

METROPOLITAN LIFE INSURANCE COMPANY

(Incorporated by the State of New York)

The Company OF the People, BY the People, FOR the People

AMOUNT OF CANADIAN SECURITIES DEPOSITED WITH THE DOMINION GOVERNMENT FOR THE PROTECTION OF POLICYHOLDERS IN CANADA OVER **\$3,000,000**

A REASONABLE INDICATION OF THE DESERVED POPULARITY

of its plans and of faith in its management may be fairly claimed in the number of Metropolitan policies in force. It exceeds by two millions the entire population of the Dominion of Canada. Nearly three hundred thousand Canadians of all classes are policyholders in the Metropolitan. It has on deposit with the Government of the Dominion of Canada, in Canadian securities, dollar for dollar of its Canadian liabilities. In 1905, it here in Canada wrote as much new insurance as any two other life insurance companies—Canadian, English or American.

Paid to Policyholders since Organization, plus the Amount now invested for their Security, **\$318,264,084.12**

Amount of Outstanding Insurance. **\$1,536,508,769.00**

In its Ordinary Department policies are issued for from \$1,000 to \$1,000,000 on individual lives, premiums payable annually, semi-annually and quarterly. In its Industrial Department policies are issued on all the insurable members of the family for weekly premiums.

Full particulars regarding the plans of the Metropolitan may be obtained of its Agents in all the principal cities of the United States and Canada, or of the

HOME OFFICE

1 Madison Ave., NEW YORK CITY

SIGNIFICANT FACTS

This Company's Policy-claims paid in 1905 averaged in number one for each minute and a quarter of each business day of 8 hours each, and, in amount, \$108.83 a minute the year through.

The Daily Average of the Company's Business during 1905:

395 per day in number of claims Paid.

6,972 per day in number of Policies Issued.

\$1,502,484.00 per day in New Insurance written.

\$123,788.29 per day in payments to Policyholders and addition to Reserve.

\$77,275.94 per day in Increase of Assets.

The Bulletin

TORONTO, CANADA

THE FEDERAL LIFE ASSURANCE COMPANY

HEAD OFFICE
HAMILTON, CANADA

Capital and Assets	- - - - -	\$3,293,913 93
Paid to Policyholders in 1905	- - - - -	236,425 35
Assurance written in 1905	- - - - -	3,329,537 08

DAVID DEXTER
PRESIDENT AND MANAGING DIRECTOR

MOST DESIRABLE
POLICY CONTRACTS

EVERY PRECAUTION

has undoubtedly been taken by you in the maintenance and safety of your Steam Plant. The fact of your taking precautionary measure is the Knowledge of Danger and your responsibility. Has it occurred to you, the great advantage you gain by insuring your Steam Plant in

The Canadian Casualty & Boiler Insurance Co.

If not, write this Company, who—if you insure your Boilers—will regularly inspect same internally and externally. Tell you how to save fuel, economize in the use of your steam and power. Give you Consulting Engineer's advice free. Insure your engines and firemen free. : : : : : : : : : :

Write on your Business Stationery for Booklet to Steam Users

A. B. C. DINWICK, Managing Director, 22 Adelaide St. E., Toronto
TELEPHONE MAIN 4001

HARTFORD FIRE INSURANCE CO.

HARTFORD, CONN.

Incorporated 1810 Commenced Business in Canada 1836

Assets 1st Jan., 1906 - - \$18,061,926.87
Net Surplus - - - - - 5,150,696.48
Policyholders' Surplus - - 6,400,696.48

OFFICERS:

GEO. L. CHASE, President
CHAS. E. CHASE, Vice-Pres. P. C. ROYCE, Secy.
R. M. BISSELL, Vice-Pres. THOS. TURNBULL, Asst. Sec.
Agent at Toronto, JOHN MAUGHAN, 28 Wellington St. East

AGENCIES THROUGHOUT CANADA

Railway Passengers Assurance Company

Established 1849

of London, England

Capital, \$5,000,000
Claims Paid,
\$25,900,000

Oldest Accident Assurance Company in the World
ACCIDENTS OF ALL KINDS AND DISEASES
Insurance Against

Fidelity Guarantee
Employer's Liability
Workmen's Insurance

HEAD OFFICE FOR CANADA:
8 King Street West, Toronto
Agents wanted in unrepresented districts
Apply to FRANK H. RUSSELL, General Manager

"The Canada Life's new business paid for during 1905 was greater than in any similar period of the Company's fifty-nine year history."



Join the Field Force of THE CROWN LIFE INSURANCE COMPANY

HEAD OFFICE, - TORONTO, CANADA

Lower Premium Rates than those charged by most other Companies.
Policies Indisputable from Date of Issue.
Loan Values Guaranteed after Two Years.
Cash Surrender and Paid-up Values Guaranteed after Three Years.
No Restriction as to Residence, Travel or Occupation.
Policies Reinstatable at any time after lapse.

Liberal Contracts and Good Territory available to Reliable Representatives

COL. THE HON. D. TISDALE, P.C., K.C., M.P., President; CHARLES HUGHES, A.A.S., Managing Director and Actuary; A. H. SELWYN MARKS, Secretary and Treasurer; WM. WALLACE, Supt. of Agencies.

THE Ontario Accident AND Cloyds Plate Glass INSURANCE COMPANIES

Head Offices for Canada, 61-65 ADELAIDE ST. EAST, TORONTO

EASTMURE & LIGHTBOURN
GENERAL AGENTS

100% — 100%


The stability of a Company may be gauged by the class of securities in which its funds are invested. Those of

The Mutual Life OF CANADA

are all gilt-edged, as may be seen from the following list:

LEDGER ASSETS		PERCENTAGE
MORTGAGES	\$4,265,533.86	48.22
DEBENTURES AND FIRST MORTGAGE BONDS	2,245,401.89	26.68
LOANS ON POLICIES	1,017,480.99	11.50
CASH ON HAND AND IN BANKS	261,960.60	2.99
REAL ESTATE	56,281.08	.64
TOTAL LEDGER ASSETS	\$8,846,658.42	100%

(ASSESSMENT SYSTEM)



TEMPLE BUILDING, TORONTO
Head Office and Property
of I. O. F.

Independent

Order of

Foresters

The Best Fraternal Benefit
Society in Existence



ORONHYATEKHA, M.D.
Supreme Chief Ranger
I. O. F.

BENEFITS GIVEN BY THE I. O. F.

Your special attention is called to this first-class Fraternal Benefit Society and you are invited to become a member thereof, thereby securing the substantial benefits set forth under Sections "A" and "B" following, in addition to the social and fraternal privileges of its Court or Lodge rooms which are to be found throughout the Dominion of Canada, the northern and healthy sections of the United States, Great Britain and Ireland, and Norway.

(A) For Yourself, During Your Lifetime.

1. **Free Medical Attendance** of the Court Physician within whose jurisdiction you may be taken ill, except where the Court has by by-law dispensed with free medical attendance. Some Courts, in addition, furnish medicine free, and in certain cases trained nurses.

2. **A Sick Benefit** of \$3.00 per week for the first two weeks, and \$5.00 a week for the next TEN weeks, and as provided in the Constitution and Laws of the Order, \$3.00 a week for an additional TWELVE weeks. The Sick and Funeral Benefits are optional. It costs \$2.00 extra to become enrolled for these benefits; the monthly premiums run from 40 cents to \$1.00 per month, according to age at enrolment.

3. **A Total and Permanent Disability Benefit** of \$250, \$500, \$1,000, \$1,500, \$2,000 or \$2,500 (or ONE-HALF the face value of your Mortuary Benefit Certificate or Policy) with exemption from further payments of assessments or premiums and Court dues, upon becoming totally and permanently disabled by disease or accident, which may occur at any time.

4. **An Old Age Benefit** consisting of exemption from payment of assessments or premiums and Court dues after reaching the age of SEVENTY years.

5. **An Old Age Disability Benefit** which is available only after reaching the age of SEVENTY, and consists of \$50, \$100, \$200, \$400 or \$500 (or ONE-TENTH of the face value of your Mortuary Benefit Certificate or Policy), payable yearly for TEN years from the date at which you are adjudged to be totally and permanently disabled by the infirmities of age. If death should occur before the TEN annual payments have been made, the unpaid instalments would be paid in one sum to your beneficiaries.

6. **An Old Age Pension Benefit** payable annually during the period of your disability, which you can elect to take instead of the Old Age Disability Benefit upon being adjudged totally and permanently disabled by the infirmities of age. The amount of the Old Age Pension Benefit depends on the amount of the certificate or policy held, and the age at which the Benefit is taken. On a \$5,000 certificate or policy at age of 70, the amount of pension would be \$46; at age 75, it would be \$72, etc.

(B) For Your Beneficiaries, at Your Death.

7. **A Burial Benefit** of \$100 (if you have elected to take the Old Age Pension Benefit) to insure decent burial.

8. **A Funeral Benefit** of \$50 (if at the time of your death you are enrolled in the Sick and Funeral Benefit Department) to assist in defraying funeral expenses.

9. **A Mortuary Benefit** of \$500, \$1,000, \$2,000, \$3,000, \$4,000 or \$5,000, or so much thereof as has not been previously paid to yourself.

PROGRESS OF THE ORDER

The following table will give a comprehensive view of the progress made by the Order since re-organization in 1881:

Status at December 31st, each Year.

Year.	Total Membership.	Total Benefits Paid each year.	Total Surplus.	Surplus per Capita.	Death Rate per 1,000.
1881	1,019	\$1,300 00	\$4,568 55	\$4 48	\$1 50
1882	1,131	12,058 86	2,957 83	2 61	11 00
1883	2,210	9,493 08	10,837 55	4 91	4 73
1884	2,538	13,914 31	23,081 85	9 02	4 23
1885	3,642	26,576 99	26,802 42	8 18	7 76
1886	5,804	28,499 82	53,981 28	9 30	4 85
1887	7,811	59,014 67	81,384 41	10 41	5 78
1888	11,860	89,018 16	117,821 96	9 98	6 43
1889	17,349	116,787 82	188,130 36	10 84	5 85
1890	24,604	181,846 79	283,967 20	11 54	5 18
1891	32,303	261,436 21	408,738 30	12 65	6 40
1892	43,024	344,748 82	586,507 85	13 49	6 25
1893	54,484	392,185 93	858,857 89	15 76	5 47
1894	70,055	511,162 30	1,187,225 11	16 94	5 67
1895	86,521	685,060 18	1,500,373 46	18 03	5 47
1896	102,538	829,941 91	2,015,484 38	19 69	5 50
1897	124,685	992,225 60	2,558,832 78	20 62	5 96
1898	148,265	1,176,015 18	3,186,370 36	21 49	5 67
1899	163,610	1,430,330 53	3,778,543 58	23 69	6 30
1900	190,717	1,945,145 64	4,483,364 44	24 81	6 53
1901	192,086	1,730,920 67	5,261,831 52	27 39	6 66
1902	205,369	1,748,351 05	6,219,017 17	30 23	6 60
1903	219,492	1,850,272 63	7,453,308 14	33 50	6 46
1904	225,676	2,144,988 77	8,534,177 03	37 78	7 22

RATES OF PREMIUMS PER \$1,000 IN THE ORDINARY OR PREFERRED CLASS.

Age	Per Mo.	Per Year	Age	Per Mo.	Per Year	Age	Per Mo.	Per Year	Age	Per Mo.	Per Year
16	\$ 72	\$ 8 64	26	\$ 98	11 76	36	\$ 141	\$17 28	46	\$2 18	\$26 16
17	74	8 88	27	1 02	12 24	37	1 50	18 00	47	2 32	27 84
18	76	9 12	28	1 06	12 72	38	1 56	18 72	48	2 50	30 00
19	78	9 36	29	1 10	13 20	39	1 62	19 44	49	2 70	32 40
20	80	9 60	30	1 14	13 68	40	1 68	20 16	50	2 90	34 80
21	82	9 84	31	1 18	14 16	41	1 76	21 12	51	3 10	37 20
22	84	10 08	32	1 22	14 64	42	1 84	22 08	52	3 30	39 60
23	86	10 32	33	1 26	15 12	43	1 92	23 04	53	3 60	44 30
24	90	10 80	34	1 32	15 84	44	2 00	24 00	54	3 90	46 80
25	94	11 28	35	1 38	16 56	45	2 08	24 96			

THERE ARE NO ASSESSMENTS ON DEATH.

The Supreme Court makes annual returns to the Board of Trade of Great Britain and Ireland, and to the Insurance Department of Canada, and to the Insurance Departments of various States in the United States of America. The Order is subject to and has frequently received inspector at the hands of the officers of the various Insurance Departments. Small joining fees in addition to premiums and Court dues.

ORGANIZERS WANTED

For further information, literature, etc., apply to

HON. DR. ORONHYATEKHA, S.C.R., Toronto, Canada.

JOHN A. MCGILLIVRAY, K.C., Supreme Secretary, Toronto, Canada.

PELICAN AND BRITISH EMPIRE LIFE OFFICE

FOUNDED 1797

The Oldest Proprietary Office in the World Transacting
Life Insurance Business Only

FINANCIAL STRENGTH UNSURPASSED TOTAL ASSETS OVER \$26,000,000
LARGE BONUSES AND LOW RATES OF PREMIUM

A. McDUGALD, Manager for Canada, MONTREAL

THE CONTINENTAL LIFE INSURANCE COMPANY

SUBSCRIBED CAPITAL - - \$1,000,000

Head Office, Toronto

HON. JOHN DRYDEN,
President

CHARLES H. FULLER,
Secretary and Actuary

Several vacancies for good live General Agents and Provincial
Managers.

Liberal Contracts to first-class men. Apply

GEO. B. WOODS, *Managing Director*

1905

— ANOTHER SUCCESSFUL YEAR FOR —

THE NORTHERN LIFE

		GAINS
Insurance written.....	\$1,383,385.00	7%
Insurance in force.....	4,710,554.00	14%
Premium income.....	151,440.51	16%
Interest income.....	23,278.21	9%
Total assets.....	588,344.73	21%
Total Government reserve as security for Policyholders	394,269.91	27%

To Agents who can produce business good contracts will be given.

JOHN MILNE
Managing Director

London, Ontario

"The Leading Fire Insurance Company of America"

AETNA INSURANCE CO.

HARTFORD, CONN.

WM. B. CLARK, *President*

W. H. KING, *Secretary*

Assistant Secretaries—A. C. ADAMS, HENRY E. REES, A. N. WILLIAMS.

The Accident and Guarantee Co. of Canada MONTREAL

Head Office, - TEMPLE BUILDING

CAPITAL	{ AUTHORIZED	\$1,000,000 00
	{ SUBSCRIBED	250,000 00
	{ PAID UP IN CASH	45,000 00
	{ GOVERNMENT DEPOSIT	30,880 00

AGENTS WANTED

in every unrepresented district in Canada.

F. J. J. STARK,

Manager

The Dominion of Canada Guarantee and Accident Insurance Company

Authorized Capital, - - \$1,000,000
Dominion Government Deposit, \$93,269.68

Guarantee Insurance
Accident Insurance and Sickness Insurance

Head Office: TORONTO, ONT.

Albert E. Gooderham, *President.* J. E. Roberts, *Gen. Manager*

The London Mutual Fire Insurance Company of Canada

ESTABLISHED 1859

Losses paid to date - - - - \$4,335,408.00
Assets - - - - - 828,528.00

INSURANCE EFFECTED ON BOTH CASH AND MUTUAL SYSTEMS.

Hon. John Dryden, *President.*

Lauchlin Leitch, *Superintendent.*

J. Killer, *Inspector.*

D. WEISMILLER, *Secretary and Managing Director*

The Bulletin

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The Bulletin

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W. CAMPBELL, President - GEORGE GILBERT, Secretary

THE BULLETIN was established in 1893 to succeed and fill the place of *The Budget*, which journal was edited and managed continuously from its inception in 1881, by THE BULLETIN'S present Editor, W. CAMPBELL.

THE BULLETIN is the only journal published in the Dominion that is devoted solely to insurance.

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Single Copies, 15 Cents

ADVERTISING RATES ON APPLICATION

THE SAN FRANCISCO CATASTROPHE

The earthquake of April 18, that laid the most of San Francisco in ruins, is justly regarded as one of the most appalling disasters that have taken place on this continent, and it has excited the attention and sympathy of the whole world.

Fortunately the shock occurred in the morning, thus giving the majority of the people an opportunity to seek possible escape from falling buildings and to help others to avoid the impending dangers.

It is remarkable, in the circumstances, how few the deaths were. Had the shock taken place during the night time, or had it taken place later in the day, when the schools were assembled, factories running and business in full operation, the loss of life would have been frightfully increased. The number of lives lost is variously stated as from three hundred to one thousand or more. Even the lowest estimate is an immense sacrifice. But earthquakes rarely are marked by so small loss of lives. Records show these disturbances have in many instances caused the entire destruction of populous cities and towns,

and also the loss of lives of many thousands of the inhabitants.

At present everything relating to the disaster at San Francisco is in a condition altogether too chaotic and uncertain to procure accurate or even approximate data of the number of lives lost, or the value of the property destroyed; rough estimates place it at anywhere from \$200,000,000 to \$500,000,000. The fire loss itself must, however, be enormous, and doubtless, with the most moderate estimates, the losses to the insurance companies will aggregate about \$120,000,000.

In the confusion and excitement prevailing on such occasions, claims are likely to be rushed and paid, as it were, offhand, without much consideration or hesitation on the part of the companies, the strong desire being to relieve distress. It is even stated that the companies have decided to pay all claims in full without question or reference to the terms and conditions of the policies. Of course, that is sentiment, and as such it is worthy of admiration—indeed it is likely to be strenuously commended and forcibly urged on the companies by the local agents, but the fact should not be lost sight of that insurance companies are not built, nor should they be conducted, on sentiment or philanthropy, and that while in any case it is but right and just to deal leniently with claimants by giving them the benefit of all reasonable doubts in the adjustment or settlement of claims, especially in the present circumstances, still some discrimination should be made between claims, the more or less proper or just ones; certain it is that all should not be treated alike, without any distinction or discrimination whatever. That would not be justice nor ordinary fair play. Why, for instance, recognize as just or fair claims for loss by fire on buildings that collapsed and took fire *after*, and because of the collapse? In that condition they were not buildings, but *ruins*, and they were not insured as ruins, therefore no claims exist under the policies for loss by fire. We hold to the doctrine of fair adjustment, which as far as possible should be reasonably liberal, thereby carrying out

the principles underlying insurance. This done, it would be in order that instead of paying questionable loss claims, the companies should contribute to a fund or funds instituted to relieve the general distress, as has been done on similar occasions, for instance, the Chicago conflagration of 1871, and other instances since. By such measures the rights and principles of insurance would be asserted and the claims of philanthropy would be duly and suitably acknowledged, the functions of each would be kept separate and distinct and the vicious usage of a mixup of insurance with philanthropy would be avoided, and simple justice would be meted out to all interests.

It should not be overlooked that insurance companies have policyholders in other localities that must be cared for; that, to use a familiar expression, companies should not have too many, certainly not ALL their eggs in one basket; also that other conflagrations are pretty sure to come along to add their contributions to the ash heaps, and should therefore be carefully provided for.

“THE MAN WITH THE MUCK RAKE”

In his recent address on the above subject, President Theodore Roosevelt of the United States made some very striking and apposite remarks. Among other things he said:

Expose the crime and hunt down the criminal; but remember that, even in the case of crime if it is attacked in sensational, lurid and untruthful fashion, the attack may do more damage to the public mind than the crime itself. It is because I feel there should be no rest in the endless war against the forces of evil that I ask that the war be conducted with sanity as well as with resolution. The men with the muck rakes are often indispensable to the well-being of society; but only if they know when to stop raking the muck, and to look upward to the celestial crown above them, to the crown of worthy endeavor. There are beautiful things above and round about them; and, if they gradually grow to feel that the whole world is nothing but muck, their power of usefulness is gone. If the whole picture is painted black, there remains no hue whereby to single out the rascals for distinction from their fellows. Such painting finally induces a sort of moral color blindness; and people affected by it come to the conclusion that no man is really black and no man is really white, but they are all gray. In other words, they neither believe in the truth of the attack nor in the honesty of the man who is attacked; they grow as suspicious of the accusations as of the offences; it becomes well nigh hopeless to stir them either to wrath against wrongdoing or to enthusiasm for what is right; and such a mental attitude in the public gives hope to every knave and is the despair of honest men.

These words are peculiarly applicable to life insurance conditions at the present time. We have had a surfeit of “the man with the muck rake,” and the result is that timid policyholders have been frightened into lapsing policies which are safe and secure, and absolutely certain to be paid in full at maturity.

ACCOUNTANTS' REMEDY FOR INSURANCE EVILS

The American Association of Public Accountants has announced that it will advocate the passage of the following laws which, it believes, will correct all insurance evils:

“1.—An act to amend the insurance law dealing with reports of corporations so as to provide that annual reports shall be submitted on the first day of January or within four, instead of two, months thereafter, and that the statement shall be certified by a public accountant appointed by the policyholders to audit the accounts of the corporation for the period covered by the report, showing the financial condition; also providing for a true statement of the corporation's income and expenditure for twelve months ended December 31.

“2.—An act providing that at the annual meeting of policyholders there shall be elected a public accountant to audit the accounts of the company for the year ending December 31 next, the accountant to report whether in his opinion the statement of assets and liabilities was properly drawn up so as to show the actual financial condition of the company, a complete copy of the accountant's report to be forwarded every policyholder.

“3.—Amendments to the proposed insurance bill, senate number 528, to require that the superintendent of insurance be a public accountant; that at least one of his deputies be an accountant, and also one of the examiners; to provide also that the state superintendent of insurance may, at his discretion, accept in lieu of examinations the prescribed reports of public accountants duly appointed by policyholders.

PRESIDENT SEWARD ON STANDARD ACCIDENT POLICIES

In his company paper, President Seward, of the Fidelity and Casualty, discusses the question of standard accident policies, as follows:

“We are not committed to a standard accident policy form. We are committed to nothing that may stand in the way of progressive development. We cannot suppose that the highest possible wisdom has yet been put into any insurance line. The accident policy has grown greatly of late years. One cannot believe that it will not be subject to further growth.

“But whether a right policy can or cannot be devised, we do not suppose that managers will agree to use a so-called standard form and stand by their agreements. There is nothing under the sun that limits or is intended to limit competition that people will stand for over any considerable period. One might get all the accident companies into a trust corporation and so control their activities. Any effort to control on any less thorough-going basis is predoomed to failure.

“We are aware that this language will be resented by many persons. The younger the manager, or the more enthusiastic, the more he is likely to resent it. It has been our observation that the

men who move for combinations most promptly are the ones who live up to agreements the least.

"And, after all, what is the use of one's putting himself in shackles? No business is done in the long run at a loss by a careful manager, compacts or no compacts. There is much money lost by careless men under compacts. Compacts do not stand in place of business sense.

"We are of opinion, then, that it is not in the interest of the public to try to provide a standard policy; that the effort would not succeed anyway. These views will be advocated by us at the right moment whenever the subject comes up.

"The evils of the insurance business to-day do not result from the imperfections of policy forms, or their undue liberality, or from anything else so much as from heavy expense accounts. The companies will have to reduce expense accounts, or the expense accounts will make stock insurance impossible. There is no reason why on ordinary lines 50 per cent. or more of the premiums should be used up for expenses. Why in the world consumers submit to such a situation passes our comprehension. They will not do so forever."

COMPULSORY INSURANCE

In one form or another compulsory insurance has long been in existence in parts of Europe, particularly in Germany, where this kind of accident and sickness insurance is said to owe its inception to the initiative of Emperor William I.

The subject of compulsory insurance, or state insurance for workmen, has recently attracted attention on this side of the Atlantic. Some social science economists and some insurance journals have been discussing the question with apparent approbation of the merits of State insurance, which they look upon as a possible, or even probable, institution in America at no very distant date. The *Statement*, the company paper of the Mutual Life of New York, has an article on the subject in a recent issue. Reference is made therein to an exceptionally interesting report on State insurance in Germany which appeared in the *London Times* a short time ago. State insurance in Germany has attained proportions hardly realized on this side of the water, no less a sum than \$85,000,000 being paid out in benefits annually. We quote from the article in the *Statement*:

For twenty years Germany has tried general compulsory insurance for workmen against illness. Different branches of industry—mines, manufactures, building trades and hand trades—have their own insurance funds, and there are also the old registered societies. Then, to cover the remaining industrial population, there are general public funds established for the separate localities, grouped in districts, and if these are inadequate the local corporation itself becomes the insurance office.

The rate of contributions depends on the rate of earnings. It varies from two to three per cent. of the average earnings of each class of workmen, but in the case of the corporation it is from one and one-half to two per cent. of the wage of the

ordinary day laborer. Two-thirds of the amount is payable by the employer. The benefit is payable for not more than thirteen weeks; it includes medical treatment, drugs, etc., free, and sick pay beginning from the third day of incapacity, or free treatment in hospital with half pay for the sick person's family.

The enormous total of help rendered is shown by the fact that in 1901 aid was extended to 9,641,742 persons for 66,000,000 total days of illness. The average duration of sick benefits was thus a week. As many cases of illness must have lasted a good deal longer, it would seem that even slight and brief illnesses are compensated for.

Except in large cities, parts of which are overcrowded, North America is peopled too sparsely to need compulsory insurance to enable the masses to make some provision for the future or against sickness or accident. Canada is certainly not yet in an economic condition which would call for such compulsory measures.

In old countries, long settled, where the population is dense, wages low and unremunerative, and where class distinctions are strongly drawn, the lower classes are kept in a state of degradation and want and misery, and the government has to provide some means of relief for the needy, the incapable and the improvident, and in doing so, becomes more or less paternal. In such cases, compulsory insurance is a ready and powerful auxiliary.

Canada, however, with its scant population and its unoccupied millions of acres of virgin soil of unexcelled productiveness, and its abundant stores of undeveloped natural resources of all kinds, has no need for compulsory insurance or paternal government.

THE MUTUAL LIFE OF NEW YORK

On another page of this issue is published the report of the Truesdale Committee of the Mutual Life of New York to the Board of Trustees of the company. The Truesdale Committee was appointed in December last to examine the accounts and assets of the company. The services of Messrs. Haskins & Sells, certified public accountants, and Messrs. Deloitte, Plender, Griffiths & Co., chartered accountants, were retained by the committee in counting the securities. After an exhaustive personal examination into the values at which the various securities are entered in the books of the company, they report the valuations safe and conservative. In many instances the valuations are less than the market value, and in none are they in excess of such value. All deposits in banks and trust companies have been verified, and the cash on hand counted and found to agree with the statement thereof. All bonds and mortgages on real property, all loans upon collateral security and upon the company's policies have been carefully examined and the security has been found

ample in each case, with adequate, in fact, abundant margin on the loans. The valuation of the company's real estate in New York, Brooklyn, Boston and Philadelphia has been placed by the committee's appraisers at \$1,648,999.33 in excess of the company's net book value.

It has been generally known for some time that the investments of the Mutual Life of New York are of an exceptionally high class, and the Truesdale Committee in its report is able to certify to the fact. The committee is most favorably impressed with the methods of the Treasurer's Department in caring for the securities of the company.

The great financial strength of the Mutual Life of New York is made plain in this report, which will inspire fresh confidence in "the grand old Mutual," as it is called among the insurance fraternity.

THE RAILWAY PASSENGERS

Among the strong and time-tried British insurance companies transacting business in this country, the Railway Passengers Assurance Co. occupies a prominent position. It enjoys the distinction of being the pioneer accident company of the world, and its annual statement for 1905 makes plain that it continues to hold its place in the front rank.

In 1905 the company's gross premium income was £323,815 13s. 7d., as against £307,771 0s. 3d. in 1904. For compensation the amount paid was £172,608, and the expenses of management, including commissions to agents, were £87,093. The sum of £3,000 was placed to investment reserve fund and £4,000 to premises renewal fund, and the usual interim dividend of £15,000 was also provided for. The net result of the year's operations was to increase the existing balance of £152,887 to £195,866, a gain of £42,979, to which amount the interest earnings contributed about £16,602. The underwriting surplus shown is £26,377 plus £22,000 divided or placed to reserves, making £48,377 in all. Allowing for the increased unexpired risk of £6,455, the net underwriting surplus would be about £42,000.

The company's exceptionally strong financial position is shown by the reserves held—£276,866—which are equal to about ten months' full premiums, and the policyholders are further protected by the £200,000 of paid-up capital and £800,000 uncalled.

In Canada the company has been actively doing business since April, 1903, under the management of Mr. Frank H. Russell, of this city. Under Mr. Russell's management the business has shown a healthy and satisfactory growth, the business for 1905 being double that for 1904. The company is now writing liability business, and will without doubt get its full share of that class of business also.

THE ROYAL VICTORIA LIFE

Gratifying increases are shown in the annual report of the Royal-Victoria Life Insurance Co. for 1905, which will be found printed on another page of this issue. The applications for new business amounted to \$1,254,325, being an increase of 35 per cent. over the previous year. Of this amount, \$1,121,775 was accepted and policies issued therefor, showing an increase of 37 per cent. over the previous year. The cash income from premiums and interest was \$160,308.65, being over \$10,000 greater than that of 1904.

Another very gratifying feature of the report is that it shows a reduction in the ratio of expenses to income of 5 per cent. for the year, notwithstanding the fact that the new business was 37 per cent. greater than in the previous year.

The investments of the company have evidently been made with sound judgment. Not only has the interest on each particular investment been promptly paid on the due date, but the class of the securities and their market value make the investments desirable. Mr. David Burke, A.I.A., F.S.S., the general manager, has the active co-operation of a remarkably strong board of directors in his work of building up the company on progressive lines. It takes a lot of money and brains to successfully establish a life company in Canada in these days, but the results to be attained are worth the expenditure of both.

In the right hands, the expenditure necessary to establish a company becomes a safe investment, and one which will yield satisfactory returns.

"SOME FALLACIES THAT STILL VEX FRIENDLY SOCIETIES"

In his address on the above subject before the Canadian Fraternal Association last April, Dr. J. Howard Hunter, M.A., K.C., Inspector of Insurance and Registrar of Friendly Societies of Ontario, did not mince matters in pointing out the fallacies of our fraternal societies. From this candid and thoughtful address, the full text of which appears in the appendix to the Detailed Report of the Inspector for the past year, we make the following extracts:

"Every society launched with insufficient premiums, in its turn, learns—unfortunately not from the experience of other societies, but from its own—that in spite of all the new blood that can be thrown into the membership the burden of death claims continues to grow, until to every intelligent member the issue has plainly become, speedy reform or speedy dissolution. This issue sets the more active minds to search out the fallacy on which the society has heretofore been financed.

"Some of the fallacies that in early years vexed our societies have become so palpable as to be no

longer dangerous. Present members are amazed that, under those now exploded schemes, entrants of all ages obtained the same amount of insurance for the same premium. One would have thought it was plain that two members, one entering at 25 and the other at 45 years of age, were paying iniquitously different prices for the same goods. The same fallacy in another form was seen in raising at the death of a member his insurance money by *uniform* assessments on the surviving members. This assessment was obviously a uniform though deferred premium.

"These and similar fallacies are not now so troublesome and dangerous as they were a few years ago. A more persistent, because more plausible, class of fallacies now vex friendly societies. In resisting the actuary, the reactionaries break into the actuary's own workshop. They find hanging there certain delicate instruments; they walk off with them, and bend and warp them to most strange uses. One of these tools is 'Average.' The fact that an arithmetical average can be found of three abstract numbers does not imply that, if these three numbers are attached to three concrete objects, the average of the three abstract numbers will represent an average of the three concrete objects, or have any relation whatever to them. The average of the numbers 3, 4 and 8 is 5; but the average of three pounds of fish, four pounds of fowl, and eight pounds of mutton, is certainly not five pounds of fish, fowl or mutton. Before any average can properly be taken of concrete things, the things must be not only of the same kind, but of the same quality. Otherwise the average may lead to fatal mistakes.

"Not a few of the deceased friendly societies have died of average, and some are still at sea on the question.

"Lives of different ages cannot be thrown together and averaged so as to infer from the average age either any rate of mortality or any rate of premium. The utmost that the standard tables of insurance do in either of these matters is to average lives of the same age. And even as to these lives, they are not taken indiscriminately, say, from the general population. They are lives that are insured after careful medical examination. In other words they are *selected* lives, as well as all of the same age. Now-a-days, for still greater precaution, in what are technically called 'Select Tables' not only are the lives of the same age, and selected lives, but the same number of years must have passed since the selection.

"This question of average has most seriously confused and misled friendly societies. A member of a society that has in it many young lives says: 'The average age of all our members is only 35'; and he then infers that the death rate of the society is as if all the members were 35 years of age. Gentlemen, this is completely delusive.

"Mr. George T. Dexter, Superintendent of the Mutual Life of New York, illustrates this point by taking the case of a society of 100,000 members; 50,000 aged 20, and 50,000 aged 50. The average age over the whole 100,000 would be 35. Now, using the American Experience Table, the deaths in one year on 100,000 members, aged each 35, would be only 895. According to the same table the deaths in 50,000 members each aged 20, would be 390; and the deaths in 50,000 aged 50, would be 689. That would

make 1,079 against the estimated number 895, making a difference of 184 deaths.

"Now, let us take the matter a step further than Mr. Dexter, and suppose that each of the 184 was insured for \$1,500. The calculation, based on the average would, on one year's death claims, be erroneous to the extent of \$276,000. Of course the error would be still more serious if the disparity in age were greater. Suppose the average age were 40; and 50,000 of the 100,000 were of age 20, and the other 50,000 of age 60. Here the error would in one year amount to 746 lives, and the error in one year's death claims would amount to \$1,119,000.

"The death rate then in any society depends, not upon the average age of the members, but upon the several ages of the individual members.

"Another most persistent fallacy is that of founding premium rates on the rough sort of average known as the 'Expectancy' or 'Expectation of Life.' On this matter I last year reprinted in the Appendix of my Detailed Insurance Report, warning given many years ago by the highest authorities in England on friendly societies. Just sixty years ago, in his *Vital Statistics*, the elder Neison warned friendly societies against the misuse of the 'Expectation of Life.' By one writer after another the warning has been reiterated, but this fallacy in some persons resists all exorcism. It will not be cast out. A man violently possessed of it shows the ancient symptoms. The poor sufferer cries aloud; works terribly with his mouth; talks figuratively, and most incoherently.

"Now, this persistent fallacy involves a total misapplication of the Expectation Table. It is almost like looking for the value of bonds or debentures in a navigator's traverse table. The use of compound interest is inseparable from the calculation of the value and amount of future premiums. But the increase of mortality proceeds at such an irregular rate of acceleration that the calculation must be made from year to year; instead of upon the basis of the average time involved. If the premiums were calculated upon the 'Expectation of Life,' the shortage in the expected premiums would prove very serious. To illustrate this, a table was published some years ago, based on the American Experience Table, interest taken at 4½ per cent. I have added to the table another column, 'F,' to show in each case the amount of the shortage:

AMERICAN EXPERIENCE AT 4½ PER CENT.

A	B	C	D	E	F
Age.	Expectation in Even Years	Net Annual Premium for All-life Insurance of \$1,000.	Amount of \$1 per Annum during Expectation. Interest 4½ per cent. per annum.	C X D Amount Expected to be received by Society in Premium and Interest.	Deficiency in Amount Actually Received.
10	49	9.973	177.5030	1770.24	770.24
15	46	10.843	152.6726	1355.43	655.43
20	42	11.966	124.2764	1487.08	487.08
25	39	13.423	106.0303	1423.24	423.24
30	35	15.336	85.1640	1306.07	306.07
35	32	17.877	71.7562	1282.79	282.79
40	28	21.301	56.4230	1201.87	201.87
45	25	25.986	46.5706	1210.18	210.18

"Taking from this table the case of a member entering at 20 years of age, it is clear that the error

against the society would be \$487. The younger the age, the greater, of course, the error. The errors shown in the table are errors for a policy of \$1,000. In the case of a policy of \$2,000, or of \$3,000, the error would, of course, be twice or thrice as much. The result is, that where you calculate premiums on the Expectation as a financial basis you simply are altogether misled as to the moneys that will enure to the society. Even as an estimate, it is wildly wrong. That was a very favorite mode of computation in our societies a few years ago, and even lately I have seen calculations on that basis. Of course, where that system of financing was pursued in a large society, the aggregate shortage from all the contracts in the society would be enormous. The society would not know what was the matter with it, but it would die.

"On this fallacious basis some recent schemes have been propounded, and it is not easy for executive officers, or for anyone else, to make it clear to the ordinary member just where the fallacy lurks in these plausible schemes. I believe the propounders themselves are quite honest and sincere in their views, but they are not sufficiently impressed with the magnitude of the task, or with the responsibility that they are assuming. The attitude of many of these gentlemen who, perhaps for the first time in their lives, have taken the question up at some meeting of delegates, having never given it twenty-four hours' serious consideration before, recalls Sydney Smith's description of Lord John Russell's alarming energy. He said: 'There is nothing that Lord John Russell would not undertake. I believe he would perform the operation for the stone, build St. Peter's, or assume—with or without ten minutes' notice—the command of the Channel fleet. And no one would discover by his manner afterwards that the patient had died, that the church had tumbled down, or that the Channel fleet had been knocked to atoms.'"

LIFE NOTES

"You are selling insurance; stick to your text. Talk insurance. Talk truths which are easily understood. Don't talk over your customers' heads. Rely on good sense rather than expert insurance knowledge. Ratios are treacherous. Talk the heart of the business to the heart of the man. Don't talk too much."—*Thornton Chase.*

Mr. J. Geo. Wegenast, manager at Woodstock, Ont., for the Federal Life, has resigned to accept a partnership in the flourishing and old-established insurance business of Mr. Seneca Jones, of Hamilton, Ont. Mr. Wegenast has won the respect and esteem of a wide circle of friends in Woodstock and vicinity, and he will have their best wishes for increased success in his new sphere of activities.

Mr. J. B. Hewitt, of Bright, Ont., succeeds Mr. Wegenast as manager of the Federal Life at Woodstock. Mr. Bright is well and favorably known, and should add to his laurels in his new position.

The following story about a man who carries no insurance for the protection of his wife and family

has been going the rounds. This man awoke one night to find his wife sobbing quietly, and asked her, "What is the matter?" "I have just had such an unpleasant dream," she replied. "I dreamed that I was down town and saw a store which advertised 'Husbands for Sale.' I went in and there were husbands of all kinds on exhibition. Some were tagged \$5,000, some \$2,000, some \$1,000 and some in the hundreds." "Did you see any that looked like me?" asked her husband. "Yes, and they were done up in bunches like radishes, and marked thirty cents."

The Only Co-operative Insurance Co. of Omaha, Neb., has filed articles of incorporation to write business on the stipulated premium basis.

After first voting against a legislative investigation of its home companies, the New Jersey Legislature, just prior to adjournment, decided to take such action, and a Senate Committee of three members was named to undertake the work.

In Pennsylvania, the written agreement circulated by the State Insurance Department, pledging the dismissal of any agent or employee convicted of giving a rebate, has been signed by the duly accredited representatives of the fifty-nine life companies licensed to do business in the State.

A New York grand jury will sit this month especially to consider insurance cases, and indictments are expected against various officials who are alleged to have had knowledge of the political contributions made by their companies. Mr. George W. Perkins, formerly vice-president of the New York Life, has already been arrested at the instance of District Attorney Jerome, charged with grand larceny. The complaints upon which he was arrested on March 28, were made by Vice-Presidents Kingsley and Buckner of the New York Life, at the instance of the district attorney, and cover the alleged illegal transaction involved in the contribution of \$48,000 by the New York Life to the Republican campaign fund of 1904. In his reply to the charge, Mr. Perkins stated that he paid the money at the request of President McCall, who later explained the matter to the finance committee, which authorized the refunding of the money to Mr. Perkins. The complaints in this case sustain the claims of the friends of President McCall, who asserted that other of the trustees knew about these political contributions, and should share the responsibility. The statements of Andrew Hamilton to the same effect would seem to be also confirmed.

"But, great as are the benefactions of the rich, the relief they give shrivels before the immensity of the help carried to the homes of the people by that greatest of all ameliorating forces—life insurance. It gives to man that best of all helps, the ability to help himself; then, by his self-help, it leads the way to help of the helpless. It merges his weakness into the might of many lives. It breaks the force of the law of nature which deals out death to him by that larger law of nature, the average duration of a multitude of lives. It holds about his home for its protection an unseen host prepared to contribute for

its stability if he falls. Now and then some prince of prosperity writes his check for a million to found or foster some great charity, but life insurance is sending out its checks for millions monthly to relieve distress. It is the noblest form of practical pity the world has ever known. Fate holds the flute of life, and men march to its piping, but life insurance follows fate and foils its darkest decrees."—*Moore Sanborn.*

Mr. Charles W. Morse, a minority stockholder of the Equitable Life, has made a protest against the society paying accounts amounting to \$120,000, presented by Messrs. Wm. B. Hornblower, Wm. N. Cohen, and Adrian H. Joline, for legal services rendered in the action brought to prevent the mutualization of the society.

The seventh annual report of the National Life of this city, for the year ending December 31, 1905, shows total assets of \$575,396.75, made up as follows:—Government and municipal bonds and debentures and real estate owned by the company, \$487,759.82; cash in banks, \$7,696.40; net quarterly and semi-annual premiums not yet due, and premiums in course of collection (reserve thereon included in liabilities), \$40,150.43; loans on policies, \$21,761.48; all other assets, \$18,028.62. The liabilities are made up of: policy and annuity reserves on basis of Hm. Tables of Mortality and 3½ per cent. interest, \$398,213.00; and all other liabilities, \$6,675.00, which shows a surplus on policyholders' account of \$170,508.75. The receipts for 1905 were \$295,999.00, and the disbursements, \$95,801.28, which includes \$6,544.21 written off agents' balances and sundry accounts. This shows an excess of \$200,197.72 of receipts over disbursements. During the year \$500,000 of new shares were subscribed for, and 20 per cent. called up at a premium of 25 per cent. There was also a change in the management of the company during the year, Mr. A. J. Ralston succeeding Mr. R. H. Matson as managing director. The company purchased the building it now occupies, and had it reconstructed into a thoroughly up-to-date office structure. Every office in the building, which is known as the National Life Chambers, has been rented on a five year term lease to show a net revenue of over 5 per cent.

For the first quarter of 1906 the National Life shows an increase of over 100 per cent. in new business as compared with the first quarter of 1905. The surplus shows an increase of more than \$10,000.00, the surplus to policyholders now being over \$180,000.00. The insurance in force has about reached the \$5,500,000.00 mark. A favorable mortality has also been experienced. Branch offices are now established in every province in the Dominion, except Alberta and Prince Edward Island. In the matter of the investments of its funds, the company still follows the conservative course of investing its assets in government, county, city and town debentures.

The law department of the Mutual Life of New York has prepared a new complaint relating to the appointment of Robert H. McCurdy as superintendent of the Mutual's foreign business. It charges

that in 1886, when the appointment was made, Richard A. and Robert H. McCurdy conspired unduly and unjustly to enrich the latter by maintaining his compensation at exorbitant rates. The complaint alleges that Robert H. McCurdy received \$530,000 from Charles H. Raymond & Co., the agency firm, from 1883 to 1893, and that when he was made foreign superintendent he continued his connection with the firm. Then, it is alleged, President McCurdy put his son's compensation as superintendent on a commission rather than salary basis, thus allowing him to get \$1,282,841.66 in commissions. Judgment is demanded for \$1,002,841.66, the difference between what Robert H. McCurdy actually obtained, and what the Mutual management now considers a fair compensation.

The People's Life Insurance Co., of Texas, is seeking incorporation, with a capital of \$250,000. Mr. A. Silvers, late of the American National, of Galveston, is active in the promotion of the company.

FIRE NOTES

Regarding the losses of the Western and the British America in the San Francisco disaster, Mr. J. J. Kenny, vice-president and managing director, in an interview on April 24, stated that he estimated that the losses of the two companies would not exceed \$675,000. The loss of the Western is estimated at \$400,000, and that of the British America at \$275,000.

The net fire premiums of the Atlas Assurance Co. of London for 1905 were £983,558, and the losses £454,075, being 46.1 per cent. of the premiums. The balance of the year's revenue is £169,304, of which the sum of £48,219 has been added to the reserve for unexpired risks forming part of the fire fund, £14,494 has been carried to profit and loss account, and the balance, £106,591, left in the fire fund. The total fire fund is £820,396.

A well-written historical sketch of the Continental Insurance Co. of New York has recently been published by the company. It is written by Mr. William Loring Andrews, one of its directors, who is also the author of "New Amsterdam, New Orange and New York," "Fragments of American History," "Old Booksellers of New York," and a number of other interesting historical sketches. That of the great New York fire insurance company gives the salient facts of its history, and a vivid picture of the conditions amid which it was brought into existence and successfully built up into the fine institution which it is to-day. To the fire underwriter and the business man alike, the little volume is one that will be found of much interest.

The total premium income of the Phoenix of London for 1905 was £1,423,987, and the losses paid and outstanding at the close of the year were £690,721, a ratio of 48.5. The financial position of the company December 31, 1905, was as follows: Capital paid up, £268,880; reserve for unexpired risks, £600,000;

investment reserve, £45,034; general reserve fund, £750,000; balance at credit of profit and loss account, £273,879; total, £1,937,793; capital subscribed but not called up, £2,419,920; grand total, £4,357,713.

It is announced that Mr. John Matthew Dove, general manager of the Liverpool and London and Globe Insurance Co., will retire from that position on December 31 next. He will then accept a seat on the board. Mr. Dove has been general manager of the company for over thirty years. Mr. A. G. Dent, the sub-manager, will succeed to the general managership.

An inquiry is being conducted by the New York City authorities to ascertain to what extent the leakage of gasoline from garages into the sewers is responsible for the number of explosions which have been occurring in the sewers. The recent fire in a New York garage, involving a loss of about \$200,000, has brought up the question of the insurability of these machines. So long as gasoline is used as the motive power it is difficult to see how the hazard can be much reduced. It appears that the United States Congress is considering the removal of the internal revenue tax on alcohol, and it is claimed that if this is done it will supplant gasoline in the operation of automobiles. Whether the fire hazard can thus be reduced remains to be demonstrated.

A pamphlet has recently been issued by the National Fire Protection Association reviewing the history of the efforts to secure the standardization of hose and hydrant couplings. Specifications and illustrations of the standard recommended by the Association are also given. Recent conflagrations have shown plainly enough the disadvantages of lack of uniformity in this matter, when apparatus of neighboring cities were found to be useless. It appears that adapters, with a thread to fit the present hydrants and also a thread of the standard size, can be procured for about a dollar each. Thus the change could be effected at a small expense. The matter is of great importance, and it will receive further consideration at the annual meeting of the N.F.P.A. this month.

The Connecticut Fire has made a new departure in insuring valuable live stock for considerable sums, under certain restrictions. The company insures, under annual contracts, stallions, Jacks, bulls and other high-class breeding stock (exclusive of racing horses) up to \$2,500, against death from fire, lightning or tornadoes, but not against death from natural causes or from ordinary accidents.

Mr. George W. Hayes, of Milwaukee, retires on the first of this month from the position of North-western manager of the Western and the British America of this city, and the British American of New York. Mr. Hayes has been engaged in western fire underwriting for the past forty-two years.

A Berlin despatch to the London *Times* of April 23, states that the Munich Reinsurance Co., the greatest company of the kind in Europe, has announced that its losses in the San Francisco disaster would amount to 12,000,000 marks. The share capital of the Munich is 20,000,000 marks, of which

5,000,000 marks are paid up shares. Munich stock has fallen about 70 marks in three days, the despatch states:

The Republican Iron and Steel Co. of Pennsylvania and the Tennessee Coal and Iron Co. of Tennessee—two concerns controlled by the same interests—have decided to introduce a system of self fire insurance for their properties. They have together about fifty different plants throughout the United States.

The total assets at December 31, 1905, of the fire and marine insurance companies operating in the State of New York, including the United States branches of foreign companies, were \$423,113,066.48, according to the annual report of the Superintendent of Insurance. The assets show an increase of \$41,730,082.62 over 1904. The liabilities were \$215,373,489.52, an increase of \$15,237,419.37.

The firm of Joseph B. Reed & Sons, of this city, has been amalgamated with the firm of Shaw & McNaught, also of this city, under the name of Jos. B. Reed & Sons, Shaw & McNaught, general agents and brokers. The firm will represent the Liverpool and London and Globe, the Dominion Plate Glass, the Connecticut Fire, Mercantile Fire, Waterloo Mutual Fire, and the Employers' Liability.

MISCELLANEOUS

The International Association of Accident Underwriters will hold its annual convention this year on July 10-13, at the Hotel Champlain, Lake Champlain, N.Y.

Authoritative official denial has been given to the report that the London Guarantee and Accident Co. was about to be absorbed by the London and Lancashire. The English insurance journals laugh at the idea of its being taken over by any other company.

Mr. Franklin J. Moore has been appointed successor to Messrs. Muir & Haughton, of Philadelphia, as United States manager of the General Accident Assurance Corporation of Perth, Scotland, and as executive and manager of the General Accident Insurance Co. of Philadelphia, a subsidiary corporation.

The contract of Messrs. Muir & Haughton was summarily abrogated last month by Mr. Norie Miller, general manager of the parent company, who together with Mr. Colhome Drummond, the chairman of the board of directors, was in Philadelphia at the time. Violation of contract was the reason given for the summary dismissal.

A press despatch from London, England, states that the Admiralty has decided to take out the largest policy for marine insurance ever issued. It is for £10,000,000 (\$50,000,000), and is intended to cover the risk incurred by the inclusion of merchantmen in the naval manœuvres, which will be held between Gibraltar and the English Channel in June and July. It was recognized that, as the manœuvres

will be carried out under conditions approximating as far as possible to a sudden outbreak of war, both the men-of-war and merchantmen will be exposed to considerable risk, especially at night, when, as is probable, steaming without lights will be the rule. The Admiralty has arranged the policy with a committee representative of the London underwriters, and after considerable discussion the rate agreed on is 3s. 9d. per cent., so that the premium payable by the Admiralty will be between seventeen and eighteen thousand pounds.

At the annual meeting of the Plate Glass Underwriters' Association, held in New York on April 17, the old officers were re-elected as follows: President, Mr. William F. Moore, of the New Amsterdam Casualty Co.; vice-president, Mr. Eugene H. Winslow, of Metropolitan Plate Glass and Casualty Co.; secretary, Mr. C. E. W. Chambers, of Lloyds Plate Glass Insurance Co. It was also decided to extend the limit for cancellation of policies to ninety days.

Officials of the Travelers Insurance Co. have completed the organization of the Travelers Indemnity Co. under a charter secured from the Connecticut legislature in 1903. The authorized capital is \$2,000,000, and the charter empowers the company to write practically all casualty lines, including fidelity. The present casualty and liability business of the Travelers will be taken over by the new company. Several State governments object to life companies writing casualty lines, and the Travelers in separating the two classes will remove all possible objections on this score.

The "Richmond Illustrated" number of the *Insurance Times*, of New York, is a very handsome production. It deals in a very complete and entertaining way with the insurance interests of the historic city of Richmond, Va., and is profusely illustrated. It reflects great credit on the editorial and business departments of our esteemed contemporary.

The Maryland Casualty Co. has issued a policy called the "General Water Damage Policy." It insures against "direct loss or damage to property owned by the assured, and also from loss from liability of the assured for damage to merchandise held in trust or on commission, or sold * * * caused * * * by water resulting from flood or inundation or backing up of sewers or outside drains, or by water or steam from the plumbing, automatic sprinkler system, steam or hot water pipes and radiators (exclusive of boilers), roofs' leaders spouting, elevator tanks or cylinders, standpipes and windows. * * *". The company's inspection system will also be extended to this line.

The well-known information bureau conducted by Messrs. Wm. DeM. Hooper and Bayard P. Holmes, of New York, under the name of the National Insurance Information Bureau, has been incorporated as the Hooper-Holmes Information Bureau. The change is principally one of form and name, to give greater security and permanence in the interests of subscribers and clients. Messrs. Hooper and Holmes will give their immediate personal attention to the work as heretofore.

Application will be made to the Dominion Parliament for an Act to incorporate the "Canadian Lloyds, Limited," to carry on the business of general marine insurance and any other business incidental thereto, with head office at Montreal, Que. Messrs. Ryan, Bickerdike & Gosselin, of Montreal, are the solicitors for the applicants.

Some good resolutions, as taken from one of our exchanges:—

THAT, I shall train myself to practise temperance and moderation in all my daily life.

THAT, when troubles come, I will take to work and not to the woods.

THAT, I will, when I have anything to do, "Do it now."

THAT, if I find I must worry, I will worry the other fellow.

THAT, I will keep my friends, regardless of cost.

THAT, I will never explain. My friends don't require it of me, and my enemies would not believe me—so, what's the use?

THAT, what others say of me matters little; but what I myself say and do—matters much.

THAT, I will keep a tintype of the undersigned before me constantly, and that my greatest obtainable pleasure will be in speaking good words of him and advancing his interests, within the limit of fairness to my other personal friends.

ACKNOWLEDGMENTS

Advance sheets of the forty-seventh annual report of the Superintendent of Insurance of the State of New York. Part I—Fire and Marine Insurance. Hon. Francis Hendricks, superintendent.

Preliminary Report, State of Colorado Insurance Department, showing the Colorado business of all insurance companies transacting business in Colorado during 1905. Hon. Alfred E. Bent, Auditor and Superintendent of Insurance.

Rhode Island Summary Report for year ending December 31, 1905. Hon. Chas. C. Gray, Insurance Commissioner.

Preliminary Report showing business done in Wisconsin by Fire Insurance Companies during 1905, and condition on January 1, 1906. Hon. Zeno M. Host, Commissioner of Insurance.

Abstract Report of the Inspector of Insurance, Ontario, being a tabulated summary of the Statements made by insurance companies for the year ending 31st December, 1905. Dr. J. Howard Hunter, M.A., K.C., Inspector of Insurance.

PERSONAL SURETYSHIP

Tax Collector Cheyne, of Windsor, Ont., has taken proceedings against Thomas G. Ferriss and John J. Foster, to recover \$1,000, the amount of the bond given by W. A. Millard, bailiff, who disappeared from that city, leaving a shortage of \$3,200 in his accounts. Ferriss and Foster were Millard's bondsmen.

CHANGES IN EXECUTIVE STAFF OF NORTH AMERICAN LIFE

At a meeting of the board of directors of the North American Life Assurance Co., of this city, held on April 19, the resignation of Sir Wm. R.



EDWARD GURNEY
President Gurney Foundry Co., Limited;
1st Vice-President North American Life Assurance Co.

Meredith, K.C., as a director and vice-president of the company was received, and was accepted with much regret by the members of the board, of which he has been a highly esteemed member for so many years.

Mr. Edward Gurney, president of the Gurney Foundry Co., Limited, was then elected first vice-president of the company, and Mr. J. Kerr Osborne, vice-president of the Massey-Harris Co., Limited, was elected second vice-president. Lieut.-Col. D. McCrae was elected to succeed Mr. Osborne as chairman of the executive committee.

THE PSYCHOLOGY OF LIFE INSURANCE

(Reprinted from the American Underwriter.)

It is no reflection on the intelligence or honesty of purpose of either Mr. Hughes or the members of the Armstrong Committee, to say that they have shown a lamentable ignorance of some of the fundamental principles of the subject they were commissioned to investigate. Unfortunately it happens that that subject is one of almost life-and-death importance to the families of many of the thirteen millions of policyholders insured in the legal reserve life insurance companies operating in New York State. And the worst of it is, that the animating spirit of life insurance protection is mainly psychological—and sentiment purely psychological is terribly sensitive to every whiff of rumor and suspicion.

Every experienced life insurance man knows that one of the basic principles of modern life insurance

is the assumption—nay, the positive knowledge—that practically no man ever takes out life insurance until some other man has led him to so do by psychologically appealing to his better impulses. Had Mr. Hughes and the committee so known, they might have realized that probably ninety-nine per cent. of the 1,101,113 policies written in 1904 by the legal reserve companies doing business in New York—not including industrial policies—were so written, and that anything which might tend to check a movement of such magnitude would be a mighty serious matter, and in that event, they might have conducted their investigation on very different lines. But they did not know and hence their investigation was really an inquisition, with never a thought of the desirability of off-setting the effect of the evils which had crept into the practices of a few of the larger companies by bringing out at least some suggestion of the incalculable amount of good which the business as a whole had done. Perhaps this view of their mission was but natural, for had not one of the whereases of the concurrent resolution which constituted the committee's commission directly deplored the limitation of "the inquisitorial powers of the Superintendent of Insurance," and thereby indirectly suggested that the committee was to be an inquisitorial body with all the necessary "inquisitorial powers" allegedly lacking in the case of the Superintendent of Insurance?

Not only was the intended investigation of life insurance in reality an inquisition apparently directed to the end of finding out how many of the New York State companies had done what they should not have done, but we have the best authority for saying that Mr. Hughes has admitted that he knew



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nothing about life insurance six months ago, and have reason to believe that the members of the committee were equally at sea on the subject which they were to investigate. The basic principles of

the business can be learned only by years of experience, or years of study and thought on life insurance lines. Hence, of course, it was a physical impossibility that Mr. Hughes and the committee-men could even have the faintest conception of that most subtle of basic principles, the psychology of



LT.-COL. DAVID McCRAE

Director Dominion Cattle Breeders' Association;
Chairman of Executive Committee North American Life Assurance Co.

inducing men to look death in the face and make the provision for their dependents which not one man in a thousand ever will make until some one has so put the case to him as to make it appeal to his individual sentiments or emotions. As Mr. Charles W. Seovel, the President of the National Association of Life Underwriters, has cleverly put it, the desirability of taking out life insurance for one's dependents is something like the desirability of marriage in the case of the average normal unmarried young man. In both cases the man realizes in a dim, vague way the desirability, but the desirability does not move him to action until there comes along the agent who so states the life insurance case as to make it appeal to this particular man's psychological nature, or there appears on the scene the woman whose carriage, dress, voice, or other feminine charm somehow captivates that particular man.

To the man who has not learned all this in the school of actual experience, the fact might seem utterly at variance with the apparently irresistible logical force of a man's obligation to make provision for his dependents. And both Mr. Hughes and the committee are credited with holding that they are not sure it would not be quite as well if there were no life insurance agents, and it were left to the man who needed life insurance to go up to the counter of one of the dozens of responsible life insurance companies and get it. Seemingly practical from the viewpoint of logic and ignorance of the business, this suggestion is hopelessly fallacious from the viewpoint of psychology and actual experience, and is damnable in the hopelessness it carries with

it to millions of American women and children who will be left adrift without a dollar of protection should such a fallacy obtain.

No one can dissent from a thorough investigation of life insurance, or any other corporation accused of improper practices, but it would be as sensible to damn the whole savings-bank system because some individual bank, or banks, had diverged from the straight and narrow path as to make the entire life insurance business of the United States bear the odium of a few individual company-managements' errors. If necessary, limit the amount of new business which any single one over-grown company may write; place sensible restrictions on the companies' investments; prohibit campaign contributions; decree the greatest publicity of detail; abolish the deferred dividend policy if needs be; even standardize the policies; but, for Heaven's sake, gentlemen of the Legislature, shun as you would a pest or a panic anything which will tend to counteract the psychological impulse which is the main-spring of modern life insurance, and is almost solely responsible for the fact that at least one-fifth of the entire white population of the United States now carries life insurance policies.

Do not kill the goose that lays the golden eggs of life insurance for the American people, in order to devise some way by which the eggs can be laid at the reduced cost of one kernel of corn *per diem!*

SPRINKLERED RISKS

From the February report of the Boston Manufacturers' Mutual Fire, we take the following regarding the fire in the Toronto Carpet Mill on February 6:

"In the upper story of No. 2 mill were four small closets, each about 3x4 feet, containing cut designs ready for use by the weavers on the Jacquard looms. A weaver, entering the room at 11 a.m., saw smoke coming from the closets. He endeavored to extinguish the fire by using water from a number of fire pails, but finding that it was rapidly gaining headway, gave the alarm. By the time help arrived the closets were all on fire, and the smoke quickly drove the men from the room. Several sprinklers were in operation by this time. The public fire department arrived in about ten minutes and carried a line of hose up through the stair tower. The chief, assuming the entire charge, and believing he had the fire under control, ordered the water shut off from the sprinklers. In this he made a mistake, for in a few minutes he saw the fire increasing and ordered the water turned on again. During this interval, perhaps several minutes, the heat opened all the heads in the room—forty-six in number—so that when the water was turned on a second time the room was flooded and the water, leaking through the floors, wet the contents of the entire building to the basement. The fire was extinguished after about thirty minutes. The loss, which will be largely by water, on the contents of the building, consisting of Jacquard cards, carpets, rugs, art squares, colored yarns in skeins and on crops, and designs and patterns used in the building, amounts to \$17,660. The results of this fire emphasize the necessity of care not to shut water off from sprinkler equipments too quickly. This company not interested."

SOME POINTS IN LIFE ASSURANCE LAW

Paper by Alexander Bruce, K.C., Solicitor Canada Life Assurance Co., read before the Insurance Institute of Toronto, February 27, 1906

I must preface my remarks with an explanation which is in the nature of an apology, and that is that I deferred preparing this paper too long, and that when I took up the matter I was very fully occupied with other business, which has prevented my doing justice to the subject.

In my remarks I will not attempt to deal with the whole subject of life insurance, as there are sufficient text-books which do so, and time would only permit of my skimming over the surface, and it may be better to say something of a practical character on some of the special portions of the subject and deal with the law in relation thereto.

A life insurance policy issued by a joint stock company is not like a fire insurance policy, a contract of indemnity. In the case of the fire policy, the insured is only entitled to be indemnified for what he may lose by the damage to, or destruction of the property insured, and can recover no more than his loss, while under a policy on the life of A. B. for \$10,000, if the company be liable at all, the full amount contracted for must be paid, although the life of A. B. be productive of no pecuniary or any other benefit of any character to anyone, but may be very much to the contrary. The old Statute, 14 Geo. III, Cap. 48, against wager policies having been passed before 1791, when the Province of Upper Canada was given its Parliament and the English law then existent was imported into the province, was, and still is, in force in Ontario, but we had no legislation dealing specially with life insurance in Canada until the passage of the first Act, providing for life insurance for the benefit of wives and children by the late Province of Canada in 1865, and now the law on the subject in Ontario is contained in the R.S.O., Cap. 203, Secs. 147 to 165, both inclusive, and subsequent amendments. In that Act it is declared that insurance shall include any contract made on consideration of a premium, and based on the expectancy or expectation, or probability of life; or any contract made on such consideration and having for its subject the life, safety, health, fidelity or insurable interest of any person, whether the benefit under the contract is primarily payable to the assured or to a donee, grantee, or assignee, or to trustees, guardians, or representatives, or to (or in trust for) any beneficiary, or to the assured by way of indemnity, or insurance against any liability incurred by him, by or through the death or injury of any person.

Section 151 (1) of that Act is as follows:—"Every person of the full age of twenty-one years shall be deemed to have an unlimited insurable interest in his own life, and may effect bona fide at his own charge insurance or insurances of his own person for the whole term of life, or any shorter term, for the sole or partial benefit of himself or his estate, or any other person, persons or corporation whatsoever, whether such other beneficiary has or has not an insurable interest in the life of the assured. The insurance money may be made payable to any person, either for his own use, or as trustee for another person."

This is a very full and satisfactory declaration, and removes by legislation any question as to the validity of a policy taken out by A. B. on his own life, but payable to C. D., a person (not a creditor), whom A. B. wishes to benefit, which was the subject of an action about twenty years ago, where the insurance company claimed that under the Act, 14 Geo. III, Cap. 48,

the policy was void, and sought after the death of the assured to have the same cancelled. The case was carried to the Supreme Court of Canada, who confirmed the decisions of the Courts below, upholding the validity of the policy. The old statute is, however, still in force in Ontario, and has been quite recently invoked, and in the case in the Supreme Court just referred to, Sir Henry Strong says that even if the statute had not been in force, he should, had the facts warranted, have felt no difficulty in holding that a wager policy effected by a person having no interest in the life was at Common Law against public policy, and so void.

After Confederation a question arose in the case of certain policies issued by fire insurance companies, covering property in Ontario (known among lawyers as "The Parsons Cases"), whether the Ontario Insurance Act, then in force, which imposed the statutory conditions in the case of fire policies, was within the legislative powers of the Ontario Legislature, and after much contest in the Courts of Canada—the judges in the Courts of Queen's Bench and Appeal in Ontario being unanimous in favor of such powers, and the judges in the Supreme Court standing three to two in their favor—the validity of the statutory conditions was sustained by the Privy Council, 7 Appeal Cases, 96.

It follows that in the cases of persons domiciled in Ontario and insured under life policies, whether issued in Ontario or not, that the rights of such persons are to be decided according to the laws in force in Ontario.

I may mention two English decisions bearing somewhat on this law, which are of interest.

Lee vs. Abdy, 17 Queen's Bench Division, 309, was a case where the assured, while domiciled in Cape Colony, assigned the policy issued by an English company to his wife, and on his death she brought an action against the company, and it was held that the action could not succeed, as under the law of that Colony such an assignment was void by reason of the alleged assignee being the wife of the assignor.

Ex Parte Dever, 18 Queen's Bench Division, 660, was a case where a policy was issued by the Equitable Life Assurance Society through their branch in London, whereby the Society promised to pay the sum assured to the wife for her sole use, if living, in conformity with the Statute, the Statute referred to being a Statute of the State of New York, which provided that in certain contingencies the creditors of the husband should be entitled to a proportion of the amount secured by the policy, and it was held that the New York Statute was not incorporated in the policy.

The Dominion Parliament, however, while it does not regulate insurance contracts, has much to do with insurance companies and insurance legislation, but I am not going into that subject, and shall confine myself pretty much to questions relating to life insurance for the benefit of wives and children.

The provision by life insurance for the benefit of wives and children is, perhaps, the most important branch of life insurance business, and it is of comparatively recent origin.

There was no legislation on the subject in Great Britain until the year 1870, when a section was introduced into the Married Women's Property Act of that year.

In 1863, Arthur Scratchley, an English barrister, with others, had presented a petition to the House of Commons

praying for protection of the interests of wives and children in life insurance policies, and again revived the matter in 1867, but without any result until 1870.

At the present time the only provision in England is under Section 11 of the Married Women's Property Act, 1882, which superseded the legislation of 1870, while a somewhat similar Act is in force in Scotland, namely, "The Married Women's Policies of Insurance (Scotland) Act, 1880," but none of these Acts contain satisfactory provisions as to policies of insurance for the benefit of wives and children—certainly not such as would be satisfactory to Canadian policyholders.

The first Act on the subject in Canada is the Statute of the late Province of Canada, 29 Vic., Cap. 17, which was prepared and introduced at the instance of the Canada Life Assurance Co., and became law on the 18th September, 1865. It consisted of six short sections, which in effect provided that a person might insure his life for the benefit of his wife, or of his wife and children, or of his wife and some, or one, of his children, or of his children, or some or one of them, and might apportion the insurance money amongst them, and that if he did not apportion, all should share equally, and that the policy might be effected in the name of the person assured, or of his wife or any other person, with the assent of such person as trustee, and that at death the money should be payable according to the policy or declaration, free from claim of creditors.

There is also a provision enabling persons insured under policies issued prior to the passing of the Act, to sign a declaration in writing within one year, declaring the policy be for the benefit of wife or children, etc., and that any such policies so declared should be free from the claim of creditors.

The important part of that legislation was that a policy of insurance which was then looked upon as having been effected to make a provision for the family of the insured, should be preserved for their benefit, and not be subject to the debts of the insured, and the Act in that respect was effective and satisfactory, and the provisions for old policyholders, bringing their policies under the terms of the Act, were largely availed of.

As I have stated, the first Act in Canada was a short and simple one, but it was soon found that it did not afford the proper machinery for carrying out what was intended, and the Legislature of Ontario passed an Act, 33 Vic., Cap. 21, which became law on 24th December, 1869, the chief provisions in which were providing for the payment of insurance monies due to minors, providing for the surrender of a policy where the assured was unable to continue the premiums, and providing for the assured borrowing on the policy to pay premiums, and requiring profits to be applied in payment of premiums, and providing also for the disposal of the shares of beneficiaries predeceasing the assured.

Some of these provisions remain substantially the same until the present, but others have been enlarged very much from time to time until we have the provisions which are contained in the Revised Statute, Cap. 203, 1897, with some subsequent amendments.

The changes which have been made from time to time have generally been made to meet cases and difficulties which developed in the working out of insurance business, but in some instances were, no doubt, made to suit the case of some individual person rather than for the general good, and while we have in Ontario to-day an admirable system of life insurance for the benefit of wives and children, with very full and clear provisions for nearly all the circumstances that can arise, I cannot help saying that I think the Act has in some respects gone too far.

The original intention was to create a trust something in the nature of a Marriage Settlement, that should be for the

benefit of wives and children, and should be, and remain beyond the control of the assured, or even of the beneficiaries, but that condition of things has been largely broken down, and while the policy may be written, or may have been declared for the benefit of wife and children, or of children only, and while all the children may be minors, the law as it now stands permits the assured to vary the terms of the policy or declaration by declaring the same to be for the benefit of his wife, or of any adult child, and he and such adult beneficiary together can borrow upon or surrender the policy, and thus deprives the children entirely of the benefit of the trust, and perhaps even deprive the wife of the benefit, for the husband may in such a case probably keep the money and use it for purposes quite his own.

Another case in which the Act is made to work improperly is where the assured fails in business while his life is heavily insured for the benefit of his wife, or wife and children, and the creditors can claim no benefit thereof, and it is perhaps found that after the lapse of some time the creditors are disposed to accept a very small sum in settlement, and then the assured and the wife together raise that money upon the policies on the husband's life.

The Act has, however, preserved the rights of the class of preferred beneficiaries where a policy has been issued or declared in favor of any person or persons of the class to this extent, that while the assured may alter or vary the apportionment of the sum assured among persons of the preferred class, he cannot take the sum, or any of it, away from that class and give the same to one who is not of that class.

In Ontario, the preferred class has been enlarged so as now to include the husband, wife, children, mother and grandchildren of the assured, and in the absence of apportionment they share equally.

In some of the other provinces there are variations in the class as well as in the proportions of benefits.

It will be observed that the first legislation for the benefit of wives and children was by the Parliament of the late Province of Canada, comprising the present Provinces of Ontario and Quebec, and therefore it applied to the Province of Quebec, and the Legislature of that Province, like that of Ontario, from time to time passed further legislation enlarging the scope of the original Act.

The other Provinces moved in the matter later, following generally the Ontario law, and within the past three years the Provinces of Nova Scotia and New Brunswick, and the Colony of Newfoundland, have passed Acts following very closely on the lines of the present law in Ontario, and it is expected that Prince Edward Island will do so also.

The laws in the Western Provinces are also fairly satisfactory, but vary more or less from the provisions of the Ontario Acts.

It is very desirable that the laws of the different Provinces should be uniform, or as nearly so as possible, as it would make matters more satisfactory, both for the companies and the assured.

This will be realized when it is borne in mind that while the contract contained in the policy, so far as that contract is concerned, and so far as the rights of the company are involved, is to be regulated and governed by the law of the Province where the same is made, unless it be otherwise provided, yet the laws passed for securing to wives and children the benefit of life insurance are to be considered, not from the standpoint of the insurance companies issuing the policies, but as laws designed for the benefit and protection of the wives and children of those who desire to effect insurance in their favor, and there-

for the rights of the beneficiaries depend upon the laws of the Province in which they are domiciled.

Whenever, therefore, a policy in favor of preferred beneficiaries becomes a claim, it is necessary first to be satisfied as to the domicile of the assured and the beneficiaries, and then to consider the law of such domicile bearing on the subject.

I am assuming that the policy has been issued in favor of a preferred beneficiary or beneficiaries, or that the company have received notice of its being so declared, and the next point is whether the company have received notice of any change of beneficiaries. And here is to be noted an important provision for the protection of the insuring company. Under the Ontario Act, a declaration or other instrument in writing creating beneficiaries, or affecting their rights, is in itself good and valid, although not communicated to the insurance company, and it was not until 1884, when the law was consolidated and amended, that it was provided that any such instrument should not be of any force or effect as respects the company until the instrument, or a duplicate or copy should be deposited with the company, and a similar provision is contained in the present Insurance Act, R.S.O., Cap. 203, 151 (7), and is applicable to all instruments affecting policies, whether in the case of preferred beneficiaries or otherwise.

Here I may diverge from the subject of insurance for preferred beneficiaries to point out that an assignment of an insurance policy, or of any of the monies payable thereunder, like the assignment of a debt or chose-in-action is not complete until notice is given to the company, or debtor, as the case may be, and that a subsequent assignment, followed by notice to the company or to the debtor will take precedence of a prior assignment of which no notice was given, and such cases occur occasionally in the case of life insurance companies.

If the company have no notice of any other dealing with the policy, they are not called upon to inquire as to whether there have been any other dealings or not, but may, and, as I think, should, proceed at once to pay to the preferred beneficiaries their respective shares of the sum assured, in accordance with the policy or declaration, for the Act provides that the sums assured are to be paid to the beneficiaries themselves, according to the terms of the policy, or declaration, and if they be all of full age they can receive their shares and discharge the company. If it be ascertained that any of the beneficiaries are under age, then, unless a trustee has been named by the assured to receive the money in their behalf, the company may safely pay the executors of the assured on their proving the will, and the executors receive and hold the money paid them, not as part of the estate of the assured, but as trustees for the minor beneficiaries—*Campbell vs. Dunn*, 22 Ont., Rep. 98. If the will be produced for the purpose of showing their right to receive the shares of the minors, or for any other purpose, then as it is before the company they will have notice of its contents, and should therefore examine the will to see whether there has been any disposition or apportionment made thereby of any insurance monies.

Our Court of Appeal in *McKibbin vs. Feegan*, 21 Appeal Reports, 87, in 1893, decided that in the case of a life insurance policy not drawn or declared in favor of preferred beneficiaries, a devise in the will of the assured to one falling under the class of preferred beneficiaries was a good declaration as against the creditors of the assured, so as to take the policy out of the estate of the assured, and give it to the preferred beneficiary.

That was the decision of two judges as against one dissenting judge, and I may say that by many it was not then regarded as a satisfactory exposition of the law, but as there has been no amendment made since, although the Act has been recast, it is now regarded as binding in Ontario. As the Courts of the other Provinces are not bound by the decision, it will be

well to bear that in mind in cases where the parties interested are domiciled in some of the other Provinces of the Dominion.

On the whole, I think we have good reason to be satisfied with the legislation on the subject of insurance for the benefit of wives and children as it exists in Canada generally, and especially in Ontario, and in my experience the Government and Dr. Hunter have been at all times ready to consider and willing to grant any amendment which appears to be for the better carrying out of the law, and I might, if there were any object to be served by it, point to decisions of three English judges in policies granted under the Act of 1870, in favor of wife and children, where they came to three distinct different conclusions as to the rights of the widow and children, and there has also been diversity of judicial opinion as to the construction of the Act of 1882 in the case of policies in favor of wife and children.

TATTERSALL v. PEOPLE'S LIFE IN SUPREME COURT

The appeal of the People's Life Insurance Co., this city, from a judgment of the Court of Appeal for Ontario, reported in our January issue, was heard in the Supreme Court at Ottawa on March 15. After hearing counsel for the appellants, the Court dismissed the appeal with costs.

The main point in this case was whether a policy of life insurance had lapsed or not, the insured having died leaving a premium unpaid, but within the thirty days of grace allowed for payment after the due date.

Another point was whether the company was estopped from denying that the policy was in force from the fact, as held by the Divisional Court, that the widow of the insured who had an interest in the policy had gone to the head office of the company, and had been told or led to believe that the policy was all right. The Divisional Court and the Court of Appeals held against the company, and their ruling has been sustained by the Supreme Court.

EDWIN MARSHALL, GENERAL MANAGER OF THE EXCELSIOR LIFE

The appointment of Mr. Edwin Marshall, for the past thirteen years secretary of the Excelsior Life, to the position of general manager of the company, announced in our April issue, has been strongly commended in insurance circles. It comes as a fitting recognition of the excellent work done by Mr. Marshall in building up the business of the company and putting it on a firm and profitable footing. Very few outside the business realize what unremitting care and attention must be devoted to the management of a life company in its early years, in order to place the company on a permanent and solid basis. The officers and directors are called upon to sacrifice a great deal of their private time, for which they receive no compensation whatever.

Mr. Marshall has been indefatigable in his efforts on behalf of the Excelsior Life, and that the company to-day is in such a satisfactory and prosperous condition is in no small degree due to his good work.

That he will fill the managerial chair with credit to himself and the company goes without saying.

SICKNESS INSURANCE

Paper by Edward Willans, Assistant General Manager and Secretary Imperial Guarantee and Accident Insurance Co., read before the Insurance Institute of Toronto, March 27th, 1906

When this paper was contemplated it was expected there would have been published before this date the Combined Sickness Experience for 1903 of the companies writing Sickness Insurance in Canada and the United States. The data for this experience is being tabulated under direction of the International Association of Accident Underwriters, and it was hoped would have been available for the purpose of presenting to the Institute some of the lessons to be derived therefrom, so that in conjunction with other available material, we might contribute some suggestions with a view to solving some of the problems which present themselves to the companies writing Sickness Insurance.

The Experience referred to has not yet been made public, however, and it has therefore been necessary to depart from the plan laid down, so that I have thought it advisable to lay before you the conditions under which Sickness Insurance has been carried on, and present a few of the main features which require careful study in order to place the business on a better basis.

It is often remarked that Sickness Insurance, as carried on by Stock Companies, is a new thing. Such is not the case. It is more correct to say that the present stage is the revival of attempts which have previously been made to carry on the business of Sickness Insurance on a commercial basis. We have record of at least ten companies organized on this continent during the years 1847 and 1848, for the carrying on of Health Insurance, which for a time flourished, but all of which had ceased operations within a few years of their organization. These companies left us no statistical information and there is little or no record left as to the cause of their demise.

The process by which the present revival of the business has been brought about on this continent is illustrated by the manner of its development in Canada.

The business has not reached any very great proportions in Canada for the reason that our companies have approached it with some degree of caution. During 1904 the reported premiums amounted to less than \$100,000.00, while in the United States for the same year they amounted to over \$1,500,000.00.

It is remarkable that the introduction of the business has grown entirely out of competition in Accident Insurance, as will be seen by reference to the three general forms under which the business is now carried on, viz.:

- The Fever Clause.
- Limited Health.
- General Sickness.

THE FEVER CLAUSE

In the year 1895 an English company obtained a license under the Dominion Insurance Act to carry on Accident business, and introduced an accident policy containing what is called The Fever Clause, which provided twenty-six weeks' indemnity for total disablement occasioned by four diseases, typhoid fever, typhus fever, scarlet fever and smallpox.

At that time not a single Canadian company was authorized by its charter to carry on the business of Sickness Insurance, and consternation was thrown into the Accident Insurance camp. We can well remember some of the arguments used by the ingenious agent to meet the competition of this rival invader. He said, "There was nothing in it; that smallpox was unknown

or of very rare occurrence in this country. Typhoid and typhus were equally so, and scarlet fever was a child's disease."

It is most remarkable how those diseases have spread since those days, and it is amusing to look back at these arguments in view of the losses which have been paid for that innocent looking Fever Clause.

The demand for an Accident Policy which included the Fever Clause, grew to such an extent that the Canadian companies one after the other were finally compelled to apply to Parliament for amendments to their charters, and as nearly all of the companies operating in Canada were carrying on two classes of business, the limit allowed by the Insurance Act, an Amendment to the Act was made in 1899, so as to allow Sickness Insurance to be carried on in connection with Accident business. The amendment defines the limits within which Sickness Insurance may be carried on as follows:

"Sickness Insurance means insurance against loss from illness not ending in death, or disability not arising from accident or old age."

On commencing to write Sickness business, the first thought was to meet the competition offered by the Fever Clause. Some of the companies added one more disease and demanded an extra premium of \$1.00, others fifty cents for each five dollars of weekly indemnity, but it cannot be said that the additional premium was strictly enforced. In fact, more generally the benefits were given free of charge when in competition for an Accident Policy.

The companies which have had experience with the Fever Clause have attempted to discourage its use in later years except on payment of an extra premium, or by only issuing it with an inferior Accident Policy when no extra is charged.

There is every reason to believe that sound underwriting was unnecessarily sacrificed in this initial introduction of Sickness Insurance. It could not be claimed that the premiums for Accident Insurance were too high—experience disclaims any such admission. As nearly as can be estimated, it may be said that from four to seven per cent. was added to the claim ratio by these diseases for which there was practically little or no premium income.

LIMITED HEALTH POLICIES

The unhappy experience with the Fever Clause was soon felt in the United States, which led to the introduction in 1899 of the Limited Health Policy, and the same year it was introduced into Canada, and is still issued by all the Accident companies. The policies at first issued in Canada insured against,

Typhus Fever,	Erysipelas,
Typhoid Fever,	Appendicitis,
Scarlet Fever,	Diabetes,
Smallpox,	Peritonitis,
Varioloid,	Meningitis,
Diphtheria,	Tetanus (Lock Jaw),
Measles,	Pleurisy,
Asiatic Cholera,	Pneumonia.

and also provided a sum equal to one hundred weeks' indemnity for loss of eyesight from disease or total paralysis of two limbs. The premium charged was two dollars for each five dollars of weekly indemnity limited to twenty-six weeks.

The number of diseases insured against have since been increased by some companies to thirty or more. A few com-

panies sell the Limited Health Policy as a separate contract, but the majority only issue it when combined with an Accident Policy.

It is difficult to secure any statistics as to the experience of the several companies with this class of policy, but as far as my investigation goes, I am convinced that if the figures could be secured from the companies which have written this policy to any extent for at least five years, that the claim percentage to earned premiums will be at least sixty-five per cent.

Dr. R. S. Keelor, secretary of the Philadelphia Casualty Company, in publishing the experience of his company with the Limited Health, records that out of 3,631,374 days of insurance they had 26,825 days of sickness, which is equal to a rate of 2.70 days sickness per year of risk, which would bring the percentage of claims to premiums at the rates charged in Canada largely in excess of the ratio given above, which is too high a percentage to allow of any profit being realized.

It is significant that at the Annual Convention of the International Association of Accident Underwriters, held at Portland in 1904, that on a vote as to whether the Limited Health Policy should continue to be issued, sixteen companies voted against it, three companies were in favor of the continuance, but two of them only on condition of an adequate premium being charged and more restrictive conditions being placed in the contract.

The causes for this unsatisfactory experience with the policy are: FIRST, although the contract is limited to stated diseases, it would seem that the diagnosis of disease has not yet become an exact science, so that there appears to be little or no difficulty for the insured and his doctor to make the policy unlimited in its application. Consequently, a great many claims are paid which were not intended to be covered by the contract.

SECOND—It has led to considerable misunderstanding on the part of the insured. No matter how carefully the agent may explain the policy, it seems that many get the notion that they have a General Sickness Policy and dissatisfaction arises when the claimant finds his claim refused because the disease was not one covered by the policy.

There has undoubtedly been a demand on the part of the public for Limited Health Policies, and it is the opinion of several experienced underwriters that it may be regarded as fairly certain that we may be required to continue this form of policy. Hitherto the companies have looked upon it only as a help in selling Accident Insurance and they seem to have been content as long as there was no excessive loss. With the increased benefits, however, which are now being given under Accident Policies, the condition cannot continue and some of the Canadian companies are now beginning to study the Limited Health Policy more carefully with a view to making it yield a profit.

GENERAL SICKNESS POLICIES

The fact that a great many claims were made under Limited Health Policies for sicknesses not covered by the policy, brought about the General Sickness Policy. Experiments have been tried with policies of varying conditions, and benefits, at premiums ranging from five to seven dollars for each five dollars of weekly indemnity. What may be called a standard General Sickness Policy now in use in Canada and the United States, is one sold at a premium of seven dollars for all ages between eighteen and fifty and a premium of nine dollars for ages fifty to sixty. The benefits of the policy may be summarized as follows: Five dollars per week for illness, limited to twenty-six weeks, disability for less than one week not being covered. Other benefits are specific sums payable for surgical operations Indemnity while quarantined; one hundred weeks' indemnity for loss of eyesight from disease or paralysis from disease. All diseases are covered, except rheumatism, lumbago or lame back,

tuberculosis, insanity, venereal diseases, intoxication, anaesthetics and narcotics.

It may be safely said that the companies in Canada have not pushed to any extent for this class of business. In fact, some do not issue a General Sickness Policy. It is now realized, however, that Sickness Insurance has come to stay, and the efforts of the companies in Canada and the United States, as previously stated, are towards placing the General Sickness Policies on a commercial basis. There is very little material available to assure the companies that they are working on correct lines. The conditions under which the business is now carried on, presents problems which cannot altogether be solved by the experience of the Friendly Societies, so that the companies will be largely dependent upon their own experience in firmly establishing the business.

Sickness Insurance we see, therefore, has really been thrust upon us by the stress of competition in Accident Insurance, so that there has really been little time in which to properly approach the subject. We have reached a point where it would seem very imprudent to go further in the field of competition until it has been well established that we are on safe lines. The experience already gained teaches that there are some phases of the business which materially affects the premium rate, requiring more thorough investigation. Some of the points I may refer to are:

POLICY CONDITIONS

There is no uniformity amongst the companies in the application of Policy Conditions and Restrictions. Some pay total weekly indemnity during confinement to the house, with a smaller indemnity during convalescence; others merely require disability from work the condition under which total indemnity is paid. It is not difficult to see that the companies adopting the latter method of payment leave themselves open to many unjust claims. Cases have come to our notice where the claimant has been recommended an ocean voyage, or has been ordered to a health resort during convalescence in order to build up his system. If the patient's position is such that his business does not absolutely require his personal attendance, the company whose policy requires them to pay total indemnity during inability to work may do considerable chafing at having to pay in full, but pay it must, although the case may be one where a convalescent indemnity would have satisfied all reasonable demands. Such cases are of frequent occurrence and it is desirable that the companies should adopt a standard wording, so as to define when full indemnity shall be paid.

A similar course might very well be adopted as to the number of weeks during which indemnity shall be paid. I am of the opinion that it is advisable to make the standard ten weeks as the limit of indemnity for Limited Health Policies, and twenty-six weeks the limit for General Sickness Policies.

In the absence of Medical examination, the question of what chronic diseases should be excluded from being covered is another important consideration. There is probably no class of insurance which requires more careful drafting of policies than Sickness Insurance as carried on by a company. The Benefit Societies have facilities through their lodges for providing protection against malingerers that it is impossible for a company to adopt, so that we are to a large extent dependent on the restriction which the policy provides.

SELECTION

The safeguards which are at present in use to protect the company against impaired risks consist of:

1. The questions asked in the application form.
2. The requirement that fifteen days must elapse before the company goes on the risk.
3. The provisions in the policies making certain diseases uninsurable.

The fifteen days clause may be some protection to the company against risks which have been exposed to contagious disease immediately before applying for a policy, and also some restraint on applicants taking out policies after they have had symptoms of an approaching sickness; and the questions in the application may reveal some bad risks, yet these are wholly insufficient to ensure the company securing first-class lives. On the contrary, the selection is very much against the company for the reason that a man of weak constitution is more likely to seek the benefits of Sickness Insurance than the man who never felt sick in his life.

Medical examination would reveal defects in a risk for sickness which even the applicant himself may not suspect, and only by such selection can we secure the best business, but it would require a revolution in the present methods of conducting the business to adopt medical examinations, so that the only recourse at present appears to be that more restrictive safeguards shall be placed in the policy and care taken that the application shall be drawn up so as to secure replies that will better reveal the nature of the risk to be assured.

AGE

That invalidity increases with the age of the insured has been frequently demonstrated. The following tables, prepared from the latest experience of the Manchester Unity, are instructive in this connection. The tables are based on the Experience by omitting all sickness after the first twenty-six weeks, so as to make them better conform to the period of disability paid by our companies.

Rate of Sickness per member per annum in weeks:

Ages up to 19 years.....	\$.88
20-24 "80
25-29 "80
30-34 "84
35-39 "89
40-44 "	1.05
45-49 "	1.21
50-54 "	1.45
55-59 "	1.77

The average number of weeks of sickness claim:

Ages 16 to 19 years.....	\$3.07
20-24 "	3.28
25-29 "	3.40
30-34 "	3.56
35-39 "	3.67
40-44 "	4.14
45-49 "	4.47
50-54 "	4.89
55-59 "	5.37

It will be noticed that between the ages of nineteen and sixty years there is an increase of one hundred per cent. in the rate of sickness per member, and an increase of seventy-five per cent. in the average claim made.

This leads us to the conclusion that the present method adopted by the Accident Companies of a level premium for ages up to fifty, with an advance only for ages fifty to sixty is not a correct grading. It may further be said there is every reason to believe that the largely increased invalidity at the older ages will require a much higher premium for ages 40 to 60 than is now being charged. The necessity for such an increase is heightened by the fact that applicants over 40 years of age are more likely to take out Sickness Insurance than the younger men, and for obvious reasons it may be expected the older ages are less likely to lapse their policies. The lapse ratio therefore acts as selection against the company.

Tables are now being considered by the companies in Canada

which will, I believe, result in a more equitable schedule of rates.

OCCUPATION

General Sickness Policies have been largely confined to occupations rated in the select, preferred and ordinary classes for accident insurance. It would be well, in my opinion, to keep to the business and professional classes as near as possible, but there are indications of the companies extending the insurance to occupations rated as more hazardous.

The question of the influence of occupation on invalidity does not seem to be established to an extent that the information can be relied on, but a casual study of the question goes to show that the present method in use, of adopting the personal accident classifications of occupation to Sickness Insurance, is inadequate. It is well known there are trades and occupations classified as "Ordinary" as an accident risk, which for Sickness Insurance are looked upon as unhealthy. It is equally well known that occupations which are considered as comparatively healthy are classified as more hazardous than those which are rated as "Ordinary" for accident insurance. The present Accident Manual of Classifications may serve as a guide, but it is a poor one, and, in my opinion, a distinct classification of risks must be adopted for the purpose of Sickness Insurance, if all classes of occupations are to be insured.

The question of locality on the influence of sickness has had some attention, but it does not appear feasible to make any distinction in rate in this country. It is a feature, however, which requires most careful attention. Typhoid fever and other disease epidemics incident to new towns are frequently occurring, the claims from which may create excessive loss ratios, which higher premium rates based on normal conditions cannot guard against. Most of our companies have had experiences of this nature. The only remedy seems to be that of restricting the writing of Sickness Insurance as largely as possible to more settled districts.

That there is a need for Sickness Insurance becomes more apparent. The loss of time as the result of sickness constitutes probably a greater financial loss than any of the casualties which befall men.

I have seen it stated that the contingencies likely to happen to a man in one year are: Of his house taking fire, 1/250; of him dying, 1/110; of meeting with a disabling injury, 1/8; of meeting with a disabling sickness, 1/5. If these are facts, and so far as sickness is concerned, I believe the figures given are underestimated, then there is a vast field for the benefits offered by Sickness Insurance. It would seem that it is almost a distinct business from Accident Insurance. Perhaps akin to Life Insurance in some respects, and yet the main feature of Accident Insurance is that of indemnifying against loss of time, so that in this respect Sickness Insurance may be said to come within the province of a business to be carried on by Accident companies.

It will be observed that there is a wide field for educative work in connection with this branch of insurance, and it is to draw attention to this educative necessity that I have taken the lines indicated in this paper, with the hope that the subject may secure the study and investigation which its importance demands, and so that the business may be transferred from a competitive experiment to one of sound, practical underwriting.

One of the first needs, in my opinion, is that the companies tabulate their Experience with all the forms of Sickness Insurance. This could be done through the Accident Underwriters' Association by providing a uniform method of tabulation. Several of the companies in Canada have been writing the business for a period of seven years, and if their combined experience could be secured it would be an excellent groundwork for

working out the problem of placing the business on a better basis.

I would suggest that such an experience be brought up to date, and in future each company contribute its figures each year. This suggestion, if carried out, will require some additional work and expense on the part of the older companies, but the combined information obtained would be invaluable to themselves, and I am satisfied would have the result of lessening the competition which continues to go on by some of the less experienced companies.

ROYAL COMMISSION ON LIFE INSURANCE

TORONTO SESSIONS

On April 25 the Royal Commission on Life Insurance began its Toronto sittings in the Division Court room in the City Hall.

The three commissioners, Judge McTavish, chairman; J. W. Langmuir, and A. L. Kent, took their seats on the bench at 10.35 a.m.

J. T. Hellmuth, counsel for the Ontario Government, protested against leaving the enquiry into the Insurance Department at Ottawa unfinished. He thought that there was no reason why the departmental enquiry should not have been exhausted before proceeding to the individual companies. C. Lebaeuf, K.C., counsel for the Quebec Government, stated that he did not agree with Mr. Hellmuth's view.

The chairman ruled that on the ground that Mr. Shepley had the conduct of the enquiry, the commissioners would not interfere with his conduct.

Mr. J. F. Junkin, managing director of the Manufacturers Life, was then called, and was examined by Mr. W. W. Tilley, junior counsel for the commission. He explained the details of the amalgamation of the Manufacturers Life and the Temperance and General Life. His evidence also developed that Mr. George Gooderham had transferred his controlling interest in the Manufacturers Life to Hon. Geo. A. Cox in 1898 or 1899 by a private agreement. It was also brought out that Mr. Cox does not hold a controlling interest at the present time. An agreement was also produced, made after the amalgamation, with Mr. Hy. Sutherland, formerly managing director of the Temperance and General Life, by which he was to retire on June 1, 1901, and to receive a retiring allowance of \$2,000 a year for five years, or \$10,000 in all. For this he agreed to offer no opposition to the company, but to endorse it by letter if required.

At the afternoon session Mr. Junkin was further examined by Mr. Tilley regarding the amalgamation. It was brought out that Mr. T. Bradshaw, F.I.A., had been retained as consulting actuary of both companies, to make a valuation of assets and liabilities for the purpose of the amalgamation.

On Thursday, April 26, Mr. J. F. Junkin was again on the stand all day. The Mackenzie & Mann call loan was made the subject of further inquiry. Various stock transactions in the history of the Manufacturers Life during and succeeding the amalgamation with the Temperance and General Life were also related by witness. It was shown that the control of the two companies passed from Mr. Geo. Gooderham to Hon. Geo. A. Cox, thence to Messrs. C. J. McCuaig and Mr. Strachan, and finally to Mr. J. F. Junkin, who divided it among eight persons as follows: Lloyd Harris, 1,350 shares; H. M. Pellatt, 1,000; William Strachan, 1,073; S. G. Beatty, 1,000; Wm. Mackenzie, 2,000; D. D. Mann, 2,000; McLaughlin & Johnston, 400; J. F. Junkin, 323; total, 9,146 shares.

At the afternoon session, Counsel Tilley put in the agreement between Mr. Geo. Gooderham and Hon. Geo. A. Cox regarding the transfer of stock in the Manufacturers Life and Temperance and General Life.

Mr. Junkin made a statement in which he said that the voting power of policyholders in the Manufacturers Life was the same as in the old Manufacturers Life and the Temperance and General Life before amalgamation.

Asked if the Manufacturers Life had loaned anyone else on unauthorized securities besides Mackenzie & Mann, Mr. Junkin replied that a loan had been made to Mr. F. Sanderson, actuary of the Canada Life, but there were no others so far as he could remember. Mr. Junkin offered to get a lot of all the call loans made by the company.

Asked if Mackenzie & Mann would have got the loan had they not been directors, Mr. Junkin said that he scarcely thought so. Later, he added that it was putting it a little strong to say that the loans would not have been made had Mackenzie & Mann not been on the board. The company would probably have lent it to anyone of financial strength. "You would have been willing to lend it to anyone of financial strength?" Counsel Tilley asked. "Yes, at that time," Mr. Junkin replied. "We would not to-day."

Certain transactions in the stock of the Dominion Coal Co. and the Crow's Nest Coal Co. were next taken up. It appeared that the Manufacturers Life sold Mackenzie & Mann stock in these companies at the end of 1903 and repurchased it from them on January 25, 1904. This, it was explained, was merely a nominal sale. Mr. Junkin understood that the company would have to repurchase the stock at the same price. If the securities went up, the company was to get the benefit, but if there was a loss it would fall on the directors. The risk was practically nil in these transactions.

AGENTS' COMMISSIONS UNDER NEW LAW IN NEW YORK

The first year commissions allowed agents under the new New York law, have been given by Actuary Miles M. Dawson of New York, as follows:

Plan.	Per Cent.	Plan.	Per cent.
Life	.55	Endt., 20 years	.35
Life, 20 P.	.45	Endt., 15 years	.30
Life, 15 P.	.40	Endt., 10 years	.25
Life, 10 P.	.35		

These figures are on the basis of reserves at 3½ per cent.; a company that reserves at 3 per cent. could offer slightly higher commissions.

Renewal commissions are limited to 7½ per cent. for nine years, excepting on endowments for 15 years or less, where the maximum rate is 5 per cent.

THE WESTERN OBTAINS A NEW LICENSE

Notice has been given by the Superintendent of Insurance that the Western Assurance Co., which heretofore carried on the business of fire and inland marine insurance in Canada was on April 2 granted a new license, No. 211, for the transaction in Canada of fire insurance, inland marine insurance, and inland transportation insurance.

THERE IS ONE BUSINESS

which has many tempting openings for energetic men. Its ranks are not overcrowded and capital is not needed for success. This business is the Field Work of a Successful Life Company.

One of the best companies in Canada to represent is the Manufacturers Life. It has many good field positions vacant and its own success bespeaks success for its agents.

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CAPITAL, \$1,000,000
 Full Government Deposit

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If you would be interested in seeing a specimen of our Four per cent. Bonds, or a copy of the Order-in-Council authorizing Trustees to invest therein, or a copy of our Annual Report for 1905; if you would like to have particulars of the terms upon which these Bonds are issued, or desire any information on the subject, we invite you to send us your address.

We may remind you that our Bonds are accepted by the Canadian Government as the Deposits which Insurance Companies are required to make.

PAID-UP CAPITAL.	- - -	\$6,000,000.00
RESERVE FUND.	- - -	\$2,200,000.00
INVESTMENT.	- - -	\$25,241,114.85

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It is the largest and best Company
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SURPLUS ON POLICYHOLDERS' ACCOUNT, OVER 100,000

Specially desirable plans of Insurance, un-
excelled earning powers, and exceptionally
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The LIVERPOOL and LONDON and GLOBE Insurance Co.

CLAIMS PAID EXCEED	\$221,000,000
CAPITAL AND ASSETS EXCEED	64,000,000
CANADIAN INVESTMENTS EXCEED	3,750,000

Applications for Agencies invited in Unrepresented Districts.

HEAD OFFICE—Canadian Branch
MONTREAL

CANADIAN BOARD OF DIRECTORS:
E. S. Clouston, Esq., Chairman

Geo. E. Drummond, Esq.
J. Gardner Thompson, Resident Manager

F. W. Thompson, Esq.
William Jackson, Deputy Manager

The Mutual Life Insurance Company of New York

TO THE BOARD OF TRUSTEES OF THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK. NEW YORK, February 15, 1906

Gentlemen.—The undersigned were appointed a Committee, pursuant to the following action taken, as set forth in the minutes of your meeting held December 6, 1905:

The President then stated that the by-laws required the appointment of a committee of four at the close of each fiscal year to examine the accounts and assets of the Company, and offered a resolution covering the point, which was as follows:

Whereas, Section 47 of the By-Laws of the Company provides that at the close of each fiscal year the accounts and assets of the Company shall be examined by a Special Committee of four or more Trustees (not members of the Finance Committee); and

Whereas, The Special Committee of the Board of Trustees appointed October 25, 1905, is about to engage in such an examination, and it is inexpedient that the accounts and assets of the Company should be subjected to the examination of two committees at the same time actuated by a like purpose;

Resolved, That the Special Committee to examine the accounts and assets of the Company consist of Messrs. William H. Truesdale, John W. Auchincloss, Stuyvesant Fish, and

Resolved, That such Committee of four be also appointed as a Committee to audit the annual statement of the Company for the year 1905.

The resolution as offered was, on motion duly made and carried, adopted.

The question of the additional member of the Committee to examine the accounts and assets of the Company was then taken up.

On motion, duly made and carried, it was

Resolved, That the President be empowered to appoint the additional member.

On motion, duly made and carried, it was

Resolved, That the President have power to appoint alternates, if necessary, to assist in this work.

The President of the Company subsequently appointed Mr. William P. Dixon as a fourth member of this Committee.

Section 47 of the By-Laws of the Company reads as follows:

"47. At the close of each fiscal year, the accounts and assets of the Company shall be examined by a Special Committee of four or more Trustees (not members of the Finance Committee, whose report shall be placed on the minutes).

Your Committee beg to report that they have examined the accounts and assets of the Company as of December 31, 1905. The extent of the work to be performed and the necessity of doing it within a limited time precluded the possibility of the members of the Committee personally counting the securities. This work was entrusted to Messrs. Haskins & Sells and Messrs. Deloitte, Dever, Griffiths & Co., the Public Accountants engaged by the Special Committee of the Board of Trustees appointed October 25, 1905.

Your Committee have, however, given their personal attention to the methods pursued by the Accountants in doing this work, and did severally attend from day to day while such counting was going on. They have familiarized themselves with the methods of counting, checking over and examining the securities, pursued by the Accountants, and beg to say that they approve thereof.

Your Committee have personally examined with care into the values at which the various securities are entered on the books of the Company, compared them in detail with the market reports of such values, and have looked thoroughly into the prices at which the stocks, bonds and other securities owned by the Company are carried on its books, and have found the valuations there given safe and conservative; in many instances less than the market value and in none in excess of such value.

Through the Accountants above referred to, all deposits in banks and trust companies have been verified, and the cash on hand has been counted and found to agree with the statement thereof.

Your Committee have also, through the Accountants, examined all the bonds and mortgages on real property, all loans upon collateral security and upon policies of the Company, and have in respect to each found the security ample, with proper and abundant margin on the loans. They have also gone very thoroughly into the methods pursued by the Accountants in making such examinations, and into the valuations put upon real property mortgaged to the Company, and approve the same.

The Committee certify that the investments of the Company are of the highest order and well selected, and with regard to their safekeeping desire to report that they are most favorably impressed with the methods under which the work in the Treasurer's Department, in caring for the securities of the Company, has been and is transacted. The Committee were much pleased with the thorough, systematic and careful manner in which this important work of caring for these, the principal negotiable securities of the Company, is and has been done.

Your Committee beg further to report that in respect to auditing the annual statement of the Company for the year 1905, they caused to be submitted to the President a report, of which the following is a copy:

OFFICES OF THE PUBLIC ACCOUNTANTS,

MUTUAL LIFE BUILDING, 32 NASSAU STREET.

In re The Mutual Life Insurance Company of New York.

Interim Report of the Public Accountants at present engaged on an investigation of the affairs of the Company.

W. H. Truesdale, Esq., Chairman of the Committee of the Board of Trustees of the Mutual Life Insurance Company of New York.

Sir—Under appointment by your Committee we are now engaged on an investigation of the affairs and an audit of the books and accounts of your Company for the two years ended December 31, 1905.

In pursuance of our duties we have, at this date, examined the following assets, viz.:

Investments in Government, Railroad and Other Bonds

We have counted and examined Bonds and certificates representing Bonds, owned and held by the Company, having a par value of \$183,352,600, and have verified by acknowledgments of State and Foreign Governments that they held on deposit Bonds having a par value of \$9,580,180.11. The total par value amounts to \$192,932,780.11, and we have verified the market value thereof as \$191,417,569.30.

Investments in Railroad, Banking Institution and Other Stocks

We have examined Certificates of Stocks owned and held by the Company having a par value of \$30,235,600.00, and have verified by acknowledgments of State and Foreign Governments that they held on deposit Certificates of Stocks having a par value of \$1,475,000.00. The total par value amounts to \$31,710,600.00, and we have verified the market value thereof as \$73,884,298.08.

Loans Secured by Mortgages on Real Estate

We have examined the Bonds and Mortgages held by the Company as security for its loans on Real Estate and have verified that such Loans amount to \$109,771,163.16 (\$930 first liens). The titles are now being inspected and the properties are being valued by appraisers appointed by your Committee.

Loans Secured by Bonds and Stocks Held as Collateral

We have examined the Notes representing these Loans and the Bonds and Stocks held by the Company as collateral security therefor, and have verified the amount of such loans as \$18,195,000.00. The market value of the collateral security was found to be more than 20 per cent. in excess of the amount of each loan.

Loans Secured by Company's Policies

We have examined at the Head Office 48,734 Loan Agreements and assigned policies held as security, representing loans to the amount of \$26,999,011.99, and we have examined in London 1,685 Loan Agreements and assigned Policies held as security, representing Loans to the amount of \$873,912.06, thereby verifying Loans to the amount of \$27,872,924.05, secured by the Company's policies. The Policy Loan Agreements held at the Branch Offices of the Company in South Africa and Australia, where we are at present examining them, are stated by the Company as amounting to \$325,354.79. The total of all these Loans amounts to \$28,198,278.84.

Cash

We have verified the Cash on Deposit, by certificates obtained from the Banks and Trust Companies in which such Deposits were held, amounting in the aggregate to \$9,244,742.98, and we counted the Cash on hand in the Head Office at the close of December, 1905, amounting to \$25,770.10, making the total amount of Cash verified \$9,270,513.08.

Premiums Due and Uncollected, and Deferred Premiums

We have examined the records of the Company as to policies in force at the close of December, 1905, and have verified the gross amount of Premiums Due and Uncollected as \$4,596,209.53, and the gross amount of the Deferred Premiums as \$2,873,396.31, making a gross total of \$7,469,605.84.

We hereby certify that the books of the Company agree with the Assets herein specified as having been verified. Real Estate owned by the Company in the Boroughs of Manhattan and Brooklyn, New York, and in Boston and Philadelphia, has been valued by your Committee's appraisers, Messrs. Douglas Robinson, Charles S. Brown & Co., at the sum of \$24,595,000.00, which, less a purchase-money incumbrance of \$275,000.00, is \$1,648,999.33 in excess of the Company's net book value. The other Real Estate owned by the Company is now being valued by your appraisers.

(Sgd.) HASKINS & SELLS, Certified Public Accountants.

(Sgd.) DELOITTE, PLENDER, GRIFFITHS & Co., Chartered Accountants.

All of which being respectfully submitted, your Committee beg to be discharged.

(Sgd.) W. H. TRUESDALE, STUYVESANT FISH,
JOHN W. AUCHINCLOSS, WM. P. DIXON,
Committee.

MERCHANTS FIRE INSURANCE CO.

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A. E. MORELL, Inspector
R. F. FRASER, Agent Toronto District

THE RECORD OF THE North American Life FOR 1904

Shows that large gains have been made in the amount of policies issued, insurance in force, income, payments to policyholders, etc.

Policies Issued - - \$6,484,425.00
An increase over 1903 of \$845,535.00
Insurance in Force - \$35,620,988.00
An increase of \$3,004,805.00
Income - - \$1,504,063.00
An increase over 1903 of \$122,700.00
Payments to Policyholders \$581,138.00
An increase over 1903 of \$137,918.00

The financial position of the Company is unexcelled. A good Company, both for the policyholder and agent. Applications invited for agencies in unrepresented districts.

Home Office, TORONTO, ONT.

THE STANDARD LIFE Assurance Company of Edinburgh (Established 1825)

HEAD OFFICE FOR CANADA, MONTREAL

Funds - - - \$55,094,925
Investments under
Canadian Branch - 17,000,000

Assurances effected on first-class lives
"WITHOUT MEDICAL EXAMINATION"

Apply for full particulars
D. M. McCOUN, Manager
WM. H. CLARK KENNEDY, Secretary
CHARLES HUNTER, Chief Agent Ontario

Provident Savings Life Assurance Society

OF NEW YORK

TIMOTHY L. WOODRUFF, PRESIDENT

THE BEST COMPANY FOR POLICY HOLDERS AND AGENTS.

Successful AGENTS AND GENTLEMEN SEEKING REMUNERATIVE BUSINESS CONNECTIONS,
MAY APPLY TO THE HEAD OFFICE, OR ANY OF THE SOCIETY'S GENERAL AGENTS.
C. T. GILLESPIE, General Manager for Canada, 2-4 Wellington Street East, TORONTO

CONSERVATIVE PROGRESSIVE FAITHFUL

Some of the cardinal aims of the UNION MUTUAL management are—to be conservative in the choice of investments—to be progressive in the prosecution of the business—to be faithful to the interests of policyholders.

Agents of like inclination cordially welcomed.

Union Mutual Life Insurance Co'y
PORTLAND, MAINE

FRED. E. RICHARDS, President
ARTHUR L. BATES, Vice-President

HENRI E. MORIN, Chief Agent for Canada, 151 St. James St., Montreal
Canada.

For Agencies in the Western Division, Provinces of Quebec and Eastern Ontario, apply to WALTER I. JOSEPH, Manager, 151 St. James Street, Montreal.

For Agencies in Western Ontario, apply to W. J. PECK, Manager, 17 Toronto Street, Toronto.

A SOUND, WELL-MANAGED
CANADIAN COMPANY

THE DOMINION LIFE

INCORPORATED 1859

HEAD OFFICE—WATERLOO, ONT.

DISTRICT AGENTS

The Great-West Life has openings for one or two good District Agents, and will be pleased to furnish information as to territory, etc., to suitable persons.

J. O. McCARTHY, Manager for Ontario, TORONTO

Anglo-American Fire Insurance Co.

HEAD OFFICE, 63 ADELAIDE ST. EAST, TORONTO

Authorized Capital - \$1,000,000

Deposited with the Dominion Government
for the protection of Policyholders - \$ 54,190.71

Security for Policyholders at 31st Dec., 1903 - 614,082.60

Licensed by the Dominion Government to transact the
Business of Fire Insurance throughout Canada.

S. P. McKINNON, ESQ.,
S. F. McKinnon & Co., Toronto,
President.

H. H. BECK,
Manager.

UNION Assurance Society of London

ESTABLISHED A.D. 1714

One of the Oldest and Strongest of Fire Offices

Capital and Accumulated Funds exceed \$23,000,000

Canada Branch: Cor. St. James and McGill Sts., Montreal

W. & E. A. BADENACH
Toronto Agents

T. L. MORRISEY, Resident Manager

The RELIANCE

Loan and Savings Company of
Ontario

84 KING STREET E., TORONTO

HON. JOHN DRYDEN, Pres.
JAMES GUNN, Vice-Pres.
J. BLACKLOCK, Manager.
W. N. DOLLAR, Secretary.

Estab. June 25, 1895

BANKERS
Imperial Bank of Canada
Bank of Nova Scotia

Permanent Capital (fully paid) - \$ 615,000.00
Security for Debenture holders - 1,040,456.87

4 Per Cent. Debentures issued in amounts of \$100 and upwards for a period of from 5 to 10 years with interest at 4 per cent. per annum, payable half-yearly.

The Royal-Victoria

LIFE INSURANCE COMPANY

Has on Deposit **\$267,000.00** with Dominion Government as security for Policyholders.
New Business in 1905 increased **37%** over previous year.

Expenses **5%** less on income.
Accumulated Assets, **\$1,300,000.00**.
Insurance outstanding, **\$4,700,000.00**.

DAVID BURKE, A.I.A., F.S.S., General Manager

SUN LIFE ASSURANCE OF CANADA COMPANY

1905 Figures

Assurances issued and paid for in Cash	\$18,617,056 51
Increase over 1904	2,700,192 27
Cash Income	5,717,492 23
Increase over 1904	1,155,556 04
Assets at 31st December	21,369,384 82
Increase in Surplus	1,177,793 50
The Company completed the placing of all policies on the 3½% basis, although the law allows until 1915, to do this, requiring	
	610,541 00
Surplus over all Liabilities and Capital (according to the Hm. Table, with 3½% interest)	
	1,735,608 50
And, in addition, paid policyholders in profits	
	166,578 30
Surplus by Government Standard	2,921,810 00
Life assurances in force	95,290,894 71
Increase over 1904	9,963,231 86

The Excelsior Life Insurance Company

ESTABLISHED 1889

HEAD OFFICE

EXCELSIOR LIFE BUILDING, TORONTO
59-61 Victoria Street

1905 the most successful year in a career of uninterrupted progression

INSURANCE IN FORCE OVER NINE MILLIONS

New Insurance written	\$2,433,281.00
Cash Income	321,236.62
Reserve	894,025.30
Assets for Policyholders' Security	1,500,000.00

Desirable appointments open for good Agents

Confederation Life

ASSOCIATION.

HEAD OFFICE: TORONTO.

PRESIDENT:

W. H. BEATTY, ESQ.,

OF BEATTY, BLACKSTOCK, RIDDELL & CHADWICK, BARRISTERS, TORONTO.

VICE-PRESIDENTS:

W. D. MATTHEWS, ESQ.,
GRAIN MERCHANT,
TORONTO.

FRED'K WYLD, ESQ.,
THE WYLD-DARLING CO., IMPORTERS DRY GOODS, ETC.,
TORONTO.

J. K. MACDONALD,
MANAGING DIRECTOR

W. C. MACDONALD,
SECRETARY AND ACTUARY

OPPORTUNITIES are offered to first-class insurance solicitors to write business on most favourable terms

PROVINCIAL AND FOREIGN ORGANIZATIONS:

J. TOWER BOYD, Superintendent of Agencies, Toronto

D. McDONALD, Manager, Winnipeg
A. E. LAWSON, Manager, Halifax

F. W. GILL, Cashier, Winnipeg
F. W. GREEN, Manager, Mexico
J. L. KERR, Cashier, Vancouver

G. W. PARKER, Prov. Manager, St. John
H. R. TILLEY, Manager, Kingston, Jamaica