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ESTABLISHED 1881.

A MONTHLY JOURNAL

DEVOTED TO THE INTERESTS

OF

INSURANCE.

FIRE, LIFE, MARINE, ACCIDENT AND GUARANTEE.

VOL. IV.

January to December, 1884.

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102 St. Francois Xavier St.,

MONTREAL.

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SUMMARY OF 38th ANNUAL REPORT.

New York Life Insurance Co.

OFFICE, 346 & 348 BROADWAY.

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

Morris Franklin, President.

BUSINESS OF 1882.

Received in Premiums.....	\$9,152,627.38	
Received in Interest, Rents, etc.....	2,798,018.41	
Total Income.....		\$11,950,645.79
Paid Death-claims.....	\$1,955,292.00	
“ Endowments.....	427,258.95	
“ Annuities, Dividends, and for Surrendered Policies.....	3,827,758.76	
Total Paid Policy-holders.....		\$6,210,309.71
New Policies issued.....	12,178	
New Insurance written.....	\$41,325,520.00	

CONDITION JAN. 1, 1883.

Cash Assets.....		\$50,800,396.82
*Divisible Surplus (Co.'s Standard, 4 per cent.).....	\$4,948,841.79	
†Tontine Surplus “.....	2,091,372.16	
‡ Total Surplus at 4 per cent.....	7,040,213.95	
Surplus by State Standard.....		\$10,073,892.51
Policies in force.....	60,150	
Insurance in force.....	\$171,415,097.00	

PROGRESS IN 1882.

Increase in Premiums.....	\$1,101,915.44	
Increase in Interest, etc.....	365,364.08	
Total Increase in Income.....		\$1,467,279.52
Excess of Income over all expenditures.....	3,788,508.25	
Excess of Interest over Death-losses.....	842,726.41	
Increase in Assets.....	3,571,615.18	
Increase in Divisible Surplus (Company's Standard, 4 per cent.).....	121,805.18	
Increase in Tontine Surplus “.....	37,128.13	
Amount added to Tontine Fund.....	1,109,966.00	
Amount paid on Matured Tontines.....	1,072,837.87	
Increase in Policies issued (over 1881).....	2,237	
Increase in new Insurance “.....	8,951,239.00	
Increase in Policies in force “.....	6,223	
Increase in Insurance in force “.....	19,654,273.00	

* Exclusive of the amount specially reserved as a contingent liability to Tontine Dividend Fund.

† Over and above a 4 per cent. reserve on existing policies of that class.

‡ If the Actuary's, or American, Mortality Table were used, this amount would be considerably increased.

The NEW YORK LIFE issues all desirable forms of Life, Endowment and “Tontine Investment Plan” Policies.

Applications for Agencies in Canada, and all information regarding the Company's popular systems of insurance, will receive prompt attention by addressing the undersigned.

CANADIAN BRANCH OFFICE,

UNION BANK BUILDING, NOTRE DAME STREET.

MONTREAL.

DAVID BURKE, SUPERINTENDENT.

INSURANCE

ROYAL

COMPANY.

GENERAL RESOURCES.

CAPITAL
\$10,000,000

INVESTED FUNDS,
\$28,000,000.

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

SHAREHOLDERS LIABILITY UNLIMITED.



CANADIAN POLICY-HOLDERS

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

CANADIAN PREMIUMS EXCEED
\$600,000.

RATES MODERATE.
LOSSES EQUITABLY ADJUSTED,
— AND —
PROMPTLY PAID.

Insurers joining now will share in two years profits at the division in 1885.

CANADA LIFE ASSURANCE COMPANY

A. G. RAMSAY, PRESIDENT

R. HILLS, SECRETARY.

— 36th YEAR, ENDING 30th APRIL, 1883. —

Capital and Funds, about - - \$6,500,000.
New Policies Issued, 2,135, for - \$4,778,734.

Annual Income - - - \$1,150,337.
Total Amount in Force - \$30,139,095.

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

JAMES AKIN, *District Agent,*

P. LAFERRIERE, *Inspector.*

The Ontario Mutual Life Assurance Co's

HEAD OFFICE, WATERLOO, ONTARIO.

DOMINION DEPOSIT - - - \$100,000.

The only purely Mutual Life Company in Canada.

Total number of Policies in force, Dec. 31, 1882, 4,335. | Covering Assurance to the Amount of - \$5,504,478.
Net Cash Assets - - - - - \$365,328,71. | Net reserve to credit of policy-holders \$383,044,59.

The Company's Reserves are based on the Actuaries' "Table of Mortality," and four per cent. interest—the HIGHEST standard adopted by any life company in Canada, and one-half per cent. higher than the standard used by the Dominion Insurance Department.
The rapid growth of the Company may be seen from the fact, that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of \$427,429!!

I. E. BOWMAN, President.

W. HENDRY, Manager.

W. H. RIDDELL, Secretary.

SUN LIFE ASSURANCE COMPANY OF CANADA.

UNCONDITIONAL INCONTESTABLE LIFE POLICIES.

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

Directors: THOMAS WORKMAN, Esq., President. M. H. GAULT, Esq., M.P., Vice-President. HON. A. W. GILVIE.

A. F. GAULT, Esq. RON JOHN BOYD. D. MORRICE, Esq.

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

ASSETS, about \$1,100,000

R. MACAULAY, Managing Director.

JANUARY,

1884.



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INSURANCE SOCIETY.

It is the intention of the present publisher of INSURANCE SOCIETY to devote its columns entirely to insurance matters, Fire, Life, Accident, Guarantee and Marine. The discussion of the numerous questions arising out of such a large and important interest, and the supplying of the latest and fullest information regarding their business to the thousands who are interested in it, as officers or agents, are surely matters of sufficient importance to require an independent journal devoted exclusively to them. The publisher is convinced that there is not only room for, but a positive need of, such a journal, and therefore makes no apology for the existence of the paper, but appeals to the Insurance Companies and agents of Canada for continued and increased support as for an institution of which they already know the value.

As regards the "platform" of the paper, it is hardly necessary to say that it will continue, as heretofore, to deal with all the varied interests of the business in a thoroughly impartial and unbiased manner. Those companies which are honestly managed and worthy of the confidence of the public will always find in us a hearty supporter, but unsound or dishonestly managed institutions will have no friend in us. Any malpractices in the business will be promptly exposed by us.

There has been no change in the editorial management of the paper, and our old subscribers do not need to be told that we will deal with such matters in a fearless and energetic manner. We need only remind them that during the past year we did not hesitate to stand out and expose the rottenness of the Standard Fire Insurance Company of Hamilton and the falseness of the statements made by its officers, and this, too, for month after month at a time when nearly every paper, both in Canada and the

United States, which referred to the Company at all did so in terms of the highest praise. The disastrous failure of the Company confirmed all our statements, but so far as we are aware no other paper raised a voice of warning to the public till *within one week of its closing its doors*. The course taken by us in regard to the Confederation Life Association when assailed in regard to its "suspended mortality," to the Provident Mutual Association, and other institutions, will also occur to our readers, and we have therefore no fear of being accused of either drowsiness or lack of enterprise.

We would like to again call the attention of those in the business to the medium we offer them for expressing the views they may hold. There are many reforms needed, particularly in fire insurance, where united and immediate action is necessary for the protection of the stockholders, and, in fact, of the policy holders. Why should not the officers of the various companies have a friendly discussion of this and other questions through our columns? They would have the satisfaction of knowing that their views would reach every prominent insurance man in the country and be calmly considered by them. Very often neither of these advantages can be obtained in the hurried meetings in which such matters are usually considered. We are convinced that much good has resulted from the discussions which have taken place in our columns in the past, and we are equally satisfied that still greater benefits may be looked for from this source in the future.

We close by wishing all our readers, if not too late,

A HAPPY AND PROSPEROUS NEW YEAR.

It is our intention to keep a Record of all the Agents in the Dominion, and we will always be pleased to assist companies to secure good, reliable agents, and agents companies. These services are, of course, rendered free of charge. We may say that we already have the names of all the principal Agents in Canada on our list.

If Agents who want Companies—or Companies who want Agents,—will write us stating their wishes, we will do our best to meet their views, and, if desired, their communications will be considered private.

MEASURE OF DAMAGE.

In the December issue of INSURANCE SOCIETY, in the discussion of the subject of adjustments of lumber losses, we incidentally referred to the different *measures of damage*

in the event of loss, applicable to the several interests of the manufacturer at the mill, and the merchant or jobber in lumber at his yard; and we might have added also, as a third party, with a still different measure, the consumer of lumber, as the carpenter, cabinetmaker, and other wood-workers, the respective interest of these three classes having each a separate and distinct measure of damage when subjected to loss under insurance.

Perhaps in the multitudinous and multifarious phases in which questions present themselves to the fire loss adjuster for solution in the discharge of his duty, none is more constantly misunderstood—and hence misapplied—while at the same time not one point in the many is more simple and plain when understood, and at the same time more equitable to the assured, than is proper apportionment of the measure of damage applicable to each individual case; or, in other words, the amount of *indemnity* to which the assured is legally entitled under the conditions of his policy.

The question next arises; what is indemnity, as measured by the stipulations of the policy?

We answer this by the following citation from that eminent French writer *Alauzet*, (p. 172,) who says:

“Un principe général qui domine tout la matière des assurances, c'est que le contrat ne peut jamais être pour l'assureur une source de profit; pour lui, l'assurance n'est pas un moyen d'acquérir. Le seul objet que puisse avoir le contrat est de lui assurer l'équivalent des objets mis au risque, s'ils viennent à périr ou à souffrir un dommage.”

Which, rendered into English, reads:

“A principle which dominates all matters of insurance is that the policy can never bring to the assured a source of profit; to him the insurance is not a means of gain. The sole object that the policy can have is to insure to him an equivalent for the subject placed at risk, should it happen to be destroyed or suffer damage.”

And *Struccha*, one of the earliest text writers upon Marine Insurance (A. D. 1556), says: “Insurance seeks not gain, but operates to prevent loss.”

In accord with these recognised principles underlying the insurance contract, fire underwriters agree to make good to or indemnify the assured for all loss or damage that *he* may sustain by fire upon the property at risk under the policy, provided only, that the *cash* value of the property destroyed or damaged, as above provided for, shall not exceed what would be the cost to *him*, at the time of the fire, of replacing the same, thus making the measure of his damage the exclusion of profits upon the property lost. The amount of the policy limits the extent of payment under any circumstances, but does not measure the damage; the minimum of loss, within the sum of the insurance is the maximum of the insurer's liability. The next question presenting itself for solution as we proceed is: “What is Cost?”

Cost,—to the consumer, the jobber or the dealer, is the value in money or its equivalent paid for the possession of any article of trade or commerce. To the manufacturer it is the value for the raw materials, plus the expenses of labor bestowed thereon in converting the same into the completed article, exclusive of profit or interest on capital invested or plant employed; and this without reference to the fact whether the article be patented or not.

But *cost* of purchase or of manufacture does not always

represent value. Property may be worth more or less than the actual cost. Mr. Bunyon says: “If goods have risen in value the payment of *cost* price would be no indemnity; while, if the value of the goods had depreciated in the market, or if they have been on hand for a length of time, shop-worn or out of fashion, the original cost would be no criterion of present value.” To meet these emergencies the policies stipulate for suitable deductions to equalize the values.

Values, as the term is used in insurance, are of two classes, viz., value in use, or the utility of an object for use, and value in exchange, or the worth of an object in purchasing other property. All adjustment values have this signification.

Market value is the price at which property of any kind can be purchased in “open market,” from first hands, subject to the customary competition among dealers, and where the purchaser has the option of buying wherever he may find the best bargains, as opposed to the *sale price* for patented or exclusive articles, for which there can be no competition, as they are not to be had in “open” market, and the buyer is compelled to pay that price or go without them.

This market value, or sale price, includes, in addition to *cost*, the manufacturer's or merchant's *profits* and the factor's *commissions* upon the sales, which are not subject of indemnity under an insurance upon the goods; to be covered they must be specifically so named in the policy, and paid for in the premium.

(To be continued.)

THE CANADIAN FIRE UNDERWRITERS ASSOCIATION AND MUNICIPAL TAXATION.

Kingston, we see, is determined to collect a special tax from Insurance Companies, as well as from some other Corporations. As regards the former the movement is, we think, ill advised and foolish, as well as unjust. Upon what grounds can they justify their action?

So far as Kingston is concerned the older companies have, no doubt, a vivid recollection of certain large sums it was their ill fortune to invest there in payment of fire claims in past years. Are they to be taxed for the privilege of trying to win back their money? We hope this imposition, for we consider it one, will either be found illegal, or that the civic authorities will at least exempt the Insurance Companies. But, if neither of these desirable ends be attained, then let the Companies use the legitimate means provided by their Canadian Fire Underwriters' Association, and, as a member has suggested, at once advance the fire insurance rates for Kingston. As all the Companies are included in this Association there can be no avoiding such increased rates; and we rather think before long the citizens of Kingston will bring sufficient pressure to bear on their representatives to cause the repeal of the obnoxious impost. Kingston to-day ranks under what is known as *Tariff “C”*; write it down to “D,” thus ranking with Belleville, Trenton, Arnprior, etc., and then the Companies will be able to collect the tax, *and a little over*, for “costs of collection.”

Ottawa and Kingston succeeding in this special taxation business, will lead other cities, towns and villages to imitate them, and the Insurance Companies would then have to meet no inconsiderable additional drain on their premium revenue. We rather think the Canadian Fire Underwriters' Association will be equal to the situation, for at the Annual General Meeting of the Association in Toronto on the 23rd instant, this question of municipal taxation will be considered, and, if necessary, legislated on.

We suppose if a member of any civic corporation imposing such a special tax were asked to show the reasonableness of the thing, he would reply that Insurance Companies benefitted greatly by the waterworks, steam fire engines, general fire appliances, police, etc., which his town provided, and that they should fairly be asked to contribute to the support of such costly provision. Now the Insurance Companies have really no interest in the providing and maintenance of fire appliances, for the reason that where they exist they recognize them by a lowered rate, and where they do not exist they recognize their absence by a greatly increased rate, corresponding to the hazard. It is a very popular error to expect companies to contribute directly to the support of fire brigades, steam fire engines, etc., when, as soon as these are established in any place hitherto without them, down go the rates, and we think such a result generally constitutes a very handsome contribution, if the figures could be shown. Besides, why should insurance companies be asked to contribute to the maintenance of a fire brigade, etc., for the protection of the property of those who do not insure at all, and there are also a great many whose property is only partially insured.

Again, he would refer to the large aggregate of premium withdrawn yearly from his town by the insurance people. *That*, would always be prominent in his mind of course, but the aggregate losses of twelve years past or the possibility of a large conflagration in the near future would not be so prominent.

We hope the Canadian Fire Underwriters' Association will not dissolve without unanimous, effective action being resolved on, should this municipal taxation scheme be pressed. We cannot conclude without referring to the great convenience the Companies enjoy in possessing an organization such as the Canadian Fire Underwriters' Association in working order, and ready to cope on the instant with any threatened evil, and enabling them to act with the force and emphasis that a united organization can always bring to bear for the general weal. We shall refer to this subject again.

SUN LIFE ASSURANCE COMPANY.

There is no class of business so sensitive to adverse criticism as Life Assurance. The faintest breath of suspicion, even though there be not the slightest foundation for it, has an injurious effect on it. We are sorry, therefore, to see that prominence has been given in a few of the daily papers to the Sun Life Assurance Company, and the fact that it holds some stock in the defunct Exchange Bank. We have made enquiry, and find that at the time of the failure of the Exchange Bank the Sun Life held only \$5000 of its stock, and thus, even if the double liability were called up, the total loss

is comparatively almost nothing to a company of the size of the Sun. The loan of \$20,000 on the stock, which appears in the Government returns as existing on 31st December, 1882, was made to a wealthy broker, and was paid off in full about the 1st of April, 1883, long before any trouble had been seen in connection with the Bank at all. There is thus no foundation for the stories which have been circulated. They are none the less to be deplored however, for, with people who do not know the facts, they may do harm.

We have watched the progress of the Sun Life year by year with much satisfaction. It has been steadily and rapidly gaining in size and strength, and it now holds a very high position with the public as a prosperous and solid Canadian life Company. The liberal course it has taken in regard to the conditions of its policies, and the honorable manner in which it has transacted its business, have made it deservedly popular. The high esteem in which Mr. Macaulay, the Managing-Director, is held, is the best possible guarantee that can be given as to the carefulness and prudence of the management; and from our personal knowledge of the officials we certainly have no hesitation in recommending the Company most heartily.

WHEN DOES THE LIABILITY OF A FIRE INSURANCE POLICY TERMINATE, STANDARD TIME?

A very interesting question has recently arisen among the fire underwriters across the line, which is worthy of some discussion, as the same points may at any time happen in the Dominion, the liability of the insurers in this case hangs upon the time at which the fire occurred; and whether such time will be measured by the "new standard," recently adopted, or by the old standard of solar time. The facts are as follows: A barn was recently discovered to be on fire at 11.55 a.m., standard time, or 12.11 p.m., solar time. One policy was to expire at 12 o'clock noon on that day and a policy in another Office was to commence on the expiration of the first, that is, at 12 o'clock noon. The question as to which standard of time shall rule can only be for the courts to decide, hence there is no discussion thereon. But, under the supposition that the new time is to rule, and the fire being first discovered five minutes before the expiration of policy number *one*, the question is: What would be its liability, would it cease with the moment of expiration of time under the terms of the policy, or would it be liable up to the close of the fire?

As to policy number *two*, the question is: Inasmuch as a fire had commenced upon the premises before the time at which it was, by its terms, to assume the risk, is the *burning* building the risk it agreed to assume? If so, what portion of the loss is it liable for?

Unfortunately, in the discussion of the subject, we can gain nothing in the way of direct legal adjudications in the Dominion upon the point, though we get some little light thereupon, inferentially, from decisions made in England and in the States where the principles involved have been ruled upon.

In the matter of standard or solar time : While it is a rule of law that "the time must follow that at the place of the contract," the question arises: Which is the "time" at the place where the policy was issued, the new or the solar?

The decision, as we have already said, will be for the courts, but we venture the opinion that, inasmuch as the "standard" time has never been legally adopted by competent authority, it cannot be substituted, in the construction of contracts of which time is said to be the essence, by either party to the detriment of another, as in this case. If this be correct it settles the question by placing the loss after the expiration of Policy No. *one* and the commencement of No. *two*.

In the assumed hypothesis, however, that the new standard of time shall rule, the question of the liability of policy No. *one* for loss after the time of expiration, as fixed by its own terms, seems to be settled by the following judicial decisions, where the same point, as to time, was at issue, viz: There was insurance upon a ship for six months; *three days* before the expiration of the policy, it received its "death wound," but by pumping and other efforts it was kept afloat until *three days* after the policy expired.—Held by the courts that the insurers were not liable, (1 Term R. 260).

Another case where a policy upon a ship was to expire December 1st (no hour fixed.) On *that day*, between one and two o'clock *p. m.*, she struck upon a wreck, and between two and four o'clock, *next a. m.*, December 2nd, she sank, in consequence of the injury, and became a total loss. Held—If the ship receive her death wound before the policy expires, and it results in a total loss after the policy expires, the insurer is liable only for a partial loss (Howell v. Protection Ins. Co., 7 Ohio, p. 1. 284); see also Lockyer v. Offley, 1 Term R. 252.

The inference to be drawn from these cases is that the liability of the policy ceases from and after the time fixed in the contract, under any circumstances, provided only that any interval of time occurs between the injury received and its fatal results, or, in other words, that the injury was the remote and not the direct cause of the eventual loss.

On the other hand, we have a case of fire loss, whence an inference, seemingly more in harmony with the construction of the policy as an instrument of indemnity, may also be drawn. The point of dispute was that of time, when the insurance would terminate under the terms of the policy. The case was that of Isaacs v. Royal Insurance Co. (5 L. R. Ex. 296), and is briefly as follows: A policy was taken upon property for six months, from February 14th to August 14th of same year,—no hour of expiration given. Between 10 and 11 o'clock on the night of August 14th a fire occurred upon the premises, causing loss and damage to the amount of £3,500. (No particulars as to the loss in the report of the case.) Payment was resisted, upon the plea that the policy expired at midnight, August 13th. The Court held that the policy was in existence up to the last moment of August 14th, and gave judgment for the plaintiff for the full amount.

The inference here is that a fire commencing between 10 and 11 o'clock at night could not, under ordinary circum-

stances, have destroyed \$17,500 worth of property in the brief period intervening before midnight; and, if there had been any question as to the liability of the insurers for loss occurring after that hour, some mention of the fact would be found in the defence of the Company and the dicta of the Court.

The difference between the two classes of cases is in the fact that in the first case under consideration the injury was continuous; hence fire was the direct and continuous cause of the loss. The distinction however, is so slight as scarcely to carry any force with it; and as the weight of authority seems to preponderate on the side of the non-liability of policy No. *one* after 12 o'clock noon we must so conclude.

As to policy number *two*: It is an insurance axiom that where a policy is taken out to cover property in existence at the time the contract is executed, though to take effect some days thereafter, such insurance is liable for any loss occurring at or after the commencement of its currency, although, as in the present case, the premises may chance to be on fire at that moment. The only escape for the Company would be a stipulation in the policy providing that the property was not on fire at the time of such commencement. Policy No. *two* being a bona fide contract, its liability is co-existent with its currency.

Policies Nos. *one* and *two*, being non concurrent, and not co-existent, cannot be held as co-insurers; each has its own liability, that of No. *one* ceasing before that of No. *two* comes into existence. Policy No. *one* will pay all loss occurring before and up to 12 o'clock noon, and No. *two*, all happening after that hour, within the amounts of their several policies.

Just how the losses can be ascertained will depend upon the class of hazard. It will be the duty of the insured to present his proofs, distinguishing the liability of each office, *if he can*. If not the adjustment should be a matter of compromise to the benefit of all concerned.

LUMBER LOSS ADJUSTMENTS.

An esteemed correspondent sends us the following, upon the affixing of values on manufactured lumber at the mill, which we publish as of interest to many of our readers:

HAMILTON, January 10, 1884.

Editor INSURANCE SOCIETY.

DEAR SIR,—I have been very much interested in reading the excellent article in the December issue of your esteemed journal upon the subject of the correct adjustment of lumber losses, in the hands of the manufacturer; the more so, perhaps, because the views therein expressed as to what you denominate "the measure of damage" to the mill owner correspond closely to my own upon this subject, and the reading of which called to mind a lumber loss that occurred in this Province in 1880, the adjustment of which was entrusted to a party, who claimed to be competent to the task he had undertaken. But when the adjustment papers reached the Companies interested, of which there were several, their surprise may be better imagined than described to find that the assured had been settled with for his loss upon the basis of the *selling price* of the lumber at the mill, at which rate the claimant would have been glad to have filled any amount of orders from any body, for this selling price included his profits upon the lumber above the cost!

The offices interested at first protested against the adjustment; but, as is customary in such cases where there are several Companies

interested, some of the weak-kneed ones paid up rather than have any further trouble in the matter, so of course the others had to do the same, you know, or run the risk of losing business. Our Insurance Companies, and our loss adjusters more especially, are under obligations to your journal for giving the manner in which lumber losses should be adjusted. However difficult the actual cost of the lumber at the mill may be to find, something nearer the truth than the selling price could certainly be reached.

Apologizing for thus troubling you,

I remain, respectfully yours,
W. S.

REPLY TO W. S.

We are obliged to our correspondent W. S. for the facts contained in his interesting letter, which seem to indicate that our article, to which he refers, has not been untimely. Our only regret in the matter is that we could not from the nature of the subject, go any deeper into details. It is evident, however, that the adjuster having the loss referred to in charge was ignorant of the very first principle of adjustment, and that is that the insured should in no case be permitted to make a gain upon his insurance; indemnity to the amount of the actual loss to himself, and no more, is all that he can be entitled to under any circumstances, and this without including any consequential damage arising as the result of the loss. W. S. will find the subject of "Measure of Damages" under the fire policy fully discussed elsewhere in this issue of INSURANCE SOCIETY, to which his attention is solicited. We are glad to have our articles discussed, because discussion brings knowledge, and knowledge wisdom, which we all need.

THE INSPECTOR OF INSURANCE FOR ONTARIO.

In recent issues of INSURANCE SOCIETY we have studiously avoided reflecting strongly on the action of the Ontario Insurance Department, in regard to the Standard Fire Insurance Company. We wished to give the Inspector an opportunity to show that his office is not a mere sinecure. We pointed out the condition of the Standard Fire Insurance Company of Hamilton in issue after issue, without reflecting, as we might have done, on his conduct, but he took no notice of our remarks. We stated the facts so clearly that the merest novice could see that the Company was hopelessly insolvent even at that time, but he let it die a natural death, from being no longer able to conceal its rottenness by even the thinnest coat of paint. All of these things happened under his very eyes but he did not make the slightest move to help the unfortunate policyholders; we therefore consider it is high time for us to say something as to the value of his department. In this article we wish specially to point out how he has utterly failed to comply with the conditions imposed on him by the laws under which he is supposed to act.

The Ontario Act of 1879 (42 Vic. cap. 25) says: section 2)

2. The Inspector of Insurance shall visit the Head Office of every such Company in Ontario at least once in every year, and shall carefully examine the statements of the Company as to its condition and affairs and report thereon to the Treasurer as to all matters requiring his attention and decision.

3. A report of all companies so visited by the Inspector shall be entered by him in a book kept for that purpose, with notes and memoranda showing the condition of each Company, and a special written report shall be communicated to the Treasurer stating the Inspector's opinion of the condition and financial standing of each Company, and all other matters desirable to be made known to the Treasurer.

Did the Inspector of Insurance communicate a special report to the Treasurer, stating his opinion of the condition and financial standing of the Alliance and Standard Fire Insurance Companies as at the 31st December, 1882?

Did he inform the Treasurer that the liabilities of the Alliance exceeded its assets by \$3,754.86—that the liabilities of the Standard exceeded its assets by \$450.54, and that the expenditure of the Alliance had exceeded its income by \$6,281.10?

Did he state his opinion to the Treasurer about the value of the "Agents' Balances" the "Bills Receivable" and the "Miscellaneous" of the two Companies, which in the aggregate amounted to \$58,051.28, when recommending to the Treasurer the amalgamation of those two Companies?

Did he inform the Treasurer that the general Branch of the Victoria Mutual was insolvent on the 31st of December, 1882, that its liabilities exceeded its assets by \$11,025.84, and did he express his opinion to the Treasurer about the value of its assets?

Chap. 161 Revised Statutes of Ontario Section 29 says:

2. All the debentures and promissory notes at any one time outstanding shall not exceed one-fourth of the amount remaining unpaid upon the same premium notes. (36 V. c. 44, s. 29.)

Did he inform the Treasurer in his special report that on the 31st December, 1882, the "debentures" and promissory notes of the General Branch of the Victoria Mutual were nearly double the amount remaining unpaid upon its premium notes?

In February, 1882, an Act was passed by the Ontario Legislature relating to the law of insurance. Among other things it provided for the winding-up of insurance companies, and empowered the Government to obtain accurate and detailed information from the books of any company undergoing the process of liquidation as to the state of its affairs—it authorized the appointment of a receiver to wind up its affairs—it made it imperative on any insurance company voluntarily proposing to go into liquidation to give one month's notice thereof in advance to the Provincial Secretary, the Inspector of Insurance, and by advertisement in the *Ontario Gazette* to the public; it also provided for a return of his unearned premium to each policyholder; and it made it imperative on the receiver to report monthly to the Inspector of Insurance concerning the company, its receipts and expenditures, its assets and liabilities, It is an excellent law, but recent events have shown that it is simply so much waste paper.

On the 27th of November, last year, Mr. Laidlaw, for the creditors of the Standard, moved in Chancery for a winding up order under the Dominion Act of 1882 (chapter 23, 45 Vict.), and Mr. Justice Proudfoot granted it. The Company has by this course saved itself from exposure, for there is nothing in the Act above referred to which renders a provincial statement of its affairs, either to its shareholders, its insurers or the public, at all obligatory,—and Mr. Livingstone, the Promoter and former Inspector, has been appointed the Receiver.

But what of the Inspector of Insurance in this matter? How did he allow a Provincial Company to be wound up under a Dominion Act, and thus get out of giving the required one month's notice, Why was he asleep to his own

dignity and the rights of his Province? The interests of the public, as a whole, he of course does not think worth any consideration at all.

It cannot have been so long ago since he inspected the books of the Standard, and how Mr. Crawford must have hoodwinked him and Mr. D. B. Chisholm laughed at him! Either his inspection must have been entirely superficial, or the science of inspection is not one of his strong points. Ever since the publication of the last annual statement all insurance men knew that the Company was in a moribund state, but he closed his eyes to the fact, and forgot that he was Inspector. Is not the Ontario Insurance Department worse than useless?

While on this subject we would like to ask a Montreal contemporary—which seems, like some others, to know all about the Standard Fire, now that it has failed,—how much the departed President of that institution had borrowed from it, and how it is that INSURANCE SOCIETY was the only Journal in the country, insurance or general, which warned the public against a company which failed so soon, and the creditors of which (notwithstanding the statements of these Journals to the contrary), now that it is being wound up, will hardly receive, we venture to say, much over 30 per cent. of their claims? And how could any Insurance Department let a company get into such a terribly insolvent position, and, even then let it be wound up by a Dominion Court and taken out of its hands, as has been done in this case?

UNDERGROUND FIRE INSURANCE.

What is known among fire underwriters as "Underground Insurance," is the illegal solicitation of business and the issuing of policies thereon, either directly by a company, or through an intermediary broker, not authorized, by a compliance with the requirements with the laws of any State, to take insurances within its boundaries. All insurances thus taken are by the law made illegal acts, and, further, make the company and the broker subject to penalties upon conviction, while the insurance is held to be so far null and void that no action will be entertained by Court within the State against the insuring office. Unfortunately, however, such companies being beyond the jurisdiction of the State no steps can be taken against them beyond the levying upon any property that may chance to be found within such jurisdiction.

On the other hand again, the law cannot prevent any of the citizens of a State from going into another State and procure there all the insurance that he may desire for his own purposes; but, if such insurance be obtained by a broker, for a compensation, the broker becomes liable under the law, and upon conviction *should* suffer the penalty. The only penalty attached to the insured himself upon insurances so obtained in offices not authorized within the State, is that no suit can be brought for collection of the money in the event of a refusal to pay.

The practice of "Underground Insurance," we regret to have to say, is very common in the Dominion and over the line among the American offices, much to the detriment of those loyal offices and agents of both

countries who honestly comply with their respective laws and pay their license fees, etc., like honest men. To such an extent has this underhand business been carried that the fire underwriters of the Dominion have become satisfied that some more efficient steps must be taken to stop this rapidly spreading, serious evil, by which not only are they brought into illegitimate competition with these unlawful operators, thus lowering rates and reducing their hard earnings, but the insured himself is placed in a perilous situation by being induced to rely upon a policy the liability for loss under which cannot be enforced by the laws of the Dominion, because the company issuing the same is safely beyond the jurisdiction of any of its Courts.

At the recent fire in Quebec, January 11th, Mr. McCord, a dry goods dealer, had \$18,000 of insurance, of which \$6,700, was in the Exchange, the Mechanics and Traders, and the Farragut, all of New York city, and not one of them authorized to transact fire insurance in the Dominion. From the standing of those offices at home, there is no question that the insured will get his money upon the presentation of proper proofs, but it is a great pity that offices having such good names at home should travel abroad by the Underground Railway, as if they feared to be seen and recognised; and also in view of the fact that, there is ample capital of duly authorized Companies in the Dominion, to cover all these mercantile risks, including even those of Quebec. If Canadian business is good enough to be taken "on the sly" it is good enough to be taken openly and in compliance with the law. We trust that so long as the insurance laws are in force upon the statute books of the Dominion, they shall not be considered as "dead letters" by our Insurance Superintendent; and we further hope that our fire underwriters will make things so warm in this matter that the public authorities will be thawed out in time to take some decided action in the premises before the trail grows cold.

SPECIAL HAZARDS.

Special hazards are said to be the ban of fire insurance, because their usual high rates of premium brings to the agent a liberal commission; and companies themselves are found to which this temptation of heavy premiums unfrequently becomes too strong for resistance, until it has become an adage among fire underwriters that "specials have dug the grave of many young and ambitious fire offices, laid the corpse therein, and covered it from sight forever."

While this reads prettily, and no doubt has truth for a basis, it does not follow of necessity that, because inexperienced and "ambitious" companies have had their fingers burned by meddling with what they did not understand, that special hazards are not, when handled with judgment, good insurance risks. But, as in other things connected with fire insuring, from the lack of classified and recorded experience, there is a very great diversity of opinion as to the selection of business, many offices, the country mutuals especially, confine their efforts to isolated farm risks, or dwellings in villages, usually more or less detached; others, again, usually the stock offices, restrict their writings, in addition to ordinary hazardous and non-hazardous classes,

to the better classes of extra hazardous risks in cities, declining *all* specially hazardous, as undesirable; while others again, usually the more venturesome of the larger agency companies, write freely upon all classes of mercantile and manufacturing risks, and find it profitable to do so.

Opinions also differ among fire underwriters as to the profitable results arising from writing upon those classes of hazards which command high rates of premium, as compared with those which pay uniform low rates as being less hazardous. Among some of the Companies officers it is held as an axiom, that good risks always pay low rates, while the poorer classes command high figures in the ratios of their several increasing hazards. As an axiom, this seems faulty, and smacks of over-caution and lack of insurance wisdom. The mere fact that, from their classification, non-hazardous risks are held as good insurance investments, is no argument that *all* manufacturing establishments are undesirable as insurance risks merely because they command a higher premium rate than such non-hazardous property. On the contrary, well-developed experience has demonstrated that a well selected average line of the higher grade of premium hazards, properly adjusted as to the rate, will bear a much heavier percentage of loss and leave better results than an equally desirable line of risks of a lower premium value. Low rate premiums entail a larger average line of insurance, and hence of liability, to realize a given amount of business; while, on the other hand, high-priced premiums always accompany reduced lines of writing, usually graded to the rate of premium, with a corresponding reduction in the extent of liability. The result is that, while special hazard lines are comparatively small and proportionately scattered, in the event of loss, even if total, the Company loses but a minimum amount upon any single risk; while low rate lines are always large in proportion, so that, when a fire occurs, the loss is always heavy, and, relatively to the premium received, larger to the insurer, even when partial as to the amount of the insurance. Thus, with an insurance say of \$10,000, upon merchandise haz and ex haz (the lazy man's way of expressing it) at 45 cents, gives \$45 as the total of the premium. A loss occurs and damage ensues from fire, water, smoke, etc., to the amount of not less than \$2,500, in a fire of any proportions, for which but \$45 was received as the equivalent. On the other hand, estimating *ten* average manufacturing risks of \$2,000 each, at 5 per cent. premium, being \$100 each or \$1,000 in the aggregate: a loss occurs, and one risk is totally destroyed, costing \$2,000, on which the premium was \$100. In the first case there is an absolute loss of \$2,500, with a risk of \$7,500 still remaining to be carried to maturity, with but \$45 as compensation. In the second place the loss is total \$2,000, with no remaining risk and a compensation of \$100; while if the same due care has been observed in the selection of the special risk as was bestowed upon the non-hazardous one, the liability of the former to destruction will be less than the latter, because this class of hazards are ordinarily more or less detached, and well provided with fire extinguishing facilities.

If a company proposes to enter into the special hazard business, it cannot expect to reap success unless it makes a business of it; a single risk or two of any given class, laid away upon the shelf to await the turn of the die, will not suffice for safety. To make any class of specials profitable, as a class, and at any rate that the insured can afford to pay,

there must be a number written large and broad enough to afford a fair breadth of average. We knew of a Company that with *one hundred* tanneries upon its records, lost money; with the number increased to *four* hundred, it made money; that Company's experience solves the problem. Writing specials, however, without experience, is handling edge tools without knowledge; the expert handles them with impunity; the ignorant man only maims himself.

THE NEW BRUNSWICK BOARD OF FIRE UNDERWRITERS.

REPORT OF THE NINETEENTH ANNUAL MEETING HELD IN THE BOARD ROOM AT ST. JOHN, N.B., 9TH JANUARY, 1884.

The following Companies were represented at the meeting, viz: Royal, North British & Mercantile, Scottish Union and National, Queen, Imperial, Ætna, Hartford, Northern, Liverpool and London and Globe, Commercial Union, London and Lancashire, Phoenix of London, Fire Insurance Association, Royal Canadian, Norwich Union, Western, British America, Phenix of Brooklyn, City of London and National of Ireland.

After the routine business was transacted the President read his annual address.

TO THE MEMBERS OF THE NEW BRUNSWICK BOARD OF FIRE UNDERWRITERS.

GENTLEMEN,—Since our last annual meeting the Water Works on the Saint John River at Fredericton have been completed, and that City is now enjoying an abundant water supply. A Committee from this Board visited Fredericton in the month of November last, and upon their report considerable changes were made in the Tariff ratings.

The Water Works at Woodstock are now in course of completion and in a few months that City will also have a good water supply.

Mr. C. E. L. Jarvis visited St. Stephen in the interests of this Board in the month of June last, and there met a Committee from the New England Inspectors' Exchange, the result of their labors has been a complete tariff, including both sides of the St. Croix River, which is being faithfully carried out by the members of the St. Croix Board.

During the past year a Board has been formed at Charlottetown, Prince Edward Island, and a Tariff prepared and published, under the direction of Mr. C. E. L. Jarvis and Mr. C. D. Cory. A new tariff has been prepared and published by Mr. C. E. L. Jarvis for the Halifax Board.

The Boards at Toronto and Montreal are also giving the subject of Insurance rates careful attention, and it may be said that Insurance Companies throughout the Dominion of Canada are now under tariff regulations.

As the Citizens Insurance Company of Montreal is in unison with the Boards at Toronto and Montreal this Board may fairly claim that the Directors of that Company should, in conducting their business in this City and Province, respect our tariff.

The New England Inspectors' Exchange at Boston has done much to improve the insurance business in the New England States by adopting tariff rates made after careful inspection by committees from the Exchange. I trust as a result of the labors of that influential Board a greatly improved business will accrue to the Companies there established. I am happy to be able to state that the managers of several of the leading American Companies in Boston have assured me that in accepting business in New Brunswick they will respect our Tariff.

Mr. J. B. Cherriman, Superintendent of Insurance, has informed me that an amendment to the Insurance Law will be submitted to Parliament at its next session, and that in the preparation of such amendment the suggestions as forwarded to him from this Board should have due consideration.

The Chief Engineer of the Fire Department has made the annual inspection of Mercantile risks in St. John, and his report is on file with the Secretary, Mr. Clinch.

I desire to express my appreciation of the honor conferred in electing me to the position of President of the Board, and thank the members for the uniform courtesy extended to me during my occupancy of the chair.

Hoping that the business of the present year will show a good margin of profit to the Companies represented at the Board,

I remain, gentlemen,

Your obedient servant,

(Signed), GEO. E. FAIRWEATHER,
President.

St. John, N.B., 9th January, 1884.

The election of officers was then proceeded with, and Mr. Geo. E. Fairweather, of the London and Lancashire, was unanimously re-elected President and Mr. Peter Clinch, Secretary.

The following were appointed a standing committee on rates: E. L. Whittaker, Imperial, Ætna and Hartford; Thos. Maclellan, Fire Insurance Association; R. W. W. Frink, Western and British America.

The Salvage Corps Committee were then appointed. They are; J. Macgregor Grant, Lancashire and Scottish Union and National; C. E. L. Jarvis, Queen; R. W. W. Frink, Western and British America.

THE NORTH WEST FIRE INSURANCE COMPANY

The North West Fire Insurance Company was incorporated in 1880, under the Manitoba Legislative Body Act, for the transaction of fire business only; with an authorized capital of \$500,000, divided into 5,000 shares of \$100 each. The requisite amount of stock having been subscribed for and paid in; the Company commenced business in April of last year, since which time up to the 31st of December ult, the premiums received amounted to \$16,104.65, whilst the losses only amounted to the very low sum of \$3,297.69, which, in our opinion, is a remarkably favorable result for Winnipeg, and reflects much credit on the able and energetic Secretary and Manager, Mr. G. W. Girdlestone, who for the last twenty years has been the representative of the Royal and other first-class fire offices, and, we are glad to note, has lately been appointed agent for the Guardian.

The President of the Company is Mr. Duncan MacArthur (head of the firm of Messrs. MacArthur, Boyle and Campbell). The Vice-President is Col. W. N. Kennedy (Registrar of the County of Selkirk), and among the Board of Directors are to be found the names of the principal merchants of Winnipeg and Manitoba.

The North West is a Stock Company, its head office is at Winnipeg.

CITIZENS INS. CO. vs. BUDGET-LIBEL SUIT.

The libel suit—Citizens Insurance Company vs. *Budget* of Toronto—terminated on Monday, 14th inst., after a trial which lasted four days,—verdict for Plaintiffs,—damages, nominal, \$1.

This case created quite a sensation amongst the insurance fraternity of Toronto, for it has been many a day, if ever before, since the affairs of any insurance company in Canada underwent such an overhauling in public.

It will be remembered that this suit was instituted by the "Citizens" because of an article which appeared in the *Budget* of Dec. 82, and a subsequent letter inserted in January, of last year, signed "Fire Insurance Shareholder," reflecting on the Company, and accusing the management of "reckless underwriting." It was admitted by the defendants that the above letter was written by A. T. McCord, who was a dismissed agent of the Company, and against whom Mr. Hart, the General Manager, made some very serious charges which, as far as we can see, were not contradicted in court, and to which the judge in his charge to the jury made special reference.

From time to time adverse criticisms have appeared against the Citizens, in some journals, and consequently the Directors and Management determined to vindicate the position of the Company by going before the Court, and thus submitting its business to public scrutiny. We doubt, however, if even this will put an end to their attacks, for no doubt rival agents will try to make use of any apparently weak points which may have appeared at the trial and twist them to the detriment of the company; for there are few Companies which have not got some weak points.

The General Manager of the Citizens, who was in the witness box for over a day and a half, seems to have been ever ready with an answer, without hesitating, to the multifarious questions put to him by the counsel for the defense, and displayed so much ability, and such an intimate knowledge of all the details of the business of his Company as to surprise a good many even of the underwriters present. He was very highly complimented by the various counsel engaged in the case; as well as by the judge in his address to the jury.

Our Toronto correspondent who was present during the greater portion of the trial says:—"All the insurance experts" "called on behalf of the *Budget* and McCord were obviously not in favor of the Company, and one or two displayed a certain hostility to it in their evidence. They showed partiality in manner, if not in matter, towards the defendants. The Citizens won their case without the aid of friendly testimony. They relied on the statements and figures they put in evidence, and won on these, which I am sure, must be satisfactory to them."

With reference to the amount of damages, the Judge in his charge to the jury said:—"That the company claimed none, and had proved none, no evidence whatever having been offered; and that it therefore remained with the jury to give \$1 or \$100 as they saw fit."

The costs of the trial, which are considerable, are to be paid by the defendants.

ASSESSMENT INSURANCE COMPANIES.

A falsehood, especially if it is one which pays any one to propagate, dies very hard indeed. Such a falsehood is the one which identifies the assessment insurance companies of the United States with the friendly societies and industrial insurance companies of England. We have repeatedly asserted, and our assertions have not yet been denied, that the assessment insurance companies of America are absolutely different, both in the letter and the spirit, from the English institutions on whose reputation the assessment companies are endeavoring to thrive. The friendly socie-

ties and the industrial insurance companies of England are maintained by regular premiums, assessed according to the respective liabilities incurred, and are collected weekly, monthly, or yearly, as the case may be. The retrospective system of assessment on the whole body of members on the death of an individual is, we will not say absolutely unknown in Great Britain, but so rarely met with that when found it is studied as an article of great curiosity as well as of exceeding scarcity. Furthermore, when such an assessment society is found out, which can only be after diligent investigation, it will be found to consist of a number of persons more or less known to each other, or linked together in such official or social connection that they are more or less interested one in the other. Of such a class is the Registrar's Friendly Society, to which a considerable number of the registrars of births, marriages, and deaths do, or did some years ago, belong. Here, however, were a number of officials holding fixed positions, and who, for mutual purposes such as these, would be considered as members of one family. What possible comparison can be drawn between a society like this and the Grand United Templars' Co-operative Association, say, of Oshkosh, or of Little Rock?

The assessment principle of insurance, as practised in the United States by the co-operative companies, is a snare and a delusion. It cannot be too often repeated that the claim advanced by these societies to be either representatives of the English friendly societies, or to resemble them in their way of carrying on their business, is simply a deliberate and premeditated fraud. The friendly societies and industrial insurance companies of Great Britain have at least some principle to guide them; and this principle is the payment out of certain sums of money in proportion to the moneys paid in, whilst the latter are graduated upon such a scale as will enable the liabilities of the society to be discharged at maturity. Furthermore, the payments are made in advance and at fixed intervals. The principles upon which the American assessment companies are carried on are—first, to put money into the pockets of the managers and promoters of the companies; and, secondly, to pay as little out in the settlement of claims as will not check a large addition of fresh victims. The assessments made by the company are levied upon the members to meet claims already accrued, and upon a scale of which the managers of the companies are allowed to be the only judges. The managers, also, are the sole judges as to how much of the assessment should go in payment of the claims of deceased policy-holders, and how much in the working expenses of the office. These, broadly speaking, are the points of difference between the two classes of companies. We think we have said enough to prove our preliminary statement that any comparison made by an American co-operative society between itself and any friendly or industrial society of Great Britain is simply for the purpose of swindling such confiding citizens of the United States as may be guileless enough to believe any statements put before them by interested persons.—*The Rev.ew, London, Eng.*

BENEFITS OF LIFE INSURANCE.

The objects and benefits of Fire and Life Insurance was the subject of a prize essay competition inaugurated by the

Insurance Institute of Manchester, Eng.; F. J. Kingsley was the successful essayist, and we give the closing portion of his essay, which treats more especially on the indirect benefits of life assurance:

Insurance has been treated rather as a direct, convenient and advantageous means of exercising two most powerful motives of human conduct, than as a practice having large moral weight and significance. But, if the points already raised are held to be established, a closer insight will hardly fail to recognize wider and deeper influences at work in insurance than may at first be apparent. When a drinking fountain is set up in a populous neighborhood, its direct and immediate advantages are plain to the simplest mind. The thirsty man may drink, and the dirty man may wash—good things enough in the eyes of all men. But the excellent philanthropist who built the fountain, doubtless, had a deeper design than merely the satisfaction of passing needs, however natural and wholesome in themselves. He looks to permanent results, to moral effects, to the force of example, to the power of conduct, in their influence upon human characters. He hopes, by the silent but ceaseless influence of the little stream of clear running water, the unfailing ally of cleanliness and sobriety, the standing reproof of drunkenness and dirt to act upon the lives of his fellow-men—and who, knowing human nature and the invincible influence of the little things that “make for righteousness,” will say that his hopes are without reason or unlikely to have their reward? Just in the same way we may distinguish between the direct and indirect advantages that flow from insurance. The direct advantages, already dealt with, are obvious enough when its nature and functions are properly grasped. The indirect advantages, like those of the fountain, do not lie so near the surface, and require somewhat closer examination to be seen in all their bearings.

First of all let us look at the personal effect of insurance—its influence upon the man who takes out a policy. It is a maxim of modern philosophy that a moral effect attaches to every human action, apart from the motive which prompted it. A good thing or a bad thing done by a man, no matter what his intention may be, and quite irrespective of its direct results, will react upon him and effect others for good or for evil, merely from the tendency in all human affairs to repetition—from the ingrained habit of our nature to move along the grooves made by ourselves or others. Of course the moral effect of actions widely varies according to their scope and importance, slight things producing small results of this kind, and “matters of great pith and moment” producing momentous and lasting effects. Certainly it would be absurd to describe the taking out of a policy of insurance, under ordinary circumstances, as marking an epoch in a man's life, and yet its moral effect upon himself alone must, from the very nature of the transaction, be very considerable. For what has he done? He has taken, as it were, a sort of pledge that he will practice so much self-denial of present satisfaction and enjoyment in order that others, in the future, may reap the benefit. He has become a party to a “self-denying ordinance,” binding him to sow a harvest, in the garnering of which he shall never share. True it may be those that are most dear to him, and whose lives are most closely knit with his own, for whom this sacrifice is made, but the moral effect of the matter is none the less potent. Self-denial, forethought and decision have come into play, and these leave their permanent marks upon the man's character.

INSURANCE JOURNALISM.

A good many foolish, not a few unjust, and some tolerably wise things have at one time and another of late been said about insurance journalism. Critics outside of the profession itself have frequently represented that deplorable, if not despicable, phase of human nature which hastens to

charge upon an entire class the sins and follies of the few belonging to the class. There have been—they are now happily extinct—professed insurance journals which mainly lived by the levy of blackmail, and there yet exist a few which are constantly saying things inspired by folly associated with mediocrity. To estimate insurance journalism by the exceptional scoundrels of the past or the fools of the present is about as fair, and just as sensible, as to measure the soundness and honesty of a staunch life company by one of the graveyard insurance frauds, or to class the established fire companies with the imbecile township mutuals. The insurance journals of to-day, as a class, are as much needed, as ably conducted, and as free from mercenary taint as any in existence, and in point of usefulness and ability infinitely superior to many. Nothing lives long in this world without a vocation. Frauds are short-lived, men with a mistaken mission suddenly disappear, dead-beats are ephemeral, and everywhere and in all things demand regulates supply. In this day of progressive enterprise every important and wide-spread business interest demands a journalistic service devoted to its interests as a news medium, an advocate and a purveyor of well-considered opinion. The established success of insurance journalism shows how well it has fulfilled all these requirements in the interest of sound underwriting, and the man who denies either its necessity or its power writes himself down as either a fossilized Rip Van Winkle or an incapable noodle.—*The Investigator*.

THE MUTUAL HEALTH AND ACCIDENT ASSOCIATION OF HARTFORD.

In answer to enquiries respecting the Mutual Health and Accident Association of Hartford, Conn., we quote the following from the *Insurance Journal* of Hartford: "From all we can learn of the company we believe there was an honest intention in its organization, but that it is weakly managed, and, as it is an assessment company, it is necessarily faulty in construction. It goes without saying that any organization proposing to do what this company is attempting, must be, to a greater or less extent, the victim of fraudulent attempts to secure money. With its assessment organization these frauds become more easy of accomplishment, so long as people can be induced to pay assessments. It is an attempt to realize the same sort of benefit given by many of the English Friendly Societies without having their neighborhood feeling of associated interest, which alone keeps them from being the victims of imposture and from disintegration. We should consider it a very good company to keep out of."

MONTREAL LOAN AND MORTGAGE COMPANY.

The position of this institution has been pretty fully ventilated in the public press of late. A meeting of the shareholders was lately called to receive the reports of the two auditors who had been appointed to investigate the Company's affairs. Their report was to effect that the capital of the company was intact, and its earning power undiminished. A committee of three was, however, appointed to have the Company's real estate and other securities valued, and to report at the annual meeting, which comes off early in March. The committee consists of three gentlemen who have the complete confidence of the shareholders, and the exact position of matters will thus soon be known

definitely. We have only referred to the matter as two insurance companies, besides several clerical Provident Societies, hold considerable stock in the institution.

WINNIPEG'S FIRE LOSSES IN 1883.

We have been favored by a correspondent with a copy of the Chief of the Fire Brigade's annual report for 1883, and from it, combined with our own Fire Record, we give a detailed list of the fires which occurred in Winnipeg during the year ending December 31st, 1883, including only those which amount to \$100 and over:—

January	4.—William st., P. St. Gaudin, wooden house.....	\$ 500
"	13.—Main st., J. W. Winnett, furniture store, etc....	5,000
March	10.—C. P. Ry. yard, overheating of Caboose.....	350
"	14.—No. 91 Logan st., Mrs. Osilan, dwelling.....	250
April	18.—C. P. Ry., car of hay.....	125
"	25.—Prairie st., stable.....	150
"	27.—Garrie st., bedroom.....	100
May	13.—Peddie's Dry Goods store, etc.....	7,000
"	25.—McDermott st., stable.....	125
"	31.—Annie st., M. Walker, stable..	800
June	5.—Main st., shed.....	200
"	6.—Main st., Daly Hotel.....	800
"	21.—Tecumseh House.....	150
"	29.—Annie and Arthur sts., J. H. Ashdown, wooden sheds.....	1,100
July	14.—Water st., M. Hughes, furniture warehouse....	3,000
"	19.—Main st., M. McNabb, store.....	3,500
"	21.—Main st., Ludy & Davidson, harness store....	1,197
August	4.—Main st., M. Flary, restaurant.....	800
Sept.	12.—Princess st., stable.....	150
"	15.—Main and Bannatyne sts., Dufferin Block.....	150
October	1.—Euclid st., M. Higgins, stable.....	250
"	2.—Alexander st., Jos. Irwin, dwelling.....	300
"	2.—Smith st., M. Harker, dwelling.....	100
"	10.—Smith st., M. Skead, dwelling.....	100
"	21.—Notre Dame st. E., J. Schultz, stable.....	150
Nov.	8.—Smith st. Terrace, Hubert & Locke, store.....	300
"	14.—Notre Dame st. E., M. Burns, dwelling.....	125
Dec.	18.—William st., P. Gallagher, pork house.....	200
		\$26,972

From this statement it will be seen that the fire losses for the year amounted to \$26,972, to which, if we add say \$2,000 for small fires which were less than \$100 each, the total loss by fire in Winnipeg for the year ending December 31st, 1883, was \$28,972.

We consider the above a very favorable record for a large city like Winnipeg, in which there are such a large proportion of frame buildings. During the past year over 500 new houses were erected.

The foregoing facts are worthy of the attention of the fire offices operating in the Prairie City.

THE GUARANTEE COMPANY OF NORTH AMERICA.

A very high tribute has been paid to the Guarantee Company of North America, by the Pennsylvania Railroad Company in passing the following resolution:

Resolved.—"That the Board of Directors do hereby approve of and accept the Guarantee Company of North America as a sufficient

surety in the bond of any officer or employe of this Company, who shall procure it as his surety, and that the general solicitor be and he is hereby authorized, instead of requiring two or more sureties, as heretofore, to accept the said Guarantee Company as the sole surety on such bond."

The Guarantee Company of North America is a sound and prosperous institution, and is doing a very extensive business, both in Canada and the United States, under the able and energetic management of Mr. Edward Rawlings, the Managing Director. We strongly recommend it to Railway, Banking and other institutions requiring Bonds of Suretyship from their employes.

The head offices of the Guarantee Company are at 260 St. James street, Montreal.

SCOTTISH UNION AND NATIONAL INSURANCE COMPANY.

Manager M. Bennett, jr., in a recent circular calls attention to the very satisfactory report made by the Insurance Commissioner of Massachusetts after a very thorough and searching examination of the financial condition and affairs of the Scottish Union and National. The examination includes the transactions of twenty-three months—the twelve months of 1882 and eleven months of 1883. According to this work of supererogation on the part of the examiner the only discrepancy seems to have been an *over-estimate* instead of an *under-estimate* of the Company's liabilities. Mr. Bennett, who seems to be indefatigable in the interests of his Companies, hopes to inspire additional confidence in the agents of the Company by communicating the result of this scrutiny. We append a copy of the examiners' report, which is as follows :

[COPY.]

BOSTON, MASS., Dec. 11th, 1883.

Hon. John K. Tarbox, Insurance Commissioner Commonwealth of Massachusetts :

SIR :—Referring to your letter of the 3rd inst., I have the honor to report that I have visited and examined into the financial condition and affairs of the United States Branch of the Scottish Union and National Insurance Company, of Edinburgh, Scotland, at the principal office of the resident manager, Martin Bennett, jr., at Hartford, Conn.

The assets of the Company I carefully inspected, and find the loans on mortgages of real estate—first liens—to be safely placed on property in Hartford, having an appraised value double the amount of the loan. The rate of interest on each loan is at five per cent., payable semi-annually, and it has been paid and properly endorsed on the several notes.

The balance of the assets, as per schedule in the last annual statement, remains as reported, so far as securities deposited with the Insurance departments of the United States and Canada are concerned. An additional special deposit of \$10,000 in U. S. bonds has been made during the present year in the Insurance department of the State of Virginia. Additional loans on mortgage of real estate, equal in character to those already reported, have also been placed during the present year to the amount of \$12,500.

The exhibit of liabilities made in the last annual statement was found to be substantially correct, the total amount being overstated to a small amount, resulting from an estimate of the December business of the past year, the reports from several important agencies at distant points not reaching the manager in time to be included therein.

The figures which formed the basis of the semi-annual statement to date, July 1st, 1883, to the Insurance department of the State of New York, were carefully verified by reference to the original accounts.

The trial balance from the ledger, covering the eleven months' business of the current year to Dec. 1st, shows an increased percentage of losses incurred to premium receipts of five per cent., and an increase in expense of management of two per cent., as against the total for 1882.

The financial condition of the Company is excellent, and has not changed materially during the year from the exhibit made in the last annual statement. The examination of the books and papers was facilitated by reason of the systematic and accurate manner in which they are kept.

Very respectfully yours.

(Signed), NOAH A. PLYMPTON.

Examiner.

A REMEDY FOR FIRE LOSSES.

The *Philadelphia Item* publishes a letter from a correspondent who asks a number of questions regarding the immense fire loss of this country, and attempts to answer the questions himself in a series of propositions to be adopted, and which are to furnish a remedy. These are :—

First.—Make "over insurance" a crime by law, holding alike amenable the company, the agent, and the insured.

Second.—Make property-owners first responsible, *a la France*, for all fires occurring on their premises, unless proven to have been unavoidable or accidental, and not attributable to "criminal carelessness."

Third.—Regulate the prices of insurance just like any other merchantable commodity. The standard article is worth so much. Scientific experience has fixed the rates,—and that which is sold lower is "shoddy."

Fourth.—Reduce commissions to a fixed, fair rate, and end all needless competition at cut rate prices. Let companies run themselves and not surrender to brokers.

Fifth.—Make inspections more rigid, and acceptance of rules more prudent, and there will be reduced loss rates and fewer cares for the adjuster.

Sixth.—Ignore and stamp out the "bummers" and "free-booters" who divide commissions with the insured as a bribe to get them into some favorite concern.

Seventh.—Have enacted more rigid and practical building laws, and then have them enforced for the protection of human life and property.

Eighth.—Transform our fire departments into non-partisan organisations, and no longer make them political hospitals for broken-down wire-pullers, and thus elevate and improve the standard of our national fire service.

Ninth.—Labor without ceasing until the water supply in all of our large cities (and in the smaller ones, too) is fully equal to all reasonable demands.

Tenth.—Drop special hazards off the books until the character is improved by the applicant, and made at least a passable risk.

Eleventh.—Join the present associations into one grand national association. Bury petty jealousies and school-boy bickerings. Agree no longer to disagree. Adopt uniform policies, standard rates, fixed commissions, and labor with unity of action, and you will solve the problem as expressed in the twelfth and last reason briefly and forcibly, we believe, viz :

Twelfth.—Practice COMMON-SENSE FOR SELF-PROTECTION.

The *Insurance Journal*, in commenting on the above, says : As to the first proposition we wish that and "over insurance" could be eliminated from the underwriting vocabulary. There is no such thing in the modern practice of underwriting as "over insurance," the policy merely covering the cash value of the property, not exceeding a specified sum. To make "over insurance," so-called,

a crime would be a peculiar exercise of criminal legislation, because the knowledge of actual values can be possessed by only one of the three parties whom this writer proposes to make amenable. Neither the company nor the agent can tell the cash value of a man's property without a very expensive survey. The evils arising of taxable values in this country it is hard to exaggerate, and yet we doubt whether the American public is prepared for the enactment here of the *Code Napoleon*. We are at some loss as to whether this writer desires the State or the insurance company to regulate the prices of insurance, but if he is the practical underwriter he is assumed to be he ought to know that just what the standard article of insurance is worth is a matter "which no fellow can find out." His fourth specific is one which we should heartily endorse and should like to see adopted. His seventh specific is also a very excellent one if it can be carried into effect; and we take it that, as a rule, the fire departments are not open to the imputation which is contained in the eighth paragraph. As to the rest of the prescription we should take it without wincing.

THE LONDON FIRE BRIGADE.

We have referred elsewhere to the fact that the Metropolitan Board of Works intend, during the coming session of Parliament, to apply for power to raise a further contribution from the London ratepayers and others towards the additional expense involved in increasing the Metropolitan Fire Brigade. It is very instructive to notice the altered tone adopted within the last twelve months by those intelligent orators who used to inveigh in unmeasured terms at the meetings of the Metropolitan Board against the presumption of those citizens of London who considered that their lives and their property were insufficiently protected. One after the other they have abandoned the position taken up originally by them, and now tacitly admit that London has for a long time past been in grievous peril by reason of its insufficient resources for the extinction of fires. It is no longer contended that London was never so well provided with a Fire Brigade as it is to-day; but it is conceded that this is merely a minor question, and that, if it was badly protected in the past, that is no reason why it should continue to be so, either in the present or in the future. That the Metropolitan Board have enormously increased the Fire Brigade, both in men, engines, fire-stations and signalling arrangements, cannot be denied, but the point at issue is, whether London possesses that amount of fire protection to which it is entitled. One by one the advocates of the theory that the citizens of London should rest and be thankful have quietly been extinguished; and now the question is not so much as to whether the Brigade should be enlarged, but where the money is to come from to pay the necessary expenses. There is but one answer to this question. It is from the pockets of the ratepayers as a body, and it remains to be seen whether the Metropolitan Board will carry their obstinacy of last session into the Parliamentary session of 1884. It will be remembered that the Treasury were perfectly willing to allow the Metropolitan Board to take the powers to levy an additional halfpenny rate for the purpose of increasing the Fire Brigade, but demurred to the clause which provided for the taxation of the fire insurance companies. The Metropolitan Board refused to act upon the ground that half a loaf was better than no bread, and withdrew their bill in dudgeon. This proceeding on their part is strongly illustrative of their operations with regard to the wood-stacking business—they grasped at too much and got nothing. The fire offices will, of course, protect themselves, but now that the necessity for an enlarged Fire Brigade establishment is accepted in principle by the Metropolitan Board they will be compelled to get all the money Parliament is willing to grant, without attempting to dictate the

source from which it shall be derived. We venture to suggest that the Board be advised in time, and thus save themselves a good deal of unnecessary trouble. They must assuredly be defeated in their attempt to impose a fresh tax upon the fire offices, and they had better, therefore, take their defeat in good part and in good time, rather than place themselves in the undignified position they occupied some months ago.—*Review*, London.

MARINE INSURANCE CLUB.

English Exchanges mention the formation of a marine insurance club at West Hartlepool, called the Hartlepool Steamship Mutual Insurance Association. This is an association of steamship owners, organized for the purpose of insuring each other, the arrangement being confined to what are termed "well-decked" steamers used in the India trade by way of the Suez Canal. There are about 200 of these steamers sailing from Hartlepool, with an average capacity each of 1,500 tons. The amount of risk is limited to \$5,000 on each steamer.

A REASONABLE PRUDENCE.

Considering how liable young and middle-aged men are to die, and how dependent their families are upon the results of their labor, the insurance of their lives is seen to be only the exercise of a reasonable prudence. The average mortality of men at age thirty is about eight per thousand, at age forty about ten per thousand, at forty-seven about twelve per thousand, at fifty about fourteen per thousand. Among men from thirty to fifty, therefore, about eleven families will *each year* be deprived of their chief support. The ranks of such a Company will be more than decimated every ten years.

It is said, with some show of reason, that the safest place for a man is on board an express train moving at the rate of thirty miles an hour—because statistics show so few persons injured in comparison with the number carried. And why? Because great pains are taken to prevent accidents. Everything, from road-bed to patent brakes, is studied with reference to safety. Were it known that any reasonable precautions for the safety of the passengers were neglected there would be an outcry of public indignation. Railroad Companies are held to account in heavy damages for injury to passengers, *because it is their business to carry them safely. So it is every man's business to carry his family safely through the period of their dependence*, and to trifle with interests so sacred, by putting them to unnecessary hazard, is to incur a very grave responsibility. When a man does his best there still remains risks enough; but woe unto him who neglects a reasonable precaution against dangers that are wellknown.

When one goes on board a steamboat and sees the fire-buckets and axes, the life-boats and life-preservers, and then reflects how seldom there is any occasion to use them, it seems like a waste of money—a provision against danger out of all proportion to the danger. Thousands of passengers are carried every year, and not one of them uses a life-preserver; the life-boats rot at the davits; but who would wish to travel on a steamboat that neglected to provide such things? The truth is, *when such things are needed it is a matter of life or death, and people realise that it is better to provide them ten thousand times where they may prove unnecessary than to be without them once when they need them.*

But no large company of persons journey through the world long before some of them feel the need of life insurance. Every year the shadows of death fall upon the homes and hearts of more or less. It is only a reasonable precau-

THE

GLASGOW & LONDON

INSURANCE COMPANY

OF GREAT BRITAIN.

AUTHORIZED CAPITAL	- - -	<u>\$2,500,000</u>
CANADIAN GOVERNMENT DEPOSIT	-	<u>\$100,000</u>
INCOME for year 1883-4.	- -	<u>\$1,500,000</u>

HEAD-OFFICE FOR CANADA,

— **MONTREAL** —

— — —
JOINT MANAGERS:

EDWARD L. BOND. .

STEWART BROWNE.

J. T. VINCENT, Inspector.

The Glasgow and London Insurance Company desire the services of gentlemen as Agents, able and willing to introduce business, with all such liberal contracts will be made.

THE GLASGOW AND LONDON INSURANCE COMPANY OF GREAT BRITAIN.

HEAD OFFICE DIRECTORS.

ROBERT ROBINSON, Timber Merchant,
GLASGOW.

MAJOR CHAS. C. JOHNSTONE, "Viewfield,"
STIRLING.

GEO. M. WOOD, S. S. C.,
EDINBURGH.

GEO. SWINBURN KING, Hyde Park,
LONDON.

GEO. KING, F. I. A.,
Secretary & London Manager.

JAMES FAILL, Manager Bank of Scotland,
GLASGOW.

WM. LESTER, Iron Merchant,
GLASGOW.

GEO. D. LAYCOCK, 54 Grove Place,
LONDON.

J. PELLOTT RICKMAN, St. Bride St.,
LONDON.

CHAS. W. PEARCE,
General Manager.

CANADA BRANCH DIRECTORS.

W. H. HUTTON, (JAS. HUTTON & CO.),
MONTREAL.

D. GIROUARD, M. P.,
MONTREAL.

HON. ALEX. MACKENZIE,
TORONTO.

LARRATT W. SMITH, Pres. Building & Loan Assoc.
TORONTO.

S. NORDHEIMER, Pres. Federal Bank,
TORONTO.

THE SOVEREIGN INSURANCE COMPANY have re-insured their outstanding risks as upon first January, 1884, in the GLASGOW AND LONDON INSURANCE COMPANY, any person holding a Sovereign Policy can have the same exchanged for one of the GLASGOW & LONDON by applying at their Head Office.

tion for all to insure. The cost of insuring is not so great that it deserves to be compared with the sad results to the families of those who die uninsured.—*The London, Eng., Spectator.*

UNITY.

The last clause of the old adage, "In union there is strength," seems to have too little bearing with fire underwriters generally, and the motto, "Not thy way, but *my way*," appears to have superseded it. There are divers opinions advanced as to the best course to pursue to regulate the rate of insurance, and for the prevention and extinguishment of fires. Each underwriter, if he is one of large and varied experience, not unnaturally thinks that his opinions on the subject at hand are unquestionably the best, and the consequences are that contention not infrequently arises, good resolutions and voluntary pledges are broken, all of which results in the wrong remaining unremedied, or, if remedied, the advanced rate is not universally adhered to, nor is the adoption of the measures for prevention or the means for extinguishment rigidly enforced. As a most forcible illustration of this fact we might mention the many tariff associations and local boards of underwriters and other similar organizations that have been launched upon the fire underwriting field with all the blaze and splendor of a friction match, which, like the match, have suddenly burned away and expired for the want of harmonious effort and united action. This state of affairs not only exists in the associations of our large cities, but in the organizations of the smaller cities and towns, and even in those under the best management we find jealous rivalry and five-cent-piece quarrels, creating discord and preventing harmonious action. The question of legislation has long been an important issue, but until each company can be absolved from its bigoted desire to be the figure-head of the fire underwriting life-boat, and until each underwriter can be freed from his delusion that he must necessarily pull the bow oar in order to insure the success of the boat, but little progress will be made in the legislating line from action based upon this eddy of inharmony and confusion.

It is an easy matter to tell what should be done, but the next thing is to do it, and as but little can be accomplished in minor affairs without working in unison, then how much less can be achieved in a business so important and extensive as fire underwriting, where consistent effort and combined action are wanting? This is what the business needs, and must have in order to make any material advancement toward the desired end. *The Standard.*

ASSESSMENT INSURANCE.

(From the *Post Magazine*, London, Eng.)

We quote the following from a long article devoted to "Assessment Insurance in England" in a recent issue of our esteemed contemporary, the *Post Magazine*:

"Fortunately, in England, assessment life insurance is practically unknown. It is based on an entire fallacy, and can only lead to disappointment and loss to all those who are entrapped into it. The principal upon which assessment companies seem to be based is that the members do not subscribe a fixed annual premium, but they have to pay irregular calls whenever the death claims render calls necessary. In fact, they are very similar to the mutual marine insurance clubs, not uncommon in England, the members of which, instead of paying a premium fixed beforehand, simply subscribe the amount of the losses when that amount is known. When applied to life insurance this principle is at first very captivating to ignorant people. During the early years the calls on the members are naturally very small, because the members are compara-

tively young, and the death-rate is therefore light; but as time passes on, it being an inherent law of human mortality that the liability to death increases with age, the claims on the fund must become larger, and the assessments of the members must inevitably rapidly increase. Therefore, while at the beginning the assessments are much less than the ordinary life insurance premiums, in the end they will become much greater, and if it were possible for the assessment society to survive long enough—a very doubtful supposition—the members in old age would be compelled to make enormous payments."

ONTARIO MUTUAL LIFE ASSURANCE COMPANY

We are much pleased to note the rapid progress being made by this Company. From being one of the smallest companies in the country, it is fast becoming one of the largest. Its financial position is thoroughly sound, and it has never yet contested a claim. Its assets at the close of 1882 were \$423,598, its income \$176,337; and its surplus \$32,116. During that year it issued 1341 policies for \$1,720,550, and had at its close \$5,429,478 in force.

It is the only purely Mutual Life Company in the Dominion and it naturally gets the support of many who prefer purely mutual life assurance. We wish the Company every success.

ANNUAL STATEMENTS.

Hartford Fire.—This staunch Company closes the year 1883 with a gain of \$200,000 added to its assets, which stand at \$4,541,239.82. Its gross premiums during 1883 were \$2,600,000, and its net premiums \$2,304,000. Its net earnings have been about \$450,000.

Ætna Fire.—Shows by its report at the close of 1883, assets to the extent of \$9,192,643, a gain of \$138,033 for the year. Its gain in surplus has been \$76,276, in addition to which it has paid its stockholders dividends amounting to \$720,000. Its surplus as regards policy-holders is \$7,269,458.

ROYAL EXCHANGE ASSURANCE CORPORATION.

In the balance-sheet of the Royal Exchange Assurance Corporation for the year ending April 30, 1882, appeared the considerable item of "unclaimed dividends, £34,968-14s.," and the amount was fractionally increased in the accounts of the present year. But a few months ago there appeared a claimant for about £3,600 of this sum, in virtue of the accumulated profits of 160 years, on a simple £100 of stock, which had belonged to one William Brydges, of Gray's Inn Square, who died in 1764, and the claimant succeeded in making out his title. This case has been quickly followed by two others, one of which we reported on the 24th ult., the same amount of stock being involved, and the title, which was held sufficient, having to be brought down from Michaelmas, 1725, the date of the last dividend received by the original proprietor. The third case will be found reported this week, and the corporation has again found an owner for some £6,600 more. The original proprietor having been owner of £200 stock from the first formation of the society, and becoming bankrupt in the same year (1720), it would appear that his assignee fought shy of this particular asset, which was at that time what the learned judge called "onerous property" in respect to the liability attaching to the share in a then untried venture. It is likely that the saleable interest was very small then—no 300 per cent. premium, as now quoted. In all

the cases, the Royal Exchange Corporation appears to have acted with the greatest propriety, throwing no obstacles in the way of the several claimants, except such as were absolutely necessary to exclude any 'bogus' element from the adventures. That the publicity given to the first trial led to the second and third claimants coming forward is hardly open to doubt, and it is quite within the range of possibility that there will be further manifestations, some of which may be of the Arthur Orton type, and, therefore, it is to be hoped that the attitude of vigilance will be maintained. It must not be supposed, however, that all this large fund is of ancient standing, the larger portion consists, probably, of fluctuating balances of uncalled-for dividends left by easy-going proprietors in the safe-keeping of an old and wealthy institution.—*London Insurance Post.*

Mr. A. W. Dodd of Moncton, N.B., who has for some years acted as Special Agent and Adjuster of the Western Assurance Company for the Maritime Provinces, has been appointed General Agent of the above Company for the United States. This is a move in the right direction, and one which we venture to predict will be found profitable for the Western. Mr. Dodd is a hardworking, able and enterprising Underwriter, a good adjuster, and his genial and straightforward disposition will make him a favorite across the line.

OBITUARY RECORD.

Mr. James Davison, Manager of the Royal Canadian Insurance Company.—It is with much regret we record the demise of Mr. James Davison, which took place in this city on the 25th of December ult., at the age of 69 years and 7 months. It will be remembered that he got a stroke of paralysis some ten days prior to his death.

Mr. Davison was a native of Bedford, England; he came to this country about the year 1850, and remained in Quebec a couple of years. He was Manager of the Montreal Agency of the Phoenix Fire Insurance Company of London for twenty-six years, and about five years ago he became manager of the Royal Canadian. He preserved an unblemished reputation throughout his official career, was an able, efficient and conservative underwriter; a worthy, honorable, unobtrusive and conscientious man. Mr. Davison did good work for the Royal Canadian, and we wish there were more underwriters as careful and conservative in the Dominion.

He was for a number of years an office-bearer in Cott street Presbyterian Church. His bereaved family have our sincere sympathy.

IN MEMORIAM.

We record with regret the death of **Mr. Francis Homan Berry**, of congestion of the lungs, on the 6th inst., at Toronto.

Mr. Berry came to this country in '72 from Dublin, which was his native city, and where for some time he acted as assistant-secretary in the head office of the "*National Assurance Company of Ireland.*" In Canada he was employed as Inspector, successively, in the Liverpool, and London and Globe, "*Stadacona,*" "*Ottawa Agricultural,*" and "*Quebec*" Insurance Companies, and latterly in the "*Royal Canadian*" and "*British America*" at Toronto.

Intelligent, warm-hearted, and generous, he made friends of all with whom he came in contact. The failings of his life are buried with him; we can remember of him only pleasant things—kind words and deeds that can never be forgotten.—A kindly face is indeed gone forever—an honest heart stilled—he sleeps his last sleep!

COMMUNICATIONS.

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

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

TORONTO LETTER.

DEAR EDITOR,

The great libel suit is over! Citizens Insurance Co. versus "Budget" et al., verdict for "Citizens" Co.

Not the visit of Lord Lansdowne to our city, nor the late Royal Canadian Yacht Club ball has stirred us up half as much as this interesting and exciting case. For four days, from Thursday the 10th to Monday the 14th inst., has the case been on, and during that period every insurance man in Toronto of any note whatever has visited the Court room at least once. And once in, there was such a fascination about the proceedings that it was difficult to tear one's self away, until the Court rose—that is Judge Rosé. Such a turning up of the affairs of an Insurance Co. has not occurred for many a day in public. General Manager Hart was in the witness box from 11 o'clock of one day until four p. m. of the next. It must be allowed that he gave his answers with excellent discretion. Too much inclined, perhaps, to branch off and make speeches, as the Defendant's counsel said, but that was an advantage, and for his Company's interest after all. There was plenty of fun mixed in with the business going on. More than once, judge, jury, counsel, witnesses and audience were provoked to laugh at Manager Hart's smart sayings. The display of legal talent was immense, and the pithy remarks and scintillations of wit were abounding. There was a trunk full of books and papers, bags of legal documents, statements from this one and that one "under oath" circulars, letters, etc., etc. The Counsel's table was piled high with the materials of war—offensive and defensive. Talk of your Ice Palace and Winter Carnival, as a sensation! I can assure you this suit has outshone you in the way of a winter entertainment, for we have combined instruction with our amusement.

If you don't get a libel suit on your hands before long, I shall think you do not amount to much, and are too slow.

Why the *Budget* now, without any pretension as to representing the blue-blooded aristocracy of the Canadian Insurance World, has had two suits already—a summer and a winter one, so to speak. Surely you can do as well. Certainly you did your best, perhaps, in the *Standard* case, but there was no metal in your opponent. I seriously believe that after this the *Budget* will have a boom that will astonish us. What have you to set off against their enterprise? True you made a point in the *Standard* case, and barked up the right tree, but there is a large notoriety and prominence to be gained in a libel suit—even a lost one (when the libel, as in this case, is not such a wicked and monstrous one after all), that is of great value, if properly made use of. It is an art to extract benefits from your misadventures. Look at Chicago Society, and take a lesson from that brilliant western city. For a lady, there, to have been *once* divorced is to become a mark of exceeding interest, but to have brought it about twice, whilst still young and interesting, is to rise in the social scale to an elevation simply sublime.

Get a libel suit on by all means. If you back me up I can arrange the preliminaries in a jiffy. Take this all in good part—it is the advice of a friend. As your correspondent, too, I do not like to see rival journals outshine you.

The verdict in favor of the "Citizens" has occasioned much comment. All the insurance "experts" called in on behalf of the *Budget* were obviously not in favor of the Company, and one or two displayed

a certain hostility to it in their evidence. They showed partiality in *manner* if not in *matter* towards the defendants. The "Citizens" won their case without the aid of friendly testimony. They relied on the statements and figures they put in evidence, and won on these, which was, I am sure, satisfactory to them. Notwithstanding, the friends of both parties must greatly regret that the action was ever instituted. What lasting good can come of it to either? The "Citizens" has had all its affairs exposed to criticism, present and future, thus putting it in the power of rivals to twist a meaning out of its figures, adverse and perhaps unfair, to the Company, whilst the *Budget* by the mouth of those unfriendly to it will be styled a libellous paper, a name which it does not deserve, verdict or no verdict, and has not shown a tendency to deserve.

Mr. Justice Rose in his charge to the jury dealt lightly with the *Budget* people, but emphasized the evidence as against McCord, the co-defendant and author of the letter which caused all the trouble. As is usual in insurance cases of the kind there was a lot of what is known as "poppy cock" (is that the right word?) given off, especially as to rates. "The proper figure," the "Living rate," the "Tariff rate," "Cut-throat rates" were mentioned, and which, when explained, did not, I am sure, tend to elevate the profession in the eyes of laymen. For instance, it was urged in proof of the alleged "reckless underwriting" of the "Citizens" that it accepted the insurance on the Public School Buildings in Toronto at .65 for three years. *The rate* being .80, *i. e.*, the local agents of this city forming our Board, from their combined experience found that .80 was the "living rate" on Public School Buildings. To support the .80 view, the Governor General of the "British (and U. S. of) America" Insurance Company was called up by the defendants. He said his Company would not accept under .80. Wanted the best rates going, etc. Said .80 was the "living rate, etc." On cross-examination he admitted that whilst this "living rate" was the correct thing to charge, that outside Toronto, (Montreal, perhaps) his Company might accept similar risks at a lower figure—didn't cost so much to *live* in Montreal as in Toronto, you see. He also admitted that they generally charged lower rates in Montreal than in Toronto. The laymen present could not understand these things. Poor laymen!

It is no news, perhaps, to tell you that the "Sovereign" has ceased to do business—is going on the retired list, without a pension. As the "Isolated Risk" Insurance Company, there was a good chance for the Company to have made money, but "isolated" with them came to mean detached, so they called a risk *isolated* with 10 feet between it and another. The "isolated" rates were too low for the losses incurred. So it changed its name and the management, still struggling with adverse fortune; then they changed the management again, and went to joint housekeeping with a richer neighbor, the "London and Lancashire" in the "Mail Buildings;" but in such a conservative stronghold, Mr. McKenzie's Reform Company could not long survive its misfortunes. Even the "living rates" have not saved it. Didn't get a large enough dose, perhaps. The "Glasgow and London Re-
assurance Company, I believe, are likely to inter the remains.

On the 23rd instant will be held in this city the annual general meeting of the Canada Fire Underwriters' Association, so that we shall be favored with a visit by several Montreal insurance magnates at that time. Much interest is felt in this meeting, as many matters of importance will come before the assembly for consideration, not the least important one either will be the introduction of a tariff of rates for Province of Quebec, which will include Montreal. You ought to have a share in the benefits of a minimum tariff as well as Ontario. We really desire to do the right thing by you, you see.

The timely help and succor that *might have been* afforded by Life and Accident Insurance to the families of the killed, and to the wounded themselves in the late lamentable railway disaster near the Humber, is painfully evident when you consider that of the 29 dead, husbands and sons, the respective families are left without support other than that collected from the public charity, pending the "compensation" to come from the G. T. R. Co. I understand that the representative of a prominent accident company had been in communication before the disaster with these very men and their fellow

employees at the Bolt works, with the view to granting special terms for the insurance of \$1,000 on each man, with weekly allowance for injuries, and that the negotiations fell through because the men formed some kind of benefit society among themselves. Poor fellows, I fear in such a wholesale slaughter their surviving fellows could do but little to relieve the needs of the widows and orphans.

Yours,

ARIEL.

Toronto, 15th January, 1884.

LUMBER ADJUSTMENTS.

The Editor INSURANCE SOCIETY.

I have read with much interest your article on "Lumber Losses," which contains some valuable information but is not, I think, correct in some of its conclusions. In this as well as in all other losses it is necessary first to consider that a policy of fire insurance is a contract to indemnify, to an extent not exceeding its amount, for the loss and damage by fire, consequently it is necessary to establish the exact amount of the loss and damage inflicted by the fire, pure and simple; the actual cost of the lumber may, or may not, be the measure of the fire loss, as in the lumber business there are so many contingencies to be taken into account which may seriously affect the problem.

There are two, separate and distinct factors to be taken into consideration, each of which is governed by circumstances some of which are foreign and others of which are local. In the first place, as no stream can rise above its fount so lumber cannot be more valuable than its price at the place of distribution (Albany or Chicago), less the cost of carrying and handling, so that, taken for Ontario generally and for Western Quebec, the Albany prices, less the various charges between the place of the burning and Albany, and allowing a fair margin for profit of manufacture, you produce a fair measure of indemnity to the manufacturer. This problem is affected by the rise and fall of cost of transportation and the habits of shipment of the parties, because, if the assured has sufficient means to enable him to hold his lumber, he will not ship any during the months when freights are higher than the average, or, if he is dependent upon the market for funds, he will be entitled to a consideration of the averages in freight as in everything else.

In the second place, the fire loss may be arrived at approximately by finding the *average* cost of production of lumber of the like grades and qualities; but the actual cost to the assured may differ very widely from the average, and so may be as measure of his fire loss; suppose, for instance, each of two persons, A and B, purchases two hundred square miles of timber limits of equal quality for an equal price,—A has the good fortune to preserve his timber from forest fires, has good seasons for cutting, hauling, driving, booming and towing; gets his men at fair wages, has efficient foremen and honest purveyors who purchase and deliver supplies at low rates. B is not so fortunate, half his limits are destroyed by prairie fires; the ground is bare half the winter, whilst during the other half the snow is too deep for good hauling, then, being light and recent, the snow goes off with a flood which makes the streams too rough for a while and then too shallow for driving; a storm strikes the boom and scatters the logs, contrary winds prevent the towing, wages are high, foremen are inefficient, purveyors are ignorant or dishonest, and yet, although all B's misfortunes added together do not increase the value of his loss by one cent although they nearly treble the cost, so that, without cutting one of the logs into lumber he is a ruined man, but, if he cuts his logs into boards, and adds the cost of cutting and piling to the cost of his logs, and then some greenhorn of an adjuster takes *the combined cost as the measure of the loss and damage by fire*, he saves friend B from bankruptcy at the expense of the insurance company.

There are lumber producers whose business is managed by a system of Brigadier Generals with high salaries and velvet slippers, whilst there are others whose business is managed by those who *lead the men to work* and take part in everything difficult or dangerous, so that, by their skill and intelligence, most of the contingencies of the business are avoided or obviated.

You will perceive at a glance that whilst all these things affect *the cost* of the lumber, yet none of them affect *the value*, consequently we must go outside of them, yet take them all into consideration, in order to arrive at the *proper cost* of the lumber, which may, or may not, be the average value of it.

A proper adjustment would go from both ends for proof of amount of fire loss; working from the purchase of the limit to the piling of the product in one direction, and from the (say Albany) market back to the lumber pile. The real difficulty in lumber losses arises from the loose way in which insurances are effected by both insured and insurers, both of whom enter into contracts without any understanding or agreement as to their interpretation, neither of them providing for the contingency which alone causes the insurance to be desired or granted, and then when the contingency does arise, the individual adjuster has to bear the brunt of the dissatisfaction arising out of the mutual carelessness.

In most districts the adjustment of lumber losses can be facilitated by adding to the current market value of logs in the locality the value of sawing and piling. In some of them a system of mutual insurance against theft and error is established and known as the Booming, Towing and Driving Company, in which the Company is liable for all missing logs at an established rate mutually agreed upon by all the lumbermen interested; but, as these lumbermen well know, there are *logs and logs*. One lumberman will cut virgin limits of clean, healthy pine, excluding all logs below fourteen inches, whilst another will be clearing up old timber limits and running the logs into the tops, so that one will produce logs making from five to eight per cent. of culls with sixty per cent. of merchantable stock, whilst the other produces logs making from twenty to thirty per cent. of culls, with twenty per cent. of strips and scarcely any merchantable stock; so that the *quality* of the logs is a very important factor, a factor which is not at all demonstrated by the cost, as the inferior logs, being scattered sparsely over an extensive area, may cost more than the closely growing good ones, by reason of the cost of cutting roads and drawing.

If it were possible to get everybody to understand and confess that a "policy of fire insurance is an agreement to indemnify the party against the actual loss or damage by the fire to an extent not exceeding the amount of the policy," then the difficulties of adjusters would be lessened, but unfairness on one side excludes the profit which has been made by the insured, whilst unfairness on the other seeks to be recouped for losses which have occurred independently of the fire.

I am aware that some shallow thinkers style these *principles of adjustment* "theories" and point to bankrupt stocks as justification, but they forget that whilst an ordinary stock is never worth its cost, because the principle of selection has reduced the proportionate value of the remaining stock, yet the value of a bankrupt stock has been demonstrated by an actual purchase and sale, and if the purchase and sale have been honestly conducted the price has been a fair measure of the value; and yet there are men who, ignoring all principles, will demand the cost of an open stock, and the original cost of the olla podrida of a bankrupt stock whenever a fire occurs, refusing to acknowledge the fact that the policy is not a perfecter of profit but of indemnity for loss.

Faithfully yours,

HENRY LYE,
Adjuster.

The above communication, just received as we go to press, we must therefore reserve our remarks for next issue.

EDITOR.

HALIFAX, Jan. 10, 1884.

To the Editor of INSURANCE SOCIETY.

DEAR SIR,—A perusal of Mr. Campbell's letter published in the last issue of your excellent magazine, in which he thanks you for your expressions of confidence in the management of the Dominion Safety Fund which appeared in the previous issue, leads me to send for your perusal a copy of one of its leaflets setting forth its plans and also a circular which purports to be an examination of the certificate which it issues. I do this, and make the comments contained in this letter, partly because Mr. Campbell says, "Our leaflets and other literature,

with which all our agents are furnished, set forth fully our system of insurance, and no agent is authorised to promise anything not contained therein," and partly because I feel sure you would have doubted the honesty of the Society had it been your privilege to have examined this literature previous to publishing your comments on the letter written by "Watch."

You will observe that the D. S. F. circular claims for the system "simplicity, safety and economy;" that by it "the dangers and defects" of the old "Reserve Plans" and the weakness and uncertainty of Co-operative Plans are alike "avoided" and that it gives "Endowments to Persisting Members."

Leaving its "simplicity, safety and economy" for a future letter I call attention to the fact that it claims "weakness and uncertainty" as being the elements of the Co-operative Plans. It would certainly prove very interesting reading for your subscribers in the Maritime Provinces if Mr. Campbell would rise and explain any material difference there exists between the "system of insurance," and methods of the D. S. F. and the ordinary co-operative societies, further than such *methods* as are adopted to enable that Society to practise its deceptions on an over-credulous public with a greater showing of good faith.

With regard to the "Endowments to Persisting Members" the Society can have no other object in advertising this admirable feature than to lead an *over-credulous* public to believe that it is something real. Let us examine the endowment feature as set forth in its contract and leaflets, and we will find that when in addition to the \$300,000 Safety Fund, there shall be an amount greater than that contributed by the class of any one year to the said Fund; and when such class shall have been reduced so that such amount shall be more than sufficient to meet the full face of all the certificates then in force, the several members holding such certificates shall be entitled to be paid the full face thereof as endowments on their surrender. Let us test the chances of class 82—in which year 668 certificates are reported to have been issued, necessitating a contribution to the Safety Fund of \$6,680. When the full amount of the Safety Fund shall have accumulated, and there is an excess of \$6,680, and when the certificates held by this class have been reduced from 668 to 6, or when less than one per cent. of the original certificates remain in force, if the holders thereof become aware of the then existing state of things and surrender them to the Society, they shall be entitled to their full face value. As there is nothing said about the order in which the various classes shall receive these unparalleled advantages, we presume the class of any other year is just as likely to be the fortunate one to be first served as that of 82, thus postponing in the imagination these wonderful results. What would occur if various classes should at the same time occupy a position entitling them to such advantages with a surplus fund inadequate to satisfy the whole we cannot surmise. For instance, what would occur if the number of certificates in class 81, in which year 345 certificates are reported to have been issued which were entitled to participate in the benefits of this fund, had been reduced to 3, and in class 82 to 6 at the same time, and the surplus should be less than sufficient to satisfy both classes? These nine certificates might be held by three solitary individuals, as the returns show on page 162 that one person may hold three certificates. Were this to be the case a membership of 605 persons, comprising the total number of persons forming classes 81 and 82, would require to be reduced to a membership of 3 persons or to $\frac{1}{2}$ of one per cent. of the original number before "Endowments to Persisting Members" would become available. So much for the Endowment feature.

I have only further to add at this time that literature so calculated to mislead the unwary could emanate only from a source such as the one from which emanated the statement of the affairs of this Society published by Prof. Cherriman in his last report, which gives no account of admission fees or fees for medical examinations, both legitimate items of expense which regular companies are bound to account for.

An agent who could not from the circular which I send you alone find sufficient to justify all that was charged by "Watch," and so disingenuously passed over by Mr. Charles Campbell, would lack much of the astuteness of the average representative of such Co-operative frauds.

Very truly yours,

EXAMINER.

The enterprising editor of the *Argus* has sent us a copy of the *Argus* extra, containing a record of events of the past year.

The Equitable Life intend to make \$100,000 the maximum amount of insurance allowable on a single life, instead of \$50,000.

SOCIETY NOTES AND ITEMS.

The **Ætna Insurance Company** has declared a dividend of 5 per cent.

The **Guardian of London** has re-insured the Lorillard of New York.

The **Quebec Fire Assurance Company** has declared a dividend of five per cent.

The **Ætna Life Insurance Company** has declared a semi-annual dividend of five per cent.

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

Life Insurance Companies report a large increase in business in 1883, as well as an unusually prosperous year.

The **United Fire Re-Insurance Company** of Manchester, Eng., has applied for permission to transact business in Massachusetts.

The **Rate on the Masonic Temple**, of New York, which was badly damaged by fire a few weeks ago, was thirty cents for five years.

Mr. G. W. Girdlestone has been appointed agent of the **Guardian Assurance Company** for Winnipeg and the Province of Manitoba.

St. John, N. B., has had a dog and cat show—200 dogs and 50 cats were exhibited. This is the first cat show that has been held in Canada.

The **Royal Insurance Company**, and the **London and Lancashire Fire Insurance Company**, are about to retire from Austria, Hungary.

The **Cobequid Marine Insurance Company**, of Truro, N. S., have announced a dividend of fifty per cent. on its capital of \$7500.—*Herald*.

The **Losses by Fire** in New York for the year 1883 are estimated at \$3,517,326, being a decrease of \$678,640 from those of 1882, which amounted to \$4,195,966.

The **Total Losses by Fire** in Montreal during the month of December ult. amounted to the sum of \$153,537 and the **Insurance losses** to \$105,262. Not bad for one month.

Marine Insurance.—It is estimated that the losses for 1883 to Lake Marine insurance will exceed the gross premiums by about \$400,000. A profitable business.

The **Fire Losses in Canada** and the United States reached the sum of \$11,000,000 for the month of December last. The estimated figures for 1883 bring the losses up to \$103,000,000.

Mr. Chamberlain, President of the British Board of Trade, is going to introduce a Bill into Parliament forbidding ship owners from insuring their vessels in excess of their value.

The **Royal Canadian Insurance Company** will apply to Parliament at its approaching session for power to allow the Shareholders, at any meeting called for that purpose, to reduce the number of Directors to not less than five.

Mr. George W. Hayes, of Milwaukee, Wis., Secretary of the Fire Underwriters' Association of the Northwest, will please accept our thanks for a copy containing the report of the proceedings of the last annual meeting of the Association.

Heavy Premium.—Hamilton Disston of Philadelphia is said to pay annually in premiums on his life insurance the sum of \$20,000. His life is insured for \$400,000, distributed among 13 Companies, being an average of \$38,460 to each Company.

Mr. David Burke, Superintendent of the Canadian Branch of the New York Life Insurance Company, has appointed Mr. Walter Brown of New York, general agent of the New York Life for Hamilton and Counties of Wentworth, Brant & Norfolk.

Mr. Ira Cornwall, jr., superintendent of agents of the Royal Insurance Company, Liverpool, will please accept our thanks for a copy of the "Royal" Almanac for 1884, which, as usual, contains a large amount of interesting information.

The **New Tariffs** for Halifax and Prince Edward Island went into operation on the first inst. That for the former place was prepared by Mr. C. E. L. Jarvis, of St. John, N. B., and that for P. E. I. by Messrs. C. E. L. Jarvis and Chas. D. Cory.

Mr. L. H. Boulton, joint chief agent of the National Assurance Company, of Ireland, who has been seriously ill since the 20th of December last, is now, we are glad to say, convalescent, and expects to be able to resume active duties in a short time.

Insurance Tax Case.—From Quebec we learn that judgment was rendered in a \$1,000 suit by Mr. Justice Stuart in re the **Ætna Insurance Company** case, holding that the city had no right to impose a tax on the Company as the policies were not issued there.

A **new Life Insurance Company**, to be called the "Canada Temperance and General Life Assurance Company," is going to seek for an Act of Incorporation at the next session of the Dominion Parliament. Mr. Henry O'Hara, of Toronto, is the promoter.

There are, to our knowledge, five candidates for the post of Manager of the **Royal Canadian Insurance Company** rendered vacant by the death of Mr. James Davison. Nothing will be done as to the appointment until after the annual general meeting.

Industrial Fire Insurance is being tried in England just now. The plan is to insure the household furniture, tools, etc., of the working classes, for a weekly premium of 1d. on each £100 insured. The **People's Industrial Insurance Company** is the name of the new organization.

Twenty-one cases of fraud unearthed within a fortnight, nearly all in connection with assessment life concerns in the United States and Canada, is a record suggestive of the unrivalled facilities of that system for increasing the population of jails and penitentiaries.

The **Standard Fire Insurance Company** of London, Eng., has retired from the United States; it has re-insured its outstanding risks in the **Phenix Insurance Company** of Brooklyn. The policyholders are to be congratulated on securing the protection of this sterling Company.

Another Rumor Contradicted.—It has been reported in New York that the **City of London Fire Insurance Company** was about to withdraw its American Agency. We are glad to be in a position to state that there is no truth whatever in this report. **Dame Rumor** is wrong once more.

Thoroughly sifted—We wonder how many insurance companies in this country have had their affairs so thoroughly overhauled and made public as the Citizens at the late trial? It is evident there was not much to conceal, or the company would never have gone through the ordeal.

We have received from Mr. David Burke, superintendent of the Canadian Branch of the New York Life, a copy of the New York Life Almanac for 1884, which contains some valuable information on various topics. The cuts are very good, and its articles reflect much credit on its editor, Mr. J. M. Hudnut.

Why is a Co-operative like an organ grinder?—The *Coast Review* answers as follows:—Both take up a collection, neither exchanges anything valuable for what is received, and both receive contributions from people who hope thereby to relieve themselves from the "music" and importunities of the solicitor.

The United States Life Insurance Company published its annual statement for 1883 on January 1st. The new insurance written amounted to \$5,231,000, being an increase of 87 per cent. over the previous year. The amount of insurance in force at date was \$18,806,000; assets, \$5,268,212, surplus \$809,728.

The Superintendent of the New York Insurance Department has requested the Fire Insurance Companies to make their January returns to the Department on or before January 15th, if possible, as he is desirous of preparing the usual semi-annual Exhibit in time to submit it to the Legislature while in session.

The New York Life Insurance Company has, according to French journals, purchased for its European headquarters, the extensive buildings on the Boulevard des Italiens, occupied by the Café Richo, for the sum of \$1,000,000. This is considered an additional guarantee to all European insurers in the Company.

Conundrum.—The *first* Inspector of Insurance was promoted to be inspector of prisons. The *second* Inspector of Insurance was brought from the blind asylum at Brantford. The Inspector of Insurance for Quebec is also inspector of prisons. Insurance seems, according to the foregoing, to be a little above blindness but a little below criminality !!

Statements and figures are now in order, and we fear it will take a great many statements and figures to make much profit out of the fire insurance business of 1883. Let us not despair, however, but rather make up our minds that 1884 will be a more profitable year, or at least that, by taking united action, the Fire Offices will endeavor to make it so.

Mr. R. W. W. Frink, of St. John, N.B., local agent of the Western Assurance Company, has been appointed special agent and adjuster for that Company in the Maritime Provinces. The selection of Mr. Frink for that position is a wise one, as he has had considerable experience in the Lower Provinces, and he is well known and deservedly popular. We are sure he will be found a worthy successor to Mr. A. W. Dodd.

Royal Canadian Insurance Company—Injunction case. The order of Judge Rainville to restrain the sale of the forfeited shares was granted, pending the decision of the Court upon the action to have the proceedings of the Directors in declaring those shares forfeited declared illegal. The directors are well fortified, and do not fear the result. The annual meeting of this Company will take place on the 7th prox.

Municipal Taxation—The Civic Authorities at Ottawa, have issued a circular letter to the municipal corporations throughout the Province, recommending that a bill be introduced at this session of the Legislature having for its object the imposing of an annual business tax on all banks and Insurance Companies as well as other corporations. The amount of the proposed tax on insurance companies to be \$100 each.

The Shareholders of the Canada Loan and Banking Company of Hamilton have decided to wind it up, it having been found unprofitable to continue its business. Our readers will remember that we referred to this Company and the probability of this contingency taking place some months ago. This Loan Company holds \$16,250 of the Standard Fire Company's investments, which, as we then stated, forms the bulk of its, the Standard's, Government deposit.

M. Bennett jr., Manager of the United States branches of the Scottish Union and National and Lion fire offices, has issued the following timely circular to his agents on "over insurance." One of the most serious and often unnecessary evils that have crept into the business of Underwriting is the granting the privilege of other insurance, without notice, until required. In insuring buildings, please limit the amount of other insurance. The unlimited privilege is generally unnecessary, and deprives the companies of a most proper safeguard.

LEGAL DECISIONS IN INSURANCE CASES,

COMPILED BY

MESSRS. MONK & RAYNES, ADVOCATES,
MONTREAL.

SUPERIOR COURT, MONTREAL.

GILMAN vs. THE ROYAL CANADIAN INS. CO.

The plaintiff, a shareholder in the capital stock of the company, defendant, for a large amount, seeks by his action that the forfeiture made by the defendant of 2,843 shares be declared illegal, null and void, and that it be prohibited from selling the said shares as advertised. He alleges that the capital stock was originally \$6,000,000, which was subsequently reduced to \$2,000,000, upon which 65 p.c. has been paid or called; that the forfeiture of the shares was made in an illegal manner, and that the offering of them for sale is equally illegal; that the directors of the company defendant agreed to have a sale, the result of which would be ruinous to the company; that this sale is decided upon in order to furnish the said directors with the means of retaining the control and direction of affairs; that the defendant and its directors did not announce the conditions of sale, and kept them secret, refusing to communicate these to the plaintiff, with a view of selling them en bloc or in a single lot with a view of frightening bidders away, and that what the conditions really were respecting the sale of the shares was not known.

After the return of the action the plaintiff, seeing that if he allowed the defendant to sell these shares, his action would become of no avail and obtain no object, applied by petition for an order to enjoin on the defendant not to sell the shares in question pending the action.

This petition is based upon the same grounds as the action; these grounds may be classed under three heads: 1st. Illegality of the forfeiture of the shares. 2nd. Illegality of the projected sale, inasmuch as it is not stated how these shares will be sold, that is, with the amount paid up on each, or as all paid up, or only free from the calls made. 3rd. That this sale will be ruinous to the company, and is only made with a view of enabling the present board of management to retain control of its affairs.

By its contestation the defendant alleges its right to declare the shares referred to forfeited, and the fact of the legality of the proceedings had to carry out this forfeiture; the resolutions adopted by the

(Continued on page 21.)

Fires in Canada during the Month of DECEMBER, 1883.

PLACE.—NAME.—BUILDINGS BURNT.	APPROXIMATE. Total Losses to Losses. Ins. Cos.	Ins.	Cos.
ONTARIO.			
3 BRANTFORD—J. Cockshutt, Grocery Store and Dwelling.....	B 800	None.	
4 GALT—Geo. Jagger, Frame Barn.....	C 400	300	
5 ORANGEVILLE—Stevenson & Graham, Store-house.....		2000	1750
5 PARIS—Turnbull & Thompson, Block.....	B 7000	4100	
Jas. Muir, Dry Goods.....	C 15000	8500	
Jas. McKae, Boot and Shoe Store.....	C 4000	1500	
Chas. Newell, Fruiterer.....	C 1000	600	
Paris Transcript.....	C 2000	1800	
6 ROACH'S POINT—J. D. Edgar, Dwelling.....		5000	No Rp.
9 PICTON—R. Hadden, Post Office Block.....	B 550	550	
Barber's Shop, Hardware Store, Confectionery, Hat and Cap Store, Photographers.....	C 2000	2000	
9 PRINCETON—McInnes & Co., Grain Warehse..		2200	2000
11 BELLEVILLE—Alderman Laroche, Stables....		250	150
11 CHATHAM—Frank Ferguson, Dwelling.....		1200	None.
12 TORONTO—Queen St., Frank Honisett, Stables.		100	100
14 WESTMINSTER TOWNSHIP—Ed. Cole, Dwelling and Barn.....		710	566
12 CHATHAM—Laundry.....		900	900
13 DORCHESTER—John Hawthorn, Dwelling....		200	None.
13 PICKERING TOWNSHIP—2nd Con., J. Carr, Flame Barns.....		2000	1380
13 BROOKE—Mrs. Harlaker, Dwelling.....		275	275
14 ENNISMORE TWP—Ths. Bradburn, Farm Barns. Thomas Heard, Contents.....	B 1554	570	
	C 790	734	
14 BELLEVILLE TWP—Edward Travers, Barn and Contents.....		2500	No Rp
14 PICTON—John Brown, Tannery and Contents..		3000	1925
14 CAMPBELLFORD—R. Tibun & Sons, Storehouse and Coals.....		3309	3300
15 WALKERTON—D. Moore & Son, Flouring Mills and Contents B'g and Mach'y....		12000	9500
15 STRATFORD TWP—A. S. Maynard, Saw, Shingle and Grist Mills.....		4650	3150
15 EMBRO—M. Mann, Storehouse.....		375	375
Miss Macpherson, Cottage.....		800	450
S. S. Wilson, Tailor's Store.....		750	None
17 TORONTO—J. H. Hughes, Harper's Pattern Store	C 1209	980	
	B 750	750	
17 GEORGETOWN—Lewis Hartwell, Dwelling....		2000	900
19 BRANTFORD—W. Bucks' Stove Works.....		No	Rep
21 RODNEY—A. Struthers, Dwelling.....		850	500
22 UXBRIDGE—M. Couch, Dwelling.....		1000	None
22 BENSVILLE—P. Berner, Bakery.....		1000	250
22 GUELPH—W. Bell & Co., Organ Factory.....		575	575
22 TORONTO—A. R. Weir, Boot and Shoe Store..		6000	4500
23 MIDLAND R.R.—Passenger Car.....		3000	3000
23 KINGSTON—4 Dwellings.....		1200	None
26 MULMUR TWP—Geo. Robinson, Farm Barn..	B 1250	1042	
	C No	Rep	
28 SEAFORTH—A. G. Egmonds, Woollen Mills...		20000	5000
30 BROCKVILLE—A. Robertson, St. Lawrence Hall M. Comstock.....	C 7000	2500	
	B 12000	6500	
QUEBEC.			
1 MONTREAL—229 Notre Dame st., R. Beullac, Church Ornaments.....		11275	11000
Notre Dame st., Dufresne & Mon-genais store.....		200	200
1 MONTREAL—Napoleon Road, M. Lafontaine, Dwelling.....		2500	1100

5 MONTREAL—McGill st., H. Haswell & Co., Drugs and Chemicals.....	Loss.	Ins.
Evans Estate, Building.....	60000	45000
McGill st., E. Neild, Wholesale Dry Goods.....	5000	5000
	600	600
8 MONTREAL—Bonaventure st., Craig's Furniture Factory.....	50000	20000
Phoenix Electrical Company Machinery and Stock..	1117	1117
Joseph Trudel, Box Factory...	145	145
8 ST. ETIENNE DE LAUZON—H. Bilodeau, Dwelling and Barns.....	2500	None
9 MONTREAL—Vitre st., P. Gervais, Blacksmith's Shop.....	1300	1150
L. Mantha, Dwelling, Furniture.	300	None
P. Prevost, Dwelling.....	300	200
Albert st., E. Samuels, Locksmith's Store.....	200	150
10 MONTMORENCY FALLS—F. X. Soucy, Dwelling and Stables.....	1250	No Rep
14 QUEBEC—Citadel, Captain Wilson's quarters...	100	100
16 ST. URBAIN—2 Buildings.....	7000	No Rep
20 MONTREAL—Strachan's Soap Factory.....	10000	10000
23 QUEBEC—Hamilton st., Pre-bytery R. C.....	112	112
23 MONTREAL—Guy st., J. D. Tessier, Carpenter's Shop.....	100	100
St. Sulpice st., Stirling, McCall & Co., Wholesale Dry Goods.....	2500	2500
St. James st., Montreal Printing Co.'s Office.....	4900	4900
St. James st., Savage & Lyman, Jewellery Store.....	3000	2000
24 RIVIERE DU LOUP—J. & J. St. Pierre, Store and Dwelling.....	3000	2000
27 MONTREAL—Visitation st., M. G. M. Gauvereau, Dwelling.....	100	100
27 CLARENCEVILLE—A. H. Martin, Frame Dwelling	B 1300	800
31 VALLEYFIELD—B. Vian, Store, Hall and Dwelling.....	3600	1700

NEW BRUNSWICK.

7 PORT ELGIN—Miss M. Barnes' Store.....	B 1000	800
Geo. Lawrence, Store.....	C 2000	None.
7 FREDERICTON—Wm. Wheeler, Queen's Hotel, Stables, etc.....	B 3500	None.
Jno. Edwards, Queen's Hotel, Stables, etc.....	C 2290	2290
M. Campbell, Barn.....	100	100
Orr & Ritchie, Coach House...		No Report.
18 NORTH LAKE—York Co., David Cropley, Barn		1200
31 ST. MARY'S—King's Co., S. S. Legers, Dwelling and Barn.....		1500
23 MIDDLE SIMONDS—Carleton Co., J. W. Moore, Dwelling.....		950
24 MCADAM JUNCTION—Watts, Dwelling and Custom House.....		1500
		600
29 WOODSTOCK—Mary H. Humes, Dwelling....		2550
		1650

NOVA SCOTIA.

14 HALIFAX—Government Steamer Napoleon III.	1000	No Rp.
16 HALIFAX—Queen Building.....	40000	25000
V. J. Gibson, Clothier.....	15000	12000
M. B. Almon, Office Furniture....	200	200
Graham, Tupper & Berden, Law Books.....	500	None.

N. W. T.

16 RAT PORTAGE—Stores, Dwellings, Offices, etc.	75000	10000
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Board of Directors declaring them forfeited. It alleges in addition that by a resolution of the Board, adopted on the 20th November, 1883, it was resolved that the said shares should be sold at auction in accordance with the provisions of sec. 3 of the Act of Incorporation of the Company, that it was not the intention of the directors, as falsely alleged in the plaintiffs' petition, to sell the said shares en bloc, but according to law, that is to say, the shares of each shareholder. That according to the present market value these shares would realize \$42,000. What the petitioner asks by his petition is purely and simply that the parties remain until judgment on the action, with the same advantages,

that is to say in the same situation as they were on the day of the application. This is the application of the fundamental principle of our law. Pigeau, page 116: "The authority of justice," says he, "being only interposed in order to render to each what belongs to him, the parties must, until the demand is adjudicated upon, remain in the condition in which they were at the time it was begun." What would be the object of the plaintiff's action if, while it is pending, he has no power to suspend the sale of the shares in question? Once the sale takes place his action is deprived of its object and its aim. Now, does he show in his demand a sufficiently plausible right

to justify the Court in granting what he asks for, for if his demand is a futile one, made with a view of obstructing certain rights, the tribunal in its discretion, would not be justified in interfering; but if the plaintiff shows an apparent right, a serious pretension, it becomes the duty of the Judge to furnish him with an opportunity of submitting his demand to the tribunal, and to refuse the petitioner the order applied for by him would be virtually to put an end to his action.

And I find one of the grounds set up by the plaintiff sufficiently well founded to justify me in granting the order asked for: I referred to the second one, illegality of projected sale. In reality the law fully gives a right to the company to sell the forfeited shares [sec. 3 of the charter], but how must this sale be made? What will be sold? The first comer, uninitiated in law, would naturally answer, they should sell shares in the state in which they were when they were forfeited. That would be the natural inference which any one would draw from the provisions of the law, which is in the following terms:—"If any stockholder or stockholders shall refuse or neglect to pay * * * such stockholder or stockholders shall forfeit such share or shares as aforesaid, together with the amount previously paid thereon, and such forfeited shares or share may be sold at public auction after such notice as they may direct." The amounts paid on the forfeited shares are not the same on each share. It was, it seems to me, the duty of the Board of Directors of the Company, defendant, to indicate in their notice of sale what they were going to sell, that is to say, how much was paid on these shares, in a word, to indicate and describe the thing sold. At the Enquete it was established that it was the intention and the decision of the Board of Directors to sell these shares free of the calls already made, that is to say, paid up to the extent of 65 p. c., irrespective of the amount paid upon each. Now it is proved that on the greater number there was 30 p. c. paid on these shares, and there were some on which there was less.

Has the company the right to make a sale on such a basis on the resolution of its board of directors? I greatly doubt it, and in any case the question is worthy of being submitted to a superior tribunal, for the decision would be a precedent, and this is a determining ground why I should order the suspension of this sale.

Let us see what in reality would be the result of this sale on the financial position of the company and upon the value of the shares of the present stockholders; there is a difference of opinion upon the amount the sale of these shares would bring; according to the plaintiff in would not bring more than 10 p. c., or \$28,400, and according to the defendant it would bring 15 per cent., or \$42,000. According to the admission of the Secretary of the Company the shares are now worth on the market 55 p. c., or \$20 a share. But he admits, at the same time, that the real value of the stock is much greater than that of the market. If, then, these shares do not sell for their real value the purchasers will share with the present shareholders in a capital, the value of each share in which will exceed what was paid for those thus acquired; in other words, these purchasers will become partners, without paying the equivalent in benefits which the defendant now enjoys. If any one wants to verify the result he has only to make a calculation. Suppose that the real value of each share is to-day \$25; there are 17,000 shares, the total capital stock would then be worth \$425,000. Now, what would be the position after the sale? Even taking the opinion of the defendant that these shares would bring \$40,000, we come to have a capital worth \$465,000, or, for the 20,000 shares of which the company would then be composed, \$23.20 per share. Each share would thus have reduced in value \$1.80 by the operation, equal to a total loss to the present shareholders of over \$30,000. And if we adopt the opinion of those who think that these forfeited shares would not bring more than 10 per cent., or \$30,000, the loss would be clearly much greater. The petition is therefore granted, the petitioners to put in security to the extent of \$1,000 within three days.

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Pictou
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Windsor
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Cardinal
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Carronbrook
Cayuga
Chatham
Chippawa
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Clifton
Clinton

MONTREAL
Part I.
" II.
" III.
Nicolet
Ormeau
Ormeau D'rm
QUEBEC
Quebec Coves
North Side
Quebec Coves
South Side
Richmond
Riviere du Loup
Rock Island
St. Andrews
St. Cunegonde
St. Eustache
St. Gabriel
St. Henri
St. Hyacinthe
St. Jean Baptiste
St. Jerome
St. John's
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St. Scholastique

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Sherbrooke
Sorel
Stanbridge
Stanstead
Sweetsburgh
Terrebonne
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Cornwall
Dresden
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Dundas
Dunnville
Durham
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Fenelon Falls
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Fort Erie
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Gait
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Glencoe
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Port Perry
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Riverside
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Teeswater
Thornburg
Thorold
Tilsontown
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" II.

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Laprairie
L'Assomption
Lennoxville
Levis
Longueuil
Maskinonge
Melbourne

MONTREAL
Part I.
" II.
" III.
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Ormeau
Ormeau D'rm
QUEBEC
Quebec Coves
North Side
Quebec Coves
South Side
Richmond
Riviere du Loup
Rock Island
St. Andrews
St. Cunegonde
St. Eustache
St. Gabriel
St. Henri
St. Hyacinthe
St. Jean Baptiste
St. Jerome
St. John's
St. Louis of Mile End.
St. Scholastique

St. Therese
Shefford
Sherbrooke
Sorel
Stanbridge
Stanstead
Sweetsburgh
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Three Rivers
Valleyfield
Waterloo
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Dorchester
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Newcastle

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OF PORTLAND, MAINE.

(Incorporated in 1848.)

JOHN E. DEWITT, President. HENRY D. SMITH, Secretary. NICHOLAS DEGROOT, Asst.-Secretary.

Government Deposit at Ottawa - - - - \$150,000.
 Assets - - - - - \$6,379,279.77.
 Surplus over all liabilities (N. Y. Standard) - \$700,911.29.
 Dividend to policy holders to Dec. 31, 1882. \$4,068,886.15.
 Total payments to policy holders - - - \$19,354,271.76.

Policies of this old and reliable company indisputable after three annual payments. Matured policies are payable at once without rebate of interest on receipt of satisfactory proofs of death, together with a valid discharge from proper parties interested.

AGENTS WANTED in unrepresented districts. For further particulars apply to
R. H. MATSON, Superintendent.
 17 Toronto Street, Toronto.

THE NORTH-WEST

FIRE INSURANCE COMPANY
 (LIMITED.)

Head Office, Winnipeg, Manitoba.

CAPITAL. . . . \$500,000.

DUNCAN MACARTHUR, Esq., President. COL. W. N. KENNEDY, Vice-President.

G. W. GIRDLESTONE, Esq., Secretary and Manager.
 (Also Agent for City of London and Guardian Fire Offices.)

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BRITISH AMERICA ASSURANCE COMPANY.

FIRE AND MARINE.

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Cash Capital, \$500,000. Gross Surplus, \$721,908.60.
 Net Surplus, \$335,089.40.

HEAD OFFICE, TORONTO.

DIRECTORS

JOHN MORISON, Esq., Governor,
 H. R. FORBES, Esq., Deputy-Governor.
 JOHN MORISON, Esq. JOHN LEYS, Esq.
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- Letters to an Agent,** from Ye PATRIARCH. A familiar book of instructions for Fire Insurance Agents, in which divers topics are treated in a manner quite unlike that adopted by the more formal writers. Good to reform careless Agents; good to stimulate lazy Agents; good to instruct green Agents; interesting to Agents of all sorts. Price, in beveled boards, cloth, gilt side title, very handsome. \$1 50
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REAL ESTATE AND INSURANCE AGENTS,

Agents for Scottish Union and National Insurance Company, of Edinburgh, Scotland.

60 Church St., Toronto.

PROPERTIES for sale throughout the Dominion.

FARMS a specialty.

We have special facilities for transacting all business in connection with Real Estate Money invested on Mortgages References if required.

SUMMARY OF 38th ANNUAL REPORT.

New York Life Insurance - Co.

OFFICE, 346 & 348 BROADWAY.

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

Morris Franklin, President.

BUSINESS OF 1882.

Received in Premiums.....	\$9,152,627.38	
Received in Interest, Rents, etc.....	2,798,018.41	
Total Income.....		\$11,950,645.79
Paid Death-claims.....	\$1,865,292.00	
" Endowments.....	427,258.95	
" Annuities, Dividends, and for Surrendered Policies.....	3,827,758.76	
Total Paid Policy-holders.....		\$6,210,309.71
New Policies issued.....	12,178	
New Insurance written.....	\$41,325,520.00	

CONDITION JAN. 1, 1883.

Cash Assets.....		\$50,800,396.82
*Divisible Surplus (Co.'s Standard, 4 per cent.).....	\$4,948,841.79	
†Tontine Surplus.....	2,091,372.16	
† Total Surplus at 4 per cent.....	7,040,213.95	
Surplus by State Standard.....		\$10,073,892.51
Policies in force.....	60,150	
Insurance in force.....	\$171,415,097.00	

PROGRESS IN 1882.

Increase in Premiums.....	\$1,101,915.44	
Increase in Interest, etc.....	365,364.08	
Total Increase in Income.....		\$1,467,279.52
Excess of Income over all expenditures.....	3,788,508.25	
Excess of Interest over Death-losses.....	842,726.41	
Increase in Assets.....	3,571,615.18	
Increase in Divisible Surplus (Company's Standard, 4 per cent.).....	121,805.18	
Increase in Tontine Surplus.....	37,128.13	
Amount added to Tontine Fund.....	1,109,964.00	
Amount paid on Matured Tontines.....	1,072,837.87	
Increase in Policies issued (over 1881).....	2,237	
Increase in new Insurance.....	8,951,239.00	
Increase in Policies in force.....	6,223	
Increase in Insurance in force.....	19,654,273.00	

* Exclusive of the amount specially reserved as a contingent liability to Tontine Dividend Fund.

† Over and above a 4 per cent. reserve on existing policies of that class.

‡ If the Actuary's, or American, Mortality Table were used, this amount would be considerably increased.

The NEW YORK LIFE issues all desirable forms of Life, Endowment and "Tontine Investment Plan" Policies.

Applications for Agencies in Canada, and all information regarding the Company's popular systems of insurance, will receive prompt attention by addressing the undersigned.

CANADIAN BRANCH OFFICE,

UNION BANK BUILDING, NOTRE DAME STREET.

MONTREAL.

DAVID BURKE, SUPERINTENDENT.

INSURANCE

ROYAL

COMPANY.

GENERAL RESOURCES.

CAPITAL
\$10,000,000

INVESTED FUNDS,
\$28,000,000.

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

SHAREHOLDERS LIABILITY
UNLIMITED.



CANADIAN POLICY-HOLDERS

SECURED BY

\$800,000

DEPOSITED WITH
GOVERNMENT

IN ADDITION TO OTHER
DOMINION INVESTMENTS.

CANADIAN PREMIUMS
EXCEED

\$600,000.

RATES MODERATE.

LOSSES EQUITABLY ADJUSTED,
—AND—
PROMPTLY PAID.

North British and Mercantile Fire and Life

ESTABLISHED 1809.

INSURANCE COMPANY.

ESTABLISHED 1809.

Head Office for the Dominion, - 72 St. Francois Xavier Street, Montreal.

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THOMAS DAVIDSON, }

WILLIAM EWING,
Inspector.

R. N. GOOCH, Agent, Toronto.

JOHN LAIRD, Agent, Quebec.

Insurers joining now will share in two years profits at the division in 1885.

CANADA LIFE ASSURANCE COMPANY

A. G. RAMSAY, PRESIDENT

R. HILLS, SECRETARY.

— 36th YEAR, ENDING 30th APRIL, 1883. —

Capital and Funds, about - - \$6,500,000.

Annual Income - - - \$1,150,337.

New Policies Issued, 2,135, for - \$4,778,734.

Total Amount in Force - \$30,139,095.

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

JAMES AKIN, *District Agent,*

P. LAFERRIERE, *Inspector.*

The Ontario Mutual Life Assurance Co's

HEAD OFFICE, WATERLOO, ONTARIO.

DOMINION DEPOSIT - - - \$100,000.

The only purely Mutual Life Company in Canada.

Total number of Policies in force, Dec. 31, 1882, **4,335.** | Covering Assurance to the Amount of - **\$5,504,478.**

Net Cash Assets - - - - - **\$365,328.71.** | Net reserve to credit of policy-holders **\$383,044.59.**

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

The rapid growth of the Company may be seen from the fact, that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of **\$427,429** |

I. E. BOWMAN, President,

W. HENDRY, Manager.

W. H. RIDDELL, Secretary.