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Guardian Fire & Life Assurance Co., Limited.

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Established 1821.

PAID-UP CAPITAL	-	-	-	\$5,000,000
Capital Subscribed,	-	-	-	\$10,000,000
Invested Funds,	-	-	-	over \$22,500,000

Head Office for Canada: Guardian Assurance Building, MONTREAL.

ESTABLISHED 1803. **FIRE**

INSURANCE COMPANY
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HEAD OFFICE FOR CANADA,
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Agents in all the Principal Cities and Towns
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Subscribed Capital,	. . .	\$6,000,000
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Maritime Province Branch,
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Resident Secretary.

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QUEEN INSURANCE CO. OF AMERICA

ASSETS UPWARDS OF \$3,000,000
DOMINION DEPOSIT, - 250,000

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The QUEEN paid \$549,462 for losses by the Conflagration at St. John's, Nfld., 8th July, 1892.

THE

LANGASHIRE

INSURANCE COMPANY OF ENGLAND.

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INCORPORATED
A.D. 1858

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1843

THE JUBILEE YEAR

1893

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\$52,058,716.51

Canadian Investments
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HEAD OFFICE FOR CANADA, MONTREAL.

Existing Assurance.....	\$114,500,000.00
Annual Revenue.....	5,400,000.00
Bonuses Distributed.....	27,500,000.00
Invested Funds.....	38,550,000.00

INVESTMENTS IN CANADA.	
Government and Municipal Bonds,	\$6,300,250
Sundries.....	299,250
First Mortgages.....	2,865,550
Real Estate.....	355,000
	\$9,820,050

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Company

Insurance and Finance.

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1724 Notre Dame Street.

MONTREAL, JULY 1, 1894

SUBSCRIPTION:
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THE Insurance and Finance Chronicle.

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

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Editor and Proprietor.

Annual Subscription (to Advertisers) \$2.00
Prices for Advertisements on application.

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

The Institute of
Actuaries, Report
1893-4.

THIS report, for a copy of which our thanks are due to the honorary secretary, shows that the increase in the number of members during 1893 was 60 as compared with 29 for the previous year, bringing the total up to 734, exactly 300 more than in 1885. Six Fellows died during the year, amongst them being Mr. G. Humphreys, vice-president; Mr. H. J. Rothery, a member of the Council and honorary editor of the *Journal*; and Mr. W. S. B. Woolhouse, one of the foremost non-academical mathematicians of his time. The finances of the Institute are in a very satisfactory condition, funds amounting to £5,135, an increase of £582. At the examination held in the United Kingdom in April last, 125 candidates presented themselves. Sixty-three companies have agreed to contribute their experience to the New Mortality Investigation in regard to assured lives, and many of these as well as other offices have promised to do the like in respect of annuity nominees. The proposed French edition of the Text-Book is nearing completion, two-thirds of Part II being now in print.

Waiver by an agent. THE case of Solomon Hart vs. Phenix Insurance Company, heard before the Supreme Court of Illinois, emphasizes the necessity for companies to carefully and fully instruct agents as to their powers and the legal effects of their acts. The plaintiff insured his dwelling with the Company for \$3000. A clause in the policy provided that the insurance would be forfeited if the property became mortgaged or encumbered without the written endorsement of consent by the company. The policy also contained the following condition as to waiver: "No agent or employee of the company, or any other person or persons, have power or authority to waive or alter any of the terms or conditions of this policy, except only the general agents at

Chicago, Illinois, and any waiver or alteration by him must be in writing." The plaintiff did encumber the property, but was informed by the local agent that the company's consent was not necessary. The Court held that in accepting a policy effected by its agent the defendant was bound by his acts, and that the agent being clothed with apparent authority had power to waive conditions, including even a clause providing that he should not have such power. If the agent's assurance was given to Hart at the time the policy was effected, we can see some reason in the Court's arguments, but otherwise, according to the decision, an agent's powers would be practically unlimited and a company's contracts would be at the mercy of its agents.

Another case of
premium notes.

A MOST important case, illustrative of the remarks contained in our last issue respecting the practice of taking premium notes, was brought before the Supreme Court of California a short time ago. One E. J. Griffith, lawyer, applied to the New York Life in 1889 for two 20 year endowment policies for \$20,000, to be payable to his wife in case of his death or himself on maturity, and gave two promissory notes in payment of the premiums. On the solicitor discovering that Griffith was in financial difficulties at the time, it was arranged that only one of the assurances should be completed. A policy was accordingly delivered, one of the premium notes returned to the assured, and the other policy handed back to the Company's agents, and cancelled. Finding that he was not able to meet the rate for first year's premium, Griffith requested the local agent to return it, and surrendered the policy which was then cancelled for non-payment. No premiums whatever were paid; but on the death of Griffith in 1891, his wife, who until then was altogether ignorant of the whole transaction, demanded of the company the payment of the amount of both policies, and on being refused brought action in the Superior Court in Fresno, with the result that judgment was given in favor of the company. On appeal to the Supreme Court, the decision was upheld as regards one assurance, on the ground that the contract was not completed, no policy having been delivered. The judgment in respect to the other assurance, however, was reversed, the reasons given

being (1) that there was a perfect delivery of the policy, (2) that Griffith had no power to surrender it without the consent of his wife as beneficiary, and (3) that the company did not give the necessary notice in accordance with the New York Statute, which requires that thirty days' notice must be given to the assured before a policy can be cancelled for default in payment of premium. The company contended that Griffith required no notice, and had waived it by surrendering; and they also relied upon two clauses contained in the policy, one providing that any "notice required by any Statute is hereby expressly waived," and the other that "this policy shall become void, and all payments previously made shall be forfeited to the company," in event of non-payment of premium. The Court held that the Statute referred to was a limitation of the company's powers, that the company could not release itself from its provisions, and accordingly the clauses mentioned were *ultra vires*. To the non-legal mind the decision would seem to be opposed to common sense and the merits of the case. Briefly the facts were that not a cent was paid, and that the assured was unable to pay the arrears, let alone the second premium, of the due date of which he was cognizant. Griffith entered into a contract which he did not and could not carry out, but because of the omission to conform to a provision of the Statute, which was unnecessary and immaterial under the circumstances, the company is to be forced to carry out its part of the bond. The disregard for equity evidenced by such a strained interpretation of the law shows that the companies must rely more upon themselves for the protection of their interests.

Mutual Reserve's Interest Rate. We have become so accustomed to the vagaries of that arch exponent of assessmentism, the Mutual Reserve Fund of New York, that we are not surprised at anything out of the ordinary in connection with that remarkable institution. It has mocked at science and defied the laws of mortality—on paper; it has earned a reputation for its peculiar devotion to the cause of honesty by hedging round its policy-holders' fund a string of unnecessary requirements when any claim has been made upon them. Another extraordinary feature of the Association, judging by their productive power, is its investments. It is true that these yield nearly two per cent less than those of ordinary life companies, but is it not a characteristic distinction in the case of such an unusual institution? Let any unfriendly critic should question its title thereto we quote from the Connecticut report: the invested assets at the end of 1893 were \$3,690,593, and at the end of 1893 \$3,936,730. The mean of these for the last year was therefore \$3,813,661, upon which the interest and rents received, \$124,260, represented 3.25 per cent. This return is all the more remarkable in view of the fact that loans on real estate amounted to no less than 62.2 per cent. of the total investments in 1893, and they are a class of security which is credited with bringing in a higher rate of interest than most others. Will Mr. Harper please explain these extraordinary facts?

AUSTRALIAN WIDOWS FUND'S THRIFT POLICY

The encouragement of thrift is one of the most important duties which parents owe to their children. Young people who have grown up under the shelter of their homes can have little practical knowledge of the keen competition for existence, or of the "ups and downs" of life, and the necessity for providing against the reverses and misfortunes to which the cleverest and most experienced are oftentimes liable. Such institutions as saving banks and life assurance companies have afforded excellent opportunities to fathers, mothers and guardians for illustrating in a practical and personal way the advantages of systematic habits of thrift and forethought. We should like to see these means availed of more than they are for this purpose. Lessons of this kind learnt early in life are likely to be remembered and to influence and restrain young people when they go out into the world later on in the full face of the temptations which always beset the steps of the inexperienced. Of late years a few life offices have laid themselves out to cultivate business to meet this want. Children's endowment policies have been a feature in the plans of many English and Australian life companies for a long time. They have not been as popular, however, as they deserve to be, partly because the premiums are rather high for the average person. Moreover, they did not exactly meet the circumstances of the case; what was required was a permanent incentive to thrift, and ordinary endowments maturing at 14 or 21 years of age, as they usually do, did not meet that want. Recognizing this, one of the British companies a few years ago adopted a plan for children of all ages granting an endowment assurance payable at 40, 45 or 50 or death if it occur after attaining 21 years of age, with a return of the premiums with compound interest in case of death during infancy. The rates were low, but we have not heard whether the table has met with the success its merits deserve or not. The Australian Widows Fund Society of Victoria, following up this idea, has improved upon the plan by grafting on to it a very attractive feature which should make the policy a very popular one. The sum assured is payable at any selected age or at prior death after 21, and the premiums are refunded with 3½ per cent. compound interest if the youth should die before the assurance commences to operate. If the parent or guardian, as the case may be, should die before the child attains his majority, the premiums absolutely cease until then, and no debt accumulates against the policy in the meantime. This is an excellent provision, which practically supplies the place of the bread winner until the youth is old enough to be able to maintain the policy himself. These endowments are non-forfeitable after the payment of three annual premiums so long as the surrender value is sufficient to cover arrears, and the member is entitled to several liberal options. We quote rates for £1,000 with profits payable at 40 where the parent's age is 35, as follows:—Age of child, 1, £17 13 4; age of child, 3, £19 42; age of child, 5, £21 0 10; age of child, 7, £23 1 8; age of child, 9, £25 9 2; age of child, 12, £29 15 10. The policy has been appropriately named the "thrift" policy.

LIFE ASSURANCE MAGNITUDE AND SOUNDNESS.

The history of legitimate life assurance is a history of successful achievement from the very beginning of its career. Founded on sound principles and appealing to a need as universal as the extent of civilized human society, it has grown not only marvellously but on the line of a vigorous soundness characteristic of but few enterprises. Not half as old as Magna Charta and the trial by jury, the pillars of English and American liberty, it stands to-day pledged on two continents not only for the payment of more than ten thousand millions of dollars to policyholders and their beneficiaries, but equipped with invested assets of nearly four thousand millions, demonstrating its ability to keep its pledge to the letter. This present view of the magnitude of the business, however, is only like the view from the reviewing stand as a great and victorious army marches by,—the record of achievements in the field and the incidents of the triumphant march are the essential things for consideration. Magnitude is not necessarily synonymous with strength; results are the only adequate measure of the latter. Judged by this standard, life assurance is found, however, to be both great and strong. We have taken the trouble to go over the record of the business as represented by existing companies in the United States showing results from their organization, the business of the oldest dating back to only fifty-one years. Thirty-seven companies are included in our totals, embracing all the level premium companies, excepting a half dozen or so of the younger and smaller ones doing mainly a localized business, and omitting entirely those transacting industrial business. In age, the thirty-seven range from eight to fifty-one years, the average age being about thirty-three years, or a single generation of life. Massing results from organization to the close of 1893, we have the following aggregates:—

Number of policies issued.....	4,601,365
Total assurance issued, amount.....	\$12,717,300,000
Total premiums received.....	2,345,400,000
Receipts from all sources.....	3,021,660,500
Death claims paid.....	730,940,000
Endowments and annuities paid.....	158,700,000
Dividends to policyholders.....	394,810,200
For purchased and surrendered policies.....	311,114,800
Total paid to policyholders.....	1,598,565,000
Total assets Jan. 1, 1894.....	940,852,938
Assurance in force Jan. 1, 1894.....	4,590,038,000

If industrial assurance were included in the above, the assurance issued would be increased by six or two thousand millions, and the payments to policyholders by about sixty-eight millions. Great as are the above totals of the thirty-seven companies, the real significance of the figures is to be found in the relation of the various amounts to each other. It is not so much the matter of aggregates that is of first importance as it is the *proportion* of the aggregates. It will be seen that the total amount returned to policyholders has been \$1,598,565,000, and that the assets on hand, invested for and belonging to policyholders is \$940,852,938, making a total of \$2,539,417,938 received by and belonging to policyholders; while the amount paid the companies for premiums has been \$2,345,400,000. This

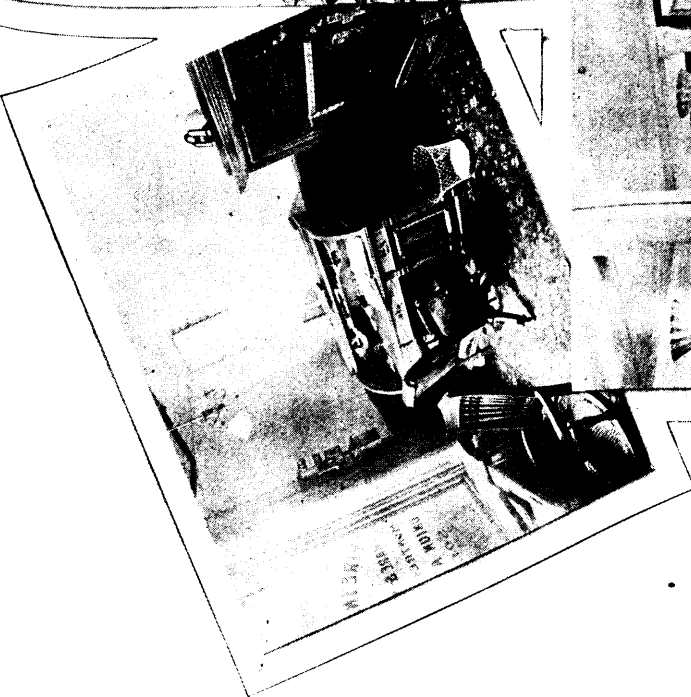
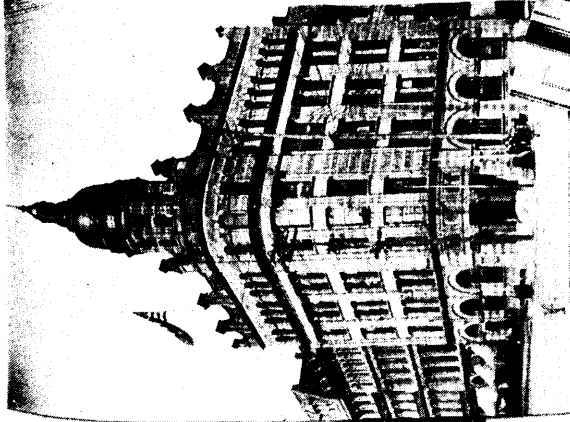
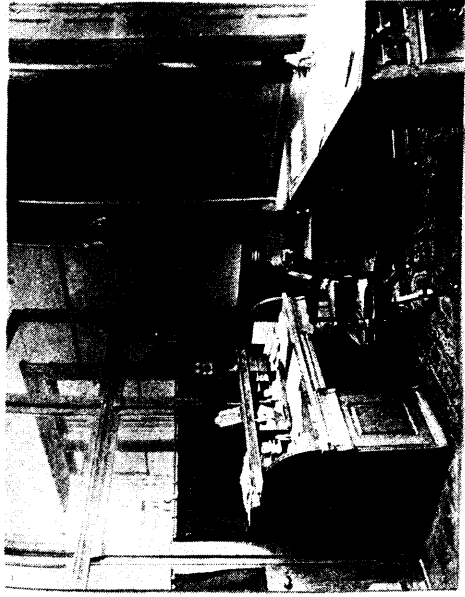
shows that the payments to policyholders, plus the assets on hand, have been \$194,017,938 more than they have paid in premiums. Such is the amount and earning power of the assets that any one of the companies might cease the issue of new policies entirely to-morrow, and yet pay every death and endowment claim as it matures as easily as it has paid these claims heretofore.

We might easily stop to moralize on the beneficent results to tens of thousands of homes and to society at large, because of the payment of the above almost \$890,000,000, for death claims and matured endowments, as shown. We might with propriety tell of the thousands of helpless orphans and sorrowing widows furnished with comfortable shelter and food and raiment and the means of education and the accessories of refinement, who otherwise would have been left to charity or the streets, many of them to swell the lists of vice and crime. As a factor in the solution of some phases of the social problem, the four and a half billions of assumed assurance on more than a million and a half of lives is of great importance; but at this time we desire only to call attention to both the absolute reliability and the economy to the policy-holder of the protection furnished by level premium life assurance, as compared with the assessment variety. The misguided advocates of that system talk much and earnestly about the low cost of the protection which their system claims to furnish, simply because the first half-dozen years of the thirty or fifty which are likely to represent the duration of the policy call for a comparatively small assessment premium, forgetting that true life assurance deals with *all ages* when constructing the premium. Experience has already demonstrated, in the few years of assessment assurance history, that in the best of the associations the cost to a policy of twenty or twenty-five years' standing will exceed that of a policy of the same age in the level premium companies, and must still go on increasing to a point of unbearable expense. The man who dies young is the only one who gets cheap assurance on the assessment plan—provided always that his beneficiaries get the assurance at all. On the contrary, the policy-holder in the level premium company has *not only* the guarantee of a steadily accumulating reserve, ample for the purpose, that his policy will be paid in full at maturity, but he gets this guarantee at a decreasing cost, not only theoretically, but actually, as the almost \$395,000,000, paid in dividends to policyholders, as above shown, demonstrates. Besides this, the policy-holder who finds himself, for any cause, unable or unwilling to continue his policy gets back, upon its surrender, either in paid-up assurance or in cash, approximately his portion of the reserve accumulations, as witnessed above by the more than \$314,000,000 of *cash* payments for surrendered policies. A more economical management during the past few years would have reduced the cost to the level premium policy-holder materially; but, as the account stands, the cheapest life assurance in the United States and everywhere else has been and will continue to be furnished by companies conducted on the level premium system, whose foundation rock is absolute safety to the individual, seriously imperiled never by the withdrawal of his associates. Statistics, so far as accessible, show the same results to regular life assurance as above chronicled among the life companies of Great Britain. The record above presented is magnificent in its proportions and an object lesson in its equities.

THE UNION ASSURANCE SOCIETY OF LONDON.

In another score of years the above Society will have completed the second century of its existence. Its age alone, therefore, gives it a historical place among the financial institutions of to-day of which few can boast. But additional interest centres in the Society from the fact that its career covers almost the entire history of fire insurance business in Great Britain. "Instituted in the reign of Queen Anne, A.D. 1714," as its well known advertisement runs, it is the third oldest of all the British fire companies, and therefore a brief retrospect of one of the successful pioneers of a business which has become one of the most important factors of the commercial life of the world may be interesting to our readers. Fire insurance may be said to have taken its rise out of the Great Fire of London in 1666, as although schemes had been put forward at an earlier date, none of them appear to have come to fruition. The wholesale destruction of property in that year, estimated to amount to between seven and ten millions of pounds, could not fail to give a very practical interest to the question, and in the following year we find that the first serious undertaking of fire underwriting as a business was commenced as a "one man" office, but afterwards converted into a company under the name of the "Fire Office," changed later on to the Phoenix. In 1683 the Friendly Society was established, and in 1696 the Hand-in-Hand, the first mutual company, was started. It confined itself to the insurance of buildings, and its success led to "a number of respectable merchants and traders of the metropolis forming themselves into a society for mutual security from loss sustained by fire," under the name of the Union or Double Hand-in-Hand, limiting themselves to the insurance of goods, wares and merchandise within the cities of London and Westminster and bills of mortality. This was the beginning in 1714 of the Union Assurance Society of to-day, known to the insuring public in every quarter of the globe. Starting modestly with a single office room in the Amsterdam Coffee House in Threadneedle Street, and undertaking no more than £1,000 on any one risk, it was doubtless beyond the dreams of its most ardent promoters that the little venture was so to grow and flourish as one hundred and eighty years later to take the important position it now holds as an indemnifier of millions sterling annually to people in all parts of the world. Indeed, in the light of experience it is to us of to day a matter of surprise that any of the fire companies started in those early times should have survived the speculative period of the business. Two of them only appear to have escaped the common fate of other schemes, and succeeded in emerging safely from the bursting of the "bubble" era in 1720. The Union was one of these; and although this may have been due to good luck more than anything else, there is evidence that its affairs were carefully and economically managed, for we find that during its first twenty years the Association was only called upon to pay losses amounting to £31,195, and charges (for porters, etc.) of £5,600, whilst it is stated that in one quinquennium alone the capital

was doubled. It is interesting to note the primitive lines upon which the business was conducted in those early days. The only discrimination which appears to have been made was between goods in brick and those in wooden buildings. In the former case a premium of 2s. per £100 was charged; and in the latter 3s. in addition to a deposit of 10s as "earnest money" a policy charge and mark 3s, and parliamentary stamp duties. Insurances were granted by the Union for seven years or less, which would be considered rather risky business nowadays with the most perfect systems of fire protection and inspection. Policies were required to be delivered up for cancellation after expiration of the risk, the insured being then entitled to his share of profits and a refund of his deposit. Claims for losses were to be made under oath, and certified to by the "minister, churchwardens, constables and head-boroughs of parish," or some other way to the satisfaction of the Directors. The Association had an arrangement with the Hand-in-Hand by which "disputes, difficulties and controversies" were submitted to the latter's directors for arbitration, whose award was final. A regular staff of uniformed carmen and porters was employed to assist in suppressing fires and removing goods, and in this connection Hogarth's political caricature, "representing Mr. Pitt helping to set the world on fire, whilst Lord Bute tries to put it out with an engine of the Union office," gives a picture which, although humorous, well illustrates the means then employed in extinguishing fires. In 1716 the Society's limit was raised, and it was decided not to insure "barns, ricks or stacks, either of corn, hay or straw." Evidently people were beginning to make fraudulent use of insurance companies as early as 1717, for the Union decided in that year to cancel the policies of those guilty of the practice, and to deny them re-admission to membership. In 1719 the Society's limits were extended to a radius of ten miles distance from London, the rates charged, however, for risks outside of London and first limits being doubled. In 1720, for the first time in the practice of fire insurance, a distinction was drawn by the Union between "hazardous" and "very hazardous" risks, and premiums charged accordingly. In the same year it was proposed to extend operations all over England, but probably the bursting of the "bubble" companies had something to do with the dropping of the question, and this step does not appear to have been taken until many years after. In 1733 we find that "double hazardous" risks, on account of situation and class of goods were charged treble the rates for ordinary, and the limit was £3,000, which, however, was again raised in 1738 to £4,000. The records do not chronicle anything further of much note for some time, except that the Society's office, which was removed in 1716 to Gutter Lane, was again removed in 1754 to Maiden Lane, and a West End office opened at the upper end of the Haymarket. In 1805 the Society decided to grant insurances on houses and buildings, contemporaneously with the Hand-in-Hand's determination to undertake the insurance of goods, etc. For this purpose it was deemed advis-



UNION ASSURANCE SOCIETY OF LONDON.

CANADIAN BRANCH OFFICE: CORNER ST. JAMES AND MCGILL STREETS, MONTREAL.

able to add to its funds by the creation of a capital of £300,000 in 1,500 shares, of which £30,000 was paid up. This was subsequently reorganized, and the capital is now £450,000, of which £180,000 is paid up. In 1813 the Union commenced the transaction of life assurance business, and that this department has proved very successful and profitable may be seen from the figures presented elsewhere. In concluding this brief historical sketch of the Union, and turning to its report for the past year, well may we exclaim, "Look on this picture, and on that!" The "little grain of mustard seed" has grown into a magnificent tree, whose branches now extend their protective shelter over every civilized part of the globe. Commencing in a small way in the days of small things, it was called upon to pay in the first year of its existence a single claim for \$171; in 1893 it disbursed to its fire policy-holders alone no less than \$1,185,400. The year just closed was unfortunately an adverse one for fire companies generally, and the Union did not escape the common experience of its contemporaries all over the world. Such unfavorable times as the companies have passed through of late years can have only two effects, viz.: to reveal the unshakable strength of such institutions as the Union, confirm the confidence of the public in them, and increase its appreciation of the benefits they offer. The total net fire premiums received amounted to the large sum of \$1,509,062, showing a substantial increase of \$196,450 over those for 1892. These figures serve to show the large sphere of the Union's operations, and of its general popularity amongst the insuring public. After paying expenses, \$535,140, profit and loss account was charged with the balance, \$211,475, and the fire reserve funds remained \$1,617,695 as at the beginning of the year. In the life department, more satisfactory results were shown. The new business was represented by 4,473 policies for \$6,711,075, with a new premium income of \$238,900, a volume which, although not quite so large as in 1892, is considerably in excess of that of most British companies. The total premium receipts were \$1,271,841, an increase of \$97,617 for the year, and the aggregate income from all sources \$1,592,495. After paying \$938,233 to policy-holders and their representatives in death and maturity claims, bonuses, etc., \$290,665 in expenses, and carrying \$190,974 to profit and loss, a balance of \$172,626 was added to the funds, increasing them to \$7,891,646 at the close of the year. The rate of interest realized was a little over 4½ per cent., showing that the Society's investments are made in good productive securities. The total assets amount to over twelve and three-quarters millions of dollars, of which no less than \$4,421,686 is represented by paid-up capital, life, fire, and mortgage reserve funds, and profit and loss account. Such excellent resources, combined with the world-wide reputation for progressive management and straightforward treatment of its policy-holders which it has deservedly earned through a long career, place the Union Assurance Society, where its age entitles it to be, in the front ranks of the world's veteran insurance companies. The Society entered Canada three and a half years ago, and under the energetic direction of its well-known Resident

Manager, Mr. T. L. Morrissey, is making rapid strides in the Dominion. Its net premium receipts in 1891 were \$77,941, in 1892 \$104,398 and in 1893 \$135,047 and its losses paid \$33,275, \$47,227 and \$91,849 respectively in those years, the ratio for 1891 and 1892 being considerably under the average, whilst that for the past twelve months more nearly approached it. In view of its growing business in Canada, the Union has recently taken an excellent suite of large and well-appointed offices on the first floor of the Bank of Toronto's new building.

The new offices are furnished with great taste in panelled oak and walnut and partitioned off in bevelled plate glass; and are fitted throughout with gas and electricity, but from the excellent window lighting there will probably be little occasion to use either. The site is a first class, central one, over-looking St. James and McGill Streets and Victoria Square, all busy and important thorough-fares. It is evident that the management believe the trend of business is westward, and are determined to be in the van.

Looking to the further development of the business of the Society in Canada, the appointment of a sub-manager has recently been decided upon. Mr. J. E. E. Dickson, its former general agent for New Brunswick, has been selected to fill that position, and assumes his duties as from 1st inst. Mr. Dickson's underwriting experience has been gained entirely with the Union, having held the agency as above mentioned since its establishment nearly four years ago. He succeeded in building up a business for the Society second to none in the Province and has earned for himself a reputation as an underwriter of more than ordinary ability. He possesses the qualifications necessary to fill his new and responsible position, and as the result of this added strength, still further success may be looked for in the advancement of the Union's interests in Canada.

Another departure, which should conduce to the betterment of the Company's position in Montreal, is the establishment of a City department. Messrs. Chas. T. Hare and Allan Mackenzie have been placed in charge, and their duties being to study the quality of the business offered as well as to see that the volume is kept up, it is believed that the results will prove the step to be a wise one. Mr. Hare has had a number of years' experience in the business of fire insurance, and for the last three years has been with the Society as its accountant. Mr. Mackenzie, though new to the fire insurance profession, has received a good business training in the Merchants Bank of Canada, of which his grandfather, Mr. Andrew Allan, is manager. His social connections in Montreal should assist him in securing a good amount of desirable business for the Society. The new firm therefore starts in with good prospects of success. The Union is well represented throughout the Dominion, as will be seen from the list of its agents at principal points, which appears on the front cover of this issue.

We present our readers with several photographic views of the interior of the manager's, the city department's, the public and the general offices, and also one of the exterior.

THE BILL AMENDING THE INSURANCE ACT.

In our last issue we published a brief summary of the amendments introduced into the above Bill by the committee on Banking and Commerce. Dealing with these seriatim, we find that the definition of the word "policy" has been properly amplified so as to cover any "written contract of insurance whether contained in one or more documents." Query: Is a pure or simple endowment an "insurance" within the meaning of the act? Inferentially it would appear so from sub-section 10 of section 9, prohibiting assessment societies from transacting "endowment" business; but the question has been raised in law before, as to whether such forms of policy are life insurances, and it would be well to amend the interpretation clause so as to settle all doubt. We are pleased to note that the objectionable clause relating to deposits has been amended in the direction advocated by this journal, and foreign companies are to be allowed to withdraw such amount as is in excess of the reserves required to be held according to the Dominion standard. We think, however, that the equitable interests of Canadian policy-holders in such companies should be protected to the extent of requiring them to deposit the full amount of the reserves held by them where such reserves exceed those laid down by the Dominion law. For the convenience of foreign companies, statements of their general business are to be made up as at their usual balancing day, instead of as at 31st December as at first proposed. Those for their Canadian business, however, are to be made up as at the latter date, and are to be verified by the oath of the chief agent, but other agents may verify the returns for their local business where they report direct to the home office. The alteration of the date for furnishing the preliminary statement from 15th January to 1st February will enable the companies to prepare the returns with greater accuracy and completeness. Section 8 amends section 35 of the Act, so as to bring it more into harmony with the requirements respecting standard reserves, and to enable the superintendent to value the policies of companies if it appears that they do not maintain the necessary reserves. We fail to see the object, however, of requiring companies to set apart certain portions of their interest and premium receipts, so long as they are compelled to hold the requisite reserves. It is only fair of course that the section referring to assessment societies should apply to Canadian as well as foreign concerns. Sub-section 10 we think might very properly be extended so as to prohibit some of the so-called fraternal or benevolent societies conducted on a similar basis from transacting endowment or annuity business. Some of these bodies actively solicit business from the general public, and to all intents and purposes "carry on the business of life insurance." They are in fact mutual life companies, and there is no reason why they should be exempt from the requirements of the Insurance Act; indeed, their fraternal guise makes it all the more necessary that they should be subject to supervision. The magnitude of their obligations is becoming of such importance as to demand special legislation for their

proper regulation in the public interests as well as those of their members.

We are glad to note that, as suggested in these columns, the provisions limiting the classes of business which any company may be allowed to transact are not to apply to those offices already licensed, or for which applications for license were pending on 1st April. The conditions upon which foreign companies chartered to transact more classes than are proposed to be permitted under the bill may be licensed are not to apply to those already operating in Canada. We still hope that, for the reasons stated in a previous issue, these sections will be struck out, or at least that the unnecessarily exacting conditions will be modified and made reasonable.

Following the Ontario Act, section 14 provides that policies shall not be avoided by mis-statement of the assured's age, if it appears that the error was made without any intention to deceive. Probably no reputable company would nowadays cancel an assurance contract for this cause, and there is no sufficient reason why it should, as the mis-statement may be easily adjusted with fairness to both parties. We emphatically protest, however, against compelling policy-holders to accept the method of settlement proposed in the bill. The assured should be allowed to make his own contract in this matter, and there are no grounds to warrant any legislative interference with his right in this respect. Of the two practical modes of equitable settlement of errors in age, we believe policy-holders would prefer that of adjusting the premiums, and not the amounts; and if companies are willing to agree to that method, why should they not be allowed to make the contract accordingly? We do not know what the practices of the several officers are in this respect, but we desire to point out that if the proposed system is intended to be compulsory, those companies which have hitherto adopted the simple and easily understood method of deducting arrears of premium will be made to incur a loss by the change. We are not quite sure, however, as to whether it is to be made compulsory on their part or not; the words "shall not be entitled to recover more," whilst debarring the assured from any choice, would seem to leave the company free to adopt whatever method suits it best in each case. If this be the case, then the clause will operate inequitably to the assured. The adoption of the net, instead of the gross, premium as the basis of adjustment would be in favor of the company and against the policy-holder, and we should like to know on what theoretical or practical grounds it can be justified. Moreover, net premiums are "unknown quantities" to the public, and it would be more satisfactory to both parties that the assured and his representatives should thoroughly understand the adjustment.

The unrestricted powers for acquiring information from the companies given by clause 15 might, in the hands of an autocratic, inquisitorial or officious superintendent, lead to much unnecessary interference and inconvenience, and we think should be abridged by the insertion of the words "necessary for the purposes of this Act" after the word "enquiries."

We regret that the section limiting the voting power of any one person has been struck out, as it is undesirable in the management of such great public trusts as life assurance companies that any individual should be able to become possessed of a disproportionate or controlling influence.

We think that while the House is about the matter, the opportunity should be taken to bring in a thoroughly comprehensive measure more suited to the growing importance of life assurance corporations as public trusts. According to the last returns to the Superintendent, the contingent liabilities in Canada of the ordinary companies operating here amounted to nearly three hundred million dollars, and their present liabilities or re-insurance reserves, not including policyholders' surplus, reached nearly fifty million dollars, representing the interests of nearly two hundred thousand persons. These figures do not include the particulars for assessment and fraternal societies, but they serve to indicate the enormous responsibility of the trust placed in the hands of life assurance companies. The policy of the law hitherto, although of the first importance, has been confined mainly to the protection of the public from insolvent or dishonest companies; but the time has now arrived when the magnitude of the interests of policy-holders demands something more. Policy-holders are entitled to the fullest publicity of a company's affairs, in order that they may be able to see whether the trust is being administered so as to properly conserve their interests. This is secured in some countries to some extent by law, but not by the Dominion Statute. Companies should be compelled by law to furnish policy-holders with such full and complete reports as to show how their affairs are being managed. Bald general statements of revenue, expenditure, assets and profits, etc., do not reveal what is wanted. Even these have not been available to the public in some cases. More detailed and extended information is necessary to reveal the true position, results and progress of a company's business. Why should not policy-holders be supplied with the following particulars amongst others, viz.: the rate of mortality experienced, the amount of annual loading reserved out of the premiums as provision for expenses, the number and amount of policies in force and terminated, together with the cause of termination, specimens of the bonuses or profits allotted each year and also of surrender values allowed? For statistical purposes also the various classes of policies should be separately stated in the returns to the Superintendent, as is done in the New York report, and the annual premiums on policies issued, terminated and in force, in each class should also appear.

We have referred elsewhere to the necessity of adopting a uniform system in treating the accounts of companies.

Companies should be compelled to notify policy-holders of the date of their annual meetings, and of the names of the candidates for election of directors. No person should be eligible to sit as a director if he be or become indebted to the company. Voting by proxy is objectionable, for obvious reasons; it should be abol-

ished as far as practicable, and a better system introduced and made compulsory. The practice adopted by some companies elsewhere, of issuing ballot papers by post to all entitled to vote for the election of directors and on important questions, is a vast improvement upon proxy voting, and has worked very satisfactorily. No by laws should be allowed to take effect until confirmed at a general meeting of the company, and every policy-holder should be entitled to a copy of the company's charter, articles of association, by laws, regulations, etc., upon application. We merely mention these as a few of the many ways in which the rights and interests of policy-holders should be recognized and consulted, and no company prudently, fairly and honestly conducted could reasonably object to them.

Another direction in which legislation would prove advantageous is in regard to minors. There are good public grounds for exempting life assurance policies effected by wage-earning minors of say 15, years of age and upwards, from the law respecting minors' contracts, and making them valid and binding.

Sir John Thompson is reported to have given notice of further amendments to the Bill in the House, with a view to confining the further investment of the funds of all companies operating under Dominion charters to the class of securities sanctioned by the present Act. Some of the older companies are granted larger powers by their charters, but there is no reason why any company should possess privileges in this respect, a standard schedule of securities having been adopted.

The question of investments in the hands of Trustees is one of vital importance and demands grave attention.

THE LIFE ASSURANCE "UPAS TREE."

One of the most interesting and significant addresses given at the Annual Convention of the National Association of Life Underwriters, held at Chicago a few days ago, was that delivered by Mr. George W. Phillips, actuary of the Equitable Life Assurance Society. In referring to the necessity for cutting down the expenses of companies, which he characterized as "the upas tree now poisoning the atmosphere of life assurance," he pointed out that "it was a point on which actuaries have a right to speak with authority," that "none ought to be more interested in it than the actuaries of companies," and that other officers should "not take offence at their warnings." Coming from the actuary of one of the very "giants" responsible for the present extravagant methods of American companies, this is a striking condemnation, and opportunely confirms the views expressed in the "Actuarial Column" of our last issue. We there advocated giving actuaries a larger voice in the practical management of companies, and said: "We venture to assert that if the present unjustifiable policy, inaugurated by the managers of American companies, of striving after abnormal growth, were submitted to any body of competent actuaries, it would not meet with their approval." Mr. Phillips has spoken; now let us hear the opinions of the other actuaries. They have been silent too long already. Their duty is a clear one if they are to

justify their existence as advisers. Why has not the Actuarial Society taken up the subject and thrashed it out? The most pressing problem of to-day is as to the limit that should be placed upon new business having regard to the interests of existing policy-holders and the cost of securing new assurants and their value after being secured. This is a question for actuaries alone. By taking hypothetical offices, the effect of different volumes of new business could be gauged, after allowing for the benefit of "selection," the present rate of expenses and terminations, and all the factors entering into consideration. Here is an opportunity to perform a signal practical service to life assurance business. It does not need any such demonstration, however, to show where the present "scramble" for volume is leading the companies.

LIFE ASSURANCE REFORMS.

Statement of Accounts.

In our last two numbers we dealt with the revenue statements of companies, and pointed out how many of the items thereof were improperly treated by some of the companies. Turning to the other side of the accounts, we find that disingenuous or at least "advanced" methods of bookkeeping are also applied to many companies' disbursements.

In the case of "cash paid for death claims and endowments," some companies omit to include in this item the mortuary dividends or return premium portion of claims under that class of policy, finding it more convenient to treat it as "cash dividends paid policy-holders," with which of course it has not the slightest connection.

"Amounts received from re-insurance companies" and "cash paid annuitants" appear to be treated properly by companies, with the exception that a few include in the latter item payments made on account of instalment and trust policies.

"Cash paid for surrendered policies" is increased by amounts equal to those fictitiously taken credit for in cash premium income account, as already explained, thereby conveying the impression that the total amount paid in cash each year for policies surrendered before maturity and life assurances surrendered at the "deferred dividend" maturity period is about double what it actually is.

"Cash dividends paid to policy-holders" is also swollen in the case of some companies by the inclusion therein of the mortuary dividend or return premium portion of such policies becoming claims, instead of treating it as death claims.

A number of companies conveniently omit from their expenditure account all the cash paid to agents during the year for commissions, commuted commissions, advances, loans or proceeds of notes discounted, but instead carry such amounts into their assets either under the heading of commuted commission, bills receivable or agents' balances, with the object of course of making their expense ratio appear much lower than it really is. The amounts so omitted range from one to ten per cent. of the total cash premium receipts.

"Cash paid for rent" is inflated by many companies

for the purpose of being able to take credit for such increase in their cash received for rentals, in order to show larger returns upon properties owned by them.

Many companies, while taking credit in their income account for "profit on securities sold," do not charge themselves with losses incurred by sales, but instead make a deduction of the amount of loss from the assets carried forward from the previous year. We have already pointed out the inconsistency of this practice.

Other disbursements, as far as we can learn, appear to be correctly treated; but we think it very desirable that they should be specified more in detail, so as to admit of a proper scrutiny of the accounts.

Turning now to the "assets," and dealing with the item "real estate," we find that in the case of many companies the "original cost price" has been added to by either "assumed increases" in value or by "repairs." The cost price of anything we understand to mean the amount of cash actually paid for the purchase, but this has been modified by changing cost into cash or "book" value. Arguments may be advanced in favor of the different opinions held as to the proper method of valuing a life company's assets in real estate, but we think the chief basis of the valuation of a permanent investment of this kind should be the total net rental.

In a few cases where mortgages are in default, but the property is neither sold nor foreclosed, "loans on bond and mortgage" are increased by debiting the original amount with the interest due but unpaid, and crediting interest account with a like sum.

"Loans on collaterals" we believe are treated correctly by nearly all companies.

The original intention was that the actual cost price, of "stocks and bonds owned" should be shown as a ledger asset, but this has been changed to "book" value by many offices. Whilst no general rule of valuation would be satisfactory or suitable to all securities it is desirable that a uniform method on a conservative basis should be laid down for all companies, so that those concerned may know exactly how their investments stand.

In the case of a few companies the full amount of "cash deposited in banks" which have subsequently become insolvent and only able to pay, say, from 10 to 50 per cent. of their liabilities, is still "carried" as an asset.

"Commuted commission" in our opinion is not a valid asset, as in the great majority of cases it means simply the difference between the first year's commission allowed on an agent's renewal contract and an advanced commission of from two to five renewals chargeable against renewal commission on new business which may or may not be secured or continued. It is therefore unearned by the agent and unsecured to the company.

"Bills receivable" for premiums on policies against which a re-insurance reserve is held are no doubt a valid asset, but only for the net amount. A note given by an agent for moneys advanced is not an asset.

Some companies take credit for "premium notes" on "dead policies," and many others, whilst properly

taking credit for premium notes, do not provide in their liabilities for the commission which has to be paid. Premium notes on policies in force, against which a re-insurance reserve is held, are a legitimate asset, but not otherwise.

We understand that "interest accrued" in other than the year for which the statement is made is included as an asset by many companies. To take credit for due and accrued interest is legitimate in the case of a "live" but not of a "dead" loan.

"Rents due and accrued," we believe, is correctly treated by all companies.

The item "interest accrued on stocks and bonds" with many companies includes interest on stocks and bonds which have defaulted, and also in other cases the accrued interest which has already been included in "market values"—a proceeding for which there is not the slightest justification.

In dealing with "gross premiums due and unreported" and "gross deferred premiums" certain companies do not, as they obviously should, reduce these to net or allow for commission payable on them, although the reserves held against them are computed on a net basis. In the United States a deduction of 20 per cent. is made in these items, and in Canada 10 per cent.; but even the former we do not consider to be sufficient, as if the premiums be divided into new and renewal it will be found that, on the basis of the respective rates of commission paid, the average will be much more than 20 per cent. The average re-insurance reserve for the year is about 50 per cent., and a deduction of only 20 per cent. therefore allows a profit of 30 per cent. on these items as assets. In our opinion, "deferred premiums" are not an asset in the usual meaning of the word. They are neither due nor earned nor secured except in the event of death or the continuance of the policy, and it would be more appropriate to take them into account only in the actuarial valuation of reserves as in the case of all other future premiums.

NEW YORK LIFE'S PROPOSED EXAMINATION.

The *Chronicle* of New York has published some interesting correspondence which has taken place between Superintendent Pierce and President McCall in connection with the proposed examination of the above Company referred to in our last issue. A copy of Mr. McCall's letter was forwarded to Mr. Pierce, who, for reasons best known to himself, saw fit to send it on to the Attorney General for his views thereon in general. That learned gentleman was evidently primed for the occasion, and delivered himself of an opinion which was obviously intended to discredit the value and responsibility of the investigation. His statement that the laws of New York State do not give the right to other States to examine the corporations of the former is so self-evident as to suggest that it was made to suit some special purpose. It is altogether beside the question at issue, viz., as to the right of other States by virtue of their own laws to examine every company, whether domestic or foreign, which transacts business therein. That the States have this power is shown by Mr. McCall's cita-

tion of the insurance laws of New York and Massachusetts on this point. The examination invited by the New York Life's President would therefore have perfectly legal status, and it would be strange if it were otherwise in view of the fact that 250,000 out of the 300,000 policies of this Company alone are residents of foreign States or countries, whilst the proportion for all New York State companies is at least 80 per cent. As far as the policy-holders and public are concerned, the examination by the seven States would unquestionably be more satisfactory than that of any single State. Moreover the peculiar bills which have had the approval of the New York Insurance department of late are not calculated to lead one to conclude that it is entitled to more confidence than that of any other State. We need only refer to the Admission of Assets Bill, chap. 690, section 86, laws of 1892; Appraisal of Estate of Decedents Act, chap. 34, laws of 1892; the Roach Bill, and the Saxton Bill; each and all of which had for their object the stultifying of State supervision, and each of which, we have reason to suspect, was introduced at the suggestion of one of the New York State companies. The superintendents of other States are not likely to accept in silence the position which the New York Insurance Department seemingly desires to assign them; rather we believe that they will insist upon examining every New York State insurance company operating in their States if for no other reason than to assert their rights. The attempt to discredit the proposed examination will have quite an opposite effect to that aimed at; no course could be taken which would be more calculated to "boom" the New York Life's action, to shake public confidence in the New York Insurance Department and to establish such an examination as a precedent for all companies.

THE MAY BANK STATEMENT.

The Bank Reports this year, and addresses at the annual meetings, have been so unusually voluminous and interesting as to have thrown the official returns for May into the background. The returns for the last month of a bank's current year are apt to be affected by that fact. A writer of acknowledged high rank amongst the critics and exponents of English banks says: "We know from the sharpness with which loans are called in just before the balance is struck, that banks make a regular practice of providing for a good show at the half year's end, and consequently we may justly infer that much more money is in some shape out of hand throughout the year than appears in the balance sheet." The English country banks have opportunities of pursuing this policy which are not possessed by those in Canada, and the publicity of the Returns monthly checks such a practice as it could not escape observation. While then we find no trace in the figures of our leading banks of any changes in April that indicate "providing for a good show" at the meetings, there are signs that some of the smaller and relatively much weaker ones did endeavor to make the figures in their reports more favorable than they had averaged in preceding months. In one case it was made an occasion of

boasting, the immediately available assets having been so increased as to raise their percentage from 15 during the eleven months to 18 in the closing month, the only month when special and general attention is paid to the statement of a bank. In this connection we may say that the hints thrown out by Mr. Clouston, Mr. Hague and Mr. Walker cannot too soon be acted upon by those banks for whose guidance they were intended. A bank is not justified in spreading out every stitch of sail, in the assurance that if trouble arises some more substantial vessel will come to its relief. A development then in the immediately available assets of several of our banks, those who do not take a front rank, is desirable. They must be more self-reliant in this respect and finance according to their own resources, and not rely so much on what help they could get from strong neighbors if they were pushed hard, as some have been doing.

Circulation in May made a record by falling over a million and a half below the remarkably low level of April, one-third of the decrease being in the banks having head offices in Ontario, and the balance in those of this Province, the ratio of decline being very even over the whole field. May is a dead month usually for circulation, but so serious a drop of 5 per cent. in the total below the April figures, which were less than they had been for a number of years, must be regarded as indicative of considerable and universal stagnation. The increase of deposits "payable after notice," by the same amount as the circulation declined, is significant as indicating the direction of the channel into which the receding waters flowed. One bank shows so remarkable an increase in deposits, over one-third of the total, when its average holdings of these funds is only two per cent. of the gross sum held by all the banks which may have arisen from a specially high rate having been offered to draw these funds, as is rumored to have been the case. Making such a break when the demand

for discounts is weak excites comment, and, though it may be successful in securing deposits for a time, is not likely to add to the prestige of a bank, or increase the confidence of its neighbors. The low figures of the item "Notes and cheques of other banks," one million less than April, tells the same tale as the low circulation. The balances due in the States were raised in May wholly from the business of the customers of the Maritime Province banks leading to enlarged provision for drafts in their favor. In call loans there was a shrinkage in the Western banks of \$700,000, and an increase in those in this city of \$150,000, and of \$240,000 in Halifax ones. Current Loans went up \$2,171,000 in May. As, of this amount \$1,600,000 occurred in those of the Bank of Montreal, the increase has no significance as indicating a more active demand for accommodation, especially as the Bank of Toronto, Bank of Commerce, and "others of less note," showed a diminution of discounts in May. The reduction of \$290,000, usually 10 per cent., in "overdue debts," looks as though the tightening of the screws prior to the annual meetings had been so far successful.

The outlook for the harvest is fairly promising, there is likely to be an all round average crop. Private advices from the North West are gratifying in regard to the wheat, although prices are discouraging.

The Reserve Fund shows an increase of \$415,000, divided between the following banks:—

The Canadian Bank of Commerce.....	\$100,000
The Standard Bank of Canada.....	50,000
The Imperial Bank of Canada.....	50,000
The Traders Bank of Canada.....	10,000
The Bank of Hamilton.....	25,000
La Banque Jacques Cartier.....	10,000
La Banque d'Hochelega.....	40,000
The Merchants Bank of Canada.....	100,000
The Union Bank of Canada.....	30,000

Total..... \$415,000

This amount during the past month has been added, making a total of \$1,145,640 for the year, together with an addition to paid up capital of \$161,515.

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

<i>Assets.</i>	31st May, 1894.	30th April, 1894.	31st May, 1893.	Increase and Decrease for month.	Increase and Decrease for year.
Specie and Dominion Notes.....	\$21,552,687	\$21,229,487	19,230,156	Inc. 323,200	Inc. 2,322,531
Notes of and Cheques on other Banks.....	6,164,182	7,110,243	7,066,104	Dec. 946,061	Dec. 946,061
Due from American Banks and Agencies.....	15,024,744	14,829,532	17,814,497	Inc. 195,212	Dec. 2,789,753
Due from British Banks and Branches.....	2,736,380	3,355,287	1,182,665	Dec. 613,907	Inc. 1,553,715
Canadian Municipal Securities and Brit., Prov. or } For gn. or Colonial, other than Dominion.....	11,206,174	11,342,969	9,028,757	Dec. 136,795	Inc. 2,177,417
Railway Securities.....	7,569,173	7,680,994	5,759,032	Dec. 110,921	Inc. 1,810,141
Loans on Stocks and Bonds on Call.....	14,637,324	15,444,850	15,213,352	Dec. 807,506	Dec. 576,028
Current Loans to the Public.....	207,122,494	205,051,675	207,685,450	Inc. 2,070,819	Dec. 562,956
Overdue debts.....	2,791,922	2,950,969	2,041,068	Dec. 159,047	Inc. 750,854
Total Assets.....	305,256,446	305,575,405	303,169,653	Dec. 318,959	Inc. 2,086,793
<i>Liabilities.</i>					
Bank notes in Circulation.....	28,467,718	29,996,472	31,927,342	Dec. 1,528,754	Dec. 3,459,624
Due to Dominion Government.....	3,161,931	2,765,535	2,922,671	Inc. 398,496	Inc. 241,360
Due to Provincial Governments.....	3,246,693	3,277,918	3,361,053	Dec. 31,225	Dec. 114,360
Deposits made by the public	173,852,109	173,361,106	170,440,831	Inc. 471,003	Inc. 3,391,278
Do payable on demand or after notice between Bks.	2,247,866	2,194,850	2,656,417	Inc. 53,036	Dec. 408,551
Due to American Banks and Agencies.....	193,246	179,351	103,758	Inc. 13,915	Inc. 29,388
Due to British Banks and Branches.....	6,487,109	5,927,216	5,501,346	Inc. 559,893	Inc. 982,763
Total Liabilities.....	218,665,313	218,003,543	218,102,617	Inc. 659,770	Inc. 560,696
<i>Capital.</i>					
Capital paid up.....	62,112,169	62,111,449	61,950,654	Inc. 720	Inc. 161,515
Reserve Fund.....	27,127,002	26,712,002	25,981,362	Inc. 415,000	Inc. 1,145,640
Directors' Liabilities.....	\$,239,804	7,929,550	7,443,137	Inc. 312,254	Inc. 796,667

Deposits with Dominion Government for security of note circulation, being 15 p.c. on average maximum circulation for year ending 30th June, 1893, \$1,813,584.

GLEANINGS FROM BANKERS' ADDRESSES.

If the addresses delivered at the recent annual meetings of the Canadian banks were gathered into a volume, it would have permanent interest and value as a contribution to banking literature. This, to some extent, is usually the case, but this year the circumstances under which bank operations were conducted in the year just closed were so extraordinary, in some respects unparalleled, and the results of those operations are so strikingly demonstrative of the financial stability of Canada, owing largely to its banking system, that the reviews given by our leading bankers of the conditions prevailing last year, and their reflections thereon, will form a prominent feature in the history of Canadian banking.

Although his address was brief, that of Mr. Prendergast, of the Hochelaga Bank, was marked by the emphasis he laid upon the necessity for private and public economy at all times, as thrift is the main bulwark of credit and the very tap root of prosperity. His reference to the marvellous recuperative power of France, and its immunity from financial disturbances, as illustrations of the powers of economy, was as forcible as it was just; its pertinence was made the more direct by the literary skill with which it was stated. On the same lines, but with a broader application, was Mr. Clouston's warning to public bodies to put more restraint on borrowing. The citizens of Montreal will have to take some more decided measures to enforce this lesson on their civic rulers, or what they save by private thrift will be wasted by public extravagance. The warning by Mr. Cox, president of the Commerce, against wheat gambling was in close harmony with the above utterances. Gambling and thrift are sworn foes, while gambling and borrowing are often partners. The millions said by Mr. Cox to have been lost by Canadians in Chicago last year by speculations in wheat were of borrowed money, if not *directly* from money lenders, then from their business capital, or from funds which honorable men recognize as mortgaged to their wives and families. Several managers alluded to the calls upon them for loans at a high rate by Americans, which all declined to make, for which the country owes thanks to our bankers. We may here be allowed to point out that to the political independence of Canada we owe our salvation from the panic of 1893, as, if our *political fortunes* had been one with the States, our *financial misfortunes* would have been one also, as our currency and banking systems would have been identical.

The address, or treatise, of Mr. Walker, of the Bank of Commerce, was admirably conceived; it blends with great skill a narrative of 1893, a sketch of our several industries and interests, with the didactic lessons of a far-seeing practical banker. Although not intended, Mr. Walker's condemnation of sectionalism in the States, as the true secret of so much "blindness to national interests" as regards fiscal matters, was a sharp rebuke to those in Canada who are seeking to bring the like confusion into our councils by pushing sectional interests to the fore. Mr. Hague, of the Merchants

Bank, the pioneer in annual meeting addresses, took occasion, on the Rest having reached 50 per cent. of the Capital, to sketch the stages by which, out of almost a wreck, the goodly, staunch and well equipped vessel he commands has been built up. The question of Bank Rests he discussed with his usual acumen and fullness of knowledge, giving English statistics of great interest. The point raised as to a Rest being judged by its percentage to the loans rather than to Capital will startle many, but its foundation is sure. Space forbids more gleanings from this rich field of financial wisdom and literary skill. After reading, as we have just done, many columns of addresses by American bankers, we find this difference, they excel in the art of wandering round a subject, and saying little practical in a flood of rhetoric, while Canadians go direct to the point, express lucidly and tersely the views they hold, and leave the impression of their being men of business, rich in experience, and strong with the strength of thorough knowledge. Of such men Canada is proud.

Notes and Items.

The Caledonian & Niagara have completed their arrangements for separation.

The Bill amending the Ontario Mutual's Act of Incorporation has been agreed to.

Bills incorporating the following companies have been agreed to by the Dominion Senate: Canadian Railway Fire Insurance Company, Northern Life Assurance Company of Canada, Canadian Railway Accident Insurance Company, and Colonial Mutual Life Association.

The President of the Life Insurance Clearing Company, of St. Paul, Minn., writes to say that this institution "is making remarkably successful progress in its exclusive business of insuring under-average lives. Its premium income during the month of May showed an increase of 126 per cent. over the average monthly premium income of last year, and the company has no unpaid death losses either due or reported." The establishment of a company on somewhat similar lines is talked of in Canada.

The Manufacturers' Life, with characteristic enterprise, has decided to issue a new policy, containing several special features of a more liberal character than those of most other companies; amongst others we note the following:—No conditions as to travel, residence, occupation, military service or manner of death; incontestability after first year; guaranteed surrender values or paid up policies after three years; ninety per cent. of the surplus guaranteed to policy-holders; thirty days of grace for payment of premiums; lapsed policy may be received within one year after default if in good health; loans are granted after three years, thus facilitating the maintenance of policies in force. In fact, the only condition is that the assured should pay his premium, and even that is made easy. For ourselves we never could see the necessity for many of the harassing restrictions contained in the policies of some companies, and an office will gain more than it loses by granting "assurance which does assure." We think the Manufacturers Life has taken a step in the right direction.

Our thanks are due to the Actuarial Society of America for No 11 of its "Papers and Transactions" to which extended notice will be given in a future issue.

Rumor is busy across the border speculating as to the possibility of other British Companies following the example of the Guardian. Our neighbors are evidently a little "scared" by the summary action of the Guardian and the presence of late of so many managers from England.

We have received copies of Mr. T. C. Hindman's letters addressed to the stock-holders and agents of the Columbian Fire Insurance Company of America which recently passed into the hands of a receiver. The quarrel between these two gentlemen appears to be a pretty one as it now stands, but we have no taste for recriminations.

The Life Agent's Manual—This Journal's new edition (1894) of J. D. Houston's well known handbook, in addition to complete tables of rates, synopsis of policy conditions, interest and discount tables, and an exposé of assessment assurance, contains new tables never before published, for computing policy reserves by a simple process easily understood by anyone. It is only necessary to subtract the number in one table opposite the age at issue of policy from that for the age attained, and opposite the difference in another table will be found the reserve value for each \$1000 of assurance. Our contemporary, *The Spectator*, in speaking of the manual says: "It is an extremely valuable work for agents operating in Canada, as it gives the premium rates and a synopsis of the policy conditions of all life companies operating in the Dominion."

Insurances on J. R. Booth's saw mills and machinery at Ottawa destroyed by fire on 26th ultimo:—Royal, \$13,000; London & Lancashire, \$10,000; North British & Mercantile, \$10,000; Aetna, \$10,000; Hartford, \$8,500; Lancashire, \$8,000; North America, \$5,000; Mercantile, \$5,000; Queen, \$5,000; Imperial, \$5,000; Guardian, \$5,000; Manchester (Albion), \$5,000; Alliance, \$5,000; Commercial Union, \$5,000; Phoenix of Hartford, \$5,000; Union, \$5,000; Norwich Union, \$4,000; British America, \$3,500; United Fire, \$3,000; Sun, \$3,000; Eastern, \$3,000; London Assurance, \$2,500; Phoenix of Brooklyn, \$2,500; National of Ireland, \$2,500; Atlas, \$2,500; Western, \$2,500; Phoenix of London, \$2,500; Caledonian, \$2,500; Total, \$143,500. The insurances represent about half the value of the mill and contents, and the loss is a total one. The neighboring mill of Messrs. Perley & Pattey, although only about 20 feet distant from the one burnt, fortunately escaped with very trifling damage.

OBITUARY.

We regret having to chronicle the death of Mr. Jeremiah Griswold, which took place at his home in Brooklyn, on 21st ultimo. The deceased gentleman was a recognized writer and authority on the history and the principles and practice of fire insurance. Some of his most important works were published by this Journal, of which he was the esteemed associate editor for some time, amongst them being the "Fire Underwriters' Text Book," the "Handbook of Adjustments," and the "Fire Agents' Text Book," all of which are quoted as Text Books in every part of the English-speaking world. Mr. Griswold died at the ripe old age of eighty.

PERSONAL MENTION.

MR. A. J. BELTON, general manager of the Guardian Assurance Company, spent a short time in Montreal last week.

MR. SHEPHERD HOMANS, president of the Provident Savings Fund has sailed with his wife and daughter to Europe, where they will spend several months.

MR. WM. MACKAY, inspector of the Royal, has returned from his holiday in Great Britain, which he seems to have thoroughly enjoyed.

MR. JOHN W. MOYSON, we regret to say, has been very ill again, but is now reported somewhat better. We hope that he will speedily recover his usual health.

MR. GEO. W. RONNE has recently been appointed special executive agent of the North American Life Assurance Co., and is at present in Montreal in the interests of his company.

MR. W. TATLEY, of the Royal, sailed for England by the "Lake Superior," on 26th ult., on a visit. He will be absent for about six weeks, and we trust will find the trip beneficial in every respect.

MR. GEO. SIMPSON, assistant manager of the Royal, whose illness we briefly referred to in our last issue, we are pleased to learn, is much improved in health, and will resume business in course of a day or two.

AMONGST OUR INSURANCE FRIENDS who are now *en route* for Great Britain we may mention Mr. A. Browning, Mr. A. W. Haddrell, secretary Canadian Fire Underwriters' Association, and Mr. Hunter of the Royal.

MR. WM. SANDERSON, M.A., an honor graduate of Toronto University, and an officer on the actuarial staff of the Canada Life, has passed the first examination of the Institute of Actuaries of Great Britain and Ireland.

AMONGST THE CALLERS at our sanctum last month were Manager Thompson of the Lancashire Insurance Co., Mr. A. K. Blackadar of the Insurance department, and Mr. R. H. Matson, Canadian general manager of the Provident Savings Fund.

MR. JOHN McCLARY, former vice-president of the London Life, has been elected president of the Company in the room of Mr. Joseph Jeffery deceased. Mr. McClary is well known in London business circles as president of the McClary Manufacturing Company.

MR. P. M. WICKHAM, inspector of the Queen, will take entire charge of the business during Mr. Mudge's absence. Mr. Wickham has been connected with the Company for about twenty-four years, and has deservedly won the entire confidence of the head office as well as that of Manager Mudge.

MR. F. H. JOHNSTON, who for some time has acted as associate manager with his father for the Confederation Life's branch for the Province of Quebec, has accepted an appointment in the actuarial department of a New Jersey Life Company. Our congratulations and best wishes in his new sphere.

MESSRS. G. O. WOODMAN AND HOWARD WRIGHT, of Winnipeg, have entered into partnership as insurance agents, and have secured the general agency of the Imperial and the Phoenix of Hartford for Manitoba and the Northwest Territories. Both gentlemen are well and favorably known to the business community, and should do a successful business.

MR. H. J. MUDGE, who sailed for Great Britain by the SS. "Lake Superior" on 26th ultimo, has taken a needed and well earned rest and holiday in the Old Country, for two or three months. Mr. Mudge has spent over twenty years with the Royal and Queen offices, and has been manager for some years of the latter company. He has not been at all well of late, but we hope that his trip will be an enjoyable one. Mr. Mudge is deservedly popular, and no manager in Canada has worked harder or with a greater degree of success.

MR. GEO. H. HERMIT, who has filled the breach caused by the death of Mr. Crooke, and the retirement of Mr. Goodwin, has been appointed manager of the western department of the Northern Assurance Company. He has been connected with the Northern for some time, and will be remembered by Canadians as having assisted in establishing its Dominion department.

MR. W. J. FAIR, inspector of the North American Life Assurance Company, writes us as under, regarding the Kingston Life Assurance Agents' Association, to which reference was made in our last issue:—

"I notice in the last issue of the INSURANCE AND FINANCE CHRONICLE, Montreal, a report of the Kingston Life Insurance Underwriters' Association, in which you report me as being an officer of that institution.

"I wish to say that I objected to attending the meeting, was not present, and did not authorize anyone to use my name in any way whatever with the objects of the meeting.

"I merely mention this, as I have lost faith entirely in the operations of the Ontario Life Assurance Association held in Toronto, and for other reasons which I desire to withhold. I do not wish to connect myself with a branch of anything of the kind."

HOMeward BOUND.—It is needless to state that a trip across the Atlantic has always had its attractions for insurance managers, who generally manage to combine business with pleasure. That periodical visits of the representatives of the companies to the Head Office are of great advantage is generally recognized, and there seems to be a growing idea that when it is not convenient for the Head Office manager to visit Canada, the Branch manager should visit the Head Office, and thus an interchange of personal views can be made regarding the business generally. Amongst the Branch managers visiting the Home offices this year, and who will thus be afforded the privilege of a trip across the briny are the following:—

Mr. W. Tatley of the Royal, Mr. H. J. Mudge of the Queen, who sailed on the "Lake Superior" on 26th ult.; Mr. J. G. Thompson of the Lancashire, by the "Parisian," on the 23rd ult.; Mr. Thos. Davidson, of the North British & Mercantile, and Mr. E. P. Heaton of the Guardian.

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 HON. S. H. BLAKE, Q. C. VICE-PRESIDENTS
 ROBT. McLEAN, Esq.,

Policies issued on all the best approved plans, both Level and Natural Premium. Total abstainers kept in a separate class, thereby getting the advantage of their superior longevity

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 Manager.

AGENTS WANTED.

THE
CANADA ACCIDENT
ASSURANCE COMPANY.

Incorporated in 1887

THE CANADA ACCIDENT has acquired the business of the

MUTUAL ACCIDENT ASSO'N. (of Manchester),
THE CITIZENS OF CANADA, and
THE SUN OF CANADA.

THE CANADA ACCIDENT is now controlled and guaranteed by the **PALATINE INSURANCE COMPANY (Limited)** of Manchester, but will continue under its original name, but with new Officers and Manager, and is fully prepared to offer Accident Insurance in all its branches, together with Employers' Liability Indemnity on the most liberal terms.

HEAD OFFICE:

1740 Notre Dame Street, - MONTREAL.

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PHOENIX
INSURANCE COMPANY
 (Of Hartford, Conn.)

ESTABLISHED IN 1854.

CANADIAN BRANCH.

Full Deposit with the Dominion Government.

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SMITH & TATLEY,

G. W. SMITH, Managers for Canada. J. W. TATLEY

Applications for Agencies solicited.

UNION ASSURANCE
SOCIETY.

OF LONDON.

Instituted in the reign of Queen Anne,
 A.D. 1714.

Subscribed Capital, - - - - - \$2,250,000
 Capital Paid up - - - - - 900,000
 Total Invested Funds exceed - - - - - 12,000,000
 Annual Income, - - - - - 1,300,000

T. L. MORRISSEY

RESIDENT MANAGER FOR CANADA.

55 ST. FRANCOIS XAVIER ST., MONTREAL.

N.B.—Applications for Agencies invited

UNITED FIRE INSURANCE COMPANY
OF MANCHESTER, ENGLAND.

This Company in addition to its own Funds has the security of those of the

PALATINE INSURANCE CO of England,

The combined Assets being as follows :

Capital Subscribed.....\$5,550,000
 Capital paid up in Cash. 1,250,000
 Funds in Hand exceed 2,750,000
 Deposit with Dominion Government for Protection of Canadian Policy-Holders 224,100

HEAD OFFICE FOR CANADA, 1740 Notre Dame St., MONTREAL.

J. A. ROBERTSON, Supt. of Agencies.

T. H. HUDSON, Resident Manager.

NOVA SCOTIA BRANCH,
 Head Office, Halifax,
ALF. SHORTT, General Agent

NEW BRUNSWICK BRANCH,
 Head Office, St. John,
H. CHUBB & CO., General Agents.

MANITOBA, B. C. & N. W. T. BRANCH,
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G. W. GIRDLSTONE, General Agent.

The "United" having acquired by purchase the business and good will of the "City of London Insurance Company," and assumed all the liabilities of that Company, is alone entitled to the benefit of the connection thus formed, the continuance of which it respectfully solicits.

The British America

INCORPORATED 1833.

ASSURANCE COMPANY.

THE WESTERN

Assurance Company.

HEAD OFFICE, - - - TORONTO.

OLD RELIABLE PROGRESSIVE

FIRE AND MARINE INSURANCE.

Cash Capital, - - - \$750,000.00
 Total Assets, - - - 1,392,249.00

Losses paid since organization, \$12,242,397.27

Head Office, - - - TORONTO.

Capital.....\$2,000,000
 Cash Assets, over 2,400,000
 Annual Income, over..... 2,350,000

LOSSES PAID SINCE ORGANIZATION, \$18,000,000

DIRECTORS :

GEO. A. COX, **J. J. KENNY,**
President. *Vice-President.*

A. M. SMITH JOHN HOSKIN, Q.C., LL.D.
 S. F. MCKINNON ROBERT JAFFRAY
 THOMAS LONG AUGUSTUS MYERS

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P. H. SIMS, *Secretary.*

C. R. G. JOHNSON, *Resident Agent,*
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HON. S. C. WOOD ROBERT BEATY
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Agencies in all the principal Cities and Towns in Canada and the United States.

New York Life Insurance Co'y

JOHN A. McCALL, - **President.**

JANUARY 1, 1894.

Assets,	\$148,700,781.21
Total Undivided Surplus,	17,025,630.18
Income,	33,863,646.95
New Insurance written in 1893,	223,848,991.00
Outstanding Insurance,	779,156,678.00

CANADIAN BUSINESS.

New Insurance issued—1893,	\$6,080,860.00
Insurance in force,	20,720,765.00
Total Income in Canada,	919,167.07
Assets in Canada as per Statement to Canadian Government, January 1, 1894,.....	\$3,344,660.27
Additional Deposit with Canadian Trustees, May 11, 1894,	350,000.00
Total Assets in Canada,	\$3,694,660.27
Liabilities in Canada under policies issued since March 31, 1878,	\$2,512,303.42
Under policies issued previous to March 31, 1878	540,381.29
Total Liabilities in Canada	\$3,052,684.71
Surplus Assets in Canada over and above H. M. 4½ per cent. Reserves on all Policies and other Liabilities,	\$641,576.56

DAVID BURKE, GENERAL MANAGER.
 Company's Building, - - - MONTREAL, Canada.