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THIS JOURNAL, IN common with other insurance papers, has had its quota of narrow-headed, small-souled subscribers to deal with, fellows who are adepts at the game of "dead beat;" but the champion specimen of sneaking meanness turned up the other day, when a subscriber who has received and, presumably, read the CHRONICLE for six years, responded to a bill for arrears with the cool request to have the paper discontinued without payment of the bill! As the said subscriber aspires to be considered a disciple of Blackstone, it is fair to presume that he knows enough of law to know that anybody who takes from the post office regularly any periodical is liable for its subscription price, even though a formal subscription order cannot be shown. In this case, however, the written order for the paper is on file. We are glad to record the fact that our quota of conscienceless repudiators, who make a business of trying to get something for nothing, is small.

THE MAGNITUDE OF life assurance at the present day demands startlingly large figures for its expression. At the beginning of the current year there were in force, issued by regular level premium companies, exclusive of industrial business, in the United States, Canada and Great Britain something over two million policies, assuring nearly five and a half billion dollars. Notwithstanding all this array, however, but a small portion of the life assurance field is cultivated. Take Canada, for instance. On the assumption that the population is 5,000,000, and that families average six per-

sons each, we have 833,333 families. It will not be far out of the way to assume that there are two persons of assurable age in each family, of whom at least sixty per cent. are assurable. This gives, in round numbers, a million assurable lives. Of these, about 112,500 are already assured, on the supposition that one quarter of the 150,000 policies in force ought to be deducted for policies where one person holds two or more. On this basis—a very liberal one—we find about 12 per cent. of the assurable lives to be assured, or about one person in eight. There is plenty of room evidently in Canada for the life assurance agent. On the above basis only about one in thirteen of those assurable in the United States, or 7½ per cent., have policies; while in Great Britain it is estimated that about 8 per cent., or one in twelve, of the assurable are assured. Our calculation deals only with level premium assurance, exclusive of industrial business. The talk in certain quarters about life assurance "being overdone" is extremely silly.

WE INVITE ATTENTION to our synopsis of the case of Bain against the Aetna Life insurance company, which appears in our legal department elsewhere, and which though in type for our last issue was crowded out by press of matter. The decision as given by Judge Falconberg, chancery division of the Toronto assizes, recently, is an important one as settling the question of the right of a policy-holder in a life assurance company to demand an accounting as to its distribution of the surplus to its members. The plaintiff held an endowment policy on which he paid the stipulated premium as due until the maturity of the policy, receiving a share of the surplus from time to time in the form of dividends. When the policy matured he was dissatisfied with the amount tendered in settlement, claiming that all the surplus had not been distributed from year to year, that he had not received his portion, and that he was entitled to a separate accounting from the company. The court decided adversely, sustaining the contention of the company that the plaintiff was bound to accept the action of the directors, based on the calculations of the actuary, in the matter of dividends; and that compliance with a possible demand from fifty thousand policy-holders for a separate accounting would be absurd and impossible. We do

not know that the courts of the United States have adjudicated a case like this in all respects, but cases involving the same principle have been decided upon substantially the same grounds, we believe. The same is true of the English courts.

A TROUBLESOME FIRE broke out in the hold of the ocean steamer "Grecian" of the Allan line of this city in mid-ocean the other day, and though temporarily subdued broke out at intervals afterward, being extinguished fully only on reaching its dock here last week. The cargo where the fire broke out consisted mainly of wool and linseed oil. As wool is plainly suggestive of spontaneous combustion, and oil is supposed to have a decided affinity for fire, the combination was one rather trying to the nerves of the passengers and menacing to the treasure chest of the underwriters. A good deal has been said, and to the purpose, of late about the stowing of cotton bales in ships' holds; but a little intelligent attention to the prevailing methods of shipping wool would be interesting and might prove profitable. Closely packed bales of this greasy commodity, away from light and air for a couple of weeks, are liable to performances not down on the programme.

WE SINCERELY HOPE that the rumored project for the formation in New York of a company to negotiate loans on life assurance policies is incorrect. The existence of such a company would only add to the demoralization of the business without any compensating benefit. The tendency is already too strong among policyholders to sign away their prospective inheritance for ready money to "tide over" some imagined hard place, or to engage in some seductively speculative enterprise. With a loan company loudly advertising for applicants, and by private circular inviting everybody to realize on their policies on a liberal basis and by easy methods, the temptation to do what only from stern necessity or soundest business reasons ought ever to be done will be greatly increased. Surrenders for paid-up policies will be more numerous, and litigation over questions of vested right will burden the court calendars. Besides, the companies themselves stand ready to loan to their policyholders, if needed, quite as much as any outside concern, organized to make money out of the transaction, can offer. There are quite enough side shows to the life assurance business already without the one proposed.

IN HIS ANNUAL report for the year ending April 30, last, Fire Marshal Whitcomb of Boston gives some very suggestive statistics on incendiarism and who are responsible for this evil. Something over 7 per cent. of the total fires are set down unmistakably to incendiarism, while a considerable portion of those classed as "unknown" are believed to belong to this category. It is stated that 72 per cent. of the incendiary fires were set for the purpose of obtaining the insurance, and that 54 per cent. of the incendiary totals were caused by Polish and Russian Jews; while 76 per cent. of the fires set for the purpose of defrauding the insur-

ance companies were by persons of the same nationality. Of the total fires on the premises of Polish and Russian Jews, 88 per cent. were insured. While of the fires on the premises of others than Jews 59 per cent. were insured. Marshal Whitcomb remarks that "it would seem as if these figures should carry their own lesson, to say nothing of the frequent warnings which have been heretofore given, and which have been based on reliable information in my possession of a nature so startling that its publication would at least put an end to insurance on this class of risks." These are significant facts, and cannot be wiped out in an airy paragraph or two by some shallow editor about the injustice of bringing the question of nationality into underwriting.

OUR ABLE CONTEMPORARY, the *Electrical, Mechanical and Milling News*, is very confident in its utterances concerning the growing willingness of the insurance companies to take electrical risks, asserting that "agents of companies who would not look at these risks a year or two ago are now canvassing for the business." This is putting it rather strongly, but unquestionably the decided improvements in the machinery and processes by which electricity is applied at present have been noted favorably by insurance men. There is considerable force in what our contemporary says about the superior safety of the electric light in flouring mills, establishments where inflammable vapor tends to accumulate, and buildings generally where light, fibrous material is handled, provided—and the proviso is of prime importance—the insulation of the wires is perfect and the isolation from other wires absolute. Electricity as a factor in the world's every day work has undoubtedly come to stay, and while we do not quite share the optimistic view of Mr. Villard, the noted railway manager, that every wheel on our railways will, during the present decade, turn in obedience to electric power, we believe its possibilities are great. The attitude of insurance should in the meantime be that of the critical observer, willing to be guided by clearly, and only clearly, demonstrated facts.

THAT THE PRESENT rule in use by the insurance departments of the United States and Canada, for fixing the reserve liability of fire insurance companies, is neither scientific nor just, seems to be a growing conviction among thoughtful students of underwriting. Actuary Harvey of the Missouri insurance department, in his paper before the recent convention of State insurance commissioners, a portion of which we reproduce in another column, states the case as viewed from the standpoint occupied by a good many men whose opinions are entitled to consideration. This view is that the character of the risk assumed and not merely the premium received is the true basis for the calculation of the reserve liability. If this can be shown to be the correct view, the troublesome question of how the insurance department is to correctly measure the risk assumed arises. What is the liability of loss on the several classes of risks?

That is at present something of a conundrum, for the companies have persistently refused to reveal the gathered experience from which an accurate table of loss liability might be easily constructed. So, in the absence of reliable data, the insurance superintendents agree to a "rule of thumb," applied alike to all companies, taking an arbitrary portion of the premium for a reserve. If a more correct and scientific basis of reserve computation can be clearly pointed out, we are sure the companies will be glad to welcome it.

THE DISGRACE OF LIFE ASSURANCE.

It is unquestionably a fact, and a very humiliating one, that the business of life assurance in Canada today enjoys the distinction of being in a more demoralized condition than anywhere else in the world. It goes before the public deliberately depreciating its own value and belittling its own far-reaching beneficence by adopting the methods of the second-hand clothes dealer and the street peddler. Engaged in a business second to none in dignity of worth and indispensable service to the entire community, its representatives go about offering to sell its obligations at an enormous discount, varying according to customers.

The rebate evil has grown with the growth of the business until it has not only seriously impaired its respectability, but materially destroyed its ability to yield to the agent an adequate return for his labor. In England this bad practice is not by any means unknown, but it has not become a glaring feature of the business; while in the United States, bad as it undoubtedly is, the self-respect and self-interest of the field workers, encouraged by the companies, have united to stamp out the evil with a good degree of success. State and local associations have been extensively formed among the managers and agents, having anti-rebate for one of the principal planks in their platform, and by their request stringent laws have been enacted in several States prohibiting the unjust discriminations of this thoroughly bad practice. In the meantime, here in Canada, the managers and agents stand aloof from each other, with their war-paint on and rebate scalping knife in hand ready to scalp each other, while the insuring public look on with a grin, and pocket the scalpers' commission.

Life assurance is worth a certain fixed price to the buyer, and when the seller offers it at less than the table rate he falsifies that fundamental fact, and puts himself and his business on the low level of the huckster and his wares. The buyer only half prizes what has cost him so little, and the seller has thrown away the greater part of his hard-earned commission. And not the least contemptible feature of the rebate business is that, as a rule, the agent toadies to the rich and influential class, who have naturally come to look for a rebate on their premiums as something due their exalted position, the only question in their minds being as to the size of the tribute to be offered. As a matter of fact, the better able a man is to pay for what he gets, his insurance included, the more favors he expects and

the more higgling he will stoop to do to set himself down as the recipient of a gratuity from an agent, poor by comparison, for that is just what it amounts to. The less able man of small business, or the professional or salaried man, as a rule, is willing and expects to pay full rate for his life assurance, just as he does for his flour and his sugar. So would be the wealthy man if he had not been utterly demoralized by the long-continued catering of anxious solicitors, each trying to outbid the other in rebates.

If all the managers and principal agents in the Dominion would enter into an honest compact to do business on business principles, giving no rebate under any circumstances to anybody, and live up to their agreement, they would find it just as easy, when that state of affairs once became known, to sell assurance at full price as it now is at cut rates, besides having a good deal more to show for their work and having the respect of their patrons, rich and poor. What is needed is for somebody to lead off in the matter of anti-rebate organization. We have faith enough in the good sense and honorable intentions of the agents in Canada to believe, that most of them would most willingly abandon the bad practice if others would. As it is, a big rebate for some supposed desirable insurant is offered by the agent first approaching him, and all the rest at once feel bound to "go him one better," and so the ruinous and demoralizing competition goes on. All this can be and ought to be stopped. Who will move in the much-needed work?

Closely allied to this rebate evil, for which agents and managers are chiefly responsible, is one for which the companies are themselves altogether responsible. We refer to the "special agent" nuisance. When a company turns loose, as certain companies have done and are doing, a "lightning special," armed with a roving commission to go, practically, where he will, and he invades the partly worked field of the local agent, picks out his most promising subjects and, with a "home office" flourish, offers special plans and special rebates greater than the poor local's entire commission, it does a very shabby thing toward its agent, and helps to bring life assurance into contempt among all decent men blessed with good common sense. Some of the companies have learned by experience that such trickery doesn't pay, and it is to be hoped that others will take early warning by their example. The policy is both dishonorable and deservedly disastrous.

HOW HARPER DOES IT.

For the edification of our readers generally, and the instruction of the members of the Mutual Reserve Fund Life Association in particular, we print below a portion of the application used by the Association, and which, presumably, was signed by the aforesaid members without reading, as is the manner of confiding applicants generally. Here is the choice morsel:—

I do hereby warrant that the foregoing answers, written to the above questions, are my answers, and are full, complete, correct and true, and the same shall be made a part of the contract of my certificate of

membership, or policy of insurance, in the Mutual Reserve Fund Life Association, and that I am the person who signed the application on the reverse side of this application, and was examined as below; and, should this application for membership be accepted, I do thereupon constitute and appoint Edward B. Harper of New York, State of New York, or, in the event of his death, the executive committee of said association, or a majority thereof, my sole, true, and lawful attorney and agent, for me and in my name, place, and stead, to vote as my proxy, according to the number of votes I would be entitled to cast if personally present at the next, and also at each and every general, annual or special meeting of the Mutual Reserve Fund Life Association of New York, or the subscribers or members thereof, for the election of directors, or for any other election or purpose whatever.

A more absolute and perpetual signing away of membership franchise it would be impossible to conceive than is here disguised in the ordinary application for assurance. President Harper, without the ordinary process of proxy-seeking which mutual companies have the decency to exercise annually by courteous special request, thus absolutely controls the election of directors and the action of all meetings for any "purpose whatever." In addition to this possession of autocratic power, note the iron-clad nature of the "warrant" in the above. It is safe to say that under it two-thirds of all policy claims might be contested. The members of Harper's great and only may well pray to the presiding deity of that concern, for they are absolutely at his mercy.

AN OLD SONG TO AN OLD TUNE.

At the recent national convention of fire department chiefs, held in Detroit, one of the members is quoted as saying this:—

We want each State legislature to enact a law compelling fire insurance companies to pay into a fund for the maintenance of the regularly organized fire departments at least two per cent. of their gross receipts for premiums. That kind of a law has been adopted by the States of New York, New Jersey, Michigan and Illinois, and should be made universal.

This is the same old song to the same old tune ground out so often by municipal orchestras all over the country, whenever improved fire extinguishing facilities are required or additional expense is called for to increase fire protection. For the instruction of such people as the well-meaning fire chief above quoted, we are moved to repeat what we have before said a good many times in one form or another, viz.: that fire insurance companies are not organized to promote philanthropy, religion or education. Neither is it their mission to build public libraries, or furnish water works, or equip fire departments. Strictly speaking, fire insurance has no more to do with fire extinguishing than it has with building street railways or putting up lamp posts. Its business is to equalize the burden of fire loss in a community by collecting and distributing a sufficient amount of money from property owners to make good a portion of the loss to the individual sufferer. Only this and nothing more.

If the community wisely reduces the loss to the

minimum by effective fire-preventing and extinguishing appliances, the companies collect less in premiums because they have to distribute less for losses. If the community unwisely neglects or refuses to provide such appliances, then it pays more to the insurance companies because the companies must have more money to pay for the heavier losses. The question of fire department efficiency is purely a question for the people who own the property liable to burn, and not at all for the companies whose business it is to charge for the risk of burning according to the ascertained state of hazard. It does not seem to occur to the average legislator that it would be a good deal more economical, and save time, for the property interested to pay the equivalent of the two per cent. tax referred to above direct; for if the companies have it to pay, they are simply obliged to collect it in turn from the property owners when they pay their premiums. The whole logic of the situation is as plain and simple as a cart wheel rolling down hill.

The speaker at the Detroit convention must either have been misquoted or his accuracy of statement badly needs cultivation. It is not true, we are glad to say, that the States named have laws covering any such broad ground of taxation and appropriation to fire departments as there stated. Some of the States have enacted that the *portion* of the tax on premiums collected from the companies operating in certain cities shall be, some or all of it, applied to the benefit of the fire departments in *those places*. There are variations of the general provision in different States, but no sweeping two per cent. special tax on gross premiums for the benefit of fire departments generally throughout the State exists anywhere as yet. Some of our Canadian municipalities have been ambitious to confiscate fire insurance premiums on the plan of our Detroit friend, but the movement has not been eminently satisfactory to the experimentors, and it is hoped will not be tried frequently.

FIRE INSURANCE IN NORTH AMERICA.

From a detailed statement by States, grouped in sections, found in the *Coast Review* for August, we compile the following summary:—

		Fire Prem's.	Loss Ratio.
New England States.....	1889	\$11,489,924	90.5
" ".....	1888	11,378,285	58.3
Middle Atlantic States.....	1889	32,266,401	59.9
" ".....	1888	32,712,254	65.6
So. Atlantic and Gulf States.....	1889	12,514,791	48.9
" ".....	1888	8,972,337	46.9
Mississippi Valley and Lake States.	1889	44,778,747	52.4
" ".....	1888	42,545,823	50.7
Pacific Coast and Mountain States.	1889	9,991,415	71.6
" ".....	1888	9,022,002	45.6
Total United States.....	1889	111,031,296	60.0
" ".....	1888	104,620,701	55.4
Total Canada.....	1889	5,587,690	50.3
" ".....	1888	5,391,260	55.4

There is a slight discrepancy between the figures here given for Canada and those found in the blue book, but not sufficient to affect general results.

SOME INTERESTING EXTRACTS.

FROM THE BOSTON FIRE MARSHAL'S REPORT.

From the discriminating and able report of Fire Marshal Whitcomb, of Boston, for the year ending April 30th last, we extract the following on the subject of electric lights, wires, apathy of the public, etc. :—

While less than two per cent. of the total number of fires are attributed to electric wires and lights, the loss resulting from them is placed at over seventy-nine per cent. of the year's total, the larger part of which was occasioned by the great fire of November 28, on which the loss is estimated at \$3,859,402.14. As a special report on the cause of this fire was made at the time, further reference thereto is deemed unnecessary. In assigning electricity as the cause of fires I have endeavored to be as accurate as possible, so that the various electrical companies might not be unjustly blamed. The public are perhaps inclined to be hasty in attributing many fires to this cause which originate in some other manner, while employees of the companies are too prone to discredit the propriety of attributing any fires to electricity, even where the investigation has proved the fact beyond a reasonable doubt. I have aimed to be uninfluenced by either extreme—by popular prejudice on the one side or by private interests on the other. When the great increase in the use of electricity from year to year is considered, it is certainly encouraging to note that the percentage of increase in the number of fires caused by it is proportionately very small, while this year's record even shows a decrease.

These fires are generally caused either by the crossing of wires outside or by a short circuit within the building. The former difficulty should be obviated, either by placing the wires underground or by such municipal regulation as shall reduce the chance of its occurring to a minimum. When the trouble originates inside or is brought in by outside contact, it should be avoided by running the wires in fire-proof tubes (a system now generally adopted in this city).

The electrical fire hazard will undoubtedly be reduced by the greater care in installation and maintenance, which is now being exercised as a result of accidents which have already occurred. Especial precautions should be adopted to prevent fires from electricity and spontaneous combustion, for the reason that when they do occur the loss is apt to be heavy, on account of their liability to gain great headway and to burn with unusual rapidity. When safety methods of protection from electricity shall catch up and keep pace with the advance in electrical employment, and when experience shall have surrounded its use with proper safeguards, I see no reason for unusual danger from this source.

The Fire Marshal concludes his report with some very practical observations abounding in plain truths uttered in a common-sense way. We make room for the following :—

The destruction of the city's wealth by fire last year, taken in conjunction with the expense of maintaining the fire department (the cost of carrying insurance is not included, as the fire loss was equal to twice the amount of premiums received), to say nothing of the cost of water supply, interruption to business, etc., amounted to a sum sufficient to give every man, woman and child in the city \$13.64. It was equal to four and three-quarters per cent. of the annual income of the city, and five per cent. of the increase in valuation. There was one actual fire to every 571 of the entire population. Such a record, while not, perhaps, necessarily appalling, should at least suffice to convince us that the load is unduly heavy and should be lightened by every means in our power. Whether covered by insurance or not, fire-waste is a constant, irreparable and wicked drain

upon the resources and industry of our people ; every instance means a set back to the city's prosperity and the wiping out of so much human skill and labor. Why is it, then, that in the adoption of means for the prevention, or at least the reduction, of this enormous fire-waste, such apathy is shown? With quiet submission and calmly indifferent to the consequence, we see this loss occurring year after year, and allow the same old habits of carelessness to characterize our mode of living. We support at immense cost fire departments and insurance companies and endure the burden without a murmur, never thinking that this cost might be materially reduced by reform in our customs. A fire marshal is maintained at public expense, seemingly on the theory that fire-waste can be reduced by investigation. The people expect him to report, suggest and advise ; they like to be preached to and are willing to pay for it, but are too indifferent or indolent to exert themselves in the direction of suggested improvements. Prescription cannot cure unless the dose be taken. The mere locating of a cancer without application of the knife is useless. Advice cannot benefit unless followed.

INSURANCE FOR POOR PEOPLE.

From the *Prudential* we reprint the following, which says much in few words :—

About once a year some one thinks he has made a discovery, and writes a letter to the newspapers bewailing the fact that there is no provision made for the insurance of poor people. Then somebody in some of our State legislatures proposes a bill to remedy it. The bill is progressed to a second or third reading, and is perhaps passed, and then everything goes on as before. The motive for such action is commendable in the highest degree, but the knowledge upon which it is based is altogether defective. Not only is there ample provision made for the poor to secure life insurance, but as a matter of fact there are many more policies held amongst the industrial classes than amongst those of the well-to-do and wealthy. A short time ago, a State senator, introducing a bill such as we have referred to, said : " The purpose of this bill is to place insurance within the reach of all persons, no matter what their income, and to offer them inducements for carrying it." He then referred to the peculiar features of the bill, which are too complicated to be mentioned in the space at our disposal. Had reference been made to the insurance reports of the various States, much valuable information might have been acquired just upon this line. It would have been found that the poor people are by no means neglected, but that there are a number of companies who cater to this class almost entirely. Upon further inquiry it would have been ascertained that any healthy man, woman or child could be insured for the trifling sum of 5 cents a week, and that any industrial insurance company will accommodate them with as much more insurance as they are able to pay for. It would also be found that whereas something over 1,000,000 policies are in force amongst what are termed the well-to-do and the rich, that over 3,000,000 of the poor people are now carrying policies of insurance upon their lives. Another interesting item of information might also be acquired in the same way, viz., that over twenty millions of dollars have been paid within the past few years to these same poor people.

A good idea of the value placed upon life insurance by the industrial classes, and the facility with which it may be secured, may be gathered from the fact that at the time of the cyclone in Louisville, Ky., a few months since, it was found that about one-half the life insurance carried by persons who suffered at that time was in companies which collected premiums weekly.

INTEREST RATE OF THE LIFE COMPANIES.

We herewith present to our readers our usual annual record of the interest earnings and rate of the Canadian life companies and the American and British companies doing an active business in the Dominion for 1889 and of the four preceding years. The results given are based as heretofore on the mean amount of net or "ledger assets" (here called "average realized assets") for each year and the earnings of the year as given in the official reports. As the "ledger assets" in the Canadian Report include market value of securities, we also include market values in the assets of the United States companies as here given. In the "interest earned" we include the actual cash received from interest, rents, etc., together with the due and accrued interest and rents, deducting therefrom the amount due and accrued outstanding at the close of the previous year. Where investment profits have been realized, we give the rate both with and without profits. Following is the experience of the Canadian companies:—

CANADIAN LIFE COMPANIES.

COMPANY.	Rate		Rate		Average realized assets, 1889.	Interest earned, 1889.	Rate 1889.
	1885	1886	1887	1888			
Canada Life	6.15	6.16	5.58	5.70	\$ 8,836,805	\$ 496,974	5.63
<i>Do includ'g profits</i>	6.36	6.52	6.76	5.72	.....	518,110	5.86
Citizens	5.36	6.12	6.29	4.66	238,825	10,744	4.49
Confederation ...	6.06	5.91	6.07	5.83	2,539,280	144,561	5.69
Dominion .....	.....	.....	.....	.....	80,922	1,225	1.51
Federal	4.31	4.56	4.29	4.42	137,705	6,354	4.61
London .....	.....	6.14	6.20	6.13	199,101	11,062	5.55
Manufacturers .....	.....	.....	.....	3.86	205,884	6,019	2.92
North American ..	5.68	5.63	5.61	5.96	676,305	40,639	5.00
Ontario	6.04	5.93	6.27	5.94	1,242,988	75,541	5.07
Sun Life	6.08	6.08	6.12	6.14	1,531,793	88,192	5.75
<i>Do includ'g profits</i> .....	.....	.....	7.17	6.65	.....	.....	.....
Temp. and General ..	.....	.....	.....	.....	83,283	3,629	4.35
Totals	6.08	6.07	5.77	5.77	15,772,891	884,947	5.61
Totals, including profits	6.22	6.29	6.57	5.83	.....	906,086	5.74

*Year ending April, 1889.

From the above it will be seen that the average interest rate realized by the Canadian companies is a little less than for the preceding year, or 5.61 as against 5.77, the rate for both 1887 and 1888. Following is the record of the United States companies:—

UNITED STATES LIFE COMPANIES.

COMPANY.	Rate incl. profits on investments sold				Average realized assets, 1889.	Interest earned, 1889.	Rate 1889.
	1884	1886	1887	1888			
Aetna Life	6.04	5.23	5.50	5.35	\$ 33,488,943	\$ 1,749,418	5.22
<i>Do inc. profits</i> .....	.....	.....	.....	.....	.....	1,755,535	5.24
Equitable	5.44	5.28	5.55	5.72	98,085,123	4,997,056	5.10
Germania	5.23	5.77	5.29	5.21	13,924,032	707,672	5.08
Mutual, N.Y.	5.14	5.01	5.11	5.60	127,869,663	6,201,522	4.85
<i>Do inc. profits</i> .....	.....	.....	.....	.....	.....	7,468,623	5.84
New York Life ..	5.33	5.39	4.90	5.00	96,930,057	4,503,612	4.69
<i>Do inc. profits</i> .....	.....	.....	.....	.....	.....	4,577,346	4.77
Provident Savings	3.23	4.20	3.78	4.91	576,011	21,887	3.80
Travelers	6.48	6.56	5.76	5.88	8,862,937	449,197	5.07
Union Mutual ..	5.47	4.46	4.59	4.47	5,902,285	250,147	4.34
<i>Do inc. profits</i> .....	.....	.....	.....	.....	.....	273,341	4.63
United States ..	5.29	5.24	5.05	4.77	5,993,503	277,607	4.70
<i>Do inc. profits</i> .....	.....	.....	.....	.....	.....	290,438	4.92
Totals .....	.....	.....	.....	.....	390,642,574	19,168,718	4.90
Total inc. profits ..	5.37	5.21	5.22	5.10	.....	20,542,695	5.26

The average result, as here shown, is a very slight decrease over 1888, which in turn shows an increased rate over previous years, including profits on sale of securities sold in each case. The profits realized by some of the American companies on the sale of securities at an advance on cost price have been considerable of late years, and in the case of the Mutual Life were unusually large in 1889. Four of the above companies realized profits of this kind last year aggregating \$1,303,241. They are the Mutual Life, United States, Aetna and Union Mutual. With a single exception, the above companies show a considerable excess in market over cost value of securities owned at the close of 1889, as has been the case with most of the American companies for some years past. This excess of market value over cost for the companies operating in Canada is as follows:—

COMPANY.	EXCESS.
Aetna Life	\$ 734,364
Equitable	2,697,138
Germania	158,323
Mutual, N.Y.	3,397,950
New York	4,026,275
Prov. Savings	5,318
Union Mutual	22,041
United States	120,512
Total	\$11,074,924

The excess of market over "book value" is given by the Equitable and the Mutual in the reports; all the others as market value over "cost value." It will be readily seen from the above statement that either of the above companies could realize a handsome profit at any time while this success continues, by the sale of a portion of its securities. This possible profit is, however, considerably reduced as compared with 1888, when the same companies reported excess of market over cost and par values of \$13,770,961, or \$2,699,037 more than the above excess for 1889. This decrease belongs however, mainly to one company, owing to some extent to the sale of some of its securities having a large margin of profit. With the wide range of good securities available in the United States which seem likely to appreciate in value, it is probable that the companies will continue to have holdings constantly worth considerably more than cost, and by skillful handling will be able to help out the interest account materially. It will be well, however, for the companies to consider carefully to what extent investments in fluctuating securities may be safely carried, and to touch only such as are of the most undoubted solidity. This at the present time seems to be the general basis of action, we think.

We here append the tabulated results of the handling of the investments of the three leading British companies doing business in Canada on the same basis as that used for the other tables.

Here, it will be noted, the average rate earned is in advance of both 1888 and 1887 by a small percentage, and is therefore a satisfactory showing.

BRITISH LIFE COMPANIES.

COMPANY.	Rate 1884.	Rate 1886.	Rate 1887.	Rate 1888.	Average real-ized assets, 1889.	Interest earned, 1889.	Rate 1889.
British Empire ...	4.29	4.53	4.64	4.20	\$ 6,606,510	295,570	4.52
London and Lancashire ...	4.77	4.38	4.62	4.43	3,003,820	114,645	3.81
Standard ...	4.41	4.39	4.13	4.10	3,993,220	1,593,000	4.29
Total ...	4.47	4.41	4.28	4.14	4,603,450	1,916,515	4.29

COTTON FIRES ON SHIPS.

A veteran sea-captain, who not long since retired from the command of the Clyde Line steamer "Cherokee," furnishes the New York *Tribune* reporter with some interesting information on the subject of cotton fires on shipboard. The informant was Captain Benjamin Doane of Plainfield, N.J., and his experience extends over a period of more than twenty years, during which every vessel which he commanded carried cotton as a part of its cargo. As his opinion is based on personal observation and actual experience, it may be considered of real value. We quote from the interview:—

Cotton is as inflammable as gunpowder. To my mind most cotton fires are started when the bales are tumbled down the hatchway into the hold. My chief officer came to me one day and told me, that in his opinion the iron bindings of the cotton bales were striking fire on the stanchions in the hold as the merchandise was tumbled down. I went down to see for myself. For two hours I watched the bales of cotton as they disappeared in the hold, and whenever I noticed a bale strike a spark I ordered the bale to be thrown aside for examination. The flint spark invariably burned a hole clean-cut as if it had been done with a red hot darning needle, which penetrated to the centre of the bale. Oftentimes the fire went out for want of air. Sometimes the tiny spark would smoulder for days, burning meanwhile some of the cotton in the centre of the bale before going out. The only way to avoid a fire from this source is to sheath with cloth the stanchions below the deck. This I did, and thereafter never had a fire on board my vessel. I think few captains of ships know this fact, if they did, they would follow my example.

COMPUTATION OF RESERVES.

Mr. A. F. Harvey, the able actuary of the Missouri Insurance Department, presented a paper at the recent National Convention of State Insurance Commissioners, at Cleveland, Ohio, on the question of "Reserves," from which we make the following extracts:—

Conspicuous among the failures of legislation has been the matter of providing for the accumulation of material, out of which to establish some better rule of ascertaining the proper reserves for insurance other than life. It was agreed in 1871 that there should be "a uniform standard system of computing the reserves or policy liabilities of life, fire and marine companies." Fidelity, real estate title, plate glass and other casualty companies were not then born in this country. But the old rule of thumb was perpetuated. "Fifty per cent. of premiums on unexpired risks having one year or less to run, and a *pro rata* of premiums for longer periods," may be the law in all the States and Territo-

ries, yet such a law does not make a uniform standard. It simply makes for the companies having equal volumes of premiums for equal terms of insurance exactly equal items to go into liabilities; but it is not a *standard reserve* if the amounts at risk and the character of the risks have anything to do with the matter, and it is not wide of the truth to say that those two elements have all to do with it. When a strong company puts a premium of \$20 for \$1,000 of insurance against a certain hazard for one year, and a one-horse concern across the street writes on a similar risk for \$5, the two companies are not subjected to a uniform standard of reserve when the insurance law cuts these premiums in two, and charges the first \$10 and the second \$2.50. The character of the risk means something in such a case, and the mere amount of the premium nothing whatever, unless by tabulation of experience and exact mathematical deduction it has been shown that there is a defined relation between premium and amount written, and not the relation between a catch command and its answer. It is only a repetition of truisms, which have been stated over and over again for years, to point out the failure of the laws in this regard; and it is only a further repetition to say, that the want of a system of reserve for fire insurance is in a great measure due to the companies themselves. At the meeting of this convention in Chicago in 1875, this subject was made the matter of prolonged discussion; and the hope was then expressed that the fire insurance companies would take measures to collate their experience, and arrive at some definite conclusion as to a proper reserve based on some other element than the premiums received. But a distinguished officer of one of the great companies cut short the dawning hope by saying, that the experience of his company was valuable only to itself, and could not be used to solve the problem for other companies.

If the companies want the present inequitable conditions to continue, they might be permitted to have their own way if they were to be the only victims. But if State supervision is worth anything as a protection to the public in respect of fire insurance, it is worth while to ask of the legislatures authority and means to gather and classify such data as will enable the insurance departments to determine some of the questions involved understandingly.

But it is in life insurance that the greater evil lies, in the statutory rule of valuation. At the convention of 1871, both spring and fall sessions, the subject of State valuation of life insurance policies was discussed by experts and laymen, by representatives of mutual and stock companies, by advocates of high and low rates of interest and of gross and net methods. There was a unanimous conviction that the prospect at that time, under the existing inflation of values, had a dangerous aspect, but where or how soon the wrecks were to begin no one dared predict, and yet no member, nor the committee to which was given the matter of devising the skeleton of a uniform insurance law for all the States, seemed to think it worth while to suggest immediate legislation under which, if the storm should burst, some of the craft might be saved. In the law that was proposed at the fall session, a section looking to the possible recovery of an impaired company was incorporated, but subsequent events have shown that its application would have been a remedy to kill, not cure. The only thing which has come to pass since 1871 in the direction of supposed uniformity has been the adoption by nearly all the States of the combined experienced table of mortality, with four per cent. interest as the standard for net premium valuation. The law is on a par with the attempt which governments formerly made to fix a standard for bread. So much bread for a sixpence was a statutory provision—

but no stipulation as to the quality of the bread. So much a dozen for eggs is the rule among market gardeners. But a numerical valuation of eggs is not a standard for avoirdupois, and it makes a difference to both purchaser and poulturer whether the eggs are common barn-yard or Plymouth Rock. Uniformity of reserve or standard value, to be just to all parties, must be from the standpoint of value of the seller as well as the buyer, as considered by the company as well as by the State.

It is a universally agreed proposition that a net premium valuation is not what it ostensibly stands for before the public,—a test of solvency. Yet every year the companies come up smiling with certificates of valuation, and go out to the public with official documents apparently indorsing their solvency and safety. Net premium valuation only determines a present condition—that condition being whether the company is or is not able to meet its obligations of to-day, and comes no nearer to determining what may be its condition in the future—even next week as a matter of certainty—than it tells what was its condition ten years ago.

Financial and Statistical.

LOOKING FORWARD.

It is an undoubted fact, whatever the cause, that the money market in Canada is close, and that the bank rate of 6 per cent. and upward is stiffly maintained. In New York also the stringency continues and rates rule considerably higher than here, while in London the opposite tendency exists, the market being comparatively easy and the rate 4 per cent. It is probable that in this country the present stringency is only temporary, and that the moving of the crops, which in the Dominion are exceptionally good, together with the revival of the fall trade, which looks promising, will set free a large volume of currency heretofore held in anticipation of the fall demands.

The prospect seems exceedingly good. That Canada will have a considerable surplus of her products to sell abroad this year, much to her advantage. This is particularly the case with breadstuffs, for which the shortage in Europe will apparently open a ready and profitable market. From the most reliable indications obtainable, it would seem that the wheat crop of the Dominion this year will be not far from 40,000,000 bushels, as against less than 28,000,000 in 1889. As we imported over a million bushels in wheat and flour last year from the United States, we may safely set down 29,000,000 at the least as the amount required for home consumption and seed, in which case we have approximately 11,000,000 bushels of surplus to sell. This means something like \$10,000,000 in our pockets, to say nothing of the more than three-quarters of a million saved by raising what we purchased last year from our neighbors over the border. This will weigh very materially in the scale toward making the balance of trade in our favor.

It is not to be forgotten in this connection that our mineral products, as pointed out in our last issue, show a considerable increase, which means just so much added wealth to the country at large and brightens the prospect for the future. While Canada is not a manu-

facturing country in any large degree, it is a matter of encouragement that the present year is in advance of former years in established lines, while several new manufacturing industries have been added, and more are in contemplation. All these things stimulate commercial activity, and at the same time add to the solid foundation on which all healthy commercial transactions must rest. On the whole, we feel confident that a season of healthy business activity is before us in Canada.

LOAN AND BUILDING SOCIETIES IN CANADA.

We compile the following table from the Annual Report of the Loan Companies and Building Societies in Canada for the year 1889, prepared by N. S. Garland, F.S.S., F.S.A., Clerk of Financial Statistics, just received from the department of the Minister of Finance. There are 77 reporting companies, of which 7 are really controlled in Great Britain. So far as the names indicate, but 9 of the 77 combine the building with the loan feature. The business shows an increase over 1888.

	Ontario. 64 Co's. \$	Quebec. 10 Co's. \$	Manitoba. 1 Co. \$	Nova Scotia 2 Co's. \$
Cap subscribed.	75,510,854	7,349,219	656,800	201,000
Capital paid up..	17,956,204	929,155	442,400	100,500
Total Assets....	105,437,575	8,373,916	1,781,280	784,047
Total Liabilities.	104,142,231	8,288,950	1,781,280	784,047
Liability to public....	63,005,784	5,184,382	1,296,000	199,497
Reserve Fund...	8,222,107	351,374	.....	475
Am't loaned during year.....	21,968,134	2,171,661	.....	260,031
Rec'd from borrowers.....	21,083,329	1,076,838	.....	12,105
Received from depositors.....	25,304,799	490,908	.....	73,392
Repaid to dep'rs.	25,062,429	437,659	.....	46,459
Divid's declared.	2,296,221	147,892	.....	4,752
Debent'rs issued in 1889.....	11,165,051	.....	.....	60,000
Debent'rs repaid in 1889.....	6,896,570	1,000	.....	.....
Am't borrowed for purposes of investment....	55,403,908	3,717	.....	60,000
Interest paid and accrued....	2,839,000	237,157	.....	7,973
Loaned on mortgage deeds....	91,196,280	6,333,287	.....	150,736
In default on mortgages....	2,288,223	68,635	.....	1,418
Total investments, pres cash value	102,765,164	8,019,088	.....	776,553

Forty-six years ago, in the whole of British North America there were but 16 miles of railway. Now there are in the Dominion of Canada 12,325 miles of completed railway and 425 under construction. Over these lines of steel were carried last year over twelve million passengers and about eighteen million tons of freight, representing earnings amounting to \$42,100,000, or more than \$11,000,000 in excess of working expenses. The paid-up capital involved at present is over \$760,500,000. The mileage has considerably more than doubled during the past ten years.

The increase of wealth in the United States in the ten years past, as shown by the recent census, has

been \$18,000,000,000, or about 42 per cent. The total wealth is set down at \$71,459,000,000, and is equal to about \$1,000 per capita of the population. In Great Britain the distribution per capita of wealth, on the basis of the figures for 1885 (\$50,397,895,000), is set down as follows: In England, \$1,545 per capita; in Scotland \$1,215; in Ireland \$565. Wales about ranks with Scotland, we believe.

The *Bankers' Magazine* estimates the currency of the leading commercial countries of the world as follows:—

Country.	Gold.	Silver.	Notes.
France.....	\$900,000,000	\$700,000,000	\$594,000,000
United Kingdom.....	550,000,000	100,000,000	190,000,000
Germany.....	500,000,000	215,000,000	275,000,000
United States.....	375,607,112	116,298,802	938,728,545

Country.	Total Currency.	Population.	Currency per capita.
France.....	\$2,194,000,000	38,250,000	\$57.35
United Kingdom.....	\$40,000,000	38,175,000	22.01
Germany.....	990,000,000	48,000,000	22.36
United States.....	1,430,634,459	64,000,000	22.36

Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

FROM THE PACIFIC COAST.

VANCOUVER, B. C., August 16th, 1890.

Editor INSURANCE AND FINANCE CHRONICLE:—

You have graciously accorded your old time correspondent access once again to your columns, and, as promised in my last, I now write concerning other parts and interests of the Province.

I see by an editorial in your last issue that even editors require to ease up a little and seek recuperation among the mountains or on the sea coast. I do not wonder at it, for the press here is full of the harrowing details of the "hottest on record in the East;" it is even suggested that in Montreal the mercury has risen so rapidly and steadfastly as to finally kneec the roofs off their thermometers! Let me therefore suggest that you take a long journey while you are about it, and visit this extreme end of your Dominion; for until you do you will have no knowledge of the goodly place or of its equable and mild climate. I suppose at the present time you are all bathed in continual moisture, that even the thought of Adam's fig leaf is enough to make you abhor clothing of any kind, that fans and summer drinks are all the go, and that the proprietors of summer hotels are devoutly thanking a wise Providence for the creation of his mid-day sphere of fire. Am I correct?

Let your imagination travel over the prairies and mountains and in spirit visit this new and thriving city of the West,—this prodigy of Canadian enterprise,—and what do you find? Your correspondent sits by an open window in the Vancouver Hotel, overlooking the bay, with the snow-capped Cascade Mountains on the other side; there is a cool, delicious breeze coming in from the ocean, fanning the brow and making life pleasant and comfortable. Truly, amidst this scene of splendor, cooled and comforted by the pure ocean breeze, I am sorry for you unfortunate Eastern people, and methinks I hear you say, "Oh! what must it be to be there!"

But I must proceed to tell you something about this wonderful place, for wonderful it is. Consider the fact that four years ago, where this city now stands, there existed a primeval forest, where the cedar and the Douglas fir trees grew in such height and girth that I am almost afraid to record dimensions lest your readers should accuse me of "Yankee exaggeration." Here the hand of civilization had not reached forth to destroy nature's magnificent handiwork, and yet in so short a space of time a

city has been built, and the foundations laid for an even greater marvel which shall startle the world during the next generation. Vancouver of to-day is but an indication of what may be hereafter expected, for I am firmly of the opinion that a very few years hence a city of 50,000 inhabitants will exist, and will successfully claim by right of possession the title of the second city of importance on the Pacific Coast, San Francisco alone challenging her maritime supremacy. But I am day-dreaming, it is Vancouver of 1860 that should claim our attention; and what do we find? We have first of all a city of over 15,000 inhabitants, possessing a harbor unexcelled on this continent, accessible at all times of the day, month or year (no sand bar or anything of that kind, to the largest steamers of deepest draught; capacious enough to provide two miles of wharves whenever required, and greater capacity on the banks of English Bay whenever the development of trade may render it necessary. And let me say in passing that the C.P.R., with their usual foresight, have provided well for this contingency.

I take it that Vancouver is the natural outlet for the great mineral, agricultural and lumber wealth of the Province, and how rich British Columbia is in all three departments time alone will show. Enough, however, is known to warrant the assertion that her wealth is enormous, and with its continual development the city of Vancouver cannot fail to grow and prosper. Vancouver has good and solidly constructed buildings, there is very little mushroom growth, thanks to the lesson of the great fire; its streets are well laid out and of good width; it has good water works, of which I will speak later on, and a fair sewerage system. It boasts of good gas and electric light, and last but not least, claims an electric street car service, that completely supersedes and is infinitely superior to the one-horse roads of the East and even the two-horse roads of Montreal. The homes of Vancouver are models and would do credit to a city of much more mature growth. Of course the dwellings are mostly of frame construction, but there are some stone and some brick structures, and without making any odious comparisons, I would only say that I have had the pleasure of inspecting some of these dwellings, and desire nothing better than to end my days amidst such pleasant and comfortable surroundings, they are almost perfect and would be quite, if by deed of gift I could once claim any one of them mine.

Vancouver has been boomed and will certainly feel the reflex influence," say some of your readers. I do not believe it. I believe the city has grown because there is great need for just such a city. It will continue to grow and improve with the material development of the Province, and as I regard that as unquestionable, I must carry the thought to its logical conclusion and regard the future of Vancouver with the same feeling of certainty. I understand that when Mr. Van Horne, the president of the C.P.R., was recently here, he stated that in five years Vancouver would have a population of 25,000, and in ten years would be the second city on the Coast. Mr. Van Horne is a great man, president of a great railroad, perhaps has great, too great, ideas, but he is a man of much discernment, and I am inclined to accept the statement, with perhaps a grain of salt. I cannot speak individually of any prominent feature or place in the city, for there is much that might well be commented upon and commended, but my laudation of the baby city of the West will even now perhaps be regarded as altogether too enthusiastic. I will only add in closing, that the impressions I have outlined are derived after thoughtful investigation, and I stand by them. Attest, evidencing the fact, I append my great seal and signature.

AMERICUS.

The Commercial Union has taken over the business of the Hamburg-Bremen in the State of Ohio. The latter has annual premiums amounting to nearly \$40,000 and about fifty agencies in Ohio. Its object is the release of the \$100,000 deposit required for use elsewhere, as is thought, to better advantage.

Notes and Items.

We were pleased to see President Goodnow of the Aetna Fire of Hartford in Montreal last week.

Mr. Charles A. Winter has recently taken the field for the Dominion Life as its superintendent of agencies.

Col. Z. P. Clark, secretary of the Anglo-Nevada Assurance Corporation, of San Francisco, died on the 1st inst.

We understand that the Union Mutual Life of Maine is looking about for a new manager for its Ontario business.

The Caledonian of Edinburgh has become a member of the "Western Union" since coming to the United States.

The Montreal branch of the Quebec Bank has arranged for commodious quarters in the New York Life building.

It is stated that the Caledonian Insurance Company has applied for license to transact business in the State of Louisiana.

Mr. J. Joseph has been appointed general agent at Montreal for the Union Mutual Life of Maine as successor to Mr. Bossé.

Mr. Chas. B. Linton, of Galt, has been appointed general agent of the Ontario Mutual Life for the counties of Wentworth and Haldimand.

It is freely rumored that Mr. George Stewart, manager and actuary of the Lancashire Insurance Company, will soon retire from active service.

A new fire insurance company with \$125,000 capital, to be called the Pioneer Fire, is to be started in Chicago under an old charter granted in 1865.

The new building of the Prudential Life at Newark, New Jersey, to cost \$1,000,000, is under contract. It will be ten stories high besides basement and attic.

The fire loss of the United States and Canada for August is given by the Commercial Bulletin at \$9,009,100. For August, 1889, the total was over \$12,000,000.

Mr. F. W. Rowe has been appointed general agent of the Ontario Mutual Life for the counties of Dundas, Stormont and Glengarry in place of Mr. D. Geddes, resigned.

Mr. T. Charlton Henry, vice-president of the Insurance Company of North America, died on the 31st ult. at his residence in Germantown, near Philadelphia, aged sixty-three years.

The Mutual Life of New York, according to recently received Melbourne papers, will constitute its agency at that place a distinct branch, with an Australian board of directors.

It has been decided by the company to take an appeal in the case of *Taylor et al. vs. the Northern Assurance Company*, tried at the May term of the Superior Court in this city before a jury, who awarded the plaintiff \$14,000 damages claimed for termination of agency.

Mr. James Wilkie, jr., for several years past in the service of the Life Association of Scotland at its head office, has been appointed inspector of agencies for the Queen Insurance Company in the Edinburgh district.

Mr. C. D. Cory of Halifax, managing director of the Eastern Assurance Co., passed through Montreal a few days since on his way to British Columbia and the Northwest in the interest of his wide-awake company.

Mr. E. P. Heaton, general manager of the Citizens Insurance Co. of this city, returned on the 12th inst. after an absence of some weeks looking after the interests of the company in Newfoundland and the Lower Provinces.

The City of Kingston after spending \$600 of the people's money to compel the Canada Life to pay an absurd tax on its premium income there, has abandoned its case in the courts. It saw defeat in an appeal to the higher court.

The Pacific Insurance Union has made a ten per cent. increase on the rate at San Francisco, to meet the hazard belonging to a city with numerous wooden buildings and with fire-extinguishing facilities notoriously inadequate.

Mr. Morrice A. Black, for many years the manager and actuary of the Australian Mutual Provident, and whose health has for some months been precarious, died at Sydney on August 26. He was extensively known as an accomplished actuary and a vigorous manager.

The gross premiums received on city business by all the fire insurance companies doing business in New York city for the first six months of 1890 amounted to \$3,681,282, as compared with \$3,693,960 in the same period of 1889 and \$3,851,756 for the first six months of 1888.

Among the callers at this office recently we note Messrs. H. S. Pell, Toronto; G. H. Allen, inspector Standard Life, Kingston; H. O'Hara, Toronto; H. J. Jackson, Brockville; J. H. Ewart, general agent of the Eastern, Toronto; Thomas Hilliard, managing director Dominion Life, Waterloo.

The astonishing growth of industrial insurance in the United States since 1880—ten years—is shown by the fact, that at the beginning of 1880 there were in force 49,097 industrial policies, insuring \$4,442,559, while at the close of 1889 the number of policies in force was 3,276,765, insuring \$555,500,467.

We note with pleasure the appointment by Mr. F. W. Evans, of Wood & Evans, chief agents for the Aetna Fire of Hartford, of Mr. Marchbank as inspector for this Province. Mr. Marchbank has long served the company faithfully in a subordinate capacity, and this promotion is a deserved tribute to real worth.

L'Argus, our French contemporary, devotes considerable space in its last issue to a summary of the Canadian Insurance Report, and closes with commendation, in the course of which it regretfully remarks, that if France had only kept that Canadian colony, which Voltaire so scornfully treated as "a few feet of snow," its insurance companies would now obtain therefrom a revenue and be able to compare more worthily with foreign companies. "But, alas!" says our contemporary, "it is a fine dream ended, and we are left to remembrances and regrets."

We understand that Mr. J. B. Carlile of Toronto, so well known in life assurance circles, has for some time been engaged in the formation of a new insurance company or association, under the ambitious name of "The Cosmopolitan." The public will doubtless soon have a chance to judge of the merits of the new comer.

A California Court has decided in the case of Wadsworth, insurance commissioner, against the "Guarantee Benevolent Endowment Association," that the Association has no right under the existing laws to exercise the assurance franchise which it has assumed, and has issued a decree enjoining it from further operations.

Mr. H. S. Pell, for three years connected with the inspection branch at Toronto of the Canadian Fire Underwriters' Association, has been appointed inspector of the London Assurance. We congratulate both the company and the new inspector, and commend Manager Lilly's good judgment in having made the selection.

Nicholas Bertram, a member of the defunct Detroit Mutual Fire insurance company, in common with other members, was sued by Receiver Walker to compel payment of assessments made. He contests the suit, on the ground that the law under which suit was brought is unconstitutional. The decision will be of general interest.

We had the pleasure of meeting with Mr. W. T. Booth, chief of the building department of the New York Life, who spent two or three days in this city recently. Mr. Booth freely expressed a very favorable opinion of the substantial growth of Montreal, which, in view of his extended acquaintance with the principal cities on this continent, is entitled to weight.

Captain Beckingham, the well-known efficient chief of the Montreal salvage corps for some time past, has been appointed sub-chief of the fire brigade, to take the place made vacant a few weeks since by the death of Sub-Chief McCullough. It is expected that Captain Dubois will succeed Captain Beckingham, whose appointment is a well-deserved recognition of merit.

An excellent record of the payments each month for death losses and endowments by the 34 principal American life companies is kept by the *Weekly Underwriter*. This shows the total payments for July to have been \$4,354,064, and the total since organization \$668,945,765, of which \$555,617,068 were for death claims. There is an eloquent sermon on the value of life assurance in these figures.

The Standard Life has completed, through Inspector G. H. Allen, the negotiation of a large loan, some time pending, for \$250,000 to Archbishop Cleary, on the Catholic church property of Kingston at $\frac{4}{2}$ per cent. for 20 years. The transaction involves the assuring of the lives of 50 young men of the diocese for \$5,000 each, the policies, credited to loan account as they become claims, to be assigned to the company.

The recent session of the "Western Union" at Niagara Falls was very largely attended, 54 companies being represented. The "resident secretary" appointments, with accompanying salaries and perquisites, recently made by the North British and Mercantile in a number of Western towns, such as St. Paul, Kansas City, Denver, etc., were disapproved by the Union, and the offending company suspended from membership on the ground of violating commission pledges.

His faith is shaky. A man in possession of a lottery ticket is continually wondering whether he will "draw anything;" in like manner a man with an assessment policy in his pocket is ever asking of his friends and chance acquaintances—"What do you think of it?" He longs for sustaining reports and hopeful opinions that the concern in which he is insured may last, or that if the claim matures it will be paid.—*Weekly Statement.*

Boston's water supply for fire extinguishing purposes consists of 5,542 hydrants and 238 reservoirs in different parts of the city, containing from 300 to 500 hogsheads of water. For the year ending April 30 last, there were 963 fire alarms, 747 fires, and a fire loss amounting to \$4,750,000. This includes the big fire on Thanksgiving day, when the loss was \$3,841,388. The report of the fire commissioner charges electricity with the responsibility of this big fire.

Mr. Harold Engelbach of Dublin, the genial general manager of the National Assurance Co., spent several days of last week in Montreal and favored the CHRONICLE with a pleasant call. He left Dublin the latter part of July, and has since made an extended tour of the United States, including the Pacific Coast. The business of the Company is in excellent condition. Mr. Engelbach makes friends wherever he goes, and well deserves his popularity. He will sail for home on the "Aurania" on the 20th inst.

Preparatory to making Melbourne headquarters for its business in Australia, the Equitable Life of New York has purchased a centrally located building lot, 132 by 80 feet, for which it paid \$1,750,000, according to the Melbourne *Tribune*. Two months ago we chronicled the Equitable's purchase of a lot in Sydney for \$480,000. By the time first-class buildings are erected in these two cities, the Australian investment of the company will be pretty large—probably upwards of \$4,000,000.

Our wide awake exchange, the *Insurance and Financial Gazette* of Ireland, issues a supplement with its September number warning the companies and the public of a wide-spread conspiracy at Blackburn, a city of Lancashire, to speculate on the deaths of infirm people by obtaining, through sharp practice, policies on their lives. It gives several cases where uninsurable persons are insured in different companies for sums ranging from \$3,000 to \$25,000 each by these speculators. It is evidently the American graveyard method transplanted.

Legal Intelligence.

LIFE ASSURANCE.—DIVIDENDS.

In the case of *Bain vs. The Aetna Life Insurance Co.*, Judge Falconbridge at Toronto has recently rendered his decision, which will be of interest as involving the question of a policyholder's right to demand from his company an accounting with reference to surplus and dividends. In 1868 Mr. Bain took out an endowment policy in the Aetna Life for \$5,000, payable through the Toronto agency at the end of 21 years. He paid premiums on the old half cash plan, giving his note annually for the other half. Premiums were paid and dividends applied to his credit until the maturity of the policy, when he was tendered the face of the policy with a final dividend of \$85.55, less the outstanding notes given for premiums. Bain refused to settle, claiming that he had not received his share of the surplus earnings of

the company, and sued for the appointment of a referee to take account and report to the court whether he had so received his share. It was charged by the plaintiff that in November, 1876, he complained to the company's agent at Toronto that he was not receiving his share of the profits, and that the president admitted, in correspondence, that for a year or two the profits had not all been divided, but that the undivided surplus had been invested and that he would receive his proportion at the settlement of the policy or before. The defendant company admitted \$2,598 as due the plaintiff, which they stood ready to pay, and claimed that in the final dividend and in those from year to year he had received his full share of the divisible profits. It was admitted that surplus profit had not all been divided some years since 1871, but it was urged that the company had the right to hold over a portion of the apparent surplus from year to year to ensure stability, and that at the maturity of his contract each policyholder would receive his share. It was urged that the actuary draws up a plan of dividend, and submits it to the directors for approval. The question for decision was whether the plaintiff was bound to submit to the discretion of the actuary and directors in this regard, or whether he was entitled to an account, fraud not being charged. The judge held that the plaintiff is bound to acquiesce in the discretion of the actuary and directors *bona fide* exercised, and to take his share of what is allotted or apportioned as divisible surplus, and that his case is not helped by the brief statements cited from the company's leaflets, nor by the president's letter of November, 1876. He also adverted to the inconvenience of such a company being subjected to similar suits by its 50,000 policyholders, and dismissed the action with costs.

FIRE INSURANCE.

CALIFORNIA SUPREME COURT. *Farnum et al. vs. Phoenix Ins. Co. of Brooklyn.* (Pacific Reporter.)

Credit.—An express provision in the policy, that the company shall not be liable thereon until the premium is actually paid, is waived by the unconditional delivery of the policy to the insured under an agreement that a credit shall be given for the premium. An agent who has power to countersign and deliver policies, and who is responsible to the company for the collection of all premiums on policies issued by him, binds the company by an agreement to give credit on the premium for a certain time, though he is expressly authorized to give such credit only for a shorter time.

Cancellation.—A company cannot cancel a policy for failure of insured to fulfill certain conditions without giving notice to the insured, and a notice sent by mail is ineffectual unless received.

Waiver.—A provision in the policy, that "the use of general terms or anything else less than a specific agreement, clearly expressed and endorsed on this policy, shall not be construed as a waiver" of any condition, did not have the effect to render the waiver invalid as not endorsed on the policy, since the agent had ostensible authority to waive the endorsement.

Arbitration.—A provision in the policy, that the damage "may be determined by mutual agreement, or, failing to agree, the same shall be submitted to arbitration," does not require arbitration unless the parties fail to agree; and the fact that the company, when proofs of loss to a certain amount were furnished, made no objections to the amount, but denied its liability on other grounds, and denied the existence of the policy, is sufficient proof that the company acquiesced in the amount of the loss and waived submission to arbitration.

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ANNUAL STATEMENT.

JANUARY 1, 1890.

ASSETS,	-	-	\$107,150,309.12
LIABILITIES,	-	-	\$4,329,234.92
SURPLUS, 4% -	-	-	22,821,074.20
" 4 1/2% -	-	-	29,063,684.00
NEW ASSURANCE,	-	-	175,264,100.00
OUTSTANDING ASSURANCE,	-	-	631,016,666.00
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Increase over Receipts of 1888.....	55,826
Cash Paid to Policy-Holders in 1889.....	191,932
Increase over 1888.....	70,425
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Increase over 1888.....	174,314
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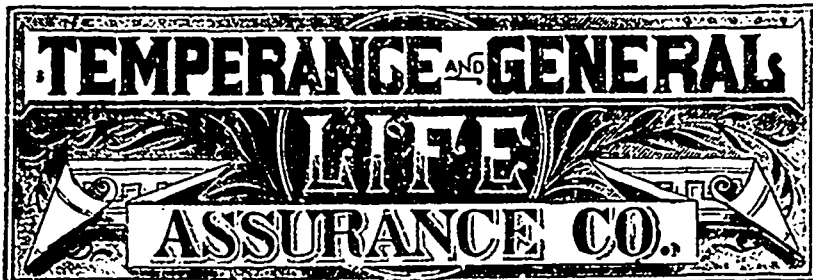
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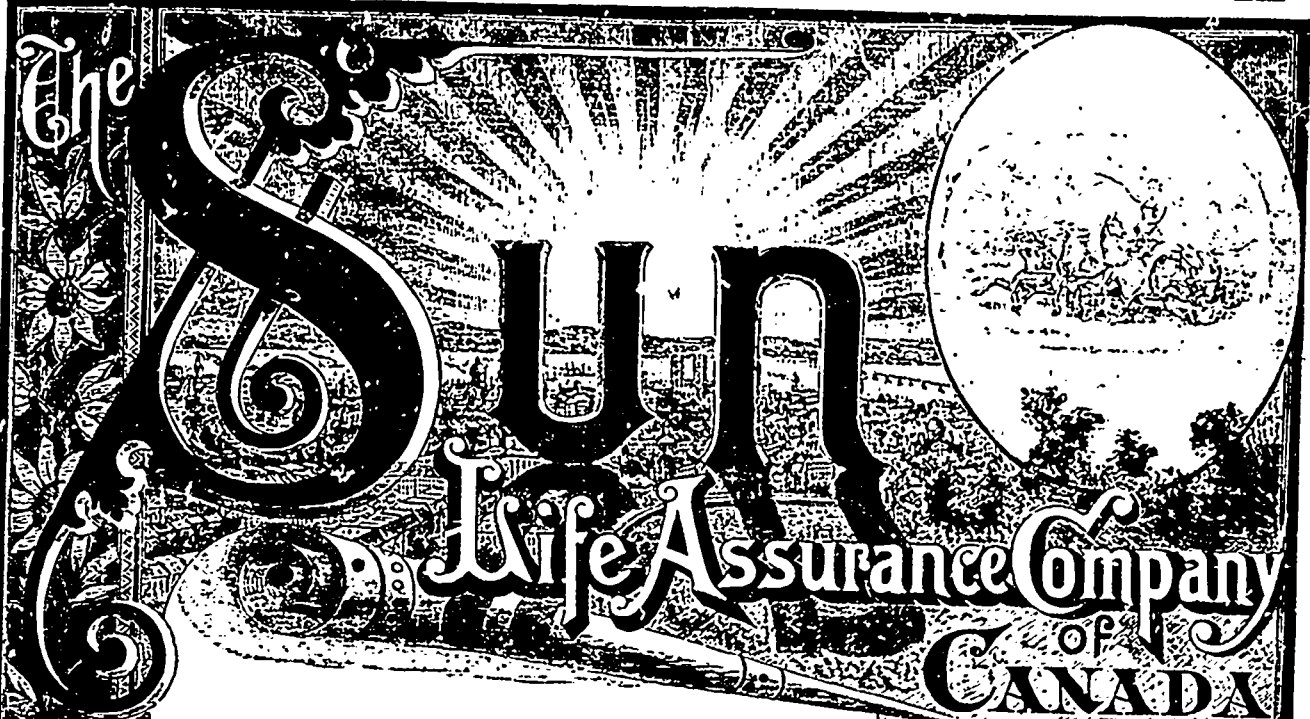
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From the Post Magazine and Insurance Monitor, London.

The second and enlarged edition of this standard work is welcome, and more than welcome. It not only furnishes British managers with a broad knowledge of United States and Canadian law and practice, but it also contains a mine of valuable data, out of which may perhaps be fashioned new forms and conditions of home business suitable to the spirit of the age.

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From The Budget, Toronto.

In truth, no underwriter's library is complete without it. * * * Mr. Griswold, the respected author, has once more placed the profession under obligations for the able and exhaustive work he now puts before them, and as one of the number we offer him our hearty thanks for it, and compliment him on the completion of this revised edition of the Fire Underwriters' Text-Book.

From The Chronicle, New York.

The preparation of this second and enlarged edition is due to a considerable demand which has recently sprung up for Mr.

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From the American Exchange and Review.

The Text-Book might be pronounced as chiefly an exposition of the fire insurance policy from the fire-loss adjuster's standpoint, and by this we mean the fire policy from the application of its terms to the full settlement of loss under it. Back of the policy are surveys, classifications of risk, fire probabilities, ratings, etc., collateral with the policy are liability, funding, corporate conditions, office usages, but these receive secondary rather than primary treatment. * * * We congratulate the author that he has been enabled to make this valuable addition to the other valuable services of his life.

From The Coast Review, San Francisco.

No fire underwriter will willingly do without this work. * * * The first edition was printed in 1872. The changes in methods of practice, and the more important judicial decisions in the intervening seventeen years appear in the revised work, thus bringing it down to the present day. Some 2,500 subjects are referred to. The index covers fifteen pages of thirty columns.

From the Insurance Age, New York.

Mr. Griswold has long been recognized as one of the most reliable writers upon technical subjects related to fire insurance. The present work has been revised and brought down to date. Cornelius Walford once referred to this work as follows: "Literally a hand-book for every underwriter in any part of the world where the English language is spoken. Its aim is cosmopolitan, its usefulness inexhaustible."

From The Standard, Boston.

The Text Book, originally published in 1872, has been out of print for some time, and as the new edition is limited to a few hundred copies, it will be well for those desiring this trustworthy guide to secure a copy early. The work comprises over 900 pages, is bound in sheep, and can be obtained at \$10 per copy.