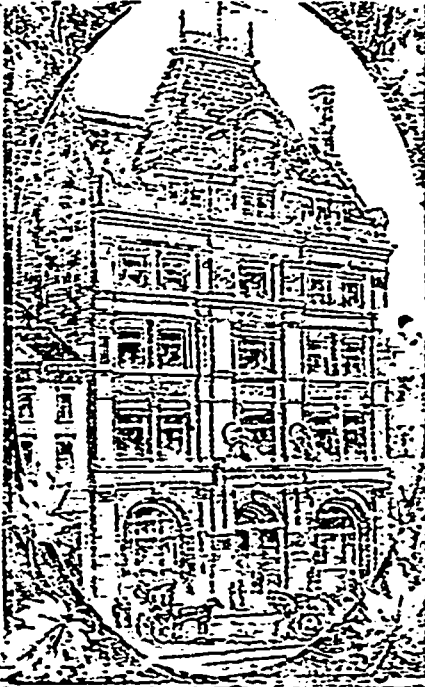


## ROYAL CANADIAN INSURANCE COMPANY

**FIRE AND MARINE**

HEAD OFFICE  
STANDARD BUILDING  
575 JAMES STREET  
MONTREAL

ANDREW ROBERTSON, ESQ. PRESIDENT.  
HON J. R. THIBAudeau, VICE PRESIDENT.  
G. H. McHENRY, MANAGER.



## THE GUARANTEE CO. OF NORTH AMERICA

**BONDS OF SURETYSHIP**

Capital Authorized, - \$1,000,000.00  
Paid-up in Cash, - 303,000.00  
Resources, over - 1,000,000.00  
Over \$635,000 have been paid in Claims to Employees.

SIR A. GALT, C.M.G. PRESIDENT.  
EDWARD RAWLINGS, MANAGING DIRECTOR.  
HEAD OFFICE MONTREAL.

## THE ALEXANDER & CO. INSURANCE COMPANY

**of NORTH AMERICA**

HEAD OFFICE MONTREAL





**BOUND VOLUMES**  
 OF THE  
 Insurance and Finance Chronicle  
 — FOR 1889. —  
 For Sale at \$3.50 Each.

**R. N. GOOCH,**


— AGENT AND WESTERN DISTRICT INSPECTOR —  
 North British and Mercantile Insurance Co.  
 26 Wellington Street East, TORONTO.

**DEBENTURES.**  
 Government, Municipal and Railway.  
**HANSON BROS.,**  
**TEMPLE BUILDING, MONTREAL.**

Messrs. HANSON BROS. always have on hand large blocks of

**GOVERNMENT AND MUNICIPAL DEBENTURES** suitable for deposit by Insurance Companies with the Dominion Government at Ottawa, or, for other trusts, and are always ready to purchase first class INVESTMENT SECURITIES of every description.

**NORTHERN**



ESTABLISHED 1836. ESTABLISHED 1836.

**ASSURANCE COMPANY,**  
**OF LONDON.**

**INCOME AND FUNDS, 1888.**

Subscribed Capital .....	\$1,000,000	Annual Revenue from Life Premiums .....	\$1,067,315
Reserve .....	1,000,000	Annual Revenue from Interest upon Invested Funds .....	41,222
Accumulated Funds .....	1,277,000		
Annual Revenue from Fire Premiums .....	2,277,000		

CANADIAN BRANCH OFFICE.  
 1724 Notre Dame Street, - - - MONTREAL  
**ROBERT W. TYRE, Manager.**  
 JAMES LOCKIE, Inspector.

**Insurance Company**

**NORTH AMERICAN**

**Philadelphia**

Fire, Marine and Inland Insurance

Charter Perpetual

Capital, \$3,000,000.	Assets Jan. 1, 1889, \$8,696,956.
Surplus, 2,664,986.	Losses paid exceed \$60,000,000.

**ROBERT HAMPSON, General Agent for Canada,**  
**18 Corn Exchange, - - - MONTREAL.**

Reliable (Fire) Agents wanted in the principal Cities and Towns of the Dominion.

# The Commercial Union Assurance Co., Ltd. OF LONDON, ENGLAND.

FIRE.                      LIFE.                      MARINE

**Capital and Assets over \$25,000,000.**

CANADIAN BRANCH:

Head Office: -1731 Notre Dame St., MONTREAL.

**EVANS & MCGREGOR, Managers.**

R. WICKENS. General Agent, - - - Toronto City and York County, TORONTO.

## THE WATERLOO MUTUAL FIRE INSURANCE COMPANY, ESTABLISHED IN 1863.

HEAD OFFICE . . . . . WATERLOO, ONT.

Assets : : : : : \$183,200.72  
Policy in Force : : : : : 13,105.

Interlocking Insurers of all classes of insurable property have the option of insuring at STOCK RATES or on the Mutual System.

CHARLES HENDRY, President.  
JOHN KILLER, Inspector.  
C. M. TAYLOR, Secretary.  
GEORGE RANDALL, Vice-President.

## THE THREE SYSTEMS OF LIFE INSURANCE.

By MERVIN TAYLOR, Actuary, Insurance Dept., Illinois.

- I.-THE LEVEL PREMIUM SYSTEM.
- II.-THE NATURAL PREMIUM SYSTEM.
- III.-THE ASSESSMENT SYSTEM.

- I.-Agents' Pocket Edition, printed on bond paper, Gilt-edge Roman numerals, 210 pages. Price . . . \$5.00
- II.-Company Edition, bound in semi-Gilt-edge leather covers, 210 pages. Price . . . \$2.50
- III.-Library Edition, bound English Cloth. Price \$2.00

Having purchased several hundred copies of the balance of the above Editions we will allow a Cash discount of 30 per cent. of the \$5 Edition, and 20 per cent. of the \$2.50 and \$2 Editions.

Every Life Insurance Agent should secure a copy at once.

FOR SALE AT THE

**Insurance and Finance Chronicle Office,  
MONTREAL.**

## THE MERCANTILE — FIRE INSURANCE COMPANY. —

INCORPORATED 1875.

HEAD OFFICE . . . . . WATERLOO, ONT.

SUBSCRIBED CAPITAL - - - - - \$200,000.00  
GOVERNMENT DEPOSIT - - - - - 20,129.00

The Business for the past thirteen years has been

PREMIUMS received . . . . . \$728,104.65  
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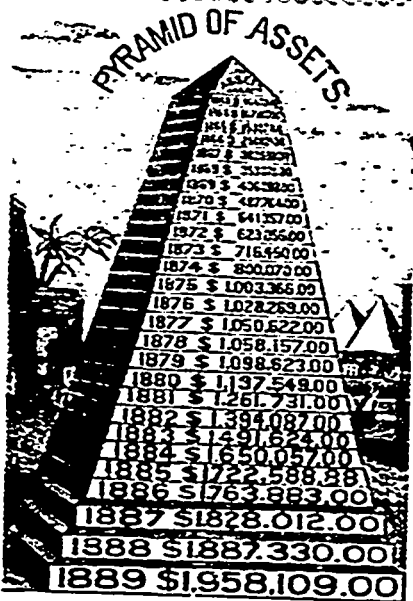
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NET ASSETS to protect Policy Holders, 1,958,109.54  
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Twelve per cent. Dividend, annually, in reduction of Natural Cost now enjoyed by those entered in 1881! An annual dividend larger than that declared by any other Company after 5 years' investment.

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- Mutual Insurance, but security of Trust Funds guaranteed by a fully authorized Capital of \$1,000,000.
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