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ESTABLISHED 1881.

A MONTHLY JOURNAL

DEVOTED TO THE INTERESTS

OF

INSURANCE.

FIRE, LIFE, MARINE, ACCIDENT AND GUARANTEE.

VOL. V.

January to December, 1885.

PUBLISHED BY R. WILSON SMITH,

1724 Notre Dame Street.

MONTREAL.

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SUMMARY OF 39th ANNUAL REPORT.

New York Life Insurance Co.

OFFICE, 346 & 348 BROADWAY.

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

Morris Franklin, President.

BUSINESS OF 1888.

Received in Premiums.....	\$10,948,486.77	
Received in Interest, Rents, etc.....	2,712,863.89	
Total Income.....		\$13,661,350.66
Paid Death-claims.....	\$2,263,092.29	
" Endowments.....	452,229.80	
" Annuities, Dividends, and for Surrendered Policies.....	3,984,068.31	
Total Paid Policy-holders.....		\$6,699,390.40
New Policies issued.....	15,561	
New Insurance written.....	\$52,735,564.00	

CONDITION JAN. 1, 1884.

Cash Assets.....		\$55,542,902.72
*Divisible Surplus (Co.'s Standard, 4 per cent.).....	\$5,002,514.17	
†Tontine Surplus.....	2,236,096.04	
Total Surplus at 4 per cent.....	\$7,238,610.21	
Surplus by State Standard.....		\$10,300,000.00
Policies in force.....	69,227	
Insurance in force.....	198,746,043.00	

PROGRESS IN 1888

Increase in Income.....		\$1,710,704.87
Excess of Income over all expenditures.....	4 559,334.78	
Excess of Interest over Death-losses.....	449,771.60	
Increase in Assets.....	4,742,505.90	
Increase in Divisible Surplus (Company's Standard, 4 per cent.).....	53,672.38	
Increase in Tontine Surplus.....	144,723.88	
Amount added to Tontine Fund.....	1,116,939.00	
Amount paid on Matured Tontines.....	972,215.12	
Increase in Policies issued (over 1882).....	3,383	
Increase in new Insurance.....	11,410,044.00	
Increase in Policies in force.....	9,077	
Increase in Insurance in force.....	27,330,946.00	

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

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

THE NEW-YORK LIFE has now perfected a policy called **Non-Forfeiting Limited Tontine Policy**, which combines the non-forfeiture features originated by this Company in 1860, with the valuable options and benefits of the "Tontine Investment Policy." This policy marks the latest advance in life insurance. By a combination of non-forfeiture and Tontine privileges it obviates the objections heretofore made against both the ordinary policy and the ordinary Tontine, and it is confidently recommended as (1) the **safest** life policy issued, as regards liability to lapse; (2) the **most desirable**, as regards character of privileges and benefits; and (3) one of the **most profitable**, as regards cash returns.

CANADIAN BRANCH OFFICE.

UNION BANK BUILDING, NOTRE DAME STREET.

MONTREAL.

DAVID BURKE, SUPERINTENDENT.

INSURANCE

ROYAL

COMPANY.

GENERAL RESOURCES.
 CAPITAL \$10,000,000
 INVESTED FUNDS, \$28,000,000.
 SURPLUS OVER LIABILITIES. \$9,616,424.
 SHAREHOLDERS LIABILITY UNLIMITED.



CANADIAN POLICY-HOLDERS SECURED BY \$800,000 DEPOSITED WITH GOVERNMENT IN ADDITION TO OTHER DOMINION INVESTMENTS.
 CANADIAN PREMIUMS EXCEED \$600,000.
 RATES MODERATE. LOSSES EQUITABLY ADJUSTED — AND — PROMPTLY PAID.

CANADA LIFE ASSURANCE COMPANY

— ESTABLISHED 1847 —

HEAD OFFICE, - - - HAMILTON, ONTARIO.

Capital and Funds, over - - \$7,000,000. Annual Income over - \$1,200,000.

- A. G. RAMSAY, Pres't.
- B. HILLS, Secretary.
- ALEX. RAMSAY, Superintendent.
- J. W. MARLING, Manager Province of Quebec, 180 St. James St., Montreal.
- J. D. HENDERSON, Agent, Toronto.
- D. MACGARVEY, Secretary, P. McLARREN, Gen. Agent, Maritime Provinces Branch, Halifax, N.S.
- GEO. A. COX, General Agent, Eastern Ontario Branch, Peterboro.
- W. L. HUTTON, Manager,
- A. McT. CAMPBELL, General Agent, Manitoba Branch, Winnipeg

NORTH BRITISH & MERCANTILE FIRE & LIFE INSURANCE COMPANY.

HEAD OFFICE FOR THE DOMINION, 72 ST. FRANCOIS XAVIER ST., MONTREAL.

ESTABLISHED 1809.

SUBSCRIBED CAPITAL . . . \$12,166,666.
 PAID-UP CAPITAL 3,041,666.
 FIRE FUND AND RESERVES . . 7,748,543.

WM. EWING, Inspector.

—[MANAGING DIRECTORS]—
 D. LORN MacDOUGALL
 —AND—
 THOMAS DAVIDSON.
 —[DIRECTORS]—
 GILBERT SCOTT, Esq. CHARLES F. SMITHERS, Esq.
 HON. THOMAS RYAN.

ESTABLISHED 1809.

LIFE AND ANNUITY FUNDS - \$18,693,810.
 FIRE REVENUE 5,776,076.
 LIFE REVENUE 2,683,027.

G. U. AHERN, Sub-Insp.

TOTAL ASSETS - - - - \$29,484,019.

TOTAL ASSETS - - - - \$29,484,019.

—[AGENTS IN ALL CITIES AND PRINCIPAL TOWNS IN CANADA]—

JANUARY,

1885.



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DAMAGE BY REMOVAL.

IN FIRE INSURANCE.

Our attention has been called to the very interesting case of McLaren v. The Commercial Union Assurance Co., appearing on page 64 Ontario Reports (Queen's Bench Division) for 1884, the particulars of which are as follows: The plaintiff effected an insurance in the defendant company (May 10, 1884), for the sum of \$1,000, covering stock-in-trade in the Town of Port Arthur. Among other clauses of the policy was the following: (Statutory conditions, schedule to chapter 162 R. S. O.) 5. "Where the property insured is only partially damaged, no abandonment of the same will be allowed unless by consent of the company or its agent; and *in case of the removal of property to escape conflagration, the company will rateably contribute to the loss and expense attending such act of salvage.*" We italicise the latter portion as important, and for future reference.

The stock-in-trade at the time of insuring was valued at \$6,000; but increased during the next sixty days, so that at the time of the fire, June 21, of same year, it was \$14,500.

A fire occurred on the last-mentioned date in an adjoining building, by which plaintiffs' building was several times set on fire, thus endangering his goods to such an extent that he deemed himself justified in removing them to a place of safety, which he did. His own building, however, was not burned, nor was any of his goods, but he claimed for breakage, injury, etc., consequent upon removal, the sum of \$1,450. The Company, admitting the propriety of the removal, also admitted its liability for damages upon the goods to the extent provided by the terms of the policy, and offer-

ed to contribute *rateably* with the insured upon the damaged property, which, under the common acceptance among underwriters of the term "rateable," would have been in the following proportion, viz.: As \$14,500 value is to \$1,000 insurance, so will be \$1,450 loss to \$100. The insured would not accept this sum, and carried the matter into Court, where, as the Court said, the only matter for consideration was, whether the plaintiff was entitled to recover from the defendant the full amount of the policy, or whether the defendants were discharged by a *rateable* payment, as provided in such cases, by the terms of the policy itself.

The Court then proceeds to argue somewhat after the following loose style; which, as it is lawful to discuss and criticise the decisions of any court of law,—if not justice in all cases—so long as no imputations of dishonesty are charged upon its judges—we offer the following criticisms upon the various dicta, as we proceed:

The Court says (page 65): "The first question, and one that the answer to which seems to me really decisive of the case, is whether the damage thus caused is within the policy" (no one denies this). "The great weight of authority is that in such case the fire is looked upon as the proximate cause of the damage, and that the policy covers it, unless excluded by its terms." A truism up to the exception "unless excluded by its (the policy's), terms. But the terms of the policy, while recognising its liability under such circumstances, *did exclude*, to a certain extent, all such claims, by agreeing to become liable only in a *rateable proportion* with the insured for any such loss. What a *rateable* proportion is, as understood by insurers, has already been explained in the example hereinbefore given, and in this light it has ever been held proper and legal.

The Court proceeds: In *May on Insurance*, 2nd American Ed. p. 612, s. 404, it is said: "Damages resulting from *bona fide* efforts to save the property from fire, as by water and breakage by removal, and by loss or theft consequent upon exposure occasioned by the fire, are within the loss covered by a policy against damage by fire."

So in *Phillips on Insurance*, 5th Am. Ed. p. 634-635, sec. 1098a: "The underwriters are liable for damage to the subject and expense directly incidental or consequent to the fire; as damage to the insured goods by water thrown on to extinguish the fire, and the expense of removing the injured property from the fire." Both of these quotations

are correct fire insurance gospel, as far as they go, and *provided only* that, as this Court has just said (page 65) *it is not excluded by the terms of the policy* itself, as in this case, and in case of *theft at fires*—one of May's examples—against which, since A. D. 1846, the companies have protected themselves, and been upheld by the Courts in so doing, by the following clause: "Nor for any loss by theft at or after a fire." (sec. 14 How. N. Y. 363; 14 Mo. 3; 17 La. Ann. 131). Hence it follows that if a clause in the policy releasing the insurer from liability for losses by theft at and after a fire is legal, as it has been frequently declared to be, then a clause in the policy under similar circumstances, agreeing only to be liable to share any loss *rateably* with the insured is equally legal and equitable, though entirely ignored by the court in this case,—a contract is a contract for *both* parties, and binds both equally. Insurers are no exception; they have the right to insist upon a due observance of every policy condition assented to by the assured by the acceptance of the policy, and are entitled to the benefit of every restriction upon their liability provided for in the contract. (N. Y. C. A. 5 Ins. Law Jour., 515.)

The Court then refers to the case of *Thompson v. Montreal Ins. Co.*, 6 N. C. R. (Q.B.) 319 (Upon which its own decision was evidently based, for both of the cases were so similar as scarcely to be distinguished), and cites from p. 326, as follows: The court says that the condition (rateable) in the policy has "no reference to anything but the mere expenses of saving what has escaped destruction, and cannot be distorted into a stipulation that the assured must go without indemnity for any part of the destruction which his property has suffered, and which his insurance covers."

Here we find the effect of precedent, that recognised bane of English jurisprudence especially, the scape-goat upon which baffled wisdom and imbecility alike cast their burdens of doubt or ignorance; and in many cases thus perpetuating injustice under the color of law, by blindly following in the footsteps of those who have gone before.

The insurance policy is a contingent contract, upon future events, and requires certain conditions providing for the security of the insurer as well as the indemnity of the insured. They have been found necessary to the business; have arisen out of and grown up with the business, and are inseparable from it, and control its operation and effect, especially where the condition is an express one and not contrary to good morals.

We think that our cousins across the line have the advantage of us in this matter, as they have a case—that of *Wilson v. Peoria Marine and Fire Ins. Co.*, 5 Minn. 53—where the true construction of the *rateable* clause is given in the opinion of the court by which its legality was affirmed, the condition in the policy was to the same effect as in the Canada case, as follows: "Nor for any loss or damage caused by removal of property from a building, except it be proved that such removal was necessary to preserve the property; *in which case the damage shall be borne by the assured and the company in the proportion as the sum hereby insured bears to the whole property insured.*" Which is simply a pro rata or rateable clause, the effect of which is thus lucidly recited by the Court. "This condition has been held to mean that the damage occasioned by the removal of property,

in case of fire, should be borne by the parties according to their respective interests or risks, the share of either bearing the same proportion to the whole damage that his interest in the property or risk bore to the whole value; and that the insured could recover only such proportion of the loss by removal as the insurance bore to the whole property at risk at the time of the fire." And this ruling upholds the defendant company in its claim. If the amount at stake would warrant it, we should advise that the case be appealed to a higher court, where, if properly presented, there seems to be small doubt that the present decision would be reversed.

INSURABLE INTEREST UNDER THE FIRE POLICY.

We are asked to define the insurable interest of a party who has erected a building, at his own cost, upon a piece of property held by him under a contract of purchase, upon which two payments have been made. The contract provides that if the purchase money, or any portion thereof, shall remain unpaid at the expiration of a certain period of time therein named, any improvements made upon the property shall revert to the vendor, under certain conditions as to valuation, etc., which are not material to the question at issue.

The subjects which a fire insurance contract may be made to cover are almost endless in form and variety, including everything in which an interest can be recognised, the loss of or injury to which can be compensated for by money values; and to establish such an interest it will only be necessary to show such a connection between the subject matter of the insurance and the party in interest, as may be sufficient for the purpose of deducing the existence of such loss, damage or injury to himself, as may be thus pecuniarily indemnified. Such interest may even be changed from an absolute to a qualified or contingent ownership; or from a legal to an equitable interest, if the remaining interest be not one which, by the terms of the insurance, is required to be specifically described and consented to by the insurer.

Thus between vendor and vendee, any interest, inchoate or equitable, held under a valid executory contract, and while such contract exists gives an insurable interest to its full value, even though the purchaser may not have obtained possession, actual or constructive; provided only, that the destruction of or injury to such property will not affect the liability of the vendee to the vendor, as to payment for the property. (1 Wend 85; 12 id. 507; 16 id. 385; 3 Summer, 132; 5 Peters U. S. 25; 5 Sneed, Tenn. 139; 2 Dutch, N.J., 541.)

A purchaser in possession, as in the case of our querist, if he has paid the purchase money, or any portion thereof, or has expended anything upon the subject, has a direct insurable interest thereon, in the nature of equitable ownership, without regard to any liability to the vendor. (*Franklin Fire Insurance Co. vs. Martin*, S. C. N. J. 8 Ins. Law Jour. 134, and the authorities already above cited.)

A person in possession, under an agreement for a conveyance, has a substantial and an insurable interest. If the property be destroyed it will be his loss, in contemplation of law. If he has paid the purchase money, the property is his property, in fact, and its destruction by fire would be

his loss as much as if the formal legal title were in him. (Millville Ins. Co. v. Wilgus, S. C. Pa. Jan. 1879.)

These last two decisions, from such high authority, although American courts, so completely answers the question submitted to us that further comment is unnecessary. The vendee has a valid, legal, and recoverable insurable interest in his building, though he has an unfilled purchase contract for his title.

TAXING INSURANCE COMPANIES.

The remark of old Polonius to the Prince of Denmark—"Still harping on my daughter"—may be adapted to ourselves regarding above subject, as our readers are well aware that we have struck the same note time and again, and yet it would seem that the public remain in that state of total blindness which is applied to those who *will* not see.

Taxation of insurance companies by municipalities may at first sight appear to the citizens a capital way of raising a revenue, the argument being two-fold, viz. : (1) that as the companies derive a certain income out of said municipalities it is only fair that the former should contribute to the support of the latter; and, (2) that by such contribution the citizens will be relieved of a burden that would otherwise rest on themselves. We have on several occasions endeavored to show the fallacy of this argument, and have pointed out that fire insurance is as much a branch of trade as dry goods for example, and is quite as necessary in those days as any other article of commerce, yet we venture to predict that, should any municipality propose to levy a special tax upon dry goods merchants, the members of that municipality would be considered only fit for a lunatic asylum, though for our part we cannot see the difference between dry goods and fire insurance from a mercantile standpoint.

There are certain people who talk at random about the erroneous profits of fire insurance companies, but if these self-constituted judges are cross-examined as to figures their boasted knowledge turns out to be the grossest ignorance. In the words of a former barrister in a celebrated case: "would it surprise" those gentlemen "to hear" that, so far from enormous profits, the British companies, as a whole, have made a loss on their Canadian fire business during the nine years ending with 1883 of \$1,373,424! This certainly includes the large fire of St. John, N.B., but those extraordinary conflagrations have to be accounted for, and it is precisely here where the general public show their folly regarding fire underwriting, when they demand security against said conflagrations and yet grumble at rates which are fixed to enable the formation of a reserve which will give such security. The old argument that this or that particular city can never suffer as St. John has suffered has been worn threadbare. Boston made the same remark about itself immediately after the Chicago fire, and St. John believed itself to be equally secure even after the double warning.

Now, regarding the second point in favor of taxing insurance companies for the support of municipalities, it is equally as erroneous as the first, for sooner or later such tax will be indirectly borne by the insured—those who are not insured escaping—so that the tax is an outrage from an equitable point of view, whatever it may be legally

This subject of taxation of insurance companies has come before us prominently of late in connection with two important cities, viz., Halifax and Quebec. In both these places the authorities have "outheroded Herod" in their unjust mode of taxing the companies by fixing a stated amount of \$200 and \$500 respectively that each company has to pay, so that the percentage of the tax to the premium income is necessarily very high for a company doing a small business, and is correspondingly low for those whose incomes are very large. In Halifax we understand the tax has been paid under protest, the companies being desirous of testing the legality of the charge, which is all very well as far as it goes, but it would seem the offices anticipate the case being decided against them, for the rates on certain mercantile risks have been raised ten per cent. to meet the said tax which is a very proper and praiseworthy method of "putting the saddle on the right horse," but in the first place such does not adjust the charge equitably, for this reason, that whereas the aforesaid tax of \$200 is only 1 per cent. on the income of \$20,000 it is 10 per cent on an income of \$2,000, so that while the company with the latter, by the advance in rates, only just covers the outlay incumbent upon the tax, the company rejoicing in the former revenue absolutely makes an increase in its premium income by the tax of 9 per cent! In the second place, however, from what we can gather, the said advance of ten per cent. is merely nominal, for while tariff risks are thus raised, we hear that risks outside the tariff are lowered, so as to leave the premiums paid by the public exactly where they were!—Can a greater satire upon fire underwriting than this be quoted?

Turning to Quebec we hear that when the new water works are complete the city authorities will demand a reduction in rates or impose an additional tax. Now, as the rates in the Ancient Capital have already been reduced *in anticipation* of the improved water service, this demand should be answered by the companies in a manner worthy of the impudence which inspires it. Quebec, as its record shows, has a large balance to its debit in the books of the fire insurance companies, and, should it continue in its extortions, may live to learn the truth of the saying that "it is the last straw which breaks the camel's back."

Special taxation of insurance companies, whether for the purpose of supporting the expenses of fire brigades or to help to defray expenses of any municipality, is wrong in principle and unfair in its application. It is wrong in principle because the insurance rates are based independent of such taxation, and it is unfair in its application because, by increasing the rates to meet the tax, the insured pay the whole of same, while the uninsured contributes nothing.

CO-OPERATIVE BILL.

We have given much time and attention to this matter during the present month, but are unfortunately not able to give the results to our readers in this issue, as we have not yet received replies to a number of letters written by us. We think it better to have all the facts in one number, and intend, therefore, to devote considerable space to this question early next month.

THE LIFE ASSOCIATION OF CANADA.

Inquiries have been made of us as to whether this company is solvent and able to pay all its claims in full. It is so most decidedly. Policy-holders need not have the slightest hesitation in paying their premiums, for their claims are absolutely secured by the capital of the company. It is true that it has decided to withdraw from business, but, by the law of the Dominion, every policy-holder is entitled to the full reserve on his policy as calculated by the Superintendent of Insurance on the Government standard; unless he himself consents to surrender his policy for a smaller amount the Company is bound to pay him this amount before it can withdraw from business.

INCREASE OF WEALTH.

In an article published last month we attempted to portray the relative wealth of the Dominion, as compared to that of the United States, of New York State, separately, and of London, England, taking our data from such Fire Insurance returns as we had at our command. Since the said article was written we have received the returns of the property covered in London for 1883, and we now propose to draw the comparison between the amount of property insured in the above-named places in 1882 and 1883 respectively, which we take it will form a pretty good guide as to the increase or decrease of the wealth in those places within the twelve months alluded to. These figures will not only be interesting, but we are sure will astonish some who are in the habit of believing that the growth of capital is very much more rapid in the young countries than in the old.

The following is the table we present to our readers:—

	Est. Pop.	Amt. Insd. 1882.	
Canada.....	5,000,000	\$478,044,416	
United States.....	56,000,000	8,793,693,176	
New York State.....	5,000,000	2,890,656,418	
London.....	4,500,000	3,483,575,705	
	I (increase)		
	Amt. Insd., 1883.	D (decrease)	Per Capitum
Canada.....	\$513,580,302	I. \$35,535,886	\$ 7
United States.....	9,440,409,187	I. 646,716,011	11½
New York State.....	2,880,432,062	D. 10,224,356	2
London.....	3,625,362,935	I. 141,787,230	31½

Now these results are certainly startling, proving as they do that whereas Canada shows an increase in insurable property of about \$7 to each inhabitant the United States and London show \$11½ and \$31½ respectively.

Therefore it would appear that Protection does not prove to be that wonderful "el dorado" which its advocates are continually preaching it to be, nor is "Free Trade" that slough of despond which some of our daily papers harp upon "ad nauseam."

The above, be it understood, are not our figures, but are simply taken from the various blue books, and therefore have a value attached to them apart from and superior to all party feeling. The figures are stubborn facts, and, if there be any truth in the dirge sung about England's decline in prosperity by a few of our contemporaries, how is it that during 1883 there was insured in London \$141,787,230 more property than in the year previous, and this in spite of the decline in prices and shrinkage in values consequent on dull times? Perhaps it will be said that we must not take London by itself but look to the entire United Kingdom. We accept the challenge—albeit a little out of this paper's accustomed beat—retorting that partial truths are generally misleading, and it is not exactly fair-play to blazon forth, as had been done recently in certain Canadian papers, the distress among the laboring population of Newcastle and the bad state of the shipping trade generally in Great Britain during a period when business everywhere is far from satisfactory, while no notice is taken of the condition of the country as a whole, and no comparison drawn with former years to enable the readers of those journals to arrive at a just estimate as to whether the said country is more or less prosperous than at previous epochs.

We, unfortunately, have not the insurance statistics for our purpose, but we have others derived from Earl Granville's reply to Lord Dunraven's attack upon England's Free Trade policy, and we submit the following remarkable figures:

During the years 1869-74 the amount which was assessed for the income tax was a total of £407,000,000 while for the five years ending 1883 it was £601,000,000! The pauperism (which we hear so often decried) had absolutely decreased from 42½ per mille in the years 1869-1874 down to 29 per mille in 1883! In 1869 the Savings Banks' deposits were £51,000,000 and in 1883, £87,000,000!

The consumption of sugar, which was 15 1-5 lbs. per head of population in 1840, had increased to 71 3-5 in 1883, and tea from 1 1-5 to 4 4-5 lbs. Does this, we ask, look like a country "played out" or ruined by Free Trade? Here we have given figures showing in the first place the absolute increase in the insurable property in the country's metropolis during one year; secondly, the increase in the positive income of the whole country is exhibited by the income tax; thirdly, the decrease in the percentage of pauperisms; fourthly, the increased savings of the community; and, fifthly, the astounding increase in the consuming power of the population in two articles which have been reduced enormously in price said reduction being the necessary effect of the Free Trade policy.

In conclusion, we may perhaps be excused from quoting an apt passage bearing upon this subject from one of our Montreal papers, which runs thus:—But when protectionists point the finger at England, and tell her after "forty years she still stands alone on the Free Trade question" she may be excused from retorting that that is not the "only subject upon which she stands alone; that in commerce she enjoys such a supremacy as to be practically "isolated; that she is the world's banker and the world's "common carrier."

We might almost add and the world's common insurer, for the agencies of her companies are to be found extending from Yokohama in the East round the Globe to San Francisco in the West.

THE FIRE INSURANCE ASSOCIATION.

At a recent meeting of the Directors and Shareholders of the Fire Insurance Association, held in London, Eng., it was decided to increase the reserve fund, and for this purpose a resolution was unanimously adopted reducing the capital of the company from \$5,000,000 to \$4,500,000, and thus adding \$500,000 to the reserve fund. This proceeding, the London *Post Magazine* designates as "eminently wise and business-like," and adds to the stability of the company. There-serve fund now amounts to \$850,000, in addition to the capital of \$4,500,000, which places the Fire Insurance Association in a position to extend its operations very considerably, and gives the most ample security to all of its policy-holders.

Mr. William Robertson, the general manager for Canada, who is ably assisted by Mr. E. P. Heaton, the inspector,—for whom we venture to predict a bright career in fire underwriting—is, in our opinion, adopting a very wise and conservative course just now, and one which we have no hesitation in saying will lead to more profitable results as far as Canadian business is concerned.

"TO BUILD UP A NATION, SUPPORT ITS INSTITUTIONS."

CAPITAL and ASSETS exceed \$1,500,000.
REVENUE 1884 exceeds (est) 400,000.

FIRE LIFE ACCIDENT

Citizens Insurance Company of Canada.

INCORPORATED 1864.

Head Office: 179 St. James Street, Montreal.

DIRECTORS AND OFFICERS OF THE COMPANY.
 HENRY LYMAN, Esq., - - - - - PRESIDENT.
 Lyman, Sons & Co., Montreal and Toronto,
 Director Canada Shipping Company.
 ANDREW ALLAN, Esq., - - - - - VICE-PRESIDENT.
 Allan S.S. Co., President Merchants Bk. of Can.
 ROBERT ANDERSON, Esq.,
 Vice-President Merchants Bank of Canada.
 J. B. ROLLAND, Esq.,
 Capitalist, Montreal Harbor Commissioner.
 ARTH. PREVOST, Esq. Dir. Banque du Peuple.
 CHARLES D. PROCTOR, Esq., Capitalist.
 HUGH M. ALLAN, Capitalist.
 GERALD E. HART, - - - - - GENERAL MANAGER.
 ARCH. MCGOUN, Sr., SECRETARY-TREASURER.

CHIEF AGENTS.
 MALCOLM GIBBS, J.B. BOUSTEAD, TORONTO
 DAVID SMITH, - - - - - LONDON.
 ROBERT STRANG, - - - - - WINNIPEG.
 W. B. SWEENEY, - - - - - HALIFAX.
 OSBORNE BLOIS, CHAS. A. MACDONALD,
 St. JOHN, N.B.
 A. S. URQUHART, - - - - - CHARLOTTETOWN.
 GEORGE LAMESSURIER, St. JOHN'S, NEWF'LD.

HENRY LYMAN,
 PRESIDENT.
GERALD E. HART,
 GENERAL MANAGER.

RESERVE FUND \$246,418.
CLAIMS PAID to 1st of Jan'y, exceed 2,200,000.

"The Proprietary of this Company includes many of the Wealthiest Capitalists of Montreal."

THE NEW BRUNSWICK BOARD OF FIRE UNDERWRITERS.

REPORT OF THE TWENTIETH ANNUAL MEETING HELD IN THE BOARD ROOM AT ST. JOHN, 14th JANUARY, 1885.

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

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

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

GENTLEMEN,—In the last annual report attention was called to the fact that the Water Works at Woodstock were in course of completion, and I now have pleasure in reporting that a very successful public opening of the works was held on the eighteenth day of June last, at which the Fire departments of the cities and towns in the Province were represented, and the Works after a thorough test were found to work most satisfactorily. A new tariff for that town has been prepared and published by order of the Board under the supervision of Mr. C. E. L. Jarvis.

Several attempts at incendiarism having been made in the early part of the year a committee from the Board was given full power to take such steps as might be found necessary, and through the prompt action of that Committee, with the valuable co-operation of Mr. C. D. Lacy, the Inspector of the Imperial Fire Insurance Company, and the vigilance of persons employed, the evil was effectually checked.

In March last the Board decided to undertake jointly with the Salvage Corps the establishment of that body into an organization separate from the Fire department, but as the members of the corps were unwilling to allow us to exercise any control over the stock and property to be furnished by the Board the scheme was abandoned.

The Glasgow and London Fire Insurance Company was, on application, admitted to membership on the twenty-sixth day of July last.

As it has been found of great advantage in fixing rates to consult the plans, a complete set has been procured from Mr. Chas. E. Goad for the use of the Board.

During the year we have been called upon to record the death of Henry Jack, Esq., late agent of the North British and Mercantile Insurance Company, who for nearly twenty years was a staunch supporter of the Board.

The Chief Engineer of the Fire department, John Kerr, Esq., has filed with the Secretary his report on the annual inspection of Mercantile risks in Saint John.

I congratulate the members on the harmony that has prevailed at our meetings during the year, and return my sincere thanks for the expression of your confidence by electing me a second time to the Honorable position of President of the Board.

With best wishes for favorable results on the present year's business, to the Board Companies,

I remain, Gentlemen,

Your obedient servant,
(Signed), GEO. E. FAIRWEATHER,
President.

Saint John, N.B., January 7, 1885.

The election of officers then took place, when Mr. Geo. E. Fairweather (London and Lancashire) was unanimously re-elected President, and Mr. Peter Clinch, Secretary.

The following were then nominated and appointed a standing committee on rates: E. L. Whittaker, Thos. Maclellan and R. W. W. Frink.

The members of the Salvage Corps Committee are: Major J. MacGregor Grant; C. E. L. Jarvis; and R. W. W. Frink.

WHAT CONSTITUTES A MONTH IN THE FIRE INSURANCE POLICY?

The question has arisen among some of our junior fire underwriters, as to the exact day of expiration of a policy written upon the 30th day of August of any given year, for the period of six months, the point at issue arising from the intervention of February, with its 28 or 29 days only, as the terminal month of the six, for which the policy was written; thus seemingly curtailing the time expressed in the policy to the extent of two or, at times, three days, if it be held to expire on the last day of February.

The question is of easy solution; it was written for "six months," from a given date, nothing being said as to how many days the several months included within that period, should consist of, either individually, or in the aggregate; and as February, notwithstanding its shortcomings as to its number of days, as compared with its sister months, is nevertheless a "month" to all intents and purposes, and one of the six for which period the policy was written; and being, in this case, the last of the six, the policy must expire upon its last day, the 28th or 29th, as the case may be, for in all contracts, where not otherwise expressed, all months are calendar months, except in common contracts, such as leases in England, where a month in such cases, signifies a *lunar* month of four weeks. Calendar months are then always intended when months are named, without further qualification; and the policy will expire, or a note matures with the expiration of the specified number of months; the policy under consideration will expire, as above stated, on the last day of February, at 12 o'clock, noon, unless another hour of expiration be named in the policy, or, if no hour be specified, it will expire with the expiration of the day of 24 hours.

In this case, however, even if computed by days, it will be found that they will terminate at the date above cited. The old common law, as well as that of some States, makes the half-year consist of 182 days, so from August 30th to February 28th there are just 182 days. Should leap-year intervene with its extra or intercalary day, it will make no difference, as the law holds the 29th to be but the 28 repeated, a "*dies non*," or "no day." The insured then in this case, would get his full quota of days as well as months called for by his policy.

The law making 182 days a half-year, and 92 days a quarter year, is arbitrary, and intended only to simplify matters of time before the courts, when not provided for in the contracts, or where no specified dates of commencement or termination are given. The actual number of days, however, contained in any given number of months will vary as many as three days depending upon the combination of months selected thus:

From Jan. to July	are 6 months or 181 days.
" Oct. to April	are 6 " " 182 "
" June to Dec.	are 6 " " 183 "
" July to Jan.	are 6 " " 184 "
" Feb. to May	are 3 " " 89 "
" Jan. to April	are 3 " " 90 "
" April to July	are 3 " " 91 "
" May to Aug.	are 3 " " 92 "

The operation of the various groupings of months and days was exemplified, not a great while ago, in a life insurance case, where the insured lost his money by a single day. It was the case of *Banman vs. the Metropolitan Life Co.* tried in the city of Baltimore. One of the stipulations of the policy was that if the insured should die "within three months" from the issuing of the policy, no loss should be payable. The premium had been paid in advance, covering a period longer than three months. The insured died after the policy had been in force *thirteen* weeks. The company claimed that thirteen weeks did not make up three full *calendar* months, and that three *lunar* months were not a sufficient compliance with the terms of the policy to entitle the representatives of the insured to recover; and that the payment of the premium to, and receipt by the agent, did not constitute a waiver of the clause on the part of the company.

The Court held that *calendar* months were meant by the policy clause; that the agent had no authority to waive the provision of the policy by accepting the premium which actually covered "three calendar months;" and that, notwithstanding the payment of the premium, if the insured did not live three months there could be no recovery as against the company. In this case the insurance money was lost but by a single day; but this day was just as much the right of the insurers as a month would have been. A contract is a contract, and when it fairly expresses the intention of both parties it is not in the power of the Court to alter it, even though but a single day happened, in this case, to intervene to save the company. The contract called for it; the law demanded it, and the court awarded it.

MUTUAL RESERVE FUND LIFE ASSOCIATION OF NEW YORK.

The officers of this association have wisely concluded to take no further notice of the exposures made by us in recent numbers of *INSURANCE SOCIETY*. Since they cannot deny their truth they are probably hoping that the matter will blow over. That our readers, however, may not lose track of the points made by us, we repeat below one of the most important of them:

ITS COST.

It is claimed that the cost on the average will not exceed \$10 per annum per thousand. Is this possible? If the heirs of every member of one of these concerns are to receive the full \$1000 promised, it needs no argument to show that every dollar of that \$1000 must be paid in. Now, if we take a society of ten thousand people aged 35 on an average, the expectation of life will be about 31 years for each. This means that *each* person of the ten thousand would, *on an average*, have to pay over \$32 every year for death assessments alone, apart from expenses. This is more than three times the rates quoted by the co-operatives. But let us put the matter differently. Let us take their promise that the rate will not exceed \$10 per annum.

Amounts to be received: \$10 per annum for 31 years from each of the 10,000.....	\$3,100,000
Amounts to be paid: 10,000 death claims at \$1000 each	10,000,000
Deficiency	\$6,900,000

The Mutual Reserve Fund's much boasted extra "reserve," which would amount to perhaps a little over another million, is at once seen to be but a drop in the bucket. It would need perhaps three times as large a reserve fund,—and then you have regular life assurance.

To keep the rate at \$10 per \$1,000, and still pay all claims in full, the members would *all* need to live for one hundred years after joining, that is till they were all 135 years old.

But suppose that only ten out of every thousand will die as they say in each year, how will it work?

Age.	Number Living.	Number Dying.
35	10,000	100
36	9,900	99
37	9,801	98
38	9,703	97
39	9,606	96
40	9,510	95

And thus it continues with the following results:

Age.	Number Living.	Age.	Number Living.
50	8515	150	3104
60	7701	200	1877
70	6965	250	1140
80	6298	300	695
90	5695	400	264
100	5150	500	104
125	3997	1000	2

If the theory of the co-operatives is true, that the assessments will not exceed \$10 per \$1,000, some of the members will have to reach the age of 1000 years. The very idea is laughable, but it shows the nature of the promises made by the co-operatives. And then, they say, the life companies charge too much, according to *their* way of thinking!

The Mutual Reserve Fund claims that there will be sufficient gain from lapses among the members to prevent the death-rate increasing much.

We can hardly credit that any sane man could delude himself sufficiently to believe such an absurdity. Let us see. Of those policies which do lapse in life assurance companies, the average duration is about four years. If each of these paid \$10 per annum they would on the average have each paid \$40 towards the death claims of others, before their certificates lapsed. *It would require one hundred and seventy-two thousand five hundred (172,500) certificates to lapse in order to make up the deficiency of \$6,900,000.* This is comforting, no doubt, to the holders of certificates in the Mutual Reserve Fund and other co-operatives. In order to keep the cost of death assessments alone down to \$10 per annum, less than one member out of every eighteen can receive anything at death. The other seventeen have the pleasure of knowing that they are paying for the other one, and that their own families will receive nothing. The absolute rottenness of the foundation on which the co-operative system rests is shown most conclusively by the extremity to which they are pushed to answer a simple argument like the one adduced by us. It is absolutely unanswerable.

But there is another feature in the case of the Mutual Reserve, which makes the statement even more ridiculous. We have been showing that it is impossible for any society to pay its claims and still charge only \$10 per \$1000 assurance. But the Mutual Reserve Fund advertises that

its certificates cost their holders less than \$5 per annum! If the cost is not to increase beyond \$5 there would be an additional deficiency of \$1,550,000 to make up, increasing that amount to \$8,450,000 out of the \$10,000,000 to be paid. The gains from lapses would be reduced to \$20 each, and it would require *four hundred and twenty-two thousand five hundred* (422,500) lapsed policies to provide for the deficiency on ten thousand claims.

PERMANENT AND TEMPORARY LIFE INSURANCE.

THE ESSENTIAL DIFFERENCE.

(From *The Insurance Times*, N. Y.)

The reach of a man's mind is a fair test of his character. A strong and able mind is always far-reaching, taking in the future as well as the present, and using the now as the foundation for the safety and improvement of the hereafter. There is no other way of building up a successful and honorable independence. "Self-made men," the "architects of their own fortunes," have always pursued this course, and that is the reason why there is with such men, figuratively speaking, "no such word as fail."

All men are anxious to pry into the future, which is providentially shut from their view, but although such prescience is denied to mortal man, he has a more fitting and for him a far better privilege of preparing now for what may, and also for what must, befall him. The wisdom and sufficiency of that preparation depend on the extent of its reach. If the making ready is short in its aim, not going with certainty beyond a few years, it is neither complete nor reliable, for the provision made for a decade in not a few instances proves as insufficient, futile and utterly wasteful as that made but for a day.

If a man build his house so cheaply and slightly that it may collapse within his lifetime, it makes little difference whether it fall and kill him sooner or later, if at any time he should be crushed in its ruins. By the light and teaching of such experience we may discern the wide and essential difference existing between regular, legitimate, scientific "old-line" life insurance and the temporary expedient called co-operative or assessment life insurance. The former kind has all the guarantees of certainty, now and for all time, which could be given to any human, finite institution, and the latter is, in its essence and inherent quality, not only temporary and contingent, but also permeated with the elements that in time must lead to its total dissolution.

Many writers who ought to have known better have compared insurance to betting and gambling, because they had not sufficiently studied the subject to understand its real nature. Legitimate life insurance eliminates chance from all its calculations. That element is carefully excluded from its system, which is based altogether on ascertained and demonstrated facts. Their objections and criticism apply, however, with full force to assessment life insurance, for that is chance work in every respect, except as to the certainty which attends all mere hazard of ultimate dismemberment and extinction.

With real life insurance it is thus: If you die tomorrow, or at any possible time in the future, the amount of your policy and its accretions will be due and will be paid to your heirs, or to yourself, if you have insured for your own benefit, when you grow old and incapacitated for labor. That is the understanding and agreement, and the fulfilment of the contract is made sure by funds, drawing interest, set by for the purpose. With the base and cheap imitation of life insurance it is thus: If you insure in a co-operative, or rather assessment, association, you depend on the success which attends the collection of the assessments levied on your fellow-members, and if they are paid only in

part, the policy you bequeath is only partly paid; and if they fail altogether to meet the losses becoming claims, your policy is worth little more than waste paper.

If the teaching of the past is of any value as a guide or warning, it has been made manifest that assessment life insurance associations, whether short-lived or long-lived, are, by the force of increasing mortality and assessments, eventually obliged to wind up their concerns, because sound and eligible seekers of life insurance cannot be induced to see the wisdom or justice of placing themselves, as to mortality and premium rates, on an equality with insurers at death's door; and it is therefore self-evident that he who relies for life insurance on an assessment association leans on a reed which time will certainly break. How, then, can we call him far-reaching or truly provident who looks no further than chance or "luck" may carry him, and who, instead of freeing himself and family from such contingencies as it is possible to avoid, doubles, or more than doubles, the hazard to which he and they are, in the nature of human events, rendered liable?

There are few men who do not expect to live to a ripe old age. How can men with such expectancy insure their lives in organized schemes that have been shown by the examples and lessons of experience, repeated in instances too numerous to mention many of which are contemporary, to be only makeshifts, destitute of reliable basis and permanency? If a man has reason to believe that he will die in a short time, and wishes to set his affairs in order, so as to leave enough for his family and dependents to compensate them in a measure for the loss of his support, he has some show of reason to justify him in contenting himself with an assessment life insurance certificate, although regular life insurance would even here serve his purposes equally well, if not far better; but if he looks forward to a long life, or even to a life equal to the average duration of that enjoyed by men of his age, it is simply lunacy for him to insure in a co-operative or assessment life insurance association, which, however it may flourish for a few years, will in time inevitably fail, and leave the heirs of those who live to the full extent of their expectancy, in ninety-nine cases out of a hundred, nothing but disappointment, sorrow and privation.

Is this imitation and fallible substitute worthy of the name of life insurance? Do those who rely upon it and make their families dependent in the future upon the fulfilment of its promises, show that mental reach and forecast which are the surest marks of wisdom and worth in every man living in a land of enlightenment, in which genuine life insurance companies, subjected to the strict scrutiny of Government supervision, and holding assets amply sufficient to insure the fulfilment of their contracts exist, and have existed for a quarter of a century, redeeming all their pledges and showing at this time every proof that could be demanded by the most scrupulous and exacting of their ability to meet every liability they have incurred or will incur without deduction or delay?

To every far-reaching mind such institutions are acceptable, because their engagements are certain of fulfilment at any time in the future; but no far-reaching mind, honest in purpose and upright in heart, would cheat his heirs, delude his own foresight, or attempt to quiet his own conscience with the uncertain, conditional and contingent guarantees of co-operative or assessment life insurance, which, like the current leading to a cataract, runs smoothly for a space, until it grows shallow and rocky, when it hastens to the plunge which whelms all in hopeless ruin.

The Provident Mutual Association of Canada has now blossomed out into a full-grown Accident Assessment Society. This branch it unites to its assessment life and endowment business. But who is going to insure the Provident Mutual itself against accidents?

London and Lancashire

◀ LIFE ASSURANCE COMPANY ▶

OF LONDON, ENGLAND.

Life Insurance Exclusively

CANADIAN INVESTMENTS EXCEED \$400,000.00.
AND INCREASING YEARLY.

LOW RATES OF PREMIUM.

HEAD OFFICE FOR CANADA - - - MONTREAL.

B. HAL. BROWN,
INSPECTOR.

WILLIAM ROBERTSON,
GENERAL MANAGER.

THE FIRE INSURANCE ASSOCIATION OF LONDON, ENGLAND.

THE FUNDS OF THE COMPANY ARE:

CAPITAL PAID UP	- - - - -	\$500,000
RESERVE FUNDS	- - - - -	850,000
CAPITAL Subscribed but not Called Up	- - -	4,000,000
DOMINION GOVERNMENT DEPOSIT	-	100,000

Total Assets - - - \$5,350,000

HEAD OFFICE FOR CANADA,
MONTREAL.

E. PERCIVAL HEATON,
INSPECTOR.

WILLIAM ROBERTSON,
GENERAL MANAGER.

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

THE GUARANTEE COMPANY OF NORTH AMERICA.

It is always pleasing to note the progress made by our Canadian Institutions, and therefore, a brief glance at the twelfth annual statement to December 31st, 1884, of the Guarantee Company of North America, gives us much pleasure.

To show the rapid and satisfactory progress made by this company under the vigorous management of Mr. Edward Rawlings, the Managing Director, we will just quote a few of the figures: the number of bonds issued in 1881 was 5,075, the annual premiums on which amounted to \$36,784; number of bonds issued last year (1884) was 14,242, the premiums thereon amounting to \$114,494; the total annual revenue in 1881 was \$80,174, while in 1884 it amounted to \$237,950; the total assets and resources in 1881 amounted to \$722,061 and in 1884 they amount to \$800,806. If this does not show progress in the right direction it would be difficult to say what does.

The Guarantee Company of North America is an institution of which Canadians have reason to be proud, the management has in a few years succeeded in building up a large and substantial business, and its financial position to-day, is beyond dispute. During the past year or two its accounts and securities underwent a most thorough and searching investigation in the United States, being subjected to no less than five different examinations by the Commissioners of five States, the finding in each case being that the company was thoroughly sound.

The Guarantee Company is a very valuable institution, and is highly appreciated in the United States as well as Canada, some of the largest corporations, including leading Banks and Railways in the States, accept its bonds for the fidelity of their employees. We are very much surprised to learn that an attempt is being made by some of the United States shareholders, who are evidently anxious to realize their money, to quietly "pass over" this Canadian Company to an American Company! We will be greatly mistaken, however, if the Directors and shareholders will for a moment even entertain such an absurd proposition. The Guarantee Company of N. A. has succeeded in doing a large business in the States notwithstanding the opposition of the American Companies and will, we have no doubt, continue to do so.

THE NORTH-WEST FIRE INSURANCE COMPANY.

The North-West Fire Insurance Company commenced business about two years ago at Winnipeg, and we are pleased to note that it is making very satisfactory progress under the able and energetic management of Mr. G. W. Girdlestone. Its income has considerably increased during the past year, while its loss ratio is very low, being only slightly over 20 per cent of the premium income, which is a very satisfactory showing and reflects much credit on the management. The premium income for the year 1884 was \$20,910.03 and the interest \$983.54, making a total income of \$21,893.57; while the losses [incurred only amounted to \$4,263.91. A dividend at the rate of 7½ per cent. was paid on the paid-up capital of the company, and the balance was carried forward as a reserve. The total assets of the company now amount to \$111,000.

The list of shareholders of the North-West includes many of the best known business men in Winnipeg. The company confines its business to the province of Manitoba throughout which it has a large number of agencies established.

Mr. G. W. Girdlestone, the secretary of the North-West, has been agent for some of our largest British fire offices for the past twenty years. He is also general agent for the City of London for the Province of Manitoba.

BRITISH EMPIRE LIFE.

From The Insurance Sun, London, Eng.

The present year marks a point of considerable interest and importance in the history of the *British Empire Mutual Life Assurance Company*. With the year 1885 the Company will rank amongst the select offices which count their assets in seven figures. A brief review of the progress of the Company may at this junction be appropriately given. Founded in 1847, on the mutual principal, the Company closed that year with an income slightly short of £3000, having insured during the first year of its operations the modest sum of £50,000 under 257 policies. Twelve years of steady but not phenomenal growth brought the income, in 1859, to close upon £60,000, and the new business effected during the year to £152,300. The second period of twelve years showed a constant tendency to larger yearly transactions, and at the end of its 25th year the *British Empire* had accumulated funds to the amount of half-a-million, and was doing new business to the extent of £250,000 per annum in sums assured. The third period of twelve years, brings us up to the date of the last annual report. This period was marked by the appointment of Mr. Bowley as secretary in 1877, an appointment resulting in a considerable acceleration of the rate of progress. The end of 1883 found the funds of the Company within fifty thousand pounds of a million; the income being £184,101, and the new business obtained £723,300, including policies taken over from the *Lion Life*. As we write, we learn that in 1884 a larger new business has been secured than in any previous year—making allowance for that derived last year from the *Lion*—that the income is over £200,000, and that the accumulated funds have exceeded the sum of one million pounds, the whole of this amount being accumulated from premiums. During the thirty-six years ending December, 1883, the Company has paid in claims £1,166,000, and in cash bonuses to policyholders nearly £200,000. The vigilant care with which the affairs of the *British Empire* have been uniformly conducted is very happily illustrated by the fact that, during the whole of the lengthy period above named the claims have in no single year reached the expectation. Every policyholder may therefore feel that he is certain of being justly treated, as he is associated with carefully selected lives—a point of very great importance in a mutual office. The era of enterprise upon which the Company started when Mr. Bowley assumed the management has not, we are glad to see, been marked by any diminution of the prudence which has so largely contributed to the success of the office. Nor has the zeal with which the competition for new business has been entered upon, led to the abandonment of the substance of permanency for mere brilliant but unsubstantial achievements in that field. A new table of minimum premiums with deferred bonus is, we believe, to signalize the new year, and to be put prominently forward, as constituting for the *British Empire* a special claim upon public patronage. On the present position and promise of the Company we heartily congratulate the members, the directors, and their indefatigable secretary.

Mr. F. Stancliffe is the general manager of the Company for the Dominion of Canada.

THE AVERAGE CLAUSE.

In the issue of INSURANCE SOCIETY for the month of November ulto. (page 266) will be found an article under the caption "VALUATION OF PROPERTY AT RISK AS A FACTOR IN THE ADJUSTMENT OF FIRE LOSSES, in which the operation of the average policy in connection with the specific upon the same risk was incidentally alluded to.

In view of the peculiar bearing, operation and effect of the average clause upon the policy, we now propose to devote some of our space to its history, which dates back to the days of the Rhodians, some 900 years before the Christian era, and its various modifications during the intervening centuries down to the present day, when its object and operation, in the marine branch, is precisely the same as in the flourishing days of those same Rhodians; its application to the fire branch of insurance, however, is in a form somewhat modified and of more modern application, rendered necessary to meet the different conditions of the two kinds of insurance.

The term "Average," in this connection, is an evident misnomer, its use having but little or no affinity with the true signification of the word; but by long usage in marine practice, the term has come to have a very extended application, there being no less than *five* different kinds of averages known in marine underwriting, viz:

1st. *General Average*, or contribution by insureds and owners to voluntary sacrifice made or expense incurred by any one or more for the joint benefit of ship, cargo or freight, and is to be borne in common by the parties in interest in the ratios of such interest.

This is the Rhodian Law *de jactu* (jettison), before referred to, "*Jactus mercium factus revandit*." A heaving over board of the cargo, to save the ship. The purport of the law is that "with the contribution of *all* is to be made good that which is sacrificed for *all*, for it is fairest that all those bear in common the damage, who, through the sacrifice of other people's goods, have attained that their own goods are saved.

2nd. *Particular Average*: or partial loss, by which the loss upon certain classes of property were limited to a certain percentage of the value, when such loss was caused directly by the force of the elements without human exertions, as in jettison. Its object was to prevent trifling, and frivolous claims for equivocal damages. This kind of average was common in fire policies in the early days, by which no loss was paid unless it reached a certain per cent. of the value, usually three to five per cent. This is now common in railroad insurances, when losses are limited to sums exceeding \$500 or more.

3rd. *Petty Average*: Small charges formerly assessed upon the cargo, such as pilotage, towage, light-money, beaconage, anchorage, quarantine, fire-money, etc., etc.

4th. *Average Warranty*: liability for a constructive total loss only.

5th. *Primage and Average accustomed*: usually forming a part of the bill of lading; A duty paid to the master of the vessel over and above the customary freight money, for his care and attention to goods entrusted to him. This charge is also known as "hat money," "hat and breeches," and Cleirac, in his *Coutumes de la Mer* (page 260) calls it "boots, or jug of wine."

It will thus be apparent that only the first-named, general average, has any direct connection with the true meaning of the word. But, however used, the term "average" is, by long usage, always synonymous with contribution, in addition to that of ratio. And in this sense of ratio, or *pro rata*, the average clause has been introduced into the fire policy, thus imparting to it, in a limited degree, the principle of marine average, compelling the *insured* either as co-insurer or self-insurer, to contribute to a general loss in proportion to his uncovered (un-insured) interest in the property at risk. It is thus the insured's contribution clause—as between himself and the insurer—defining the ratio in which he will bear the loss upon his own property, and thus becomes neither more nor less than a simple *pro-rata* stipulation, the factors of the ratio being contingent upon the special terms of the clause itself. It is only by the name of "pro-rata" or "proportional clause" that this stipulation of the policy is recognized in the European States, where, its use is made obligatory by law in all policies; in England alone is it known as the Average Clause or clauses, for there are now four of them in Marine practice, made to provide for unforeseen contingencies not otherwise provided for in their various rules and practices, and from that Kingdom it has, like many other red-tape circumlocution-office practices, been transferred to the Provinces and into the United States, without a full comprehension of just exactly what it or they does or do mean "anyhow."

In the year 1828, in consequence of the operation of the Stamp Act, the following—9 Geo. IV. ch. 14—was adopted in the Mother Country, viz:

III. Provided always, and be it enacted, that nothing in this Act contained shall extend or be construed to extend to prevent insurance from loss or damage by fire collectively in one sum for the whole merchandise or other moveable property contained in any number of separate or distinct places; provided that in the policy whereby such insurances shall be made, there shall be contained a clause stipulating that in the event of any loss or damage by fire happening to such property, or to any part of such property thereby insured, the insurer or insurers in such policy shall be liable to pay or make good such proportion only of said loss or damage as the sum insured shall bear to the whole collective value of its said property, at the time when such fire shall break out or happen."

This Act opened the way for writing floating policies on fire risks, by inserting the "average" clause, thus making what is known as the "average policy" or policy "subject to average," or in other more appropriate words, "subject to *pro rata* contribution, in the ratio of the amount of insurance to the value of the property at risk.

The clause as now used in the fire policy in conformity with the Act above cited is as follows:

It is hereby declared and agreed, that whenever a sum insured is declared to be subject to the conditions of average, if the property so covered shall, at the breaking out of any fire, be collectively of greater value than the sum (hereby) insured thereon, then this Company shall pay or make good such proportion only of the loss or damage as the sum so insured shall bear to the whole value of said property.

This article has extended beyond our contemplated limits, we have, however, brought the subject so far down as to show the basis of our construction of the clause in its application to the example in the November issue. The *italics* (which are ours) in the Act above quoted, and in the clause itself, contain the *key* to the whole question, and if it be properly applied, the solution of the problem will, as we think, at once appear as we gave it, and in accordance with the Act and the clause. We shall in our next issue give a number of examples of this clause, both marine and fire, and support them by recognized authorities.

THE
GLASGOW & LONDON

INSURANCE COMPANY

OF GREAT BRITAIN.

CANADIAN BRANCH STATEMENT

FOR THE YEAR ENDING DECEMBER 31ST, 1884.

INCOME.		EXPENDITURES.	
Premium Income - - - -	\$809,542,77	Losses - - - - -	\$120,271,92
Interest - - - - -	3,845,50	Expenses - - - - -	82,758,50
Total Income - - - - -	<u>\$813,388,27</u>	Surplus - - - - -	110,357,85
			<u>\$313,388,27</u>
ASSETS	-	-	\$165,420.18

HEAD-OFFICE FOR CANADA,

GLASGOW AND LONDON BUILDING,

MONTREAL.

JOINT MANAGERS:

EDWARD L. BOND.

STEWART BROWNE.

J. T. VINCENT, Inspector.

A. D. G. VAN WART, Sub-Inspector.

C. GELINAS, Sub-Inspector.

RESPECTABLE ABETTORS OF FRAUD.

Men who stand high in the community, and who are looked up to with respect and confidence, may, through inadvertence or carelessness, misemploy their advantages to the serious loss and injury of those who place implicit trust in the soundness of their judgment and rectitude. They are not, of course, wilfully guilty of the wrong they inflict, but they who are misled and suffer by it have a cause of complaint against them, which sadly impugns their integrity. The practice we deprecate, in not a few instances, serves to offset with evil all the good such men have done in their previous career. We refer to the abuse, of which so many leading men have been guilty, of lending their names to corporate schemes, the real character of which they have not duly and correctly ascertained.

A popular and influential man, credited by the public with profound sagacity and discernment, is esteemed by promoters, organizers and managers of hollow projects, appealing to the people for support, as "a great card," and he is, consequently, approached by them with much plausible representation and ingratiating flattery. His vanity is fed and his judgment led astray by specious pretenses and false figures. He is invited to become a director, or to hold some other prominent position in connection with the scheme, so as to most effectually serve the projectors' purpose of using him as a decoy to promote the success of their designs, and, if he is not warned and alarmed in good time by some keen and friendly observer, he becomes a participant in the iniquity, and helps to draw many guileless and trusting people into the snare.

During the writer's connection with *The Monitor*, and ever since he established and edited *The Insurance Times*, it has been his duty to warn respectable men against their acceptance of positions, either nominal or active, in delusive insurance companies, and against the folly and sin of allowing their names to be used to secure for them the confidence and patronage of the public. Sometimes his warnings have been heeded, and sometimes contemned, but there are many now willing to confess that, if they had heeded his appeals, they would have escaped great mortification and pecuniary loss.

In not a few instances they unwittingly abetted fraud, from which many worthy people suffered grievous disappointment, loss and privation. Whether they repented or not, the wrong they committed was never redressed, and they must therefore be held morally responsible for it. Was their act a crime? It had the same effect, and whether you call it an error, weakness, carelessness or indifference, it is certainly a bad, dangerous and pernicious practice, which ought to be stopped, even if a special legislative enactment, imposing a penalty for its consequences, be found necessary for the purpose.

A sharp lesson, and one that will be not only exemplary as a punishment to the offenders, but permanently admonitory to all in its effect, is needed here, and we think that the least that should be done is to make the actual or virtual indorser of a deceptive or swindling corporation, whether he accept the position of officer or director in it, or merely lend it his name and approval, and others implicated likewise to the same extent, pecuniarily responsible to the victims who sustain loss in consequence of the misplaced confidence

which these prominent and highly-esteemed citizens induce them to put in an outright swindle, or in a fallacious enterprise certain to eventually fail.

Let the men of "commanding influence" be "brought to book." Let their vanity be rebuked, and let them be made to feel that judicious caution and a circumspect regard for the public weal demand of them the exercise of careful discrimination and research before they venture to recommend an insurance association or any other corporation of a similar nature to the people's favor.

In this connection we are glad to observe that our Northern neighbors, whose territory has been invaded by the emptiest and most pretentious life insurance assessment schemes of the period, are showing in a marked degree that caution and insight with which they have long been credited, and which has contributed so essentially to the Dominion's growth and prosperity. It is true that the Mutual Reserve Fund Life Association of this city was enabled, by its flaunting representations, to secure a board of directors, consisting of men in good standing in the Dominion; but no sooner had the falsity of its pretenses been demonstrated than they became indignant at the imposition to which they had been subjected. They discovered that the association had, at the time, no legal status in Canada, and that it was doing business there in impudent violation of the law. Several of the gentlemen have already withdrawn from the board, and their example will be followed by every other member who has any regard for the purity of his own reputation and the protection of husbands and fathers in Canada against a contrivance which is destined, at no distant period, to leave in the lurch every trustor to its promises—*Insurance Times, NY*

VALUING THEIR OWN SERVICES.

(THE INSURANCE BROKER.)

The English *Review* in a recent issue sounds a warning note to British fire offices, with reference to the introduction of the brokerage system in Great Britain, pointing out what has been the consequences to the insurance companies in France and the United States. The *Post Magazine* in an article on this subject, referring to that demoralizing system of dividing commission with the insured, very aptly remarks that: "if the commission now paid by the companies is so large as to warrant a portion of it being returned to the insured, the companies will not be slow to note the fact, and the result will be a reduction in the percentage paid to the broker." If the brokers solicit business on the basis of halving, and in some cases giving two-thirds of their commission to the insured, they thus assess the value of their own services at one-half or one-third of the commission now paid them.

DEPOSIT.

The Mutual Reserve Fund Association of N. Y., has, we understand, applied to the Government for permission to register as a life assurance company, and make the usual deposit. It certainly requires a considerable stretch of the imagination to classify a concern like the Mutual Reserve Fund among life companies. If it guaranteed its contracts, as the life companies do, its claims may then be more worthy of consideration. It is, however, most decidedly not a life-assurance company, and should not be allowed to register or deposit as such.

SOCIETY NOTES AND ITEMS.

New Orleans ushered in the New Year with a \$150,000 fire.

The Losses by Fire in Toronto during the year 1884 amounted to \$95,600.

The new business of the Equitable Life in 1884 amounted to \$82,500,000.

The Insurance losses by fire in Chicago for the year 1884 are estimated at \$1,122,000.

The Montreal Underwriters Association has taken offices in the new "Waddell" building.

We acknowledge the New Year's greeting from Ira Cornwall, jr., Esq., of Litherland, near Liverpool, Eng.

The Earl of Aylesford, who died recently in Texas, carried insurance on his life to the extent of \$1,500,000.

Institute of Actuaries.—The Actuaries of New South Wales have established an Insurance Institute. Why not establish one in Canada?

The Commercial Union Assurance Company has decided to discontinue its fire re-insurance business in Paris, France. It was unprofitable.

The Equitable Life Assurance Society has purchased the Metropolitan Bank building, corner of Broadway and Pine streets, New York, for the sum of \$762,500.

Filed for Future Reference.—The Mutual Reserve Fund Life Association has reached a point where its failure is practically an impossibility.—*Our Society Journal.*

Our contemporary the Argus says: if you make the insured carry part of the risk and pay part of every loss there will not be so many fires.

Col. H. P. Brewster, Insurance Commissioner of Texas, died on the 28th ult. He expressed a wish that his body should be buried in the sea, which was accordingly done.

Rev. D. D. Currie has been appointed general agent of the Union Mutual Life Insurance company, for Nova Scotia and P.E.I., with head-quarters at Halifax.

Lumber Rates.—The New York State Association has adopted a mandatory minimum rate on lumber districts of two and one-half per cent.

The Royal Insurance Company.—The income of the United States branch of the Royal for the year 1884 was \$2,678,754.59, and the expenditure \$2,386,809.04.

Winnipeg Rates.—It has been stated to us that the Winnipeg Board, who are said to be guided more or less by local influence, are cutting down rates too much.

Mr. C. M. Ransom of the *Standard*, Boston, Mass., spent a few days in Montreal lately. We always welcome the *Standard* to our file, it is a lively and ably-edited journal.

The total loss by fires in New York City for the year 1884 amounted to \$3,469,539, being about \$50,000 less than in 1883. This would make the daily average loss about \$9,000.

Presentation.—The members of the Fire Underwriters Association of Montreal showed their appreciation of Mr. W. Hadrill, their obliging secretary, by presenting him with a purse on New Year's eve.

Superintendent Cherriman officially denies that the Dominion Government has any intention of introducing a system of Government life insurance. The inventor of the rumor is evidently in want of a job.

For Conscience Sake.—The Hartford Fire Insurance Company has received three remittances from an unknown conscience-stricken policy-holder or ex-policy-holder in New York, the last one being for \$100.

Mr. M. Bennett, jr., manager of the Scottish Union and National and Lion Fire offices, has been elected President of the Hartford Board of Fire Underwriters for the year 1885. A better selection could not be made.

The Annual meeting of the Canadian Fire Underwriters Association will be held at Toronto on Tuesday, 17th of March (St. Patrick's day). The Toronto Local Board will hold their annual meeting on Friday, 14th March.

Aetna of Hartford.—The total income of this fine old institution for the year 1884 was \$2,955,009, and the total expenditure \$2,887,570. Its total assets on January 1st 1885 amounted to \$9,013,517.

Plate Glass Insurance.—Messrs. Boulton & Bourne have been appointed agents at Montreal, for the Hand-in-hand Plate Glass Insurance Company of Toronto. Messrs. Scott & Walmsley of Toronto are the general managers for the Dominion.

The New York Adjustment Company, Limited, is the title of a recently formed corporation for the adjustment of fire losses in New York city and vicinity. Mr. George L. Chase, president of the Hartford Fire Insurance Company, is president of the company.

Mr. Hugh C. Dennis has been appointed general agent for Eastern Ontario of the Equitable Life, with head quarters at Cobourg. Mr. Dennis was formerly connected with the Canada Life. We believe the Equitable has made a good appointment.

Mr. David Burke, the superintendent of the New York Life for Canada, has sent us a copy of the New York Life Almanac for 1885. It contains a good deal of valuable information, the cuts are very good, and its articles reflect credit on the editor.

Prevention is better than Cure.—The chief of the Des Moines, Ia., fire department, examines personally all the flues in that city, and wherever a defective one is found the property owner is notified to have it rectified. A good example this for the chiefs of other cities.

AGENTS WANTED.

An English Company making a specialty of Farm business is desirous of obtaining Agents in the following Counties:

Essex, Kent, Lambton, Middlesex, Oxford, Peel, Perth, Brant, Elgin, Halton, Huron, Haldimand, Lincoln, Wentworth, Waterloo and Wellington. Most liberal arrangements will be made with Agents already working in any of these.

Apply in confidence P.O. Box 166, Montreal.

Mr. George E. Fairweather, of St. John, N.B., was re-elected president of the New Brunswick Board of Fire Underwriters for the year 1885, at the annual meeting held on the 14th inst., a report of the proceedings of which appear on another page.

Phenix of Brooklyn Fire Insurance Co.—The net fire premium income of this solid company for the year 1884 was \$3,413,000, and the marine income \$744,000. Its total assets now amount to \$4,342,430, being an increase over a year ago of \$583,394.

The average loss ratio of twenty-five fire Companies, reporting to the Insurance Department at Albany, N.Y., up to the 14th inst., was 57 per cent. of the premium income, and the average expense ratio 39.1 per cent., total 96.1 per cent., according to our contemporary, the *Chronicle*.

The Total Fire Losses in Canada and the United States for the year 1884 are estimated at \$110,000,000. The losses during the past year are greater than in any former year excepting those in which the Chicago and Boston fires occurred. What a lamentable waste of property these figures display!

Mr. Arthur E. Dakin has been appointed district manager for the Commercial Union at Liverpool, Eng. Mr. Dakin was managing fire clerk at the North British and Mercantile branch in that city, and was previously with the London and Lancashire Fire Insurance Company.—*The Policyholder*, Manchester.

Fire at Halifax, N.S.—The Acadian Hotel, Colonial Hotel, Mayflower House and adjoining buildings were badly gutted by fire on the 13th inst. These buildings are insured to the extent of about \$20,000, the amount of the losses is not stated. This is said to be the fifth time the Acadian Hotel has been on fire since 1861.

According to three or four of our English Exchanges Mr. Fothergill had resigned the managership of the London

and Lancashire fire office, and had been appointed and accepted the post of manager for the fire department of the Commercial Union. Some person was evidently perpetrating a little joke at the expense of our contemporaries.

Commercial Union Assurance Co.—Mr. Philip Winsor has been appointed fire general manager of the Commercial Union in succession to Mr. D. Marshall Lang. Mr. Winsor has been sub-manager of the North British and Mercantile, having had charge of the foreign business of that Company. It is stated that an agreement for five years has been given to him.

The Chief of the St. John, N.B., Fire Department reports for the past year a total loss in that city to insurance companies of \$34,984, against a loss of \$50,228 in 1883. The total insurances at risk on the buildings and contents in which fires occurred were, for buildings, \$222,700 and for stocks and furniture \$267,000. The loss on property uninsured he estimates at \$800.

The Imperial Fire Insurance Company.—The London *Insurance World* says: the balance sheet of the Imperial puts the paid-up capital at £700,000, but of this amount no less than £400,000 is capitalised profit, so that the dividend of £8 per share is, in fact, not 12, but 32 per cent per annum on the actual amount (£25) paid-up. No wonder the shares sell at six times their nominal value.

The Amicable Fire Office of London, Eng. Since writing an item, which appears elsewhere, asking for information with reference to this office which is sending circulars to all parts of this Continent soliciting underground business, we have learned from a reliable source that it is a "wild cat" concern of the worst type, is practically unknown in Great Britain, and was simply started for the purpose of attempting, under the designation of a "British" fire office, to get underground business from America and other distant countries. The bankers of the company, as stated in its prospectus, is the Charing Cross Bank. If we mistake not this is a money-lending concern conducted on usurious principles under the name of "bank."

The Ontario Mutual Life Assurance Co's

HEAD OFFICE, WATERLOO, ONTARIO.

DOMINION DEPOSIT - - - **\$100,000.**

The only purely Mutual Life Company in Canada.

Total number of Policies in force, Dec. 31, 1883, **5,241** | Covering Assurance to the Amount of - **\$6,572,719.71.**

Total Net Assets - **\$525,939.42.** | Net reserve to credit of policy-holders **\$482,177.47.** | Surplus, **\$43,761.95.**

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

The rapid growth of the Company may be seen from the fact, that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of **\$533,705.55!**

I. E. BOWMAN, President.

W. HENDRY, Manager.

W. H. RIDDELL, Secretary.

CONFEDERATION LIFE ASSOCIATION.

HEAD OFFICE, TORONTO, ONT.

A HOME COMPANY.

GUARANTEE CAPITAL, \$1,000,000.

GOVERNMENT DEPOSIT, \$86,300.

CAPITAL AND ASSETS, 31st December, 1883, **\$2,152,722.38**

Confines itself to Legitimate Life Insurance. Affords Security to Policy Holders, unsurpassed by any other Company.

The system of Distribution of surplus employed by this Association secures, with other advantages, the following:

- 1st. It avoids the weakening effect of paying too large profits in the early years of the policy, and the consequent inability to do justice, as the policy becomes older.
- 2nd. It strengthens the position of the Association, and consequently the security to the policy-holders.
- 3rd. It secures an increase in profits from year to year, and an equitable share to each kind of policy.
- 4th. It does away with the objection, "that endowment and limited payment policies are taxed for the special benefit of ordinary life policies."

Policies Non-Forfeitable after Two Years, and Indisputable after Three Years.

Hon. Sir W. P. HOWLAND, O.B., K.C., M.G., President.

J. K. MACDONALD, Managing Director

MAJOR J. MACGREGOR GRANT, St. John, Manager for New Brunswick.

AUGUSTUS ALLISON, Halifax, Manager for Nova Scotia.

E. J. JOHNSTON, Montreal, Manager for the Province of Quebec.

"MAMMA'S JOY AND PAPA'S PEARL"—is the pretty title of a little book which is in the press, and which no doubt will be kept by many a little one as a souvenir of the Carnival of 1885. The book is specially written in easy and flowing verse for children, and the illustrations, which are most artistic, are of a purely Canadian type.

In an article on "Classification in Fire Insurance," from the columns of INSURANCE SOCIETY, which appeared in the *Chronicle* last week, several important facts were mentioned as necessary for Fire Underwriters to know before there could be any approximate measuring of hazards. Much of the information called for will probably be furnished in the *Chronicle* fire tables next spring.

Mr. F. Stancliffe, general manager for Canada of the British Empire Life Assurance Company, has selected Mr. J. Frith Jeffers, of London, Ont., out of a large number of applicants, as general agent for Western Ontario. Mr. Stancliffe has, we consider, made a good appointment, and one which will prove satisfactory to both the British Empire and Mr. Jeffers.

Mr. F. S. Sharp, of St. John, N.B., has resigned the Secretaryship of the Provincial Building Society and associated himself in business with Mr. G. Byron Taylor, agent for the India Mutual and Commercial Mutual Marine Insurance Companies, and the National Insurance Co. of Ireland. Mr. Sharp was formerly agent for New Brunswick of the National Insurance Co. of Montreal.

Mr. Andrew Cowie, who was connected with Messrs. Broom & Arnold's marine insurance agency for many years, and Mr. E. B. Edwards, Secretary of the Eastern Marine Insurance Co. (now being wound up) have formed a co-partnership and commenced business in St. John, N.B., as marine insurance brokers, having made special arrangements with some first-class American marine insurance companies.

Mr. J. Moncrieff Wilson, general manager of the Queen Insurance Company of England, has recently visited his

agencies in the Maritime Provinces. When in St. John, N.B. he inspected the fire department and salvage corps of that city and expressed himself as being much pleased with the equipments and the arrangements for quick attendance at fires. Mr. C. E. L. Jarvis, the general agent of the Queen for New Brunswick, is doing a conversative and profitable business for his company.

We had the pleasure of a call from Mr. George E. Lavers, of Halifax, who was returning home after being present at the annual meeting of his company held at Toronto on the 19th inst. Mr. Lavers is manager for the Province of Nova Scotia of the North American Life Assurance Company. The company showed their appreciation of his services by presenting him with a valuable gold watch. We have no doubt but Mr. Lavers eminently deserved this mark of appreciation for he is an indefatigable worker.

The *Spectator N.Y.*, publishes a statistical table showing the premiums, payments, assets, interest on investments, and increase of assets of twenty-six prominent life insurance companies for sixteen years, 1868 to 1883, compiled from official returns. The premiums received during that period amounted to \$992,371,176; the payments to policyholders to \$763,124,793, the interest on investments to \$308,252,030, while the assets have increased from \$113,987,761 in 1868 to \$465,010,729 in 1883.

A good test of an insurance agent's professional ability, and his resolution to improve in his chosen vocation, is his acquaintance with current insurance literature. Does he know what is happening in the insurance world? Does he read the papers read at the annual gatherings of insurance men? Is he familiar with the resources of companies, the business they are doing, the record they have made? Does he know what his brethren are doing or proposing for the reform of abuses? In a word, does he take an Insurance Journal? If not, he has no ambition. He will not rise in his profession. He is a plodder who will never deserve promotion. The business with him is simply a makeshift. —*Coast Review.*

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

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Mr. J. Moncrieff Wilson, general manager of the Queen Insurance Company, Liverpool, Eng., visited Montreal, Quebec, and other cities in Canada, after having made a tour through the principal agencies of the Queen in the United States. Messrs. Forbes & Mudge of Montreal are chief agents for Ontario, Quebec and Manitoba. Mr. Forbes is, we believe, the oldest officer of the company, having been for more than a quarter of a century connected with it.

United States Mutual Accident Association of New York.—We have before us several circulars which have been sent to insurance agents and others by this concern. A \$5000 policy with \$25 weekly indemnity in case of accident is offered for a membership fee of 5\$ less \$3 commission, it is also guaranteed that the entire cost of assessments shall not exceed \$13 a year. From enquiries made we learn that this concern has not got either capital or assets, being altogether dependent upon assessments made upon members, who need not pay them. Our advice is, let it alone.

The Anglo-American "Wild Cat" of Manchester, Eng., and Washington, D.C., has come to an untimely end, according to our contemporary, the *Standard* of Boston. It appears that Mr. W. J. Donnivan, in charge of the collection of personal taxes at Washington, has made a report to collector Cook of that city that he, in company with detective Roff, on the 12th inst. levied on the property of this "untamed feline" for personal taxes, and turned over the property obtained to a policeman to be disposed of in accordance with law. The speedy collapse of this arrant fraud before doing further damage is a matter of congratulation.

A ten cent verdict was awarded to Messrs. Duff & Webber, the president and secretary of the late lamented Mutual Marriage Aid Association of Hamilton, for malicious prosecution and false arrest on the part of one of the deluded policy-holders, named Gardener of Belleville, who had the above-named gentlemen arrested and tried for fraud for not paying him the amount of his policy. Poor gullible policy-holders! had you paid attention to the warning given you

in INSURANCE SOCIETY (page 283 Vol. III. 1883) you would not now be laughed at as simpletons by your friends.

Mr. George Gooderham (of Gooderham & Worts, Toronto) president of the Bank of Toronto, has made a good investment in the shape of life insurance to the extent of two hundred and sixty thousand dollars, on the 15-year endowment plan. The amount is distributed amongst the following companies: New York Life, \$100,000, the annual premium on which is \$8,382; Equitable Life, \$100,000; Confederation, \$20,000; Aetna, \$20,000; and North American Life \$20,000. The total annual premium is something over \$23,000. Mr. Gooderham is now 54 years of age.

An Influential Deputation of Fire Underwriters consisting of:—Messrs. James Taylor, of Northern and Caledonian, Convener; G. F. C. Smith, of Liverpool, London and Globe; M. H. Gault, M.P., of Royal; E. L. Bond of Glasgow and London, from Montreal; and Messrs. J. J. Kenny, of Western; W. Henderson, of the Hartford; and Hugh Scott of the National of Ireland and Queen City, from Toronto, waited on the Minister of Justice at Ottawa, with reference to underground insurance, and on the Postmaster General with reference to postal rates on commercial and insurance papers. The deputation was most courteously received by these gentlemen who promised that the matters under consideration would receive careful and prompt attention.

Soliciting underground Insurance from London, Eng. An insurance broker named Samuel R. Anderson, of New York, is at present in England, from whence he is sending circulars by the bushel soliciting underground business for companies of very doubtful standing. Amongst others we note the Amicable Fire office of 32 Craven St., Charing Cross, London, with an alleged capital of £50,000. The Directors' names are: W. Wilberforce Bird, Beaufort House, Fulham; J. Stedwell Drage, Woodville Terrace, Hammersmith; and William Sheppard, Lancaster place, Richmond Hill, Surrey; Secretary, F. Baker. Would some of our London Exchanges please state the standing of this Company?

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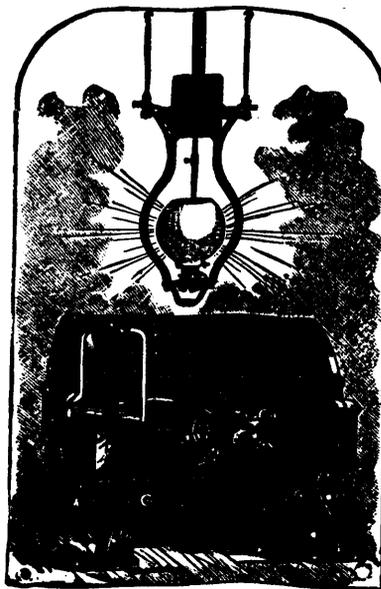
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LEGAL DECISIONS.

(QUEEN'S BENCH DIVISION.)

MCLAREN V. THE COMMERCIAL UNION
ASSURANCE CO.

(SPECIAL CASE.)

Fire Insurance—Damage by removal of Goods—Salvages.

The plaintiff's stock-in-trade was insured against loss by fire in the defendant's company; a fire occurred in an adjoining building, and the plaintiff's warehouse being in danger of destruction, he removed his stock, which was thereby damaged, and some of it lost.

Held, that there was a loss covered by the policy, and no salvage to which the defendants were liable to contribute under the fifth statutory condition, which declared that in case of removal of the property to escape conflagration the company will ratably contribute to the loss and expenses attending such act of salvage.

The plaintiff, by a policy of insurance dated May 10th, 1884, effected an insurance in the defendant's company for \$1,000, against loss or damage by fire, upon his stock-in-trade in a store occupied by him, on South Water street, in the town of Port Arthur.

The policy was granted upon the stipulations and conditions thereon endorsed, being the statutory conditions contained in the Schedule to chapter 162 R. S. O.

The application stated the stock value as being at that time \$6,000, and further stated that stock had just been taken.

The plaintiff's stock was, during the next two months, increased until, at the time of the fire, it was of the value of \$14,500.

During the currency of the policy, and on or about June 21st, 1884, a fire occurred in an adjoining building, from which the plaintiff's building was several times set alight, and put in danger of being consumed; but the fire was extinguished without injury from fire to the stock.

During the fire the stock was removed by the plaintiff for fear of destruction by fire, and by breakage and injury during such removal, and loss of goods before it could be got to a place of safety, was injured to the extent of \$1,450.

The question for the consideration of this Court was, whether, on the case stated, the plaintiff was entitled to recover from defendants the full amount of the policy; or whether the defendants were discharged by a ratably payment. If the Court should be of opinion that the plaintiff was entitled to recover the full amount of the policy, a verdict was to be entered for the plaintiff for \$1,000; but if the Court should be of opinion that the defendants were discharged by a ratably payment, then a verdict was to be entered for the plaintiff for \$100, the costs and interests to be in the discretion of the Court.

Moss, Q.C., for the plaintiff.

W. A. Reeve, contra.

The authorities cited are referred to in the judgment.

October 31st, 1884. OSLER, J. A.—The statutory condition on which the defendants rely in support of their contention is the following: 5. "Where the property insured is only partially damaged, no abandonment of the same will be allowed unless by consent of the company or its agent; and in case of removal of property to escape conflagration the company will ratably contribute to the loss and expenses attending such act of salvage."

The special case admits that the building in which the plaintiff's goods were contained was several times on fire during the destruction of the adjoining building, and was in danger of being consumed; that the property insured was removed in order to escape destruction, and, in effect, that such removal was reasonable. The damage caused during the removal by breakage and loss of goods was \$1,450.

The first question, and one the answer to which seems to me really decisive of the case, is whether damage thus caused is within the policy. The great weight of authority is that in such cases the fire is looked upon as the proximate cause of the damage, and that the policy covers it unless excluded by its terms. 9 VOL. VII. O. R.

In *May*, on Insurance, 2nd Am. ed., p. 612, s. 404, it is said: "Damages resulting from *bond fide* efforts to save the property from the fire, as by water and breakage by removal, and by loss or theft consequent upon exposure occasioned by the fire, are within the loss covered by a policy against damage by fire."

So in *Phillips*, on Insurance, 5th Am. ed., pp. 634-635, sec. 1098a: "The underwriters are liable for damage to the subject and expense directly incidental or consequent to the fire; as damage to the insured goods by water thrown on to extinguish the fire, and the expense of removing the insured property from the fire."

Wood, on Insurance, is to the same effect, pp. 216, 773.

Among the numerous authorities referred to in these works is one cited by Mr. Moss, in our own Court of Queen's Bench, viz., *Thompson v. Montreal Insurance Co.*, 6 U. C. R., 319, which is not fairly distinguishable from the present case. The condition in the policy is verbatim the same.

The insurance was, as here, upon a part only of the value of the goods insured. I do not see that the fact that in this case the quantity of stock on hand at the time of the fire was very much greater than at the time the policy was made can make any difference. The Court say at p. 326, that the condition in the policy has "no reference to anything but the mere expenses of saving what has escaped destruction, and cannot be distorted into a stipulation that the assured must go without indemnity for any part of the destruction which his property has suffered, and which his insurance covers."

It can only be said that in the present case there was a total loss to the amount covered by the policy, of which loss the fire was the proximate cause; and for that reason there is no salvage, to the expense and loss connected, with which the defendants are liable to contribute under the condition.

The plaintiff is, therefore, in my opinion, entitled to judgment on the special case, viz., \$1,000 (with interest), and costs of suit.

Judgment accordingly.

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Bridgetown	Stellarton
Bridgewater	Sydney
Canso*	Truro
Chester	Windsor
Dartmouth	Wolfville
Digby	Yarmouth
Guysborough	
HALIFAX	
Kentville	

* Places thus marked, mostly small villages, as soon as required.

SPECIAL SURVEYS. No. 1

SPECIALTIES.
RAILWAY
 Surveys, Estimates and Construction.
CORPORATION AND WATER WORKS.
 Real Estate Plans and Street Profiles.
INSURANCE
 Surveys, Diagrams and Views.

CHAS. E. GOAD,
 CIVIL ENGINEER,
 102 ST. FRANCOIS-XAVIER STREET,
 (Exchange Bank Building),
 MONTREAL.

PROVINCE OF ONTARIO.

Ailsa Craig	Cobourg	Madoc	Prescott
Alexandria	Colborne	Markham	Preston
Alliston	Collingwood	Meaford	Renfrew
Almonte	Cornwall	Merrickville	Ridgetown
Amherstburg	Dresden	Merriton	Riverside
Arnprior	Drummondville*	Milton	St. Catharines
Ancaster*	Dundas	Mitchell	St. Mary's
Arthur	Durham	Morrisburg	St. Thomas
Ashburnham	Elmira*	Mount Forest	Sarnia
Aurora	Elora	Napanee	Seaford
Aylmer	Essex Centre	Newbury	Shannonville
Baden	Exeter	Newcastle	Simcoe
Barrie	Fenelon Falls	New Edinburgh	Smith's Falls
Beaverton*	Fergus	Newmarket	Souhampton
Belleville	Flesherton*	Niagara Falls	Stairville
Berlin	Fort Erie*	Norwich	Stouffville
Blenheim	Fort William*	Oakville	Stratford
Blyth	Galt	Odesse*	Strathroy
Bobcaygeon	Gananoque	Orangeville	Streetsville
Bolton*	Georgetown	Orillia	Tamworth*
Bothwell	Glencoe*	Oroon	Teeswater
Bowmanville	Goderich	Oshawa	Thornbury
Bracebridge	Gravenhurst	OTTAWA	Thorold
Bradford	Grimsby	Owen Sound	Tilsenburgh
Brampton	HAMILTON	Paisley	TORONTO Vol I.
Brighton	Harrington	Pakenham	" II.
Brockville	Hastings	Palmerston	Trenton
Brooklin*	Hawkesbury	Paris	Tweed
Brussels	Hespeler	Parkdale	Uxbridge
Caledonia	Ingersoll	Park Hill	Walkerton
Cambellford	Jarvis	Pembroke	Wallaceburg
Cannington	Kemptville	Perth	Wardsville
Carleton Place	Kingcardine	Peterboro'	Warkworth
Cardinal	Kingsville*	Petrolia	Waterloo
Carronbrook*	Lakefield	Picton	Watford
Cayuga	Learnington	Point Edward	Welland
Chatham	Listowel	Port Burwell	Whitby
Chippawa*	Lindsay	Port Dalhousie	Windsor
Clarksburg	Listowel	Port Dover	Wingham
Clifford*	LONDON	Port Elgin	Woodstock
Clifton	L'Original	Port Hope	Wrozetar
Clinton	Lucknow	Port Stanley	Yorkville

P. E. ISLAND.
 Alberton*
 Charlottetown*
 Georgetown*
 Souris*
 Summerside*
 Montague*

NEWFOUNDLAND.
 ST. JOHN'S
 Harbour Grace
 Carbonear

REFERENCE BOOKS.
 kville
 ford
 ton

PROVINCE OF MANITOBA.
 WWINNIPEG
 Emerson
 Portage-la-Prairie

CITY ATLASES.
 Montreal.

PROVINCE OF QUEBEC.

Acton*	MONTREAL
Aylmer	Part I.
Beauharnois	" II.
Bedford	" III
Berthier	Nicolet
Brigham	Ormetown D'm
Buckingham*	QUEBEC
Coaticook	Quebec Coves
Coteau St. Louis	North Side
Cowansville	Quebec Coves
Danville*	South Side
East Farnham	Richmond
Frelighsburg	Riviere du Loup
Granby	Rock Island
Hemmingford	St. Andrews*
Hochelaga	St. Cunegonde
Hull*	St. Eustache*
Huntingdon	St. Gabriel
Joliette	St. Henri
Lachine	St. Hyacinthe
Lachute	St. Jean Baptiste
Laprairie	St. Jerome
L'Assomption	St. John's *
Lennoxville	St. Louis of
Levis	Mile End.
Longueuil	St. Scholastique
Maskinonge*	St. Therese
Melbourne	Shefford*
	Sherbrooke
	Sorel
	Stanbridge*
	Stanstead
	Sweetsburgh*
	Terrebonne
	Three Rivers
	Valleyfield
	Waterloo
	West Farnham

APPLIANCE REPORTS
 are prepared of most places above noted, giving information respecting means of protection against fire, etc.

PROVINCE OF NEW BRUNSWICK.

Bathurst	PORTLAND
Campbellton	Petitcodiac
Carleton	Sackville
Chatham	Salisbury
Dalhousie	St. Andrews
Dorchester	ST. JOHN
Fredericton	St. Stephen
Grand Falls*	Shediac
Hillsborough	Sussex
Moncton	Woodstock
Newcastle	