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THE  
**Insurance and Finance Chronicle.**

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THE QUESTION of local taxation of insurance premiums by municipalities, which the late legislature of Ontario failed to settle, comes again to the front at Peterboro'. The insurance companies doing business there were assessed on their premium income, and recently the representatives of several appeared before the Court of Revision at that place, to protest against the assessment as made, conceding, however, that taxation on the net profits realized on the local business would not be objectionable. It will be remembered that some months since we commented on the decision of Mr. Justice Ferguson in the case of the City of Kingston against the Canada Life, wherein he held that the city had the right to tax the total income on its business there. On appeal the decision was reversed by Chancellor Boyd and Justice Robertson, showing that the higher judicial authorities hold views in harmony with justice and common sense. A tax on premiums in gross, either fire or life, is simply the adding of a burden on the people, who, in the end, have to pay it. The premium itself is a tax—self-imposed, it is true—but none the less a tax for simple protection against loss which, unshared, would often beggar thrifty citizens. For the government or municipalities to tax this tax is the rankest injustice and the most short-sighted policy.

THE INSURANCE COMPANIES are tolerably well acquainted with a class of journals started for and principally devoted to commercial interests in general, or to some particular branch of trade who, as an after-

thought, have tacked on, like a tail to a kite, an alleged "insurance department." As a rule, this is done purely as an excuse to appeal to the insurance companies for advertising patronage. The "insurance column" is filled either with matter stolen from the insurance journals or with such absurd trash as only writers can produce when attempting to deal with technical subjects on which they are ignorant. Occasionally some first-class commercial journal deals regularly with insurance matters for the benefit of its readers, and employs a trained insurance writer to edit its insurance department. The Cincinnati *Price Current* is one of these, and its insurance editor, Mr. John I. Covington, tells its readers the following truth: "The science of insurance has developed so rapidly in the United States during the past twenty-five years, as to make necessary the publication of a number of reliable journals devoted exclusively to the insurance business. The *Price Current* has space only to give a brief review of current insurance matters, and it therefore heartily recommends business men having important insurance interests to subscribe for and read at least one insurance journal devoted exclusively to insurance. It will be found to be a profitable investment."

THE RECENT DECISION of the Court of Appeal in England, by which the clause of the Income-tax Act, exempting from taxation money paid for life premiums was declared inoperative where premiums are paid to foreign companies, was not procured by the influence of the English companies, as some of our hasty exchanges charge. Of this we are confident for two equally good reasons. In the first place, such action would be too small business for the large men who manage these companies; and in the second place the high judicial tribunals of England are not in the habit of letting considerations for any special class or interest influence their decisions. We believe, as Lord Justice Fry, one of the court, held, that the spirit of the exemption provision would justify a broader interpretation so as to include all premiums; but strictly following the language of the law, the decision consistently followed. What is needed, and what the English companies, if they are wise, will encourage, is

an amended Act clearly exempting from the tax *all* life premiums paid by the assured. As the case now stands, it is not alone United States companies which are placed at a disadvantage, but all colonial companies, and probably part of the Scotch companies as well. An Australian or a Canadian company must be held, under the decision, to be as strictly "foreign" as a company from the United States or from Germany.

UNQUESTIONABLY THE FORMATION of the "National Association of Life Underwriters" at Boston, an account of which will be found on another page, was an event of no ordinary importance, and marks an era in the progress of life assurance. It does not simply mean that the business has come to rank in importance and magnitude with banking, or railroading, or manufacturing interests, for it has for some time done more than this, but means rather the recognition by the right men of the fact, which, with scant recognition by them, has always existed, viz., that legitimate life assurance, working through a diversity of companies and methods, is indivisible in interest and an essential unity. This frequent meeting together to discuss common interests and to eat and drink together like christians means, to a great extent, the driving out of the life agency ranks of the devil of discord and the destructive spirit of misrepresentation and unseemly strife. This organization means that honorable competition has come to be recognized as entirely compatible with the manners of gentlemen and the intercourse of friends. As such we hail it with satisfaction, and trust that in like manner the life agents of Canada may do honor to themselves and service to their business by some kindred form of association.

IT WAS UNFORTUNATE, we think, that the convention of life insurance agents and managers, who met the other day at Boston to form a national association, decided upon a name for their organization which is clearly a misnomer. The gentlemen who were the leading spirits in the movement ought to have known that a life insurance agent, whether general or special, is no more an "underwriter" than he is a gravedigger. It is doubtless admissible to call the agents of fire insurance companies who are authorized to issue policies underwriters, for such they are in a qualified sense, as modifiers and signers of the policy. Not only does the life agent have no such authority, but is expressly prohibited by his company from waiving, changing or in any way modifying the terms of the policy, and his name appears nowhere thereon. He has no more to do with the issuing of the policy than a manufacturer's agent has with the making of the articles he sells. The plea that common use sanctions the application of the term to life agents is worthless because untrue. No such use of the term by the best authorities on insurance can be shown. It is purely a descriptive term, and not like the character "x," used arbitrarily by general agreement, to stand for an unknown quantity. It would have been well to have called the organization by its

obvious name. The gentlemen composing it are life insurance agents, and they simply formed a national association. The name should have expressed the fact.

SOME OF OUR exchanges across the water seem to revel in their real or assumed ignorance of facts concerning the Mutual Life of New York. The *Observer* of London has made itself ridiculous among well informed students of American life assurance, by its attempts to criticize the company, and now comes the *Insurance and Financial Gazette* of Ireland, pounding away at a man of straw which it sets up and calls the Mutual Life. It admits that it has not seen the full official report for 1889, and proceeds to generalize on its guesses, to the conclusion that the company is rapidly losing its business by lapses, surrenders, etc., that its rate of interest realized has decreased woefully, and that its management expense has much increased. As to the first charge, we will state for the benefit of our contemporary, that while the New York Insurance Report for 1889 shows the average percentage of surrendered, lapsed and not taken policies to total assurance issued by all the companies reporting to have been a fraction over 41 per cent., the percentage of the Mutual Life was 37 per cent. Not a bad outlook, especially taken in connection with the fact that the company's net gain in assurance in force for the year was nearly *eighty-four million dollars*. As to rate of income from investments, the earnings, including profits on investments, for 1888 on the mean net or invested assets were 5.89 per cent., for 1889 exactly 6 per cent. The growing expense bubble is effectually pricked by the statement that total expenditures, excepting to policyholders, or claims under policies, were 18.6 per cent. of the income in 1889, and 18.9 per cent. for 1888. We suggest that tilting at Gibraltar with a wooden spear would be quite as profitable for our misguided contemporaries.

WE NOTICE THAT "Thoroughbred" in the last number of the *Insurance Monitor* produces the figures in detail of most of the United States life companies, to demonstrate how senseless is the contention in certain quarters, that the life companies of this country ought to contemplate the speedy substitution of a higher standard for assumed interest than the present 4 per cent. standard in general use. We have dealt with this question several times of late in these columns, and shown that the companies have maintained practically the same rate of earnings on their total invested assets for five years past. Of course, as a matter of fact, the actuarial requirements are met when a company earns on its *reserve* the four or four and a-half per cent. assumed, and the article in the *Monitor* is designed to prove that the earnings for 1889 on the mean amount of reserve held were over 6 per cent. Unfortunately, the article has several considerable errors in stating the reserves as found in the New York Reports, while the interest earnings are overstated by more than three millions, mainly credited to one New York company, erroneously. Making the necessary corrections, we

find, however, that the claim made that more than 6 per cent. was earned is correct. Leaving out of the calculation the companies doing mainly an industrial business and the natural premium companies, we find that the 25 remaining, as found in the New York Report, earned from interest, rents and sundry sources in 1889, \$34,419,658; and as the total mean amount of reserve was \$569,911,725 the resulting rate was 6.04 per cent. The Canadian companies did even a shade better than this. On total reserves, the mean amount of which was \$14,609,498, the earnings were \$933,304 and the per cent. realized 6.38.

**GROWTH OF ENDOWMENT AND TERM ASSURANCE.**

Time is the general equalizer in life assurance as it is in everything else. To the intelligent observer nothing is more apparent than that the scope of life assurance has broadened, and its contracts have become varied in detail materially during the past dozen years to meet a demand of the various classes of the people, arising not only from changed and still changing conditions, but because of a demand which has its root in a more intelligent appreciation of the functions of the business. This is especially true on this side of the Atlantic where society has fairly passed the stage of newness to enter upon a youthful maturity, with clearly developed wants and well understood resources, material and intellectual.

A survey of life assurance to-day, contrasted with the business of even ten years ago, reveals two interesting facts, viz.: that the demand for assurance as a form of investment has greatly increased, and that the demand for term assurance in some form—protection pure and simple for a limited period—has also marvelously grown. Of course industrial insurance is essentially a form of term insurance. Protection for the family at the lowest present cost is the demand of a vast number of people who must have it in that form or go without it. This broad fact explains why it has been possible for assessmentism in life assurance, with all its crudities and false principles, to flourish. Mistaking the imitation for the genuine, the people seeking for protection by economy of expenditure have been easily caught by the assessment plausibility. The fact that the assessment concerns of various grades are able to point to some six millions of alleged assurance in force in 1889 in the United States and Canada, distributed among some three million members, only shows that a legitimate want is being supplied by an illegitimate article.

The managers of the legitimate, level premium companies are beginning to comprehend the fact we have mentioned and to read its significant meaning, and some of them have adjusted and others are preparing to adjust their plans to legitimately and satisfactorily supply this want. Taking up the New York Insurance Report for 1889, and we find that nine companies which are now all writing a considerable amount of term assurance had in force on December 31 last \$54,092,266 of "other insurance," as distinguished from

whole life and endowment policies. This item of course mainly covers term assurance, and in this article will be so treated. Turning to the New York Report for 1885, giving the business of 1884, and we find that these same companies had in force term business amounting to \$21,411,693, thus showing a gain in five years of \$32,680,573 in this class of assurance. As the percentage of gain was a little over 150 per cent., while the gain in total assurance in force for the five years was 51 per cent., the large proportion of increase for this class of business will be seen. Six of the nine, which are distinctively known for liberal writing of term business, are the Ætna, the United States, the Mutual Benefit, the Travelers, the Union Mutual and the Manhattan. The following will show at a glance the growth of the business of these companies in the aggregate:—

Year.	Total Ins. in force.	Term Ins. in force.	Percentage.
1884	\$325,885,672	\$17,234,201	05.3
1889	427,038,626	46,642,310	10.9

It appears then that nearly 11 per cent. of the entire assurance in force belonging to these companies now consists of term business, and has more than doubled in percentage during the five years and \$29,411,109 in amount.

On the other hand, the demands of that class of people who see in life assurance a desirable investment have steadily increased with increased accumulations of money and decreasing opportunities for the realization of extraordinary returns from investment in securities or in business. Naturally endowment assurance has grown, but how rapidly it has grown is not generally realized. In order to show this growth and its proportions, we append the following figures embracing all the regular life companies reporting to the New York Department for the years named, giving in five year periods the life, endowment, and term business:—

	1880.	1884.	1889.
	\$	\$	\$
Ins. in force.	1,475,994,672	1,870,728,059	3,144,677,311
Whole Life	1,215,082,831	1,426,692,966	2,270,082,928
Percentage.	82.52	76.26	72.18
Endowment	216,574,461	394,435,074	735,560,025
Percentage	14.67	21.54	23.59
Term	39,137,380	49,600,019	139,034,358
Percentage	02.66	02.65	04.42

These figures tell their own story and scarcely need comment. In this connection we desire to call attention to a somewhat common error among those who have not closely studied the reports. There is an impression that the large increase in endowment assurance follows to a great extent the enormously increased business of the three leading New York companies. This however is not the case. These companies had for 1889 a combined percentage of about 20 per cent. of endowments to total assurance in force, the general average, as above shown, for all companies being over 23 per cent. Taking all the New York companies and we find the endowment percentage to be as follows compared with the companies of other States:—

	Year 1880.	Year 1884.	Year 1889.
New York Co's.....	13.94	19.43	19.90
Other State Co's.....	15.47	24.25	28.04
All Companies.....	14.67	21.84	23.59

It is not by any means the company which writes the largest policies that issues the most endowments. The two companies (the Provident Life & Trust, and the New England Mutual) which have a larger proportion of endowments than any of the other companies have policies which average in amount, the former a trifle over and the latter a trifle under \$3,000 each. Whether a very large proportion of endowments is a good thing for the companies issuing them is a question the discussion of which does not enter into the purpose of this article. That both term and endowment assurances are growing rapidly is apparent.

#### PERPETUAL FIRE INSURANCE.

Perpetual fire insurance, as the term implies, is the taking of risks which absolutely have no limit as to time save by cancellation, on the motion of one of the contracting parties. This anomalous form of insurance is confined on this side of the Atlantic mostly, we believe, to Pennsylvania companies and mainly to those of Philadelphia. Instead of a periodical premium, a lump deposit is made by the insured, usually about equal to ten annual premiums as ordinarily rated on the risk taken, and the interest, compounded, on these deposits stands in place of the ordinary premium. This form of insurance was originated, as it has since been maintained, by Philadelphia companies. From the very succinct account of this perpetual business, found in the recently issued edition of Griswold's *Fire Underwriters' Text-Book*, we extract the following:—

Permanent policies have been in use in Philadelphia for almost a century past, where very many of the buildings are insured in this manner. The first perpetual policy issued was from the office of the Mutual Assurance Company on September 10, 1801. The Philadelphia Contributorship did not issue their policies until April, 1810. The first stock company to issue perpetual policies was the American Fire of Philadelphia, March 10, 1812.

In case of cancellation of the policy, the practice now is to refund to the insured his deposit, less ten per cent., which, with whatever interest may have been realized on the deposit, of course inures to the benefit of the company. With regard to adjustment in case of loss we quote again from the *Text-Book*:—

In case of total loss of the property, the policy is thereby cancelled on payment of such loss. In case of partial loss, the amount paid is deducted from the amount insured, as in term policies; but the deposit, or so much thereof as may be necessary to pay such partial loss, is sunk for the benefit of the company, that is, not liable to be repaid on cancellation.

The question naturally presents itself as to whether insurance on the perpetual plan can be considered sufficiently remunerative to the companies. That it is cheaper for the insured seems pretty evident. Experience for a long period has shown that it is also a good thing for the companies. The *Insurance News* of Philadelphia has recently published the results of the perpetual business for the four years past, and from the [facts] given we learn that, assuming 5 per cent interest earned on deposits, the "interest premium,"

as the interest on the deposit is called, amounted during the four years to \$1,449,891 and the losses to \$405,478. As this is an average loss of but 27.9 per cent. of the interest premium, the superior character of the risks appears. These risks are confined mainly to residences and small stores in safe hands, and rarely more than four stories high, while mostly they are but two and three, easily accessible in front and rear, and with the minimum of exposure to danger. But not only is the loss small on these risks, but the expense of doing this class of business is very low, being of a local character and agency charges comparatively eliminated. The *Insurance News* estimates the expense charge at ten per cent. of the interest premium, which it considers rather above than below the fact. Adopting the assumption of the Pennsylvania Commissioner of Insurance, that at least five per cent. is realized on the deposits, as above assumed, it will be seen that losses and expenses call for but \$550,467, leaving a balance from the interest premium (\$1,449,891) of \$899,424. It follows from this that even with a lower interest rate and a higher expense ratio the perpetual business must be reasonably profitable. This class of business seems to grow steadily, and last year showed risks in force amounting to \$317,121,078, with aggregate deposit. of \$7,768,828. The average cost to the insured for the last four years has been about one-half that belonging to the general business, it is claimed.

#### UNIFORMITY IN LIFE ASSURANCE RESERVES.

The great diversity of standards by which the various life assurance companies compute their reserve liabilities must frequently have struck the student of life assurance as something of an anomaly. We have the Hm. table, the Actuaries' Combined Experience table, the American Experience table and some others, calculated all the way from 2½ to 4½ per cent. interest, though for most of the British companies 3 and 3½, and for most of the American companies 4 per cent. calculations are used, while the usual Canadian standard is 4½ per cent., with one or two exceptions, that standard being by the Hm. table. Most of the leading United States companies now use the 4 per cent. Actuaries' table—the New York legal standard—though some use the Actuaries' 4½ per cent., others the American 4½, and still a few others the American 4 per cent. To the uninitiated this diversity has scarcely any significance, but the well informed understand very well that the difference in reported liability, and hence in surplus, between a 4½ and a 4 per cent. standard by any table is very considerable in favor of the former, while the difference between the Hm. or the Actuaries' and the American table at the same rate of assumed interest is very marked. In order to show this difference we here append tables giving the reserves on the Hm. 4½ per cent. and the American Experience 4½ per cent. tables, with the resulting differences at various ages, arranged mainly by five year periods:—

RESERVES BY HM. TABLE  $4\frac{1}{2}$  PER CENT. COMPARED WITH AMERICAN EXPERIENCE TABLE  $4\frac{1}{2}$  PER CENT., \$1,000.

WHOLE LIFE POLICIES.

YEAR.	Age, 25.			Age, 30.			Age, 35.			Age, 40.		
	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.
1....	7.48	6.01	+ 1.47	8.86	7.66	+ 1.20	10.89	9.82	+ 1.07	13.32	12.59	+ 0.73
2....	15.30	12.28	+ 3.08	17.99	15.66	+ 2.33	22.02	20.04	+ 1.98	27.20	25.66	+ 1.54
3....	23.30	18.82	+ 4.48	27.42	23.99	+ 3.43	33.44	30.67	+ 2.77	41.61	39.23	+ 2.38
4....	31.47	25.64	+ 5.83	37.19	32.66	+ 4.53	45.16	41.72	+ 3.44	56.47	53.29	+ 3.18
5....	39.81	32.75	+ 7.06	47.27	41.69	+ 5.58	57.25	53.20	+ 4.05	71.67	67.86	+ 3.81
10....	85.19	73.08	+12.11	101.81	92.67	+ 9.14	124.90	117.45	+ 7.45	152.25	148.11	+ 4.14
15....	137.56	122.39	+15.17	166.27	154.24	+12.03	200.78	193.43	+ 7.35	241.62	239.11	+ 2.51
20....	199.46	181.94	+17.52	238.56	227.05	+11.51	285.03	279.59	+ 5.44	337.68	337.85	- 0.17
25....	268.87	252.37	+16.50	318.83	309.63	+ 9.20	375.59	373.08	+ 2.51	435.19	440.13	- 4.94
30....	345.94	332.23	+13.70	405.11	399.22	+ 5.89	467.53	469.91	- 2.38	533.16	540.45	- 7.29
35....	428.79	418.89	+ 9.90	492.70	492.01	+ 0.69	559.88	564.90	- 5.02	624.83	633.69	- 8.86
40....	512.89	508.65	+ 4.24	580.69	583.04	- 2.35	646.30	653.17	- 6.87	702.57	721.69	-19.12

YEAR.	Age, 45.			Age, 50.			Age, 55.			Age, 60.		
	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.
1....	16.79	16.17	+ 0.62	20.15	20.45	- 0.30	24.78	25.30	- 0.52	29.60	30.70	- 1.10
2....	33.82	32.87	+ 0.95	40.85	41.39	- 0.54	49.87	50.96	- 1.09	59.18	61.56	- 2.38
3....	51.11	50.11	+ 1.00	62.60	62.78	- 0.18	75.23	76.95	- 1.72	88.68	92.51	- 3.83
4....	68.74	67.86	+ 0.88	83.53	84.61	- 1.08	100.87	103.24	- 2.37	117.99	123.50	- 5.51
5....	86.71	86.09	+ 0.62	105.42	106.83	- 1.41	126.66	129.77	- 3.11	147.24	154.46	- 7.22
10....	182.99	183.72	- 0.73	218.73	222.74	- 4.01	255.25	264.19	- 8.94	295.15	305.98	-10.83
15....	286.47	289.65	- 3.18	333.76	342.79	- 9.03	384.43	396.04	-11.61	433.56	446.78	-13.22
20....	391.53	399.37	- 7.84	449.32	460.56	-11.24	505.30	518.57	-13.27	550.93	579.68	-28.75
25....	497.07	507.00	- 9.93	557.45	570.00	-12.55	607.81	634.23	-26.42	641.94	705.15	-63.21
30....	595.82	607.02	-11.20	649.15	673.30	-24.15	687.29	743.41	-56.12	734.20	819.12	-84.92
35....	679.57	701.43	-31.86	720.25	770.82	-50.57	767.87	842.59	-74.72	860.65	902.80	-42.15
40....	744.51	790.55	-46.04	792.34	859.41	-67.07	878.30	915.41	-37.11			

SINGLE PAYMENT LIFE AND ENDOWMENTS.

Age.	Life Single Payment.			Year.	15 Year Endowment. Age at issue, 35.			20 Year Endowment. Age at issue, 35.			25 Year Endowment. Age at issue, 35.		
	Hm. Table.	American.	Difference.		Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.	Hm. Table.	American.	Difference.
20	213.61	217.45	- 3.84	1	45.66	45.27	+ 0.39	30.18	29.64	+ 0.54	21.64	20.95	+ 0.69
21	218.27	221.16	- 2.89	2	93.49	92.88	+ 0.61	61.68	60.76	+ 0.92	44.13	42.91	+ 1.22
22	222.87	225.02	- 2.15	3	143.63	142.96	+ 0.67	94.57	93.44	+ 1.13	67.52	65.93	+ 1.59
23	227.61	229.05	- 1.44	4	196.27	195.65	+ 0.62	128.99	127.76	+ 1.23	91.90	90.05	+ 1.85
24	232.67	233.26	- 0.59	5	251.59	251.09	+ 0.50	165.07	163.81	+ 1.26	117.36	115.32	+ 2.03
25	238.08	237.64	+ 0.44	6	309.83	309.44	+ 0.39	202.97	201.68	+ 1.29	144.04	141.83	+ 2.21
26	243.78	242.23	+ 1.55	7	371.22	370.88	+ 0.34	242.85	241.49	+ 1.36	172.07	169.61	+ 2.46
27	249.73	247.01	+ 2.72	8	435.90	435.60	+ 0.30	284.78	283.33	+ 1.45	201.46	198.74	+ 2.72
28	255.83	251.99	+ 3.84	9	504.03	503.80	+ 0.23	328.82	327.32	+ 1.50	232.21	229.29	+ 2.92
29	262.05	257.19	+ 4.86	10	575.85	575.69	+ 0.16	373.08	373.59	- 0.51	264.38	261.32	+ 3.06
30	268.40	262.61	+ 5.79	11	651.55	651.52	+ 0.03	423.62	422.27	+ 1.35	297.94	294.93	+ 3.01
35	302.99	293.35	+ 9.64	12	731.43	731.36	- 0.13	474.57	473.50	+ 1.07	332.94	330.17	+ 2.77
40	342.89	330.95	+11.94	13	815.85	816.08	- 0.23	528.14	527.46	+ 0.68	369.51	367.14	+ 2.37
45	390.04	376.45	+13.59	14	905.23	905.44	- 0.21	584.60	584.32	+ 0.28	407.78	405.94	+ 1.84
50	442.93	430.04	+12.89	15	.....	.....	.....	644.18	644.27	- 0.09	447.98	446.67	+ 1.31
60	564.78	556.99	+ 7.79	19	.....	.....	.....	919.92	920.27	- 0.35	631.25	631.62	- 0.37
70	693.23	692.54	+ 0.69	24	.....	.....	.....	.....	.....	.....	928.02	928.50	- 0.48

It will be easily seen from the above that for whole life policies, ages 25 to 35 (at entry), and at ages 40 and 45 up to 15 and 5 years respectively, the American table calls for considerably less reserve than does the Hm. table, while after those periods for ages 40 and 45, and for all years at older ages of entry, the Hm. table calls for the smaller reserve. As, however, the majority of entrants are below 45, the difference in liability will be considerably in favor of the American table. As regards endowments the difference is not very marked, though the longer the endowment term the greater the difference. It follows from the above that, as between the two tables, a company with several millions of reserve and whose business is mainly on the whole life plan, continued or limited

payments, will require a reserve fund materially less if the American  $4\frac{1}{2}$  per cent. standard is used instead of the Hm.  $4\frac{1}{2}$  per cent. We are able to illustrate this difference by reference to the business of one of our Canadian companies, the Confederation Life, which has published recently the result of a valuation of all its policies (additions and annuities not included) by the two tables at the close of 1889. That result shows by totals as follows:—

	Life and Limited Life.	Endowment and Term.	Total Business.
Hm. Table.....	\$1,216,437	\$1,154,065	\$2,370,502
American.....	1,165,071	1,139,735	2,304,806
Difference... ..	\$51,366	\$14,330	\$65,696

In 1883 a double valuation was also made, one by

the Canadian superintendent of insurance, and the other by Mr. Sheppard Homans, by which it appeared that the difference between the two tables was a larger percentage of the reserve than the difference above shown, owing, we presume, mainly to the difference in proportion of endowment to life policies at the two periods of valuation. Taking the results here produced as a measure of the difference existing in any company having policies of the same relative kinds and ages, it follows that a company with a reserve of say \$5,000,000 by the *Hm.*  $4\frac{1}{2}$  per cent. table would gain about \$139,000 by using the American  $4\frac{1}{2}$  per cent. table. If the business consisted wholly of continued life policies the gain would be some \$211,000, and if three-fifths were life and two-fifths endowments the gain would be a little over \$151,000, ages and other conditions being similar to those of the Confederation. We shall be glad to have other Canadian companies furnish us with the results of valuations by the two tables that this subject may be still further illustrated.

From what we have shown, the desirability of a uniform reserve standard for the companies of the United States and Canada must appear, for, as matters now stand, comparisons of surplus cannot in many cases be understandingly made. It is obvious that a company with a reserve liability of ten millions and upwards would appear to have, by the American table, a much larger surplus than one of the same size by the *Hm.* table. The difference between the Actuaries' Combined table and the latter is not very much, but still it is something. Now, as a matter of fact, we do not regard it of the least importance which one of the three tables above referred to is used, provided that all companies use the same table. The actual mortality of all the companies, both in Canada and the United States, is considerably below the assumed rate by either table, and it is not at all a question of safety. Uniformity is certainly desirable, how can it be secured?

#### NATIONAL LIFE UNDERWRITERS' ASSOCIATION OF THE UNITED STATES.

As announced by us some time since, a meeting of delegates from the various State associations of life assurance agents and managers took place in Boston on the 18th ult., to consider the organization of a national association. Twelve States and fourteen associations were represented by five delegates for each association, and with great unanimity the meeting resolved to organize under the name of the "National Association of Life Underwriters." A constitution and by-laws were adopted providing for the usual officers, an executive committee, and fixing the terms of membership, which is to be by associations. Each association is entitled to five delegates, who must vote as a unit on all questions. The meetings are to be annually. The officers elected are Hon. Geo. N. Carpenter, Boston, of the Massachusetts Mutual, president; E. H. Lummer, Philadelphia, of the Berkshire Life, secretary; and Wm. Ratcliffe, jr., New York, of

the New England Life, treasurer; together with a vice-president from each association and an executive committee of one from each association. It was voted to hold the next meeting at Detroit on the third Wednesday in June. The associations entering the organization were from the following States:—Massachusetts, Rhode Island, Maine, New Hampshire, Vermont, New York (2), Pennsylvania (2), Ohio, Michigan, Illinois, Maryland and Nebraska.

The most cordial feeling seemed to prevail throughout, and a good deal of talking, some of it pretty good, was naturally done. An excursion down the Bay on the afternoon of the first day, and a closing banquet on the evening of the second day, tendered by the Boston Life Underwriters' Association, were features of the occasion. At the latter Mayor Hart, Ex-Gov. Long, Rev. Edward Everett Hale, Insurance Commissioner Merrill and other prominent gentlemen were present and made speeches. The daily and insurance press was well represented. The *Standard of Boston*, with commendable enterprise, printed a *verbatim* report of the entire proceedings and speeches, and its veteran editor, Col. C. M. Ransom, was by special vote elected to honorary membership in the Association. Two formal addresses were made by invitation before the Association, one by Dr. J. A. Fowler of the *American Exchange and Review*, and the other by Hon. C. T. Lewis of New York. We make room for the following extracts from Dr. Fowler's address:—

This meeting comes out of and is an emanation from the progress of life insurance. Such an assembling as this, in the purpose which actuates it, would not have been thought of twenty years ago. It occurs in its time and place to have part along the lines of the onward, upward way. The life underwriters' associations of several cities or localities, composed mainly of agents of companies, have had objects in view rather implied than expressed. They who formed the first association of the kind had no elaborate plan. They met that peace and good will might rule where discord and ill contending had held sway. They met to do the service of their call as best they might be able to do—simply as best they might be able to do—and words of this purport were at the base of the organic law of the first association. There was, however, more wisdom in such wording than the utterers of it were aware of; but the substance of whatever was prescribed and whatever was done was this less: Come let us reason together; and one association after another came upon the stage so to reason. These life insurance unions, judged as trade combinations, have the least of the usual characteristics of such combining. The social features have transcended the business details; but with the meeting together of men whose lines of observation and work and interest lie in the same direction, there has arisen a community of thought, so to speak, to which differences in individual thinking are, in a degree, adjustable, or rather are, so far as practicable, to be adjusted for the common benefit. To-day this community of thought is the conceiving of ways and means for the bettering of the field methods for the correction of abuses, for the elimination of wrongful competition, for the promotion of the practice of life insurance by the people. The reasoning together has not been in vain, and the gain has come from antagonism of opinion as well as from harmony of opinion.

Capacity for organizing is the dominant, the supreme mental qualification of the man of the last quarter of the nineteenth century. The measure of result of achievement, in their greatest attainment, is the proportion of skill which has been engaged in combining means and instruments—men, movements and concentration—towards the end in view. There is more potency in wise adaptation than in formid might. Whoever or whatever combines five persons to do as thoroughly what previously required six persons to do gains the mastership. It is for the present experiment to advance towards the limit of organizability, while putting forth as present scope what will invite ready acquiescence and not what will incite controversy.

Our national body can be beneficial only in its own sphere. Its office will not embrace algebraic formulæ, computation of theorems, technical construction, nor forming of policy clauses, but it will make the end and the utility of these instrumentalities. The beneficences and the economics of the art and practice of life insurance will be its directing guides, its inculcations, its enforcements, its demonstrations. It will not work out hypothesis, but conviction.

At the banquet, Ex-Governor Long of Massachusetts made a speech running over with good points pertinent to the business of life assurance. From his remarks we quote:—

You protect the homes of nearly one-tenth of the people of the United States, more than a million and a quarter of homes, representing probably ten millions of people. Your capital represents twenty-five millions more capital than the national banks of the United States, more than twice the deposits in our savings banks, more than three times the amount of the public debt. And it is as solid and secure as the foundations of the national debt. Its annual growth is phenomenal. The new business of last year was one thousand million dollars against half that sum, five hundred million dollars two years ago, and against the petty sum of thirty-five millions in 1861, now nearly thirty years ago. \* \* \*

Life insurance to-day is no longer an experiment. There are methods of insurance which are still in the gristle, the experimental stage. There is no occasion why even you should speak lightly of them; but it is your fortune that the life insurance which you represent is settled,—no longer an experiment but a proved result, and it has now reached the dignity of a science. It may seem perhaps bumptious for one who knows so much less of it than you do, to try to instruct you, and I do not presume to do so; but I ask you to regard it in the lofty light of a science and a beneficence. What a beneficence it is! My mind goes back twenty or twenty-five years, and recalls a boy older than myself, a young man coming to the little country village where we both were born. His eyes were bright, his heart full, ready to do battle in the world. I remember his song, I remember how sweet the viola was under his touch, I remember how glad we were when he came back from the city; I remember the girl he loved and courted and married, the little home that sprang up, the children that came; and I remember the later year when in a western city, on some tour that he was taking, death struck him. It was my fortune to go and find him cold, and bring him home and bury him under the turf in the place where he was born. And I remember the wife and the four little children. I remember the friends who said good, kind and hearty words. But kind and hearty as were their words, and generous as was their purpose, the generosity would have faded sooner or later, help would have ceased, and the widow and the orphans would

have been left to struggle with poverty. But there was a strong arm that put itself around them; it was a strong arm that never lost its hold.—the strong arm of a beneficent life insurance policy, promptly paid, amounting to £6,000. It seems little to you in comparison with these great figures, but to them it was home, self-respect; it was self-support for the widow, it was education for the children, it was the foundation on which they went forward, until now the woman's grey hair covers a head blest and kindly, and the children have gone out into the world and into society which they adorn. There is a touch of sentiment in me, gentlemen, which makes me like an association, which at one extreme touches high scientific exactness, and at the other a great beneficence which comes home to the family and the hearth, and touches closely the heart-strings in the human breast. \* \* \*

As a citizen I rejoice most heartily in this step that you have taken. You could not help taking it. It is a part of the civilization of the times to take these great steps. Your business has grown so that you cannot help forming this National Association. You are great agencies moving civilization to-day. You talk about congress, politicians, or the Senate. They are not what is moving the civilization of the time or even the legislation of the time. All these things attend these great material forces which are not expressed in your senators, politicians, and statesmen, but in such great bodies of human activity as you represent. Our railroads, our banking systems, our great manufacturing industries, our labor organizations, and this life insurance industry are the moving forces of the times.

#### THE GUARDIAN ASSURANCE COMPANY.

The annual meeting of the Guardian of London is always looked forward to with interest by the public, not with anxiety as to what may be the tenor of the directors' report—that is foreordained—but with curiosity to mark the extent of the progress made. For sixty-eight years the Guardian has pursued the even tenor of its way, and a very good way for its patrons it has been, for it has been a way of prudence such as ought to dominate an institution assuming the guardianship of the homes and possessions of its constituents. The report for 1889 is no exception to the rule, that each year finds the company prepared to extend its operations over a broader area and add to its circle of friends.

A special interest attaches to the life department, from the fact that the past year marks the close of a quinquennial period, shows the valuation of the existing policies (by the 3 per cent. standard), and declares the distribution of bonuses or dividends to policyholders. The amount so distributed is \$1,200,000. The increase in the number of policies has been 1,111, in amount assured \$2,657,025, and in annual premiums \$97,550 during the last five year period as compared with the preceding one. The new business of 1889 was in the aggregate very nearly the same as for the year before, the total being 671 policies assuring \$2,213,065—a slight falling off, after deducting re-insurances (\$133,410) from the business of 1888. The total assurance in force is \$37,301,095 under 8,414 policies, of which something over \$4,000,000 is re-insured. The net premium income amounted to \$937,175 in 1889, and the total income to \$1,671,095.

including \$214,092 for annuities. The total amount of the life fund was, on December 31, \$12,306,885. It is worthy of mention here that, notwithstanding the age of the company's life business and the very moderate amount of new assurance added from year to year, the claims matured by death for the past five years have been only 63.51 of the table rate. The expense rate has been low, but we make no note of special merit in that, for a much higher rate as the result of a larger new business might have been quite as profitable as a matter of fact.

Turning to the fire branch of the business, we find that the net premiums received were \$2,533,080, an increase of \$106,085 over the previous year. In common with many other companies, the loss increase somewhat exceeded the premium increase, however, leaving a smaller balance from the year's underwriting than from that of the previous year, yet there was a balance, and no mean one, amounting to \$108,218. The premium reserve fund to cover unexpired risks has been strengthened by the transfer of \$145,000 from the general reserve fund, making the former stand at \$1,283,000, and, with additions from last year's profits, the general fire fund has been increased to \$3,193,000. Add to this \$5,000,000 of paid up capital and some \$318,000 of other resources, placing behind it all \$10,000,000 of subscribed capital, and the ability to pay fire losses will readily appear.

For more than twenty years the Guardian has been doing business in Canada, and by upright dealing has become strongly entrenched in the confidence of the people, to whom it has paid nearly one and a half million dollars for fire losses. The premium income for 1889 was \$190,220 and an increase over the previous year. The Dominion representatives of the Guardian are and have long been Messrs. George Denholm and Robert Simms & Co. of this city, while by recent changes Mr. George A. Roberts has taken the place as manager, formerly occupied by Mr. E. A. Lilly. Mr. Roberts is well fitted for his work from long training, first in the Phoenix of London and afterward in the Northern under Manager Tyre, and his friends look to his connection with the company with cordial wishes for abundant success in the new relation.

**ACCIDENT AND GUARANTEE BUSINESS IN CANADA FOR 1889.**

ACCIDENT.				
	Premiums received.	Amt. of new Business.	Amount in Force.	Losses incurred.
Acc. Ins. Co., N.A.....	\$ 36,779	\$ 6,109,000	\$4,999,800	\$ 29,507
Canada Accident.....	4,885	1,703,500	1,040,000	10,095
Citizens'.....	35,082	3,000,000	1,910,500	17,374
London Guar. and Acc.	25,162	6,557,783	6,452,516	10,811
Manufacturers'.....	41,431	4,615,833	3,768,500	19,708
Mutual Accident.....	3,637	1,000,700	718,000	5,469
Norwich & London...	2,424	420,000	393,500	761
Sun.....	24,742	4,933,400	3,826,400	12,835
Travelers.....	103,911	15,395,513	12,778,276	41,800
Totals.....	\$279,053	\$43,735,729	\$35,917,492	\$148,360
GUARANTEE.				
American Surety.....	\$ 1,645	\$ 253,700	\$ 248,900	\$225
Guarantee Co., N.A....	40,224	6,563,400	5,887,520	11,844
London Guar. and Acc.	26,680	3,904,060	4,005,254	1,491
Totals.....	\$68,549	\$10,721,160	\$10,141,674	\$13,610

**Financial and Statistical.**

**PAST, PRESENT AND FUTURE.**

The past month has been one of more than usual importance in financial circles, from the fact that so many of our leading banks have held their annual meetings. The same story with few variations is told by each. Trade has been dull, money scarce, interest high, payments only fairly well met, renewals numerous, and many customers have required nursing by their bankers. Such has been the record of the past year. The present condition of affairs is to a slight extent an improvement, but the problem of most importance to our readers is, what is the future to be. To those who are interested in this the present summary of the banking returns will be instructive.

The discounts to the public have increased \$1,025,444 during the month, and \$3,630,299 during the year. The loans to corporations have also increased \$1,305,237 during the year, the greater part of which has occurred during May. At the same time the cash items have decreased materially. There has been no legitimate extension of trade sufficiently marked to justify such an expansion in discounts, and this increase cannot therefore be looked upon as healthy or desirable.

It will be noted that during May the foreign exchanges altered considerably. Our position as regards British banks improved, while as regards Americans we went behind. The following are the figures:—

Due from British banks, increase.....	\$348,454
Due to British banks, decrease.....	384,087
Improvement.....	\$1,232,511
Due from American banks [and branches, decrease.....	\$687,100
Due to the same, increase.....	202,665
Total decrease.....	\$890,470

The Merchants Bank of Canada at its recent annual meeting reported net profits for the year amounting to \$606,363.61 and balance from previous year \$5,484.30. From the total, \$611,847.91, seven per cent. dividends were paid amounting to \$405,944 and \$200,000 added to "rest," leaving \$5,903.91 to be carried forward to profit and loss account. The assets were \$20,717,737.70 and the liabilities, exclusive of paid-up capital "rest," and profit and loss account \$12,484,973.79. The notes in circulation were \$2,563,897 and total deposits \$8,681,282.55.

The coal fields in the vicinity of Newcastle, Australia, are claimed to be practically inexhaustible and capable of supplying the world with fuel. The coal district comprises 23,950 square miles, and the various coal layers are from 3 to 30 feet thick. Most of the coal can be delivered direct from the mines to the wharves which line the long river and harbor frontage. There are in operation about forty mines, and the present output is about 3,000,000 tons per annum, worth between seven and eight millions of dollars.



**THE NEW BANKING ACT.**

At the annual meeting of the Canadian Bank of Commerce at Toronto on the 17th ult., Mr. B. E. Walker, the general manager, in the course of his remarks on the general situation, spoke of the New Banking Act as follows:—

During the year the New Banking Act, in connection with which our charters are renewed, was passed. Owing to the fact that bank charters are renewed for periods of ten years, while the charters of other corporations are as a rule indefinite, we appear to be condemned for at least one parliamentary session in each ten years to fight for our existence. In a country where the conditions subject to which banking profits are made are less favorable than in any other progressive country in the world, the desire of many individuals in the community seems to be to make the banking laws as complicated and difficult as possible, while mere jealousy of the few privileges enjoyed by banks, which privileges are made instruments for the welfare of the country, causes them to desire to overthrow principles in our system, the loss of which would be far more hurtful to the public than to the banks. There was at one time considerable fear that one of the main principles of the act would be departed from, and the business interests of the country submitted to the dangers incident to a change in the form of currency. The members of the Government, however, have instead wisely concluded to make as much more perfect as possible the laws under which we have worked the business of banking and supplied a currency to the Dominion for the past twenty years.

The United States national banking system, although much less perfect as a banking system than our own, provides a currency at no time exactly in accordance with the needs of the country as ours is, and at present entirely inadequate, but having the quality of passing over the whole area of the country, without discount for geographical reasons or on account of the standing of the bank issuing it. Section 55 of our new act provides against discount on bank notes for geographical reasons, by requiring every bank in the Domi-

nion to arrange at the commercial centre of each Province for the redemption of its notes; and section 54 provides against the possibility of the notes of a suspended bank falling to a discount between the moment of suspension and the date of payment by the liquidator. This will be accomplished by the creation of an insurance fund, the liability of each bank to which, while greater than there is necessity for, is not really a serious matter at all, and if our experience is not worse than it has been for twenty years past will never cost us any loss of money. In this manner the bank-note issues of Canada have been given the one good quality of the United States national bank-notes, without incorporating into our act any of the objectionable features of that system. This is a matter for much more congratulation than people realise who have not leisure in which to study the problems of banking.

Perhaps the change in the conditions under which banks may hereafter be created is as important as anything in the new act. It is necessary on the one hand that banking in Canada shall not partake in any sense of the nature of monopoly, but it is equally as necessary that banks shall not be created by men who have motives for doing so other than the proper motive of embarking in a business enterprise because they believe it will pay. It is well known that banks have been created at a time when the business was suffering from severe competition, a force calculated to do more mischief in banking than in any other kind of business. Perhaps some politician had a charter to dispose of, and an ambitious bank officer was anxious to try his hand at general management, and friends could be found willing to permit their names to be used as provisional directors, or to subscribe for stock, on the understanding that they would sell the stock shortly after the bank was in operation. In the present act there is nothing to deter any body of men who wish to start a bank for *bona fide* purposes from doing so, but every effort is made to prevent the creation of a bank which is not supported by a fairly large actual cash capital, and a body of shareholders who believe that the bank in question is necessary to the wants of the community, and will therefore be a profitable enterprise.

**STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.**

*Comparison of Principal Items.*

<i>Assets.</i>	31st May, 1890.	30th April, 1890.	31st May, 1889.	Increase and Decrease for month.	Increase and Decrease for year.
Specie and Dominion Notes.....	\$15,991,012	\$16,233,756	\$16,421,689	Dec. \$212,714	Dec. \$433,677
Notes, cheques and balances due from Can. banks ...	8,598,215	9,068,562	8,671,276	Dec. 470,347	Dec. 73,061
Due from American Banks and Branches.....	10,367,628	11,055,433	17,137,911	Dec. 687,805	Dec. 6,770,283
Due from British Banks and Branches.....	2,332,447	1,483,993	710,803	Inc. 8,3454	Inc. 1,621,644
Government Securities .....	8,417,112	8,086,568	7,820,202	Inc. 330,544	Inc. 596,910
Loans and Collaterals .....	13,066,067	13,742,336	13,512,572	Dec. 676,269	Dec. 446,505
Loans to Corporations .....	27,068,629	25,939,428	25,763,390	Inc. 1,129,201	Inc. 1,395,237
Discounts to the Public.....	153,095,151	152,069,707	149,464,852	Inc. 1,025,444	Inc. 3,630,299
Overdue debts, including those secured by mortgage.	2,471,914	3,014,724	2,498,941	Dec. 542,810	Dec. 27,027
Total Assets.....	250,161,846	250,174,578	254,283,089	Dec. 12,732	Dec. 3,121,243
<i>Liabilities.</i>					
Notes in circulation.....	30,831,914	30,671,938	30,012,900	Inc. 159,976	Inc. 819,014
Government Deposits, Dominion and Provincial.....	6,889,698	6,878,129	11,026,613	Inc. 11,569	Dec. 4,136,915
Deposits from the public.....	126,069,248	125,337,670	123,961,447	Inc. 731,578	Inc. 2,107,801
Loans from other Banks .....	2,495,381	2,672,448	2,559,972	Dec. 177,067	Dec. 64,591
Balances due to American Banks .....	316,558	113,893	126,100	Inc. 202,665	Inc. 190,458
Balances due to British Banks .....	2,441,440	2,825,527	4,794,649	Dec. 384,087	Dec. 2,353,209
Total Liabilities .....	169,684,912	168,522,521	173,358,438	Inc. 1,162,391	Dec. 3,673,526
<i>Capital.</i>					
Capital paid up.....	59,57,749	60,332,641	60,235,051	Dec. 764,892	Dec. 667,302
Reserve Fund.....	21,034,034	20,570,333	18,866,999	Inc. 463,701	Inc. 1,167,035
Directors' Liabilities.....	7,118,264	7,144,605	8,435,716	Dec. 26,341	Dec. 1,317,452

## Correspondence.

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

### OUR LONDON LETTER.

*Editor INSURANCE AND FINANCE CHRONICLE:—*

We have at last succeeded in arranging the little matter with France, and accordingly the prospectus is now out for the conversion of part of the Egyptian Debt. The sum of £29,400,000 is to be borrowed at 3½ per cent., and with this the 5 per cent. preference bonds and the 4½ per cent. loan of 1888 will be repaid. This is good as far as it goes, but what an awful swindle the Egyptian Debt really is. It would be an interesting calculation to make out how much of the present debt of the land of the Nile had really benefited the fellaheen. Egypt ought to be interesting to you just now, for there is a talk that the French would give up their troublesome fishing rights on your shores in exchange for something on the Nile. The exact something is not specified, and I am afraid you will be worried by "lobsters" for some time yet.

### FAST RAILROADING.

People are always in a hurry nowadays, and everything has to be done faster than ever. Our railways are increasing their speed until quiet old people are getting afraid to travel by them. Our Great Western Railway Co. are running a train from Paddington to Penzance in about 5 hours and a half. The average speed (not including stoppages) is 48 miles an hour. I told you in my last that we were trying stage coaches again, but they can't compete with this sort of thing. It is something worth noting that a man can breakfast in London and dine the same day in Penzance, but who wants to?

### PRINTING BY TELEGRAPH.

But perhaps the quickest thing now out is printing by telegraph. A new company has been started to do this, not in the old style on tapes, but on ordinary sheets of paper in regular columns. The company is called the Column Printing Telegraph Company. If only a company would come out to enable us to read by electricity, what a success it would be.

### GOVERNMENT COINAGE.

The 20th Annual Report of the Mint is just out. It will please some people on your side to hear that the demand for silver coin is on the increase here. I think it is likely to go on increasing, as the habit of paying wages in silver is getting much more common. There was a great difficulty in supplying the coins wanted by this country, and a new mint was in project. But it happened that the Bank of England got possession of enough gold coin to rub along with for a time, so instead of building a new mint, the authorities determined to increase the accommodation on the present site, and the work is now finished. It is something to be proud of. Under the shadow of the old Tower of London we can now turn out a million sovereigns a week, always supposing we have the gold. In 1889 we struck coins to the value of £9,746,538, of which over £1,000 was in three penny pieces. There is a good profit on coining, but nearly all is made out of the silver. For some time we made use of the French bronze money instead of our own; that is, a 10 centime piece would do instead of a penny. A proclamation was issued putting a stop to this, and the government collected no less than 55 tons of French money, and sold the whole of it to a French house.

### LETTING DOWN THE BARS.

A very comfortable little privilege is also about to be abolished. In our noisy town of London quiet is an expensive luxury, and certain owners of house property have obtained it for their tenants by placing bars across the streets and then stopping the vehicular traffic. A committee of the House of Commons has just reported that the bars should come down, and no compensation is in their opinion due to the owners of the property. I have not heard from these latter, but I think it safe to assume that they will not agree with this sentiment.

### FLUCTUATING SHARES.

A king's share in the New River Company has just been sold for £95,100. In July last an adventurer's share fetched £122,800, and if I remember aright was bought by the Prudential. I can't understand why the price has fallen so much, although it must be borne in mind that the adventurer's share gives certain rights in connection with management, and a king's share does not.

### THE INCOME-TAX MUDDLE.

The question of the return of income tax on Life premiums is still before us. The Chancellor of the Exchequer gives no comfort to the grumblers. It seems that life premiums paid to Colonial offices do not entitle the payers to any return of income tax. This is certainly hard. We are not in the habit of looking upon our Colonial brethren as foreigners, and the sooner the law is altered the better.

### ANOTHER "SAFETY" DEVICE.

There is of course a new safety lamp out,—there always is. The last is called the Water Safety Lamp, and is so made that when the lamp is knocked over it puts itself out with its own supply of cold water. If all the "safety" appliances could be trusted, fire insurance would be quite unnecessary. Fires nevertheless continue to occur. We had a fine blaze on Wednesday night last at Messrs. Peto's, a firm of builders in Pimlico. The fire suddenly broke out in the centre of the building while the business was in full operation, and hundreds of tons of timber and other combustible material were soon in a blaze. No cause for the fire was discovered; perhaps it was a safety lamp!

TAMESIS.

### WHO OWNS THE BOOKS AND THE BUSINESS OF A GENERAL AGENCY?

*Editor INSURANCE AND FINANCE CHRONICLE:—*

As a decision of the courts of the country, when officially promulgated, becomes the property of the public, and in this free country is open to discussion, and as the verdict,—not the judgment of the court, fortunately—in the recent interesting case of *Taylor vs. Northern Assurance Company*, brought in the Montreal Superior Court to test the respective rights of the agent and of the company, was somewhat out of the common, and in antagonism with the tenor of precedent adjudications and the generally accepted opinions of those interested, and, if permitted to stand unquestioned, will seriously affect and cripple the agency offices in connection with their general agency appointments, permission is requested through the medium of your valuable journal to offer a few pertinent suggestions upon the important query: "Who owns the books and the business of general agency?" And in so doing the subject will be discussed solely upon its merits, without impugning the motives of either party in thus testing at law their reciprocal rights under the circumstances.

In the case under consideration, the plaintiffs made claim to the ownership of the books and other records in which the operations of the agency of the defendants, under plaintiffs' management, were recorded, upon the two several though singular pleas: *first*, that as they, the plaintiffs, had procured the books for the use of defendants' agency, and had paid for them out of their own funds, they were their property; *second*, that the business recorded in these books was their property, hence, upon a compulsory delivery of them to the defendants, at the close of the agency, they were entitled to both reimbursement for the value of the books and compensation for loss of business consequent upon such enforced removal of the books in which their business was recorded. Under these pleas the jury assessed the value of the books at \$1,500.

As a matter of sheer necessity for the safety and proper conduct of the business of the defendants' agency, if for no better reason, a full and true record of the particulars attending each transaction for the company,—worked upon a commission and a stated portion of the net profits, supplemented

by the sum of £300 paid annually for contingencies, as compensation—should have been, and evidently were, so duly recorded for present use and future reference, should need occur, else all would have been confusion and uncertainty where surety and exactness were obligatory. Hence, it necessarily follows that these indispensable records constituted a legal portion of the agency outfit, which, like all other direct expenses incurred in the conduct of the business, were, by the conditions of the original contract, to be at the sole charge of the plaintiffs, and for the defendants' share, if any, the compensation hereinbefore recited was to be a full equivalent.

Moreover, it further necessarily follows, regardless of the unimportant fact by whom the cost of the books was defrayed, that: *first*, inasmuch as these records constitute the original and sole vouchers legally admissible before the courts of evidence, in case of disputes attending the defendants' business at that agency (See Griswold's Text-Book, p. 701, for authorities),—the reports sent from time to time to the head office as to the condition of affairs at the agency being but secondary copies or memoranda, were not available for the purposes of evidence; and *second*, as lacking these only authentic records, nothing could be definitely known as to the liability of defendants to their several policyholders; who they were, nor when the several policies would expire; or which were already cancelled; nor on which of them, if any, the premium remained yet unpaid; nor under which losses occurred, paid or unpaid; in fine, being thus an integral indispensable portion of the agency business, they should have been considered, as they were to all intents and purposes of the appointment, strictly the property of the defendants, and like any other agency property belonging to them, without further question, should have been surrendered at the time of the surrender of the agency, after the manner of an inventory of the property so delivered of which a mere copy would not be valid. Had it been the intention of the parties that the cost of the agency books should be an exception to the current expenses chargeable to the plaintiffs, it would have so appeared in the original contract of appointment under seal of the company; not being so excepted, the legal construction of that contract falls under the old law doctrine of "*Expressio unius exclusio est alterius*," and takes it out of the power of either court or jury to substitute a new parol contract for one made originally under the solemnity of a seal.

As to the ownership of the business standing upon these same books at the termination of the agency, and claimed by plaintiffs as their property: So far, at least, as to the unexpired or still current portion thereof, upon these books, at that juncture, it was beyond all question the exclusive property of and at the risk of the defendants, by whom all losses were to be paid. Hence, *after entry upon these books*, the plaintiffs could have no property interest therein, they having, so to speak, then and thereby sold and conveyed all interest in that portion at least to the defendants, who thereupon assumed all attendant risks of loss under the policies therein entered, and for which the successive commissions charged up upon each policy issued and recorded and the share of the profits, if any, thereon when ascertained (which alone, by the way, constituted the only ownership or interest of the plaintiffs therein) were to be full compensation. The sole interest of plaintiffs, if any existed, in this portion of the business was simply in the good-will or benefit to the extent of the commissions to be derived from the chances of renewals of the several insurances as the recorded policies should expire, if they could retain them, against the defendants or other agents competing for them. This was the extent of their ownership of the business at the best, and this depended solely upon their ability to retain it when open to competition by others.

That the ownership of the books of a recording agency, local or general, must of necessity under attending circumstances vest in the companies, is so obvious and unquestionable, that this

point has seldom been brought before the courts for a decision upon its merits. By an English County court,—reported in THE INSURANCE AND FINANCE CHRONICLE for Dec., 1886—where an agent attempted to surreptitiously "sell the books of his agency," it was held that "agents had no property whatever in their books, and hence no right to sell them," and further, that "customers were customers of the Society and not of the Agent, and any agreement to sell the books was illegal, and any sums paid to them were recoverable." All of which is in full harmony with the tenor of the foregoing discussion. So also in a case of the Prudential Insurance Co. of London, where an agent refused to surrender the books at the close of his agency upon demand of the company. The matter was taken into Court, but upon the subsequent delivery of the books further proceedings were dropped, the court, however, giving the agent notice, that unless voluntarily surrendered he could be legally compelled to deliver them up.

With a view to prevent the possibility of such unpleasant controversies, it is now the custom generally for the companies to furnish all supplies from the headquarters for the use of the agency. There are agents to be found who keep a double set of books so as to be able to retain a record of their business, in the event of the removal of any of their companies.

The general understanding in these particulars, at the present time, may be summarized as follows:—Policies of insurance are unlike merchandise, which latter when sold and delivered becomes the property of the purchaser, and being tangible he can hold it; while an insurance policy represents a contingent interest, and for a time only, which may or may not be renewed by the insured on expiration, either in the same or some other office, or not at all. Hence, neither agent nor company can claim an absolute ownership in such policies. If an ex-agent can secure the renewals as they fall in for a new office as against the old one, he has as much right so to do as if the risks had never been written on the books of the latter office, for commissions paid to agents do not purchase the business outright. If that were so understood, the agent would require a bonus,—more or less heavy as his business might be more or less select and valuable,—such commission, as the term imports, being simply a compensation for the use of his capital, *i. e.*, personal endeavors and influence in controlling business for such company; and this so long only as he remains the agent of and the company continues to pay such commission, not salary; but, as before said, business once entered upon a company's books is the exclusive property of such company, so long as it remains current as recorded, and at the company's risk. If an agent works under a salary he would be simply a clerk, and any business obtained by him would belong, by law, to his employer; but a simple commission upon business done by an agent for his company gives no ownership in the source of the business (Baker v. Conn. Mut. Life Co., U. S. C. C., N.Y., XII Ins. Law Jour. 683).

While an agent may not legally sell or dispose of the books the personal property of the company, or the business therein recorded, the law permits him to transfer the *good will* of such business—which is simply the transferring for a consideration the chance or opportunity of the purchaser being able to retain and secure the continuance of what has been already established by the vendor,—a mere chance which vests in such vendee, nothing more than the possibility that the preference heretofore extended to the vendor by his customers will continue to be extended to the vendee. The value of the good-will of an insurance agency is a substantial right, and precarious as it must be, an agent may, with or without the consent of the companies, dispose of the same, if he can find a purchaser (Phyfe v. Wardell, 5 Paige Chy. N.Y. 279; Armour v. Alexander, 10 id. 571; Hathaway v. Bennett, 10 N.Y.R. 108; and Barber v. Conn. Mut. Life, *supra*.)

Respectfully,

J. G.

## Notes and Items.

The Metropolitan Life will soon build an eight-story office building in New York costing \$750,000.

Mr. D. A. Breakenridge, of Brockville, general agent of the Canada Life, made us a pleasant call last week while in the city.

Mr. Frederick Schwendler, vice-president of the Germania Life of New York, and one of its founders, died on June 7th, aged seventy years.

A new fire insurance company is being organized at San Francisco, with \$200,000 paid-up capital and \$100,000 surplus to do a re-insurance business.

Mr. Arthur Browning, general agent at Montreal of the British Empire Life, sailed for England on the steamer "Parisian" on the 25th ult. for six or eight weeks visit.

The Secretary of the Long Island Insurance Co., which recently retired reinsuring its business with the Royal, is now associated with the Brooklyn agency of the Royal.

Mr. John Wanamaker, Postmaster-General of the United States, now carries the largest amount of assurance, life and accident, of any man in the world. The amount is upwards of \$1,300,000.

It would be interesting to know what magnet drew President Armstrong of the Mutual Fire of New York to Canada a few days since. Perhaps the company's underground wires needed fixing.

The local board of trustees for the Liverpool and London and Globe at New Orleans have resigned, owing to differences between them and Col. Henry V. Ogden, the company's resident secretary.

Mr. Israel C. Pierson, the actuary of the Washington Life, has received the degree of doctor of philosophy from the University of the City of New York, of which institution he is a graduate.

Mr. John C. Wardrop has been appointed general secretary in London for the Life Association of Scotland, in place of Mr. R. G. Watson. Mr. Wardrop has been joint secretary of the company at Edinburgh.

Mr. Benjamin Newbatt, the actuary and secretary of the Clerical, Medical and General Life, was elected president of the Institute of Actuaries at the recent annual meeting, succeeding Mr. Wm. Sutton.

Our exchanges announce the death of Mr. William Vaughan, the actuary of the British Board of Trade. Mr. Vaughan had been a member of the Institute of Actuaries since 1864, and was noted for thoroughness and ability.

Mr. Ernest Philps of St. John, N.B., has been appointed special agent of the British America for the Maritime Provinces. He has some fourteen years' experience in fire insurance, ten of which have been with the general agency of Mr. R. W. W. Frink at St. John. Mr. Philps, accompanied by his wife, has been visiting Niagara, Toronto and Montreal, and last week made the CHRONICLE a very pleasant call.

A Pacific Coast department has been established by the Continental of New York, with headquarters at San Francisco and with Mr. J. J. McDonald in charge. The company will do a farm instalment business mainly.

Mr. W. H. Hill, general agent of the Sun Life at Peterboro, has taken a partner; it is a matrimonial partnership for life, and was entered into on the 25th ult. May perpetual dividends of happiness be mutually enjoyed by the partners.

At the meeting of shareholders of the Manchester Fire, the call for which we recently chronicled, it was unanimously agreed to increase the capital to £2,000,000, the present issue being limited to 20,000 shares of £20 each, with £2 paid up.

Since the election of Mr. Stokes to the presidency of the Manhattan Life of New York, the directors have promoted Secretary Wemple to be second vice-president, and assistant secretary Frazer to be secretary. Mr. Halsey remains first vice-president.

Mr. David L. Laidlaw, local secretary at Glasgow of the North British and Mercantile, has been promoted to be manager of the Glasgow branch, and Mr. John T. Fyfe, formerly of the Scottish Provincial, has been appointed to the local secretaryship.

The growth of annuity business in the United States will be seen from the statement that the total annuities paid therein in 1880 were \$340,697; in 1884, five years later, the amount was \$1,019,604; and in 1889, at the end of another five years, \$1,532,791.

Mr. Fred. Knowlton, of St. John, N.B., who for seven years has been with the agency of the Citizens', has been appointed general agent for the Province of New Brunswick for the Phoenix of Hartford by Manager Hart. Mr. Knowlton is very highly spoken of.

The American Legion of Honor made 5 assessments on its members in 1880. In 1889 it made 24. The Ancient Order of United Workmen in California, which made 4 assessments in 1879, made 22 in 1889. There is a whole volume of instruction in these brief facts.

In the famous Henry case with the Travelers Insurance Co., that gentleman had another set-back recently, when his attorneys petitioned the court at Denver for a modification of the decree not long since made in the company's favor. The court denied the petition.

A plan is on foot in Boston to organize a mutual benefit society for working men, by which, in case a member chances to be out of work, he may receive a weekly allowance for board. It is calculated that a six months' member would have one and a half month's credit for board.

A bill is before the House of Lords, to limit the amount of children's insurance so as not to exceed \$20 for children under 5 years of age, \$30 between 5 and 10 years, and \$40 for boys over 10 and under 14, and for girls over 10 and under 16. The money can be paid to no one but the undertaker, under a certificate stating the amount claimed, the name of the insuring society, and the cause of death. The amount payable under existing contracts is not to be affected, only the person to whom paid.

The Royal reports for 1889: net fire premiums received \$5,520,865, and losses \$2,912,565. The amount transferred to profit and loss was \$935,020. In the life branch, the new business was \$3,073,570, and the total net premium income \$1,310,480. The total life fund was \$17,365,570.

Mr. Joseph Flynn, of Toronto, the genial representative of the Agricultural Insurance Co., called at our sanctum in passing through Montreal *en route* for Great Britain. He is accompanied by Mrs. Flynn and expects to spend five or six weeks perambulating on the "ould sod." *Bon voyage.*

According to the actuaries' report, the death claims in the general section of the United Kingdom Temperance and General Provident Institution in 1889 were \$350,250, against \$447,240, the table expectation, or 78 per cent. of actual to expected claims. In the temperance section the actual death claims were \$219,370 against \$379,580 expected, or 57 per cent.

We are under obligations to Insurance Commissioners Merrill of Massachusetts, Forster of Pennsylvania, Raymond of Michigan, Duncan of Kentucky, and Talbot of Maryland for Insurance Reports. The Pennsylvania report embraces Part I and the others Part II, with Maryland including both fire and life business.

The case in the courts at Toronto between the Lancashire Insurance Co. and one Cousineau, the late proprietor of the Bon Marché, in which crookedness was charged, has been settled, the company accepting Cousineau's denial of all knowledge of fraud and paying back to the company \$4,000, each of the parties paying their own costs.

We understand that Mr. H. A. Holmes, who has represented the Canada Life as its general agent for Michigan, since the company entered that State, has disposed of his interest to the Messrs. Cox of Toronto, the company's agents for Northern Ontario, and that Mr. Donnelly, formerly of Belleville, will have charge of the Michigan field.

The second prizes of the Institute of Actuaries of Great Britain for essays on the effect of withdrawals on the mortality experience of life companies were taken by Mr. Emory McClintock, the actuary of the Mutual Life of New York, and Mr. Philip L. Newman also of New York. Mr. Chatham, a comparatively new member of the Institute, took the first prize.

Benjamin Franklin once said:—"A policy of life insurance is the cheapest and safest mode of making certain provision for one's family. It is a strange anomaly that men should be careful to insure their houses, their furniture, their ships, their merchandise, and yet neglect to insure their lives—surely the most important of all to their families, and far more subject to loss."

The bi-monthly report of receipts and disbursements of the Mutual Reserve Fund Life of New York is made by its auditors, showing as follows:—

Received on mortuary calls.....	\$431,629 41
Disbursed for death claims and costs of collection and adjustment.....	451,868 62
Disbursements in excess of receipts....	20,239 21

On which the *Chronicle* of New York remarks:—"The 20,239, needed above the receipts, doubtless came from the reserve fund. From this time forward this association will probably find its reserve, as long as it lasts, a very handy resource. The figures above are significant."

The journalistic air has lately been full of rumors about the intention of the Atlas Assurance Company to enter Massachusetts for business. Why not? It possesses plenty of cash and good underwriting brains, and might find New England quite as good a field as Old England. It has done well on the Pacific coast.

Take their own medicine.—During the excursion of the delegates to the National Life Underwriters Association down Boston Bay the other day, a representative of the *Standard*, who canvassed the 70 delegates, found that they carried an aggregate of life assurance amounting to \$2,107,500, or an average of \$30,107 each. Good at practicing as well as preaching.

Mr. George A. Cox, of Toronto, long prominent in insurance circles, vice-president of the Western Assurance Co., and one of the directors of the Canada Life, was elected president of the Canadian Bank of Commerce at the recent annual meeting, as predicted by the *CHRONICLE* some weeks since. The appointment is another fitting recognition of the financial ability and sterling personal worth which have been conspicuous in his career in the past, and by reason of which he has been repeatedly honored with positions of trust in his native Province.

The Caledonian Insurance Co. makes a good showing of progressive strength in its last annual report. The premium income in the fire branch for 1889 was \$635,370, which is more than double that of 1877. The fire loss, owing to large fires on the Pacific Coast, where it has for some time operated, was above the usual average, though the loss ratio on the business in Great Britain was but 58 per cent. The total income was \$1,471,275, and the total funds now stand at \$6,741,445, of which \$4,594,360 belong to the life and annuity fund. The new life business for 1889 was \$2,330,325, and the increase in life income \$62,235.

"The Doctor in Canada" is the title of a volume of some 350 pages compiled by Robert Wynyard Powell, M.D., of Ottawa, and printed in this city at the *Gazette* office. The book gives the existing Medical Acts of the several Provinces in full; legislation and regulations governing sanitary affairs; the various Provincial licensing bodies; instructors in the medical colleges and schools; sketches of the hospitals and asylums with supervising officers and medical staff; a list of the various health officers and histories of all the medical journals. A valuable feature of the book, and one which especially commends it to life assurance managers and agents, is that giving a complete list of all the licensed practitioners in the Dominion, thus furnishing an invaluable directory to date for ready reference. A list of the medical examiners of the several life companies is also appended. The book leaves little to be desired in the way of information, and will prove valuable to all desiring knowledge of the who and the where of the doctor in Canada.

**WANTED**—By a gentleman of long experience, a position as Inspector for a Fire Insurance Company. References, capability and character undoubted. Address "Inspector," care *INSURANCE AND FINANCE CHRONICLE*.

**CONNECTICUT FIRE INSURANCE CO'Y,**  
OF HARTFORD, CONN.

**CASH CAPITAL, ONE MILLION DOLLARS.**  
**CASH ASSETS, TWO MILLION DOLLARS.**

J. D. BROWNE,      CHARLES R. BURT,      L. W. CLARKE,  
President.                      Secretary.                      Asst-Secretary.



ST. LAWRENCE CANALS.  
 Rapide Plat Division.

NOTICE TO CONTRACTORS.

SEALED TENDERS addressed to the undersigned, and endorsed "Tender for the St. Lawrence Canals," will be received at this office, until the arrival of the Eastern and Western mails on Wednesday, the 27th day of July next, for the construction of a lift lock, weirs, etc., at Morrisburg and the deepening and enlargement of the Rapide Plat Canal. The work will be divided into three sections, each about a mile in length.

A map of the locality, together with plans and specifications of the respective works, can be seen on and after Wednesday, the 9th day of July next at this office and at the Resident Engineer's Office, Morrisburg, where printed forms of tender can be obtained.

In the case of firms there may be attached to the tender the actual signatures of the full name, the nature of the occupation and residence of each member of the same, and, further, an accepted cheque on a chartered bank in Canada for the sum of \$6,000 must accompany the tender for Section No. 1, and an accepted cheque on a chartered bank in Canada, for the sum of \$1,000 for each of the other sections.

The respective accepted cheques must be endorsed over to the Minister of Railways and Canals, and will be forfeited if the party tendering declines entering into contract for the works at the rates and on the terms stated in the offer submitted. The cheques sent in will be returned to the respective parties whose tenders are not accepted.

This Department does not however bind itself to accept the lowest or any tender.

By order.

A. P. BRADLEY,

Secretary.

Department of Railways and Canals,  
 Ottawa, 13th June, 1890.

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HANSON BROS.,

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

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Debentures and other desirable Securities purchased.

— THE —  
**EQUITABLE LIFE**

ASSURANCE SOCIETY.

ANNUAL STATEMENT.

JANUARY 1, 1890.

ASSETS,	-	-	\$107,150,309.12
LIABILITIES,	-	-	84,329,234.92
SURPLUS, 4%	-	-	22,821,074.20
" 4½%	-	-	29,063,684.00
NEW ASSURANCE,	-	-	175,264,100.00
OUTSTANDING ASSURANCE,	-	-	631,016,666.00
INCOME,	-	-	30,393,288.28

H. B. HYDE, President.

SEARGENT P. STEARNS, Manager

183 St. James Street, MONTREAL.

**PHOENIX**

INSURANCE COMPANY

(Of Hartford, Conn.)

ESTABLISHED IN 1854.

CASH CAPITAL	-	-	\$2,000,000.00
RESERVE FUND:			
UNADJUSTED LOSSES,	\$	254,523.43	
RE-INSURANCE FUND,	1,749,245.41		
			\$2,003,769.54
NET SURPLUS	-	-	1,301,235.59

H. KELLOGG, President.

D. W. C. SKILTON, Vice-Pres.

J. H. MITCHELL, 2nd Vice-Pres.

GEO. H. BURDICK, Secretary.

CHAS. E. GALACAR, Ass't. Secretary.

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BY J. GRISWOLD.

REVISED AND BROUGHT DOWN TO DATE BY THE AUTHOR,

*Who has introduced much new and valuable matter, including citations to decisions in the highest courts.*

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PRICE BOUND IN FULL LAW SHEEP \$10.

ADDRESS : THE INSURANCE AND FINANCE CHRONICLE.

### WHAT IS SAID OF IT.

*From the Insurance Monitor, New York.*

An announcement was made some time ago, that the veteran Griswold was engaged in a revision and enlargement of his famous Fire Underwriters' Text-Book ; but the work has progressed so quietly and so rapidly, that its completion and issue come as a surprise. The book is actually out, however, and its distinguished author has taken advantage of the criticisms that were made on the original work of 1872, to meet all the demands that can be made even upon so encyclopaedical a volume as this. He has added citations by the thousand, and in this revision and enlargement has given us a law book, a hand-book, a history, and an essay which make an issue at once unique and invaluable.

*From the Post Magazine and Insurance Monitor, London.*

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

*From the Baltimore Underwriter.*

While the Text-Book is encyclopaedic in its scope, its legal and historical features are particularly valuable. As a historical record it abounds with facts for useful and convenient reference, gathering together material otherwise widely scattered, and as a practical digest of court adjudications upon the vexed questions which have led to so much contention in fire underwriting, it is comprehensive to the last degree. Fire insurance companies and agents who possess themselves of this indispensable book will thank us for calling their attention to it.

*From The Budget, Toronto.*

In truth, no underwriter's library is complete without it. \* \* \* Mr. Griswold, the respected author, has once more placed the profession under obligations for the able and exhaustive work

he now puts before them, and as one of the number we offer him our hearty thanks for it, and compliment him on the completion of this revised edition of the Fire Underwriters' Text-Book.

*From the American Exchange and Review.*

The publication in 1872 of the Fire Underwriters' Text-Book, by J. Griswold, was the most notable event in special fire insurance literature that had then ever taken place. As an exposition of the fire branch of underwriting in its usages, principles, methods and technique, it could be pronounced adequate and thorough. In the seventeen years which have since elapsed, the Text-Book has been in companionship with the best minds engaged in fire insurance practice.

*From The Coast Review, San Francisco.*

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

*From the Insurance Age, New York.*

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

*From The Standard, Boston.*

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

# GUARDIAN ASSURANCE COMPANY.

LIFE.

ESTABLISHED IN 1821.

FIRE.

Empowered by Special Acts of Parliament.

Head Office, 15 Lombard Street, - - - - - London, E.C.

The sixty-eighth Annual General Meeting of this Company was held on Wednesday, 4th June, 1890, when the Directors' Report for the year ending December 31st, 1889, was presented.

The following summaries are taken from it:

### FIRE DEPARTMENT.

The **Fire Premiums**, after deducting Re-insurances, amounted to **\$2,533,082**, being an increase of **\$106,085** over last year, and the **Losses** to **\$1,592,004**. The Fire Account shows a profit, from Premiums and interest of **\$184,600**. The Directors have made a further addition to the Fire General Reserve Fund of **\$30,000**, and recommend that the Balance of **\$154,600** be transferred to the Proprietors' Account.

The **Premium Reserve Fund** to cover unexpired Policies will stand at **\$1,283,000**, and **Fire General Reserve Fund** at **\$1,910,000**. There will be, therefore, an aggregate fund (apart from the Proprietor's Capital) of **\$3,193,000** to meet Fire claims.

### LIFE DEPARTMENT.

The total number of Policies in force on 31st December last was **8,414**, assuring, with Bonuses, **\$37,301,095**. Of this sum **\$4,078,060** was re-assured with other Offices, thus reducing the ultimate liability of the Company to **\$33,223,034**.

The amount of the **Life Fund** at the same date was **\$12,306,885**.

Of the total profits of the Life Department for the past five years, amounting to **\$1,660,865**, inclusive of the Balance brought forward from the previous quinquennium, it is proposed to divide **\$1,500,000**, and of this sum the policy-holders take **\$1,200,000** and the proprietors **\$300,000**, in accordance with the constitution of the company.

#### THE PRESENT POSITION OF THE GUARDIAN IS AS FOLLOWS:

Capital Subscribed.	- - -	\$10,000,000	Total Assets.	- - - -	\$21,711,000
Capital Paid-up,	- - -	5,000,000	Annual Income.	- - -	4,681,000

### DIRECTORS.

The Right Hon. LORD ADDINGTON (Messrs. John Hubbard & Co.—Director of the Bank of England).  
 HENRY BONHAM-CARTER, Esq. (Sitting Director).  
 WILLIAM H. DAWSON, Esq. (Messrs. Bennett, Dawson & Bennett).  
 CHARLES F. DEVAS, Esq. (Messrs. Neville, Druce & Co).  
 ALBAN G. H. GIBBS, Esq. (Messrs. Antony Gibbs & Sons).  
 JAMES GOODSON, Esq.  
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 THOMSON HANKEY, Esq. (Director of the Bank of England).  
 RICHARD MURGRAVE HARVEY, Esq. (Messrs. Thomson Hankey & Co).  
 JOHN HUNTER, Esq. (Messrs. Hunters & Haynes).  
 GEORGE LAKE, Esq.

Manager of Fire Department—A. J. RELTON.

The Rt. Hon. G. J. SHAW-LEFEVRE, M.P.  
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 JOHN BIDDULPH MARTIN, Esq. (Messrs. Martin & Co., Bankers).  
 HENRY JOHN NORMAN, Esq. (Director of the London and Westminster Bank).  
 DAVID POWELL, Esq. (Messrs. Cotesworth & Powell—Director of the Bank of England).  
 AUGUSTUS PREVOST, Esq. (Messrs. Morris, Prevost & Co.—Director of the Bank of England).  
 JOHN G. TALBOT, Esq., M.P.  
 HENRY VIGNE, Esq.

Actuary and Secretary—T. G. C. BROWNE.

Head Office for Canada, - - - - - Montreal.

General Agents, { **ROBERT SIMMS & CO.**  
**GEORGE DENHOLM.**

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**The CALEDONIAN INSURANCE COMPANY**

OF EDINBURGH,

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Policies in Force . . . . . 13,165.

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INCORPORATED 1875.

HEAD OFFICE . . . . . WATERLOO, ONT.

SUBSCRIBED CAPITAL . . . . . 200,000.00  
GOVERNMENT DEPOSIT . . . . . 20,129.00

The Business for the past thirteen years has been

PREMIUMS received . . . . . \$758,104.65  
LOSSES paid . . . . . 419,643.90

++ LOSSES PROMPTLY ADJUSTED AND PAID. ++

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FIRE

**INSURANCE COMPANY**

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Capital, . . . . . £1,852,000 Stg.

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Over \$10,000,000 of new business issued in 1889.  
AGENTS WANTED IN UNREPRESENTED DISTRICTS.

# The New York Life Insurance Company,

346 & 348 BROADWAY, NEW YORK.

## SUMMARY OF FORTY-FIFTH ANNUAL REPORT.

**January 1, 1890.**

### REVENUE ACCOUNT.

Premiums, .....	\$ 24,585,921 10
Interest, Rents, etc., .....	4,577,345 14
<u>Total Income, .....</u>	<u>\$ 29,163,266 24</u>

### DISBURSEMENT ACCOUNT.

Death Claims and Endowments, .....	\$ 6,252,095 50
Dividends, Annuities and Purchased Insurances, .....	5,869,026 16
<u>Total to Policy Holders, .....</u>	<u>\$ 12,121,121 66</u>
New Policies Issued, .....	39,499
New Insurance Written, .....	\$151,119,088 00

### CONDITION JANUARY 1, 1899.

<u>Assets, .....</u>	<u>\$105,053,600 96</u>
*Divisible Surplus, Company's New Standard, .....	\$ 7,517,823 28
†Tontine " .....	7,705,053 11
<u>Liabilities, New York State Standard, .....</u>	<u>\$ 88,761,058 57</u>
<u>Surplus, by State Standard (4 per cent.), .....</u>	<u>\$ 15,600,000 00</u>
Policies in Force, .....	150,381 00
Insurance in Force, .....	\$495,601,970 00

### PROGRESS IN 1889.

Increase in Interest, .....	\$ 303,653 06
Increase in Benefits to Policy Holders, .....	1,148,051 61
Increase in Surplus for Dividends, .....	1,716,849 01
Increase in Premiums, .....	3,458,330 35
Increase in Total Income, .....	3,761,983 41
Increase in Assets, .....	11,573,414 41
Increase in Insurance Written, .....	26,099,557 00
Increase in Insurance in Force, .....	75,715,465 00

\* Exclusive of the Amount specially reserved as a Contingent Liability to Tontine Dividend Fund.  
 † 0 and above a 4 per cent. reserve on existing Policies of that class.

**WILLIAM H. BEERS, - - President.**

HENRY TUCK, Vice-Pres.

ARCHIBALD H. WELCH, 2d Vice-Pres.

RUFUS W. WEEKS, Actuary

THEODORE M. BANTA, Cashier.

A. HUNTINGTON, M. D., Medical Director.

### Statement of Canadian Business, Year ending 1st January, 1890.

Premiums Paid, .....	\$ 610,656 24;	Increase over last year .....	\$ 11,468 00
New Insurance Issued, .....	4,456,100 00;	" " " .....	620,000 00
New Insurance Paid for, .....	3,685,100 00;	" " " .....	971,927 00
Total Insurance in force, .....	14,320,863 00;	" " " .....	2,367,099 00

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