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THE

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

The discussions which we have extracted from the official report of the last meeting of the Actuarial Society of America will be found very interesting. Of the points touched on in connection with the papers reviewed in this issue, the question of the wisdom of granting endowment policies to persons to whom a life policy would be refused is perhaps the most important. It will be noticed that the opinions even of experts do not always agree, and the thorough ventilation of such subjects is the surest way of arriving at the truth. The very practical and valuable nature of these discussions will find a general appreciation, and will confirm the high opinion already held as to the usefulness to the profession of the Actuarial Society of America.

Not long since the city of Victoria, British Columbia, had a fire in Spencer's Arcade, a small one, indeed, so far as fire damage went, it being scarcely a hundred dollars. The damage from water, however, poured on by the firemen is stated at about $6,000. The *Commercial Journal* says that the city is not unlikely to be called upon by the insurance companies to reimburse them for this damage. We mention this case because it is a sample of what frequently occurs in numerous other places besides Victoria, and because it illustrates the value of a good salvage corps in towns of any considerable size. Covers promptly spread would in this case have saved somebody the greater part of that $6,000. Firemen, especially those not thoroughly trained by constant, judiciously directed service, are apt to pour upon or into a building on fire all the water they can bring to bear, regardless of the size or location of the blaze, and excess of water is frequently a good deal more destructive than the fire itself. A salvage corps should, in some form, be an adjunct of every fire brigade. Its service may save more in a single fire than its cost for a whole year.

The annual report—the thirty-seventh—of the Postmaster-General of Great Britain is out, and by it we are enabled to show the progress of the government's magnificent scheme of annuity and life assurance, which has been in existence since 1865. The free circulation of its twelve pages of elaborate regulations and instructions, combined with all the *prestige* supposed to attach to Her Majesty's government, served to awaken enthusiasm in the overwhelming number of 468 persons who applied for and received policies of assurance on their lives during 1890. The amount thus assured reached the enormous sum of $127,330—almost as much as some of the medium-sized life companies on this side the water average daily! During 1889 somewhat greater results were obtained, for 671 policies were issued assuring $164,160. The number of annuities granted in 1890 was 948 immediate and 116 deferred, altogether for the sum of $122,415. These are great results, and indicate unmistakably the extensive desire of the general British public for government life assurance. By all means let us have more of these "paternal" schemes, and abolish the old fogy corporations still trying to compete with the government in selling life assurance!

Experience seems to have shown that a salutary lesson is to be learned from the methods of the New England mill mutuals with regard to inspection. We do not refer to the fact of careful inspection itself—the necessity for that is universally conceded and extensively practiced by the stock companies—but rather to the manner of making the inspection. Mr. U. C. Crosby, president of the New England Fire Insurance Exchange, in a paper of great interest read before the Northwestern Fire Underwriters' meeting at Chicago recently, dealt at some length with this question from the standpoint of close and extended observation, and strongly urged the adoption of some system of united inspection by all the stock companies, in place of the present system of inspection by each company with its diversity of conclusions and requirements, greatly to the perplexity of the insured. He cites the spectacle in his own field of a hundred specials crossing and recrossing and duplicating each other's work in a diversified inspection, which, he says, "does not reduce hazards or the loss ratio," and which entails great expense. We do not of course understand Mr. Crosby to favor the doing away at all of the company special, but only that the most thorough inspection of risks by trained experts be secured by the united action of all the companies. Fifty companies have already combined to form the New England Bureau of United Inspection.

THE MEETING OF the Actuarial Society of America on Canadian soil was one of those international gatherings which we delight to record. As Canadians it was a keen pleasure to the members and friends of the Society resident in the Dominion to welcome to our midst so many noted Americans, and we can guarantee a cordial reception whenever we may again be favored by the Society's presence. Every interchange of hospitality helps to draw closer those bonds of brotherly kindness which every sensible man desires to see strengthened to the utmost. Miss Canada is not willing to lose her identity by marrying her big neighbor, but she is very anxious to be indeed a sister to him. The two nations live side by side, speak the same language, have the same religion, and in many other ways have common interests, and should be among the very warmest and firmest of friends. Any society which draws together the citizens of the two countries is deserving of the thanks of both, while any fire-brand agitator, who endeavors recklessly to sow dissension between them, should be looked upon in the same light as a criminal.

IN THE WAY of current news, we stated in our last issue that no appointment had then been made of a manager here by the Caledonian insurance company, and casually expressed the opinion, also shared by Montreal underwriters generally, that the directors might well hesitate to appoint a comparatively inexperienced young man from the ranks of the brokers to fill such a position. Very naturally there are some who hold a different opinion, as is their right to do, and yet who have, it is said, taken offence because the CHRONICLE has also presumed to have and to express an opinion on the subject, even though in such a manner as to divest the allusion as much as possible of personalities. A proposed appointment which passes over the heads of half a dozen trained underwriters experienced in agency management, and which aims at the selection of any broker, however competent as such, challenges prompt criticism and disapproval in the interest of sound underwriting management. As a public journal devoted to the best interests of insurance, we stated the incontrovertable fact that such an appointment was "unusual," coupled with our implied opinion, so generally held, that the appointment of a man without experience in general agency management would be unwise. It would seem that the directors of the Caledonian hold the same opinion. We have dealt with this matter without prejudice for or against the particular man named for the position, whom we do not know even by sight. It was the incongruity of the proposed appointment, not the man personally, with which we had to do. The CHRONICLE has decided opinions on all questions pertaining to insurance and its management, which will be, as heretofore, freely and impartially expressed without fear or favor, and without dictation by anybody anywhere.

WE ARE IN receipt of a letter from the representative, at Fredericton, of one of our best life companies, calling attention to the old story of the operations of the humbug short-term endowment orders, and calling upon the CHRONICLE to urge upon the Dominion Parliament the necessity of legislation to drive the swindling concerns from the Canadian field. Well, that is just what we have repeatedly done for the past six months, and we can only repeat the observation that the protection of the people from downright frauds in the fair name of insurance is quite as clearly the duty of our legislators as is their protection from any other class of frauds. We are of the opinion that these so-called endowment, and especially the "bond investment," concerns, of the assessment variety, may legally be proceeded against by the public prosecutor under our existing laws; but inasmuch as this official does not move in the matter, a distinct law, clearly giving the insurance superintendent the authority to expel the frauds, may be needed. That they are fast disappearing in the States under the aroused indignation of the people, who begin to realize how they have been duped, is no reason why their exit should not be hastened here by the strong arm—or rather, the vigorous boot—of the law.

THE UNEXPECTED IS always happening: a fact never to be lost sight of when considering the benefits of accident insurance. The *Accident News* well puts it when it says: "The only thing certain about the accident that is going to happen to you some day is that it will not be the accident you expect." Men are less liable to be killed or injured by the casualties especially pertaining to their calling or occupation than by those looked upon as remote contingencies. The above journal, in speaking of a large number of clippings from the daily papers during a part of July last, illustrates the truthfulness of our statement when it says:—

> A clergyman loses his foot in boarding a railway train; the travelling salesman to whom that accident should have happened is struck in the eye by a base ball as he passes along the street, and the base ball player is drowned while bathing. Of the 239 accidents enumerated in these clippings, 59 of which were fatal, 27 were cases of drowning. The early part of the bathing season was marked again this year, as it is every year, by a large number of these sad accidents. Those who cannot swim take risks which are proper only for the strong swimmer, and the strong swimmer falls a victim to the cramp, or, as has been the case several times already this season, heroically loses his life in his attempt to save others.

It is astonishing how many casualties occur from falls to people of quiet habits and moving about the streets or engaged in non-hazardous employments. The *News* refers to the accidents reported at police head quarters in New York for six months—noted by us some time since—and remarks that out of 2,361 accidents thus reported, 1,371 were from falls, or considerably more than one-half. The fact is, no man, however safe his occupation or careful his habits, is safe from accidents when least looked for.

COMBINATION, NOT CONSOLIDATION.

In the exceptionally able address of Mr. G. F. Bissell, general agent at Chicago of the Hartford Fire insurance company, before the Fire Underwriters' Association of the Northwest, the other day, it seems to us that he somewhat confounded the benefits arising from a closer alliance among fire insurance companies with alleged benefits to come from actual consolidation. Confederation is a widely different thing from amalgamation. It is yet to be demonstrated that the latter, on any extended scale, would be for the permanent good of the business. The old cry, that we have too many companies, such as they are, to insure the best results may be true enough, but in the same sense it is true that there are too many people in the world, such as they are, to allow of the highest prosperity and the most enlightened progress. Considered in the aggregate, there is in fact too much of about everything in this world except goodness, when viewed from the standpoint of interested competition. Experience for some thousands of years has shown, however, that in all forms of human activity this competition has been one of the very best things for the competitors themselves. It is the mainspring of the best achievement and at the same time the balance wheel to the world's machinery.

There are of course plenty of weaklings in the fire insurance ranks; and unless they get gradually stronger by judicious diet and prudent exercise, competition will sweep them aside, as it has done so many heretofore. It does not follow, however, that a small company is necessarily a weak one. A company with a million dollars of clean assets and only half a million of liabilities is manifestly a strong company and a desirable factor in underwriting; while another, with ten millions of assets and liabilities crowding close upon that respectable sum, may be really weak. Whether a company is small or large, its real value depends upon being managed with underwriting skill and with reference to the extent of the field which its resources enable it to occupy. Quite a respectable percentage of the companies which have retired during the last decade might have continued and grown but for a too ambitious management. The attempt to run a narrow-gauge train on a broad-gauge track always ends in disaster. A comparatively small company with a reasonably large surplus may do a safe and profitable business in a field limited to its capacity, while by attempting to spread itself over the general agency field, such as the large companies may venture to enter, it undertakes an injudicious competition under which it is likely to be flattened out. The attempt of these stripling Davids to fight in Saul's armor is attended with a costly experience which generally comes too late.

We do not think the difficulty of the present fire underwriting situation lies so much in the excess of stock companies, either small or large, as in the venturesomeness and bad handling which some of them get. Mr. Bissell's own prediction, that in the United States the next census will show the nation's wealth to reach seventy billions of dollars, of which thirty billions will need fire insurance protection, points pretty clearly to the fact that under the policy of extensive consolidation that business cannot be handled either wisely or well for either companies or policyholders. Combination and concentration of effort, the marshaling of a compact fire insurance phalanx with a solid front, led by good generalship, is what we need. Inherently weak companies will necessarily fall out of such ranks, but there will be room for a good many soldiers, if well equipped, to do good service in some part of the field, even if less than six feet tall.

LIFE ASSURANCE AND PHOTOGRAPHY.

On glancing at the above title, most of our readers will probably ask themselves, what possible connection there can be between subjects apparently so widely separated. And yet, when we remember how such diverse departments of science as medicine and mathematics have been pressed into the service of life assurance, why should we wonder at the suggestion to add another branch, that of photography, to the list? And it has, in fact, long seemed to us that there is a blank in connection with the business which photography can fill with much advantage. In the early years of the system it was compulsory on all applicants to present themselves personally at the office of the company, so that the directors and officers would have an opportunity of judging for themselves of the desirability of the risk. Owing to the magnitude of the business in modern times, any such practice is, of course, now impossible—all that can be done is to get as full answers as possible to a series of inquisitorial questions put to the applicant and the medical examiner. And yet how often a doubt arises as to the proper course to take with regard to an application, only the medical referees of the companies know. "What shall we do with this case? He is hardly first class, and yet may be an average risk. On which side of the line should we place him? Shall we decline him or let him pass?" Such a soliloquy very frequently takes place at the head offices, and it generally ends, as is natural, in taking the benefit of the doubt. And on the other hand, how often we hear an agent say: "If the company could only see so-and-so, I feel sure they would take him;" but they do not see him, and the application is declined. Now, why should not photography be made use of to show the officers just what the appearance of the applicant is? We think the suggestion needs only to be made to have its practical value appreciated, and we would certainly recommend our agency friends to forward to the head office a photograph of any individual whom they believe to be a really robust and desirable life, but of whose eligibility the medical director has doubts. We believe the results will prove satisfactory. But in order to be of value, the photograph should be signed by the applicant for purposes of identification, and should also state at least approximately the date at which it was taken.

MISFITS IN INSURANCE MANAGEMENT.

Somebody has well said that the numerous misfits in the various occupations in the world resemble the vain attempt to make square pegs fit into round holes, and *vice versa*. A little observation shows that many excellent men capable of creditable success in callings to which they are naturally adapted narrowly escape downright failure, and chafe through life doing the thing which they are not fitted to do. There are lawyers who should have been doctors, doctors who should have been preachers, preachers who should have been school teachers, teachers who should have been almost anything else, and so on, not alone in the professions but in all classes of business. There is this difference, however, that in business pursuits profit and loss constitutes the try-square by which a man is measured and speedily pronounced a success or a failure. The square peg which gets into the round hole in commercial pursuits soon disappears to give place to the peg that was made to fit.

It is with some pride that we say, that long and impartial observation has convinced us that there are less misfits in the insurance business, especially in fire insurance, than in any other kind of business, banking perhaps excepted. In the very nature of the case it is natural that this should be so, for experience has taught insurance capital, which like all capital is sensitive, that the many and peculiar hazards of the business require *trained men* to handle it, and hence extreme care is taken in the selection of men for responsible positions. That care goes to the very core of the question as to a man's experimental knowledge of the particular duties to be performed. It is not enough to know that an applicant for a position as special agent or inspector is a bright man and a good head clerk behind the company's counter, but added to an indispensable knowledge of the nature of risks, of proper building construction, adequate fire protection, and moral and physical hazard must be the ability to approach men judiciously and to know them when approached.

With the branch or department manager responsible for the results in a wide field, all the qualifications necessary to the inspector must be found and a good many more, and all in more perfect measure. Joined to the ability to judge accurately and the nerve to act promptly in emergencies must be a knowledge of the fundamental principles and acquaintance with the recorded practices of successful underwriting. The manager should know every inch of his field, the hazards peculiar to each locality, and thoroughly understand the effects of co-insurance, average clauses, other insurance, rights and limitations of mortgagor or mortgagee, special permits, the law of waiver, and a hundred other things affecting directly the entire business for which he is responsible. But knowing the field and knowing the nature and effect of the policy contract in its many forms and its proper application in all special cases are not enough,—the manager must know how best to handle his field forces, It is one thing to know all about insurance and how it ought to be done in a given field, and it is quite another thing to get and to skilfully handle the agents in that field so as to insure success. That a man is bright and stirring and a "clever fellow," as we say, is not necessarily a guarantee that he is competent to be at the same time a good general to handle heterogeneous forces, and a judge with penetration to see both adverse and favorable situations and to decide on measures to counteract the one and to magnify the other. It takes training and experience, as well as natural ability to make a successful fire insurance manager, and the history of the business shows that success under any other conditions is so rare as to be phenomenal.

THE EVOLUTION OF THE BROKER.

The broker in fire insurance is of comparatively modern origin and mainly confined to the American continent. In Great Britain, if he is admitted as a factor in the business at all, he is an extremely subordinate and an entirely uninfluential one. There he never presumes to dictate, but is content to be dictated to by the companies. In this country and in the United States the brokerage system has grown up in the tropical atmosphere of a heated but not always judicious competition for business. And it has grown rapidly and into stalwart proportions, until in a few of the larger cities the interesting question as to whether the brokers control the companies or the companies the brokers is an unsolved problem. Doubtless there is a legitimate field in fire insurance for the broker, but in the United States especially he has demolished the fences, and ignoring all restraint has everything pretty much his own way.

In their eager scramble for more business, the companies have petted the broker until the pet has well nigh become the master. The business in New York has for some time been practically controlled by the brokers, whose only interest in the company is to play it for big commissions, regardless of the quality of the risk. And New York is not the only city of which this may be said. There are plenty of cases where the broker's commissions amount annually to four or five times the salary of the principal officer of even the larger companies, a considerable share of which commissions has been "earned" on risks into the taking of which the companies have been bulldozed. The troublesome commission question is really the brokerage question, and if things go much further in the present direction, the time will soon come when either the broker must drop into his place as a humble solicitor of risks subject to company regulations, made to be enforced, or else the company managers will make their hasty parting bow to the indignant shareholders. There are, we are glad to see, cheering signs that some of the old and strong British companies on this side of the water will before long manifest by action the courage of their convictions, and either entirely eliminate the broker, substituting therefor a controllable working force on entirely different lines at a great reduction of expense, or relegate him to his legitimate sphere of subordinate dependency.

THE INTEREST RATE QUESTION

Editor INSURANCE & FINANCE CHRONICLE:

Your issue of Oct. 15th contains a fair and temperate discussion of the future rate of interest obtainable on life insurance investments in this country, headed "A Three Per Cent. Standard Not Needed."

You use as a basis for your argument the United States companies' experience, as given in the last Connecticut report. My purpose is merely to point out, that the method used in said report does not give the *net* rate of interest *earned*, and that when the calculation is rectified it overturns your conclusions.

Let us take as an illustration the result obtained for the business of 1890, as found on page 375 of the last report. The annual rate of interest received by all the companies making statements to Connecticut, for that year, is made to appear as 5.19%. This is obtained by casting the total interest receipts ($36,199,651, page 376) into the mean assets ($697,352,192), held between the beginning and end of the year. This leaves out many important considerations, which can perhaps best be shown by arranging the data as it should be.

Mean admitted assets as above..................		$697,352,192
Add mean unadmitted assets reported............		1,929,858
		$699,282,050
Deduct—		
Imperial & Vermont Cos. withdrawn..	$ 286,288	
Net deferred prems. (not assets proper)	7,771,462	
½ net int. earned in 1890............	13,578,122	21,635,872
Net mean assets subject to a year's interest......		$677,646,178
Int. dividends and rents received in 1890 as above		36,199 651
Decline in market value of assets and in amount of accrued interest reported for 1890........................	$4,401,007	
Profit and loss and R.E. expenses marked off in disbursements..............	1,286,279	
Expense of making and caring for investments and for taxes on R.E. which should have been deducted from rents, at least ½% on net assets............	3,456,121	
		$ 9,143,407
Actual net interest earned......		27,056,244

Which is only 3.993% of the mean assets.

Of the above mean assets the report shows $85,739,028 to be "surplus" Dec. 31, 1890. But this so-called surplus included $36,631,818 of capital stock, tontine and other special funds, the interest upon which is pledged to special parties, and does not go properly to swell *general* interest receipts. The general surplus was therefore only $49,107,210. It would appear from this to the non-expert, that the liabilities of the companies being $632,117,090 and the net interest earned as above being $27,056,244, that the rate earned upon liabilities was 4.28%. This would be an error. The accumulation formula requires that interest should be earned upon the net *premiums* in addition to the reserve.

On page 376, the report shows $27,397,842 was *needed* to be earned as interest in order to maintain the 4% standard. While objecting to the method used by the department's actuary in arriving at this result, the amount itself is very nearly correct, and shows that for the year 1890 the companies reporting to the State of Connecticut, as a whole, even with the aid of their general surplus, *barely earned* in interest a sum sufficient to maintain their reserves. The lowering of the interest standard is not therefore "a mere theory of the future," but a condition which confronts us to-day.

Yours respectfully,

NEW YORK, Oct. 23, 1891. WM. D. WHITING.

[The above technical treatment of the subject by an able actuary shows how figures can be so arranged as to prove apparently the thing wished for by the writer. We cheerfully give Mr. Whiting a hearing, but must call attention to the important fact, that the design of our former article was to show by comparison of figures obtained on the same basis each year, that for several years the decline in interest rate has been very small. Our figures still prove that fact, for if we admit that Mr. Whiting's calculations are correct, the application of the same method he has here used to the reports of five or eight or ten years ago will only reduce the rates then prevailing, so that the *relative* rate will still be maintained. It seems, therefore, that if Mr. Whiting is now correct in his conclusion, viz., that there ought to be a reduced standard, then that reduction was very nearly as imperative five years and more ago as now. Then, again, we do not admit the ½ per cent. charge on net assets for caring for investments, etc., above introduced, in addition to which, it will be noted, he charges up $1,286,279 for real estate expenses and profit and loss. Does anybody believe—does Mr. Whiting himself believe, in all seriousness—that it cost the companies doing business in Connecticut considerably more than four million dollars in the year 1890, to care for their investments alone? We think the method by which Mr. Whiting reaches the conclusions above will be regarded by most people as unique, and they will especially be apt to inquire on what principle of fairness he charges, without explanation, interest account with the large decline in market value of assets, as if this were an actual loss on current account. Everybody knows that 1890 was altogether an exceptional year for market value of securities, with a depression unknown for a decade, and which may be unknown for another decade; and that it was temporary only is shown by the present values of the same securities. Our contention that not only in the United States, but in Canada and in England, the decline in interest rate for several years has been too slight to justify the adoption of a 3 per cent. standard in the former country, we think still holds.—ED. INSURANCE & FINANCE CHRONICLE.]

THE NEW YORK LIFE EXAMINATION.

Some interesting information has been given by Deputy Shannon of the New York State insurance department, in charge of the New York Life investigation. He has talked quite freely to a representative of the *Spectator*, stating that the examination has so far progressed that he is able to say "unequivocally that the company is in a solvent condition, showing a substantial surplus over all liabilities." Of course, this verdict was confidently expected, and is also endorsed by Mr. Banta, who was present at the interview. Mr. Shannon also stated, in the presence of Mr. Banta, that the latter, at the request of the former, had presented to the examiners in due form his charges against the management of the company, under the direction of his attorney, that the answers of the accused would be furnished Mr. Banta, and that then opportunity would be given him to offer a supplementary statement, together with any additional evidence he may wish to produce. Apart from this, Mr. Shannon announces that the charges will be investigated, on their own account, by the department examiners. The examination of the affairs of the company goes back to 1877, when an examination was made by Hon. J. A. McCall, then insurance superintendent, and is stated to include the valuations of every piece of real estate, all stocks and bonds in detail, and every policy of the company. The assets deposited and the buildings and realty owned in foreign countries are being valued under the direction of the several representatives of the United States government, at the request of the insurance department. The examination will show the condition of the company as of June 30 last, and its completion is expected within a very few days, probably not later than the middle of the present month.

FIRE BUSINESS OF BRITISH COMPANIES FOR 1890.

From an interesting table in the *Review* of London we have compiled the following exhibit of the fire business of all but a few of the more insignificant companies in Great Britain.

Name of Company	Premiums	Losses.	Expenses and Commissions.	Percentages: Losses to Prems	Exp. to Prems	Losses and Exp
	£	£	£			
Liv. & Lond. & Globe	1,423,762	820,027	436,531	57.5	30.6	88.1
North British.	1,389,-57	810,687	464,163	58.3	33.5	91.8
Royal........	1,220,382	686,566	395,762	56.2	32.4	88.6
Phœnix......	1,037,977	638,619	314,883	61 5	30.3	91 8
Commercial Union ..	939,298	580,860	282,468	61.8	30 0	91.8
Sun Fire	871,679	470,983	265,953	54.0	30.5	84.5
Imperial Fire.	764,364	443,686	255,989	58.0	33.4	91.4
Norwich Union	748,347	468,408	237,741	62.5	31.7	94.2
London & Lanc.....	702,347	382,618	227,960	54.4	32.4	86.8
Lancashire....	679,703	454,242	214,624	66.8	31 5	98.3
Northern............	671,464	395,189	220,004	58.8	29 7	88.5
Queen...............	644,506	421,849	207,347	65.4	32 1	97 5
Guardian	579,284	331,800	200,412	57.2	34 5	91.7
London Assurance...	423,766	211,714	139,694	49.9	32.9	82.9
Alliance......	395,295	188,526	120,658	47.7	30.5	78.2
Palatine......	360,919	232,594	117,570	64.4	32 5	96.9
United Fire......	265,615	176,367	76,060	66 3	28 6	95.0
Scottish Union......	251,370	111,644	77,495	44 4	30 8	75.2
County Fire....	250,304	122,728	72,676	49.0	29.0	78.0
Caledonian......	231,589	88,970	76,292	38 4	37.2	75.6
Atlas	205,838	122,281	63,644	59.4	30.8	90.2
National, Ireland....	203,010	132,424	63,032	65.2	31.4	96.6
Manchester.........	200,204	111,159	63,268	55 5	31.6	87.1
City of London......	188,422	148,575	65,609	77 6	34.8	112 4
Lion Fire............	183,409	111,348	63,796	60.7	34 7	95.4
Glasgow & London..	170,682	142,114	63,786	83.2	37 6	120 8
Economic...........	148,673	76,326	57,272	51.3	38.5	89.8
Union Assurance....	143,247	87,643	52,266	61.1	36.4	97.6
Law Fire.......	122,759	55,387	34,356	45.1	27 9	73.0
Patriotic...........	107,215	67,660	36,528	[illegible] 1	34 0	97.1
West of England....	101,813	50,800	30,620	49.8	30 0	79 9
Royal Exchange*...	100,267	52,902	32,551	52.7	32.4	85 1
General	99,749	54,422	36,396	54.5	36.4	90.9
Equitable Fire	92,392	52,809	26,689	57.1	28.8	86.0
Fire Ins. Asso.	87,356	56,001	32,730	64.0	37.4	101 4
Yorkshire...........	85,477	41,466	32,4[illegible]8	48 5	38.4	86.9
Hand-in-Hand	77,658	42,200	21,506	54.3	27.6	82 0
Kent...............	61,805	23,987	21,047	38.8	34.0	72.8
Law Union....	52,595	18,069	17,423	34 3	33.1	67.4
British Law.........	31,648	13,409	21,598	42.3	68.2	110.5
Midland Counties ...	29,524	10,593	11,596	35.8	39 -	75.0
Essex & Suffolk.....	25,491	11,414	7,125	44.7	27 9	72.7
Scottish Alliance....	10,280	5,841	†5,902	56.8	57 4	114.2
Bolton Cotton Trust.	10,132	6,657	897	65.7	8.8	74.5
Co-operative.......	7,393	3,005	2,242	40.6	30.3	70.9
Commercial of Scot.	6,166	1,964	3,054	31.8	49.5	81.3
Church of England..	5,842	1,300	3,212	22.2	54.9	77.1
Wesleyan Meth. Trust	5,403	2,800	1,186	51.8	21.9	73.7

* Eight months' business. † Includes expenses, etc., on accident business.

The Australian Mutual Provident Life has decided not to enter Great Britain for business, as has for some time been contemplated.

NORTHWESTERN FIRE UNDERWRITERS.

We present the following pithy extracts from the various papers read at the annual meeting of the Fire Underwriters' Association of the Northwest, held at Chicago, October 7th to 9th:

There can, I think, be no disagreement to the following propositions: First—That the object of inspection should be to acquaint ourselves with the pertinent risks we are assuming. Second—That such information to be of much value should be had in time, if possible, to prevent defective or badly exposed property being placed upon our books.

Has our inspection in the past, or does it now, fulfill these two functions? If we answer these questions candidly, we must say that a great deal of defective risk is accepted by us before inspection by our special agents, and, further, that when our inspections are made by our special agents, conscientiously as they are, do they not lack the expert trade knowledge to give them full value? Let me not be misunderstood. I mean simply to say that our special agents, industrious, faithful and loyal, act under limitations in knowledge of details which experts possess; act under such knowledge as the managers have, which is frequently not equal to their own. What both managers and special agents lack is expert knowledge. What seems to be needed then is: First—Expert inspection. Second—With reasonable frequency. Third—In time for use before the risk is written. To know all that we can before a risk is written is obviously the dictate of sound sense. Our present methods of what we call inspection are in my judgment far short of what is needed and of what is attainable.—*President Eddy's annual address.*

From information furnished by the eleventh census it would appear that in 1890 there were, of all sorts, over seventeen hundred insurance organizations transacting business in this country. Eliminating county and township companies and associations, and corporations following other branches of underwriting, there are left three hundred and sixty-five American and foreign joint stock, and one hundred and ninety mutual fire insurance companies that may be said to be actively engaged in fire underwriting, with premium incomes ranging from five thousand dollars to nearly five millions each per annum, and that eighty per cent. of the entire business is transacted by less than one hundred and thirty companies. Are the interests of the public and of capital best promoted by this excessive duplication of machinery? Under the constantly changing conditions of the country and the intenser forms of competition as a resulting consequence, will it continue to be tolerated? During a period not much exceeding twelve years, with no great disasters affecting the solvency of underwriting institutions, what is the fact that one hundred and sixty joint stock fire insurance companies, with an aggregate capital of thirty-two millions of dollars and assets approximating forty-five millions, have been retired, either by reinsuring, by liquidation, or by failure, but evidence of prodigious waste, and a prophecy that this thinning process must continue until the most economical adjustment possible is reached?—*G. F. Bissell, general agent, Hartford Fire.*

The lesson and effects of the Chicago fire were many and varied. We have only time for consideration of the more essential ones: First, and very important to the property owner, it proved the unreliability of purely local companies in the event of a disastrous fire in their locality, and that agency companies are the only permanently reliable ones. The fundamental idea of fire insurance is the dissemination of risks over a wide area, so that the losses shall not "bear ruinously on any, but lightly on all." In flagrant violation of this idea, the Chicago companies had courted a spirit of exclusiveness, and, as it were, built a Chinese wall about the city, seeking to monopolize all the risks thus enclosed. Proportionately to their success in this, and they did succeed to the extent of $35,000,000 at risk, Chicago suffered, as Boston suffered a year later, and as all cities must ever suffer under similar conditions. A city cannot safely insure itself, but cities and towns may insure each other, which means national and international, or agency fire insurance. * * *

Companies operating under stock notes or paper capitals were literally consumed. The residue wasn't sufficient for the merest outline of corpse. Even the paper stockholders couldn't find enough for a respectable inquest—though it is not on record that any of them were burned to death in the attempt. Most of them were in the fore-front of the retreat, doubtless bound for the "Cross Road Corners of Chaosville," in search of those "securities," which were either past finding out or not worth the search when found. Chicago's experience with paper companies should never have been forgotten by the property owner. Yet, strangely, paper indemnity still finds favor in certain quarters.

As regards fire insurance companies, the necessity of making provision for extraordinary losses received a terrible emphasis. Companies that had allowed stockholders to extract all the meat in dividends, "leaving only the bare bones of capital," were burned to a cinder. The year 1871 found the business demoralized. Greedy rate cutters had precipitated a general scramble, with the usual bad faith and worse practices. Many companies were on the verge of dishonorable failure when the Chicago fire afforded them a semi-honorable death. But the surviving companies readily recognized the necessity of concerted action through associations and honorable compacts to maintain and equalize rates, regulate commissions, improve risks, secure better fire protection and building laws, and thus uplift and improve their own business, and, indirectly, promote the general good. Boards and compacts were speedily organized all over the country, and from then till now the strongest and best companies, the ones best able to meet conflagrations, have been members of these organizations. The companies owed this action to themselves and their stockholders, and they owed it not less to the people, who, in turn, owed a generous support to the companies.

The effect upon municipal legislation, on fire protection and structures was most salutary. Better fire departments, improved water supplies and water works equipped for emergencies, rigid fire ordinances, and stronger and less inflammable structures became very popular, while continuous combustibles, adjacent to the business district and frame buildings within that district, came to be regarded as offences and menaces which cities could illy afford. Chicago, particularly, was quite willing to do the needful in these directions, and though some of its recent buildings, like Tom Hood's fir trees, "nearly touch the sky," the effect of the fire is still apparent in the usually solid construction and in our superior fire extinguishing facilities. In the respects considered, as in others, the Chicago fire was a great blessing, as all historic fires have been since and including the one in London in the "Merrie Monarch's" reign.—*C. A. Hewitt, editor of the Argus on the Great Chicago Fire.*

The same underlying principles govern the business of selling indemnity that govern all other business ventures, and the measure of success or failure is the same. He who loses money in either is a failure; he who makes it, a success. Income must exceed outgo, great contingencies be provided against capital, earn a fair interest, the dignity and character of the business maintained, or failure is certain. Insurance companies are not philanthropic enterprises, but on the contrary business organizations created by capitalists for the purpose of making money, and hoping to make more money than the same capital would earn otherwise if vested. There is as little sentiment in the business as there is in banking, the sole purpose being to make a profit on the underwriting account and to so invest the assets as will bring the largest possible returns. Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account.—*Secy. Harbeck, Mich. Fire Ins. Co.*

The one simple, single point I urge is that it shall by law be made compulsory that the coroner shall investigate every fire. We already have laws in many of the States, which provide that whenever complaint in writing shall be made by any responsible citizen, or whenever it shall be made to appear by the affidavit of a credible witness that a fire was of suspicious origin, the authorities shall proceed to investigate, etc. Such a law has been a dead letter on the statute books of New York for more than thirty years, and in other States for various periods of time. It is wholly ineffectual from the fact that it hinges upon the willingness of some party to come forward in the capacity of informer under oath. This is its vital defect; men will not put themselves in that position, and so fires which "everybody knows" are frauds go unexamined and the frauds go unpunished. But even if this were not so, the need for such a law would exist all the same, for I am not pleading for a police enactment solely; I am seeking for a great deal more than the mere detection of incendiaries. The majority of fires are free from suspicion of fraud, and it is into the origin of the honest losses that investigation needs to be made, so as to understand the building defects and other causes whence such fires arise, in order to remedy them and prevent the further destruction of property from causes so ascertained.—*C. C. Hine of the "Monitor."*

I am a firm believer in the association of underwriters for mutual interests. Fair, equitable and paying rates should be obtained, yet our efforts should not be mainly in the direction of rates, but in that of intelligent consideration of hazards, the improvement of risks, and the reduction of the loss ratio at present existing in this country. This cannot be brought about by separate and independent action on the part of each company, but only by concerted action, in which the assured must be an interested and active factor. We must so adjust the work of organization that the public will see they are absolutely necessary to the business, and that they produce a reduction, not an advance in the cost of insurance. * * *

There are many who believe the time is not far distant when all the companies doing business in New England will unite in a general system of inspection. * * * The inspection of this class should be arranged in a business like way with inspectors who would represent all the companies and who would examine all the property, and see that requests for improvement were carried out. We have in the little territory of New England over 100 special agents. These 100 special agents are crossing and recrossing, duplicating each other's work in one mad whirl of inspection which does not improve, and supervision which does not reduce hazards or the loss ratio, and this is done at great cost and expense, and must be paid for by the assured. If the energy and ability represented by this corps of field men was properly distributed and directed, grand results would be obtained. We must so adjust the work of our organizations that the public will see they are absolutely necessary to the business, and that they produce a reduction, not an advance, in the cost of insurance. We must adopt the most approved methods, work directly for the interests of the assured, give the best security at the lowest cost, or eventually abandon the field. It is because I believe in the principles of stock insurance that the mutual plan is no more necessary in underwriting than in manufacturing, that our companies are officered and supervised by men of great ability, men who would make success in any business or walk in life, who will look the question fairly in the face and accept the issue: it is because of this, because I believe that influences are at work which will solve this problem and prove the ability of stock underwriters to transact the entire insurance business in this country, for the real, positive interest of the public, at the lowest cost and the maximum of protection, that I venture to come before you and present this subject for your consideration. In New England we have in the past been blind to our true interests. Will you repeat our blunders and mistakes, remaining blind to the demands and conditions of the public? —*U. C. Crosby, Pres. New Eng. Ins. Exchange.*

THE ACTUARIAL SOCIETY OF AMERICA.

We continue our report of the proceedings at the last meeting of this Society held recently in Toronto. We quote from the official report just published. The papers under criticism were those read at the meeting held six months previously. After the review of Mr. Homans' paper on "Insurance Values as bases for Surrender charges" dealt with in our last number, attention was turned to

INSURANCE VALUES AND DISTRIBUTION OF SURPLUS, BY WILLIAM HENDRY (Ontario Mutual).

MR. RICHTER (London Life): In a paper on "Insurance Values and Distribution of Surplus," read before this society at its last meeting, by Mr. William Hendry, some ideas are presented which, to me at least, appear to require further consideration, and in view of the fact that the author himself stated that they were presented more for consideration than decision, he will, I am sure, accept the remarks I am about to make as being for the purpose of arriving at sound conclusions only, and not for the sake of mere criticism. Under the head of "the Equitable and Equivalent as they exist, or ought to exist, between the company and the individual," he proceeds to illustrate how in the case of persons insured on different plans, but paying premiums which are equivalents, a maladjustment as between the company and its members may nevertheless exist. The examples selected are a Single Premium Life Policy, an Annual Premium Life Policy, and a policy on the Natural Premium Plan, and supposing a policy upon each plan to become a claim at the end of the first year after issue, the discrepancies between the respective premiums paid by the members as against a uniform amount paid by the company, is illustrated.

The adjustment of this inequality in the premiums can, it is claimed, be accomplished in two ways:

"(1) In the case of the Single Premium Policy, by paying, in addition to the insurance, the difference between its reserve at the time of death and that of an ordinary Level Premium Policy; or

"(2) In the case of the Annual Level Premium Policy, to deduct from the insurance the difference between its value and that of a Single Premium Policy."

As regards the second proposition, viz., to deduct from the amount insured (in the case of the Annual Premium Policy) the difference between its reserve value and that of the Single Premium Policy, there can be no question as to the company's ability to do this, if the contract so provided; but I certainly fail to see that there would be any justification for such a course, for when the insured, in common with other members of his class, pays a premium which, under all the circumstances, is the exact equivalent of the Single Premium, no loss is sustained by the company, and, as a consequence, no deduction should be made from the amount insured.

It is, however, with the first proposition, viz., to add to the amount insured the difference between the respective reserve values of the two classes of policies, that I wish to deal more particularly.

It is admitted that the respective premiums quoted are equivalents, that is, the Single Premium being the exact net sum payable in advance for a policy of insurance payable at death, and that the Annual Premium is the exact annuity equivalent of this Single Premium for a like amount of insurance payable in like manner. If, therefore, the Annual Premium is the exact annuity equivalent on the Single Premium as stated, it necessarily follows that the Single Premium is the exact present worth of the Annual Premium; and if so, how can a company pay an amount largely in excess of that for which the premium paid is alone adequate? It certainly cannot do so without creating a deficiency in the reserve fund required to be maintained to the credit of the surviving policies, or encroaching upon funds which have no connection with the question at issue. To illustrate this, let us take the figures quoted as being the respective net Single and Annual Premiums payable as per contract, add thereto the interest, and, after deducting the respective proper shares of contribution to the mortality cost for a uniform insurance and the respective reserves in the case of surviving policies, it will be found that nothing whatever is left over out of which the company can pay anything in addition to the original amount provided for.

Single Premium Policy.

Net Single Premium Whole Life Policy, $10,000.

Age 35	$3,406 00
Add interest at 4% for one year	136 24
Total	$3,542 24
Deduct share of mortality cost for first year, say	60 54
Balance is simply the net reserve required at credit of each surviving policy	$3,481 70

Annual Premium Policy.

Net Annual Premium Whole Life Policy, $10,000.

Age 35	$ 198 70
Add interest for one year at 4%	7 94
Total	$ 206 64
Deduct share of mortality cost for one year, say	91 84
Balance is simply the net reserve required at credit of each surviving policy	$ 114 80

It will be observed that the respective contributions to the mortality cost of the year differ very materially, the amount at risk being much less in the case of the Single Premium Policy than in the case of the Annual Premium Policy, such policy's share of the mortality cost bearing the same proportion to the amount contributed by the Annual Premium Policy as the amount at risk under the respective policies bear to each other. I need hardly add that the amount at risk is the amount insured, less the reserve at credit of the respective policies from year to year.

From the foregoing examples it is, I think, quite clear that an adjustment, such as referred to between the two classes of policies, cannot be made as indicated in proposition No. 1, and, I may add, nor should it be made as indicated in proposition No. 2. If, therefore, there is a maladjustment as between the company and its respective members, as claimed by Mr. Hendry, the adjustment will have to be made in some other way than as proposed.

TATE'S ARITHMOMETER BY MAX H. PEILER.

MR. CRAIG: Having read Mr. Peiler's article with much interest, I would make a suggestion that may be of practical value, in reference to the use of the arithmometer. I know that in our office, when two or three of them are running, they make such a racket that complaint is made that the other clerks cannot attend properly to their business. The suggestion is, that if the front of the box be open, and for that matter the sides also, and the machine itself be placed upon a rubber foundation, the noise is reduced to a minimum, so that practically other clerks could be working in the same room without any confusion incident to the noise. At another time I will have something further to say on this subject.

A STANDARD OF MEASURING THE EFFECTS OF SELECTION AMONG INSURED LIVES,
BY WM. D. WHITING.

MR. MACAULAY (Sun Life): Mr. Whiting's paper is a welcome contribution to one of the interesting and important problems which we have to face, that of the effect of selection on mortality. There are one or two points, however, to which I would like to refer. I do not think it can be safely assumed that the effects of either adverse or medical selection wear out entirely in five, ten, or even fifteen years. All that we can say is that after the lapse of a certain time the effects are less noticeable and more uniform. The medical examination must of necessity exclude many groups of risks whose admission would increase the mortality not only for ten years but permanently. If actual proof of this is desired, it will be found in the experience of those companies which have assured impaired lives. It is known that the mortality on these risks continues abnormally high throughout the whole duration of the policies. And if this is the case among lives accepted as impaired risks, how much more should it be true of those who are utterly rejected?

Then, again, it can be shown that the effect of the personal selection by the applicants is also, to a certain extent, permanent. In annuitants we have a class of self-selected risks, and their longevity has become proverbial. And the mortality among them continues remarkably favorable to the very end of the table, as a glance at the table contained in Mr. Pierson's article "On Double Edowments" (page 85 of our last issue) will show. And it must be remembered that there are generally no lapses among annuitants, so that the selection exercised by them is at the time of the issue of the bond only. And as there is thus a power of permanent adverse self-selection among the holders of this form of policy, it is hard to believe that it does not exist among the other policy-holders also And, in fact, the mortality among endowment policy-holders is remarkably favorable throughout, thus proving this to be the case.

Moreover, we cannot assume that because the lapses cease practically at the end of ten years, therefore the injurious *effects* of those lapses cease at the same time. The undue proportion of bad lives which the adverse selection has left with the company do not all die as soon as the lapses cease. Furthermore, I do not think it is the case that the excess in the rate of mortality by amounts beyond that by lives is due only, or even chiefly, to the adverse selection of those who cancel their policies in exchange for paid-ups of smaller amount. This is, perhaps, one of the causes, but only a minor one. The number of policies exchanged for paid-up assurances is small compared with the total cancellations. The higher mortality by amounts is due rather to the excessive mortality among holders of large policies than to the favorable mortality among the holders of small paid-ups. And this is the result of adverse selection exercised before the issue of the policies, the applicant who doubts himself usually taking a larger policy than the one who has no such doubt.

And while, on the subject of mortality among paid-up policies issued in exchange for others of larger amount, it may not be amiss to point out, that, although in many cases, these show a more favorable death-rate than the ordinary policies of the company, yet they can hardly be accepted as a true indication of the mortality actually prevailing among those who discontinue. There may be, and often is, an adverse selection even with regard to them, for if, as an illustration, the cause of the cancellation be a doubt as to the stability of the company, it is entirely probable that most of the better lives will take the option of a cash value, while the impaired ones will take the paid-up assurance.

The experience of the Connecticut Mutual in regard to paid-up policies is an interesting and instructive one. The percentage of actual to expected claims on premium-paying life policies was 87.0 by numbers and 89.3 by amounts. The corresponding figures among paid-up policies issued in lieu of others surrendered were 80.2 per cent. by numbers and 99.1 per cent. by amounts. It would thus appear that the number of claims among paid-up policies was much smaller than among premium paying policies, while the amount was much larger. This curious state of affairs might appear at first to be a mere isolated fluctuation, but an examination of the details shows that the same marked excess of the ratio by amounts over that by numbers prevails throughout, so that it is no mere coincidence. It is, moreover, confirmed to a large extent by the experience of the Mutual Benefit. How, then, is it to be accounted for? We can understand how adverse selection with regard to amounts may be exercised by policy holders, who can assure for large or small amounts as they choose, but those who take paid-up policies have no option. They must take the amount which the company offers. It is true that some results of the original selection by which doubtful lives take larger policies may perhaps be traced here, for the large original policies would, as a rule, become the large paid-up policies when converted by surrender into the latter class. But this is not a sufficient explanation, for the difference between the loss ratios by numbers and amounts is much more marked in the case of the paid-ups than in the company as a whole. I believe that the true solution is to be found in another quarter. There is one circumstance with regard to paid-up policies which acts in the company's favor. When the assured has fallen into chronic bad health or bad habits, it often happens that his financial condition also becomes bad. The payment of premiums under such circumstances becomes a severe burden. The temptation to forego the death benefit for the sake of present relief becomes great, and we can easily understand that the strength of that temptation will vary in exact proportion to the difference between the amount which the company will give as paid-up assurance and the present face value of the policy. Thus a person in bad health, who has an ordinary life-policy of $5,000 only a few years in force, and for which we will say the company will give him a paid-up policy of $500 only, will probably strain every point to keep the original policy in force; while, if he has another $5,000 policy on the ten-payment life plan, with, say, eight premiums paid, and for which he can get a paid-up assurance of $4,000, he will feel greatly tempted to surrender the last one to obtain financial relief. The price he would pay for that relief would be $4,500 in the one case and $1,000 in the other. This is, I believe, the true explanation of the heavy mortality among paid-up policies of the larger amounts. Very few but first-class lives will be willing to take paid-up policies of small amounts in exchange for much larger premium paying ones, and we may thus expect a remarkably low death-rate among small paid-up policies and a heavier rate among large ones, just as the experience of the Connecticut Mutual has shown.

The only other explanation which occurs to me as possible is that the favorable loss rate among paid-up policies may be due to some of these being lost sight of and the deaths not reported. It is just possible that this may have some influence; but if these unreported deaths are even fairly numerous, it would mean that the mortality among paid-up policies is actually in excess of the death rate in the whole company. This would mean that those who drop their policies and take paid-up assurances are in fact worse lives than those who continue. This is the very opposite of what we would very naturally expect, and I am by no means prepared to admit it, especially as a more satisfactory explanation can be given. However, whatever the cause may be, it would seem that a favorable death-rate by amounts is hardly to be looked for among all paid-up policies, although such will generally be found to prevail among those for small amounts. Mr. Whiting's theory, that the excess in the loss rate by sums assured beyond that by lives is due to the favorable mortality among paid-up policies, is therefore hardly tenable.

There is probably no subject which can come before us more intricate and many-sided, or more interesting. And Mr. Whiting has certainly thrown considerable light on the question, and opened up the way for further investigation. He has, moreover, shown that a mortality table which excludes the first ten years is certainly nearer to the normal standard for assured lives than one which leaves out the first five only, and that is practically what he set out to prove. He has, however, completely failed to show that a table which excludes the first ten years is free from the effects of selection.

MR. MCCLINTOCK (Mutual, N. Y.): The question that Mr. Whiting has brought up is about as important a question as we can consider. It is what should be the standard by which we may measure the effects of selection of all kinds, which means, first, selection in favor of the company by the action of the medical examiner; and secondly, selection against the company by the action, so far as it can take effect, of the applicant at the time he takes his insurance; and again, selection against the company by the action of the policyholder who leaves it. All these forms of selection affect our mortality records; and it is of the highest importance that we should have a just and suitable standard by which to measure our own experience. Now, it is true, as Mr. Macaulay has said, that Mr. Whiting has gone a step further than the earlier step which was taken in England some years ago when the table was formed omitting the first five years of insurance. Mr. Whiting proposes to omit the first ten years of insurance; and I agree with Mr. Macaulay and Mr. Whiting that this might, on the whole, make a somewhat better standard than the average table which makes up what we call the American table, or the Actuaries' table, or the Twenty or Thirty Offices' table, as the case may be. But we must not forget that even a table excluding the first ten years of insurance will be still only an average table. It will be composed of all sorts of business, —good, bad and indifferent, and shows merely the average of the lot. Now, the question is, how are we going to get at such an average as to constitute a true standard? I believe it cannot be done. You may take any company, or set of companies, and exclude the first ten years of insurance, and you will still have a certain portion of endowment insurance, a certain portion of whole life insurance, a certain portion of life insurance with a limited number of premiums; and we all know, who have studied the subject, that the mortality on endowment and limited payment life policies is not to exceed three-fourths of what it is on ordinary life policies; and that fact is approximately true, 10, 15, or 20 years after the issue, the same as in earlier years. That being the case, we have only an average of different classes of insured lives, and the result depends entirely on the proportion of different classes embraced in the special average under consideration. There is a company in Philadelphia, which has shown the best mortality of any company of its size, I think, in the world. That company has, I am informed, an unusual amount of endowment business—not less that 87 per cent. I say that that may account altogether for its low mortality rate. If we undertake to make up an average of insured lives, even excluding the first ten years, we have simply got a hodge-podge for a standard, which is no standard. Therefore, we have got to come back practically, I think, to something like the standard which was adopted by Mr George King in the Institute of Actuaries. He took the table devised by Dr. Farr, called "The Healthy English Males." That is not contained in any of the ordinary publications of Dr. Farr, I think, but is to be found in Walford's Cyclopædia. It is in one of the numbers of the Journal of the Institute. That "Healthy English Males" table was a table derived from a large number of healthy country districts in England, showing their actual mortality year by year, age by age, and it is very different indeed from any other table that ever has been devised. Mr. King took that table as the standard by which to measure the effects of selection. It seems to me that until some better and more complete table is found, which is entirely independent of life insurance and of life insurance needs, we cannot do better than to adhere to that standard. The reason of this, I think, is obvious from what I have mentioned, that any table based on life insurance experience must be more or less vitiated by the circumstances of the case, while the Healthy English table is based on a large collection of statistics of English lives, of which the mortality is absolutely independent of any consideration of insurance.

Then followed the discussion of Mr. Hall's scholarly paper on Maximum Assurances, with which we dealt in our last issue, after which was discussed

WEIGHT AND LONGEVITY BY T. B. MACAULAY.

MR. HENDRY: Mr. Chairman, I take a good deal of interest in this matter and in Mr. Macaulay's article In the offering of endowments we have made it a business to take into consideration what the tendency would be to mortality. There is a certain class of lives that we don't think of offering endowments to at all—that is, to those who have a reasonable probability of dying by consumption. I don't understand at all that the offering of an endowment policy covers the risk. I think that the only way that could be covered would be by an extra special rate for them as a separate class of impaired lives. But the other class who, on account of their occupation, on account of overweight, or for other reason, have a tendency to short life, but at a reasonably advanced age—this would be a class to whom we would at any time offer endowments. Now, overweights, in my opinion, are a very dangerous class. I think the report of the Connecticut Mutual that we received some years ago showed that very clearly. Now, so far as my own company is concerned, if there is a tendency to increasing weight, or if there is overweight at a young age, we would not accept risks for life policies, unless the excess of weight is within twenty per cent. of the normal standard. But a large proportion of those are quite eligible for endowment policies. Now, there is a difference between the selection by the party himself of an endowment and the selection by the company of the endowment. I think that the party who comes and offers to pay a large premium, for the purpose of securing a payment to himself at a certain time afterwards, is the man who has confidence that he is going to live out that time to receive the money. The company, on the other hand, take it on themselves to make a selection, which in no way involves an expression of opinion from the party himself; and in that way the selection may be against the company, especially in cases where the tendency to death would be at an early age. Now, there is another feature in the matter. If a party were at all posted, he might say to himself: "Well, I don't think it is likely that I am going to live very long, and probably the only way that I can get a policy is to offer to take a high-premium policy." There is a possibility that some one might make up his mind that by offering endowment premiums the company would take it for granted that his own opinion was good as far as he himself was concerned. If I were an impaired life, and understanding the business as I do, I would not go to any company and ask them to take me on a life term, but I would apply for endowment insurance.

MR. PHILLIPS (Equitable), being asked to speak, said: I fear that I cannot give anything that will be of much interest to the Society. We have not made a calculation in regard to the average mortality of heavy men. But our general principle has been always to take heavy men on endowment policies. If the applicants would take an endowment policy for twenty years, we would issue the policy. If they were very heavy, we cut down the time. Sometimes we would offer a ten-year endowment, sometimes a fifteen. But if they would not take it we let them pass. That has been our course; and I feel sure that heavy men are a little more inclined to sudden death, and that obesity is a sign of degeneration of the tissues, and that all companies should be rather slow in accepting such risks. If I could offer any figures upon the point I should be very glad to do so.

MR. IRELAND (Massachusetts Mutual). I would like to ask Mr. Phillips whether they have made any difference in considering heavy men, in the case of those whose family history shows a tendency to heavy weight in the family and heavy weights among the ancestors who had lived to good ages.

MR. PHILLIPS: We have always considered that point. We thought that that took off some of the objection to them, if we found that the heavy men lived long. But I am not sure that our knowledge of the parents and brothers and sisters was good enough, frequently, to enable us to take that into account.

MR. MACAULAY: If I remember aright, Mr. McClintock, at our last meeting, made a distinction between heavy weights, and declared that those whose parents, at the time of the application, were both living, or, if dead, had not died below the age of seventy, showed a mortality as favorable as any class in the company's business; and that those heavy weights which showed an unfavorable mortality were those in which there was a death of one or other of the parents under the age of seventy, from some cause.

MR. MCCLINTOCK: I think that the matter of light weights is quite as important as the matter of heavy weights. I am sorry that I have no statistics to speak of in connection with light weights. I must say that, for myself, I was greatly pleased to hear Mr. Macaulay's paper, and I think he deserves our thanks for taking the trouble to put the facts together as clearly and satisfactorily as he has done.

MR. MACAULAY: We are in our company impressed with the danger of accepting persons who are markedly under average weight, especially if that under-average weight is combined with unfavorable family history. We have been in the habit of looking with the most suspicious eyes on the combination of those two traits—any unfavorable point in its family history, and light weight. The question of medical selection comes down very largely to a question of selection against consumption. Heart disease and many other diseases can be discovered by the doctor; and, if discovered, the applicant is thrown out. Consumption is, however, the disease which is most likely to prove fatal in the early years of our policies; and if we can only, by care and judgment, cut out the risks in which consumption is most likely to set in, we will have a favorable mortality; and if we do not succeed in doing that, we will not. Our success in having a favorable mortality will be to a large extent proportionate to our success in cutting out consumptive cases.

MR. CRAIG (Metropolitan): Mr. President, I think that the remarks which Mr. Macaulay has just made ought to be subject to some modification, because we must recognize the fact that life insurance is designed for men who die from consumption as well as for men who die from any other disease; and if it were possible to eliminate beforehand all those who are to die from consumption, we would have to reconstruct all the tables upon which our business is based, and charge a smaller premium.

MR. MACAULAY: Of course, I hope none of the members have the idea that I think it is possible to eliminate all consumptive cases; but in certain classes of business the possibility of consumption setting in is more probable than in certain other classes.

MR. NICHOLS: Two men, I think, may be of the same height and the same weight, and yet their difference in build will indicate whether or not they have the consumptive tendency. In some cases—I refer to the case of men with large frames and loose frames, as we say—those men, I have in my own personal observation often noticed, have a strong consumptive tendency, and it seems to me that in those cases the risk is quite as great as if they were men of light weight. Another feature that has impressed me has been that men may be of light weight, and even of undue height, and at the same time be comparatively free from the consumptive tendency, by reason of their physical condition being just the reverse of that which I speak of. Some men are extraordinarily spare, and show that they have very little physical vigor in their constitution. Other men may be of equal weight and equal height, at the same time they are what we term wiry, tough. And I simply rise, gentlemen, to draw the distinction between those two classes, as they have impressed my own mind, but without, as I say, any statistics whatever to guide me on the subject.

MR. CRAIG: If the theory of the business is carried out, it would imply that the mortality should be on a normal basis. If the character of risks is such by selection that the mortality is below the normal basis, a discrimination has been made, if I may use the expression, against the table of mortality itself. That discrimination enables a company to return larger profits to those who have been insured, but the increase of dividends has been at the expense of the exclusion of other men who might properly have been insured so as to bring the rate of mortality up to the normal basis.

DOUBLE ENDOWMENTS, BY ISRAEL C. PIERSON.

MR. MACAULAY: There is one little point in this that is not peculiar to this paper; but it is peculiar to the whole plan of taking under-average lives on endowments. I have been investigating lately the DMF table of the Institute of Actuaries, which includes impaired lives which have been taken by all the companies contributing to the HMF table; and the record there is just what one would expect. It is not worked out in the Institute tables, and we have had it worked out ourselves. The deaths under that table are much heavier in proportion to the deaths under healthy policies in the first few years after the issue of a policy than at any other time. They are in excess right throughout, but they are in greater excess in the first few years after the issue of the policy. So that, in the case of under-average lives, we require to be protected particularly against the first few years of the policy. That is when the excessive mortality in impaired lives will chiefly be. Now, by taking an endowment, or a double endowment, we only partially cover that. If we take a man on the twenty-year endowment, or even a fifteen-year endowment, whom we would not take under a straight policy, and he dies of consumption in the first five years, the company will still lose money. They will not lose as much as if they had taken him on a life policy, but yet they will lose. And although in the case of the double endowment, the premium does not increase practically from age 25 to age 55, yet it by no means follows that the mortality on impaired lives rated up to 55 will follow exactly the same curve as that of the healthy lives of the advanced age. If we say that we can take a man whose real age is 25, but in whose case we would expect a mortality equal to that of 55 on the double endowment, without an extra premium, we are ignoring the fact that the mortality curve on impaired lives and on healthy lives will be entirely different. There is, however, this much to be said about the endowment feature, and that is that it to a certain extent represents the moral hazard. Persons selecting the endowment plan are usually better lives than those who select the straight life plan. But this is on account of their self-selection, which is a very different thing from company selection. If the company accepts a man on the endowment, that by no means shows that the mortality on that policy is going to be the same as among policy-holders who have themselves chosen the endowment plan. Company selection and self-selection are two different things; but there is this much to be said about it: that persons who feel themselves to be under-average lives will sometimes decline to pay the heavy premium on an endowment, trying to get a life policy in another company; but some will take it.

MR. MCCLINTOCK: Mr. President, I agree fully with every word that Mr. Macaulay has said; but I think that the practice of a number of American companies, to which he refers, of taking lives on the endowment plan which would not be taken on the straight life plan, deserves a little more support than he has given to it. The only thing that he has said, tending to favor that practice, is his remark, that a person who is offered an endowment may, if he is a poor risk, decline to pay the premium. Now, that prospect, that the poorer class of risks will decline to pay the premium, is just what we have to base our action on in offering endowments instead of life policies. It is by no means certain that the self-selection which takes place when men are offered endowment policies is not sufficient to bring the company out harmless in following that practice. What I mean is this: if there are, say, a hundred applications which the medical department considers doubtful—and by doubtful, I don't mean bad risks at all; I mean simply doubtful—if there are a hundred such cases, and the medical department says that they may be taken on the endowment plan, we shall find that a certain proportion of those policies are taken on the endowment plan, and others are not taken at all. It seems a fair inference that those which are not taken at all include the least hopeful cases of this doubtful class; and it is certain that there must be some of the hundred who are good risks. We can't tell exactly who they are, but, as a general rule, the judgment of a man concerning his own risk is worth more than the judgment of any doctor, if we can only get at his true opinion.

MR. WEEKS (New York Life): May I ask why the man who is conscious that he is a poor risk should refuse to take an endowment policy if he cannot get a life policy?

MR. MCCLINTOCK: I admit that a certain number of poor risks take an endowment policy and pay for it. But there is a considerable choice of companies in the United States. A man who is rejected by one company is very apt to be taken by another, and particularly where there is nothing definite against the risk. I am speaking now of cases which are strictly doubtful, which are not known to be bad risks. It seems to me that those who decline to pay will quite commonly be among the poorer risks of those which are judged to be doubtful by the doctors.

MR. WEEKS: Why should we suppose that? I should suppose just the opposite, that those who declined to pay would be among the better risks of those who are considered doubtful, because they would be apt to get ordinary life policies in the other companies; I have thought that when we offered endowment policies, we really were keeping the poorer risks of the doubtful class, and the better ones were leaving us.

MR. MACAULAY: I think that the applicants to whom a company offers endowment policies in place of life policies may be divided into three classes. Th[illegible] will be the first class, who are in reality first-class lives, although the company does not think so, and who know that they are first-class lives and that they can get insurance anywhere else. Part of these will take the insurance that is offered, and part of them will say, "No, I can't afford to pay any higher premium," and will go somewhere else. Then, as a second class there are those who are really under-average lives, but who think they can get straight life insurance in some other company, and most of those will refuse the policy. Then there is the third class, who are really under-average lives and who know it, and who doubt if they can get a life policy in any other company. Those will take the endowment that is offered. So that, as a matter of fact, the probability is that some of the first class lives will take endowments, but that nearly all those who feel themselves to be really under-average lives will take it; so that it is very difficult to know whether the self selection can overcome the fact that the company considers them under-average lives. For myself, I doubt it. But it is a question that can only be determined definitely when some large company will investigate that particular class of its business. I heard at our last meeting, that one of our large companies was taking up the question of investigating the mortality of all those policies which had been changed by the company from one plan to another, as a class by themselves. If that is done, it will be one of the most interesting points that can be worked out.

MR. CRAIG: And I think that that is the only basis upon which an intelligent opinion can be arrived at, because it seems to me a very curious thing that among the different opinions prevailing here among experts in the business, some hold that the poorer lives accept the endowment policies. If that prevails to any large extent, it is a surprising fact that the mortality on endowment policies always has been, and is to-day, so much lower than on ordinary life policies, notwithstanding this influence of deteriorated lives, which are supposed to form a part of those who hold endowment policies. So that the only correct basis upon which to arrive at an intelligent opinion is to classify by themselves these policies that have been made endowments by the company.

MR. MCCLINTOCK: Mr Macaulay's third class con sists of persons who feel themselves to be uninsurable I don't count that class as amounting to much in the way of numbers. The supposition is that we are talking about people who would be accepted in one form or another by almost any company. Such men can get accepted, and really do get accepted by other companies on the life basis, and the proportion of persons who feel themselves to be bad risks and uninsurable, and are scared into taking endowment policies because they know they are going to die shortly, must be very small indeed. On the other hand, the point I made in the first place, that when we get at the opinion a man has as to his own risk, we get something valuable, is worth considering, because an endowment policy differs from a life policy in holding out an inducement to get a certain sum of money in one's own lifetime. That is what the general public understand by endowment. Now, a person who believes that he is likely to die will say immediately: "I don't want a policy that I have got to wait twenty years for. I don't want an endowment policy. That is a policy that comes to me in case I live twenty years." Such persons, it has seemed to me, who really feel themselves to be poor risks are more likely to decline an endowment policy, not to be paid to them unless they live a certain time If they really do want insurance, they will turn around and go to one of these hundreds of assessment companies which will give them temporary insurance at a low rate It is, after all, merely a matter of probability. There are no definite statistics on the subject, and I feel some doubt about it myself. All that I say is that I don't see why, on general principles, we should assume necessarily that the practice of the companies in offering endowments instead of life policies is going to turn out badly to the companies.

MR. WRIGHT (New England Mutual): The thought occurs to me that one cause which may lead to the more favorable result which Mr. McClintock speaks of, which has not been mentioned, may be that among those who are offered the endowment there will be considerable difference in circumstances—those who are in better circumstances and more likely therefore to pay the higher premium having, in some measure, a greater assurance of longevity.

MR. HOMANS: Mr. President, I believe it was my fortune to first point out the difference in mortality between endowments and whole-life policies, as far back as 1858. The statistics of the Mutual Life at that time, as well as those of the Mutual Benefit, were that the mortality among holders of endowment policies was only about one-half that among whole-life policies. Now, no doubt this great difference was partly due to the paucity of observations among endowments. But we have no very late statistics as to the mortality among endowments. In fact, we have no very late statistics as to the experience of any companies. When the later experiences are published and made known, then we can ascertain the effect of the practice which prevails to a greater or a less extent among the companies, of giving a man an endowment when the officers would think it unsafe to give him a whole-life policy. And the only way that this question can be settled is by a separate investigation of what we may call orthodox endowments—that is, where men come in and ask for them and select them; which will inevitably result in very much more favorable mortality; because no man comes in to ask for an endowment and deliberately pays a higher premium than is necessary, unless he believes that he will live to enjoy its benefit. Now, I say, it will be a very interesting question when the time comes, to find out what the experience has been among orthodox endowments, and what the experience has been among endowments which have been made endowments by the action of the company; that is, by putting men who are not quite up to the standard on the more expensive plan rather than on the whole-life plan. The Secretary modestly states that his paper is one of historic value only. It is more than that—it is valuable as an explanation of the first practical application of a plan by which the effects of differing rates of mortality may be neutralized by a judicious combination of endowment with insurance proper.

MR. HALL (Maryland): Mr. President, there is a group of lives, in very large numbers, which, it seems to me, can be, and probably generally are, accepted on the endowment plan without the smallest detriment to that class. I mean the class of applicants who present a good physical personal examination, who have a family record of parents and grandparents having died at about 60 or 65, but not from hereditary diseases. The case appears in certain families, where the limit of human life is not three score years and ten, or four-score years, but it is evidently about three-score years. The family appears to die at about that period, because their vitality gives out then. Such an individual will probably be as good a risk as any for an endowment maturing at age 55, for instance. He would have as much chance of reaching that age as a person whose family history and personal examination pointed to greater longevity. And those risks, I think, can generally be put down in groups, without any detriment to that class. A remark that Mr. Hendry made about those, who, doubting the probability of their acceptance upon a cheaper plan, select the endowment as being more likely to avoid their being rejected, leads me to say that I have observed a tendency on the part of agents to suggest that. They come across an applicant, and find that there is some objection, as, for instance, excess of weight or something of the kind, and I think they tell that man that there is something in his case which the company may object to unless he applies on the endowment plan. I think the agents head off that objection.

MR. MACAULAY: Mr. Chairman, I would just like to say that I agree with the remarks that have been made by Mr. Hendry and Mr. Hall in regard to different classes of impaired lives. But I would like now to correct a misapprehension which Mr. McClintock apparently has fallen into in regard to my third classification. In that third classification, I did not mean those who were uninsurable or who knew themselves to be uninsurable. I meant those who knew themselves to be under-average, and who thought they were uninsurable on the life plan. That does not necessarily mean that they are grave-yard insurances. It means that they are under average lives, and know it, and have perhaps a little pride about being declined, and doubt whether they can be insured in any other company, and so they take the endowment. I don't think that the fact that the mortality on endowment policies, as a whole, is more favorable than that among life policies is any answer to this question. The number of policies which are placed by the company on the endowment plan is very small, as compared with the number of policies which are selected by the applicants themselves on that plan. This table of the relation of annuities to assurance, in Mr. Pierson's article, shows a very much more favorable ratio of mortality among annuitants to that among assured lives than the endowment policyholders' mortality generally shows. That would go to show that it may be—I don't say that it is—that the mortality among self-selected endowments is almost as favorable as that among annuities, while the mortality among the company-selected endowments may be quite unfavorable. And yet the small proportion of the company-selected endowments to the self-selected endowments may make the whole class appear quite favorable We are all going into theory at present, and the subject cannot be thoroughly dealt with until somebody works up the actual experience.

MR. JONES (Northwestern): It seems to me that the class to which reference has just been made as self selected is one that in the early history of insurance stood as a class, without sub-division. But, as Mr. Hendry has indicated, it should be divided into two groups—those that are self-selected by reason of natural conditions, and those that are self-selected by reason of a diffusion of intelligence and the information that agents are apt to communicate. It has been my fortune to come considerably into contact with agents, and I notice that if they find out anything about the principles in view of which risks are accepted or declined, they immediately make a practical application of that knowledge.

MR. WRIGHT: Having said a word in the way of exception on one side, I would like to add a word on the other. I consider it an excellent rule for a company to decline to take, under one sort of policy, any person whom they will not take under another. The companies may differ as to what degree of general vitality in their lives they will aim at; but having fixed the degree that they will aim at, and having existing members who come up to that standard, they are under a sort of moral obligation to get as many as possible of their new members on the same standard. So that I think it is an excellent rule—although I have thrown out a suggestion on the other side—to take no one under one form of policy who would be rejected under another.

MR. MACAULAY: I may say that this lack of vitality is one point which has been mentioned by physicians from the West Indies. They say that white men down there will go through a disease and black men, of perhaps superior physique, if any serious illness takes them, die from lack of grit.

MR. HEMPERLEY: It looks to me as if there were two different lines of policy which the assurance companies may adopt, and which would lead to two different conclusions in the matter. If, as Mr. Craig has suggested, we are doing business from philanthropic motives, with a desire simply to benefit as many as possible under the provisions which we have arranged, of course we will let in a good many If, on the other hand, we are doing business simply for the purpose of making as much money as is possible for those who are already in, then some of the first class will be shut out. The matter may be viewed in different lights by different companies, and therefore different lines of action will be followed. In regard to what Mr. Jones says concerning staying powers. I have given a good deal of attention to the fact that the mind has a wonderful influence over the body; the thought occurs to me, that if the old doctrine of transmigration of souls be true, those who stay may have succeeded the animal which we call the cat, and, having nine lives, are bound to survive; while those who die young may have come from the long-eared rabbit tribe, and may turn over with a slight tap on the nose. Of course the family record does not go back so far as that.

EX-COMMISSIONER WILDER SPEAKS.

When the tax on insurance companies was repealed in England in 1869, the law had been in force eighty-five years. That tax, however, was levied by and paid to one government only. In the United States, companies are supervised and taxed in about fifty States and Territories, and municipalities by the thousand tax them. Who, pays the enormous burden? The policyholder; he pays a much higher rate than his English brother. There is no supervision in England; no insurance departmen. .o support. And yet England is not, never has been, overrun with dishonest and insolvent insurance societies as we are here * * *

The annual statements written or printed by insurance companies and printed by insurance departments in this country would fill, packed closely, a vestibule train of half a dozen coaches. Who pays f. the clerical labor expended in compiling them, for th. cords of white paper used in printing them, and for the labor of hundreds of printers in putting them into type? Why, the policyholder pays. And it is the strangest thing in the world that no reformer gets up in any Legislature and exposes and endeavors to defeat this extravagant expenditure.

Financial and Statistical.

THE SEPTEMBER BANK STATEMENT.

With the September statement of chartered banks in Canada before us, we are reminded that we have passed into the autumn, and that trade and commerce is expected to become lively when the country has had a season of prosperity. The country has been blessed with a bountiful harvest, and now the hope is that the products may not be held back beyond the regular time for placing them upon the market with the hope of obtaining a higher price. Often when this is done, disappointment and loss follow, whereas, had the holders marketed while the grain was fresh, the differe. .e in weight and bulk would have made the difference in price, as all farm produce has a tendency to diminish in weight with time; besides, the average farmer has debts to pay, upon some of which he is obliged to pay interest.

It is evident from the bank statement that but little produce was moved during the time to which the return relates, although bank notes have been considerably augmented In fact, in no former year excepting last year have they reached the same figures, and for last year's large increase we are indebted to the McKinley Tariff coming into operation on the 6th Oct. That the result of the present month's business will far exceed former years gives good ground for congratulation. There was no movement in the produce of the Northwest during September, but it promises to make itself felt during October. The lower provinces were at a standstill during September.

We give the amount of bank notes in circulation on the 30th of each September for the past 12 years:—

1880	$24,369,708	1886	$31,927,050
1881	31,751,589	1887	33,765,604
1882	33,953,387	1888	32,913,526
1883	33,145,845	1889	32,888,429
1884	31,456,024	1890	35,522,319
1885	31,334,621	1891	34,083,051

The lumber trade, though brightening now towards the close of the season, has not been all that was desired, and the phosphate output has been disappointing to a great degree. The difficulty with the latter is not so much in the demand as because of the excessive tax placed upon mining operations, making it impossible to place the product up.. the market at a profit.

It has become a somewhat amusing pastime since the introduction of the new banking act to watch the ebb and flow of its composition. We have referred previously to daily exchanges between banks in this return. We find a difference in the total of $741,365, which amount can hardly be held to be in transit. We find the Eastern Townships Bank with an asset of $498,430 under that head, and fail to find a corresponding amount by any bank as a liability. Loans between banks are being more closely looked after. Another amusing feature to which we referred on a previous occasion is the impossibility of the correctness of that valuable adjunct. "The greatest amount of notes in circulation at any time during the month." The Bank of British Columbia gives its greatest amount at $1,198,073, and gives as on the 30th Sept. $1,234,562. Banque Jacques Cartier gives as its greatest amount during the month, $456,000, while on the 30th Sept., same month, the amount is given $458,592. This though not serious is, to say the least, amusing.

BOOMS AND BOOMERS.

One would suppose that with the sad experience of Winnipeg still fresh in their memories, and the example of Toronto present even now before them, the people of Montreal would be inclined to fight shy of booms and boomers. And yet there are unmistakable indications that we here have at last caught the contagion and are even now in the early stages of the disease. We may fairly expect that the fever will run its course, steadily increasing in strength until it reaches the climax, gradually declining thereafter, and finally leaving behind it debility and exhaustion, recovery from which will be a matter of years. The solidity and permanence of the growth of Montreal has long been a matter of comment. Now, however, this natural and healthy state of affairs is being slowly replaced by an activity which is both unnatural and unhealthy. One of the chief factors in producing this undesirable change is the advent in our midst of a number of speculators from Toronto. The fact is, the rapid growth of Western cities on this continent has developed a class of professional boomers. Chicago, St. Paul and Minneapolis, and their suburbs, have been worked by these gentry to the fullest extent. Toronto has followed the same course, and is now "played out." In looking round for new worlds to conquer, some of the speculators of Chicago and St. Paul have turned their attention to Winnipeg, where they have bought a good deal of property from those who lost on the last boom. Their fellows of Toronto are now descending in constantly increasing numbers on Montreal. Between their operations and those of local speculators, matters in the suburbs are beginning to be lively. We now have special excursions, auction sales, flamin advertisements and all the other paraphernalia of the regular boom at Montreal Junction to the West, Montreal Annex and Laval Park to the North, and Victoria Park and Montreal South across the river, to say nothing of the many minor places. And we appear to be as yet but at the beginning of this state of affairs. There is no denying that the wonderful growth of Montreal is causing its population to burst the old limits and overflow in all directions. That is both inevitable and desirable. But the appearance of professional boomers upon the scene is in itself the hoisting of a danger signal. These gentlemen, almost invariably, force the market. They induce people to buy who would do better to keep their cash in their pockets. Speculation becomes rife, values rise beyond fair figures, and when the bubble bursts the boomers walk away with full pockets, while the loss falls on those who are illy able to bear it. It is for this reason that we raise a voice to warn our readers against the dangers which threaten us. The higher the excitement rises the deeper will be the subsequent depression. Steady and rapid growth is a blessing to the community, but a boom is a calamity.

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

Comparison of Principal Items.

Assets.	30th Sept., 1891.	31st August, 1891.	30th Sept., 1890.	Decrease and Decrease for month.		Increase and Decrease for year.	
Specie and Dominion Notes	$17,140,169	$17,198,421	$15,900,923	Dec.	$ 58,252	Inc.	$1,239,246
Notes of and cheques on other Banks	7,109,471	7,065,222	9,976,092	Inc.	44,249	Dec.	2,866,621
Due from American Banks and Branches	18,257,462	17,440,197	13,370,010	Inc.	817,265	Inc.	4,886,852
Due from British Banks and Branches	4,082,051	3,875,418	3,334,618	Inc.	206,633	Inc.	747,433
Canadian Municipal Securities and Brit., Prov. or Forg'n. or Col. Pub. Securities other than Dominion	6,155,228	6,197,789		Dec.	42,561		
Railway Securities	3,846,583	3,860,121		Dec.	13,538		
Loans on Stocks and Bonds on call	12,341,950	11,640,809		Inc.	701,141		
Current Loans to the Public	185,902,494	184,106,324		Inc.	1,796,170		
Overdue debts	2,758,901	2,953,151	2,529,274	Dec.	194,250	Inc.	229,627
Total Assets	273,391,148	271,069,033	260,700,598	Inc.	2,322,115	Inc.	12,690,550
Liabilities.							
Bank notes in circulation	34,083,051	32,012,196	35,522,319	Inc.	2,070,955	Dec.	1,439,268
Balance due Dominion Government	2,475,130	2,568,088	3,017,237	Dec.	92,958	Dec.	542,107
Balance due Provincial Governments	3,064,713	4,321,172	2,587,654	Dec.	1,256,459	Inc.	477,059
Deposits made by the public	145,625,060	144,084,629	132,434,754	Inc.	1,540,431	Inc.	13,190,306
Do payable on demand, or after notice between Bks.	2,384,272	2,591,698	2,225,218	Dec.	207,426	Inc.	159,054
Due to American Banks and Branches	112,725	84,885	153,417	Inc.	27,840	Dec.	40,692
Due to British Banks and Branches	1,867,964	2,227,946	2,108,155	Dec.	359,982	Dec.	240,191
Total Liabilities	190,268,743	188,764,213	178,264,107	Inc.	1,504,530	Inc.	12,004,636
Capital.							
Capital paid up	60,993,290	60,939,481	59,932,678	Inc.	53,709	Inc.	1,060,612
Reserve Fund	23,182,546	23,155,988	21,524,034	Inc.	26,558	Inc.	2,458,512
Directors' Liabilities	5,646,176	5,692,191	7,473,451	Dec.	46,011	Dec.	1,827,275

Deposits with Dominion Government for security of note circulation, being 2½ per cent. on average note circulation for year ending 30th June, 1891, $843,975.

INTERFERENCE WITH PROVINCIAL RIGHTS.

It has been our practice as a financial journal to ignore all political questions which are not directly associated with finance, commerce, or national well being. We are tempted to step aside for once, however. While not expressing at present any opinion as to the merits of the Baie des Chaleurs Railway matter now being investigated, we cannot but laugh at the plea put forward by the provincial authorities against any discussion of the question by the Senate at Ottawa. They claimed and still claim that they are amenable for their actions to the local house alone, and that any criticism of their conduct by the Federal Parliament or its appointees is an unwarranted interference with provincial rights, on the strength of which some fire-eaters have talked of annexation, independence and bursting confederation. It is curious to remember that these same people are the ones who passed a resolution interfering with the affairs of the Imperial Parliament, by telling it that it should grant home rule to Ireland. But it is still more curious to think that it is also these same persons who denounced most vehemently and incessantly, both in and out of the local parliament, the action of the federal government in hanging Riel. It was by interfering with federal affairs that the present government at Quebec came into power. "Consistency, thou art a jewel!"

We are pleased to note that Mr. W. J. King, who for some time past has been the efficient and popular accountant in the Montreal branch of the Canadian Bank of Commerce, has been deservedly advanced to the position of manager at the Berlin, Ont., branch of the bank. Mr. Harcourt, for five years past accountant in the New York branch of the bank, and formerly connected with the Montreal branch, succeeds Mr. King.

The railways of Great Britain realized a gross income from all sources in 1890 of $399,740,000, and the working expenses were $215,940,000, leaving $183,800,000 as the net receipts for the year. This was 4.10 per cent. on the total paid up capital, and somewhat less than for the preceding year, when the percentage was 4.21. The percentage of working expenses to total receipts in 1890 was 54, as compared with 52 for the four preceding years.

From statistics given by *Money* of London, showing the cash reserves of the ten larger banks of London on September 1st last, we condense the following exhibit:—

Cash in hand	$165,793,455
Cash and investments	311,905,290
Deposits from the public	640,273,225
Percentage of cash to deposits	25.89
Pct'ge. of cash and investm'ts. to deposits	48.71

The proportion of cash to deposits varied from 17 to 37 per cent. and of cash and investments to deposits from 34 to 60 per cent. among the individual banks.

The growth of British Columbia during the last decade, both in population and wealth, has been very satisfactory, the former since 1881 having been 87 per cent., with a present population of 92,767. Victoria has in that time grown from 5,900 inhabitants to 16,800; Vancouver, non existent in 1881, has 13,600 population; and New Westminster has increased from 1,500 to 6,641. Solid prosperity is indicated by the fact that in these cities 50 per cent. of the mechanics own the houses they live in. The assessed value of real estate in the province, outside the cities, is $20,000,000 and of personal property $18,000,000. The value of real and personal property altogether is $546 per head, and the debt of the province $12.50 per head.

Speaking of the announcement that 60 car loads of eggs were to be shipped from Canada to Liverpool during October and November, a London morning paper sneers at the venerable age of these eggs by the time they get into the kitchens of the people, whereupon the *Canadian Gazette* says: "The truth is that the greater portion of the eggs imported into Great Britain from such countries as Germany, Hungary, and Belgium, and many parts of France and Spain, take longer to reach the British markets than does the Canadian product; and if inquiry be made of those who handle the eggs of these countries, it will be found that Canadian eggs reach this country in a fresher and better condition than do the bulk of Continental eggs."

Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE:—

Some of the leading representatives of the fire insurance companies are looking blue these times; and well they may, for fires have been numerous of late, and the losses will make a mighty big hole in the premium receipts this year. One hustler remarked to me yesterday: "We have all got it right in the neck this month," referring to the fire losses reported during the last four weeks. "However," said another jovial member of the fire insurance fraternity, "it is never so bad but it might be worse." The hope is expressed that the last two months of the year may be light in losses, so that the percentage for the year may make a better showing than for the first ten months of 1891.

Twisting policies is said to be a common practice by certain agents in the United States, and this is supposed to benefit the company successful in issuing the last policy. Of course, here, in Canada, life agents are innocent of any such practice, and are never guilty of such an abominable game, *i.e.*, "hardly ever." But what do you think of twisting fire policies, and yet it is being done in a most disgraceful and dishonest manner. The fire agent works the wrinkle just the opposite to the lightning life canvasser,—the latter is desirous of getting on the risk, the former plays his game to get off.

There is trouble in store for the Dominion Building and Loan Association of this city. This association must not be confounded with the ordinary and well established loan societies of this province. It works on entirely different lines, and its agents are active competitors with the regular life companies for a sort of endowment business. The promise is made, that for an initiation fee of $1 and a monthly payment of 60 cents for the term of eight years, to return the shareholder $100. However, it is alleged they go one better by promising to pay the shareholder 6 per cent. per annum as a dividend during the eight years. On the face, it appears highly improbable that the results can ever be realized. To do so would require an earning power of about 13 per cent. per annum, and a borrower having good mortgage security to offer can obtain all the money he requires at one half that rate.

The law requires that the rate of interest shall be clearly stated in a mortgage; and if the Dominion Association has not done this, it is evidently acting in violation of a law that was specially enacted to protect borrowers who, in years gone by, were actually paying 12 per cent. when they supposed it was only 6 per cent. It is alleged that the funds required to be set aside for the loan account have been used for expenses and other purposes. This has been brought to light by the auditors, and the subscribers to the share fund now want an investigation. Rumor has it that the manager's head has fallen into the basket; but this will hardly satisfy those having money in the concern, and they are appealing to the courts to protect their interests. Writs have been issued and served on the directors. We shall watch the result.

It is about time the life managers obtained some legislation, to set at rest, once and for all, this vexed question of taxation of the life companies. I learn that this year an assessment commissioner has made a heavy assessment on the life companies; and although the majority of them will probably appeal, it is unlikely that the Court of Revision will extend any consideration to moneyed corporations.

The question was asked me the other day: "Why should not the premiums received by a company in Toronto be considered as income, and as such be assessable?" A life company is like a savings bank, in that it simply receives the annual payment as a trust, to be returned at the death of the policyholder, or at a certain period if the policy be on the endowment plan. To tax the premiums of a company is a case of double taxation. For example, take the case of a man having a salary of $1,000, on which he is taxed for the full amount: Supposing he is paying $35 per annum for insurance,—if the company is also taxed, it means taxing this man twice. The more the matter is examined the more unfair the whole system appears; and the sooner the life managers bestir themselves in the matter, the easier it will be to arrive at a satisfactory settlement of a troublesome affair.

I regret to record the death of Mr. W. Henderson, late manager of the Hartford Fire insurance company. He was one of our oldest and most respected fire representatives, and will be much missed by a large circle of friends. During the last two years he has been gradually failing, and has given very little attention to the affairs of the company. He was the great factor in building up and retaining the splendid business of the Hartford in this province. It is exceedingly gratifying to me to be able to record, that when Mr. Henderson was compelled to retire from active work, President Chase did not forget the splendid services he had rendered the company in the past, but acted in an exceedingly handsome manner to his old friend.

The frequent visits of President Ramsay to Toronto revives the old rumor, that the head quarters of the Canada Life will at some future time be removed to this city. This is promptly denied by the company's representatives here, Messrs. Cox, but still it may safely be counted among the unlikely things that are happening every year.

Considerable noise has been made over an agent of the Ontario Mutual Life in the neighborhood of Georgetown, who, it is said, has skipped out. I learn that the shortage is only some $300, and the company holds a bond on which Manager Hendry considers they will have no difficulty in making the amount of their claim.

P. B. P.

TORONTO, Oct. 28, 1891.

OUR LONDON LETTER.

Editor INSURANCE AND FINANCE CHRONICLE:—

CHEAP JACK AGAIN.

I am sorry to be obliged to revert to this subject, but my mind is greatly exercised by the procedure of the Legal and General Life Office, whose departure from the line of rectitude I recorded in my last letter. The scheme for granting policies under rebate to bank clerks was sufficiently reprehensible, but there is now superadded to a similar scheme an insult to the actuarial profession which cannot be too strongly denounced. Mr. Colquhoun, the manager of the Legal and General, has addressed a circular to the actuaries (sic) of the Yorkshire Penny Bank, offering to grant assurances to any 100 or more of them, on terms identical with those offered to the bank clerks. Now, it is well known that the "actuary" of a penny bank may be a tinker, a tailor, or a candlestick maker, who can little more than say his multiplication table; and it is, I consider, a downright prostitution of an honorable title to apply it in the manner described. Mr. Colquhoun is himself a F. I. A., and one would naturally suppose that he was in sympathy with those Fellows of the Institute, who have recently been trying to limit the use of the title of Actuary to those who are thoroughly qualified, and it is a matter of general surprise that he should have acted with so little regard to the profession of which he is a member.

I hear that more than one office of repute is contemplating the perpetuation of the rebate system. What are the British offices coming to? What about *prestige*, of which there has been so much talk? The much-abused American offices are not sinners in this line at any rate.

ANOTHER DEPARTURE

is recorded in the case of the Royal Exchange Life office; but while it is not one that calls for adverse comment, it is noteworthy as an instance of the progressive policy adopted by an office that a few years ago was classed among the "fossils." Under the vigorous management of Mr. G. H. Ryan, however, the Royal Exchange is now pressing to the front rank of its competitors. Mr. Ryan has just published a table of premiums for endowment assurances on the lives of children. The scheme *per se* is not new, but in adapting it to his purposes, Mr. Ryan has introduced certain new features which will doubtless contribute to its successful working. The main features of the scheme are as follows: 1. Medical examination is dispensed with. 2. Policies are world-wide and indisputable. 3. If the death of the assured should occur between the ages of 21 and 50, the sum assured is payable; but if the death should occur prior to the age of 21, then the premiums are returned in full. 4. Premiums may be paid either up to the age of 21 or until the policy matures.

There can be no risk to the company in granting endowment policies on the plan described. I believe the age for assurance will not be less than 14, and there will always be a number of probationers between that age and 21. I notice the premiums are somewhat high, and at present secure only non-profit assurances. It will be a matter of interest to watch the working of the scheme, for as yet we have little in the way of trustworthy statistics relating to the assurance of children's lives. Another company that until a comparatively recent period had been in a quiescent state is now competing strongly for life business. I allude to the Norwich Union. At all times a well known Fire office, it seemed as if the managers were content with the renown acquired in that direction, but they have taken the "departure" needful to become eminent in life assurance as well as fire, and it appears that a branch office in the city of London is to be opened under the management of Mr. Wm. Oatis, who has left the London office of the Scottish Imperial to assist Mr. Deuchar in developing the Norwich Union.

A REAL SENSATION

has been recently experienced by a large section of the public, including the insurance public, by the appearance in the *Times* of a letter from Dr. Mortimer Glanville, a London physician, on the drink question. The doctor takes a very strong view of the action and arguments of the advocates of temperance, or rather, I should say, of abstinence, and denounces the teetotal movement as "one of the weakest and most mischievous crazes of the 19th century." Much else is written in the same strain. He declares that the public health is suffering from the prevalence of abstinence, that the stamina of the average Englishman is lowered by the practice, and that a liberal use of alcohol is positively necessary for the maintenance of health. The insurance offices have not allowed Dr. Glanville's statements to pass unchallenged, and the offices having a temperance section especially have endeavored to confute his arguments. No insurance official with any experience would admit the truth of the doctor's statements, for quite apart from the debated question of the superiority of *abstainers'* lives, there is abundant evidence to prove that the best lives are those of strictly temperate men. The importance attached by every office of standing to the habits of the individual who proposes is the result of experience of the effect of habit on longevity, and it will require a stronger man than Dr. Mortimer Glanville is to induce the offices to relax their practice in regard to drinking habits The evil resulting from the publication of such opinions, however, is great, for too many persons disposed to indulge will quote Dr. Glanville as authority for the abuse of that which, used in moderation, has not yet been proved to be detrimental.

BRITISH NATURAL-PREMIUM PROVIDENT ASSOCIATION.

What do you think of that, Mr. Editor? A new assurance company bearing that title has just been registered, and the deposit of £20,000 paid into the Court of Chancery. There have been rumors floating about for some time, respecting the formation of companies based on principles allied to those of the Mutual Reserve Fund, and this is the outcome. Among the signatories to the memorandum of the Association is Mr. W. H. Hayward, late general manager of the Reserve Fund in Great Britain. His name will probably be an indication of the lines upon which the Natural-Premium Association will work, but I believe that the assessment principle will not be adopted.

ANOTHER DEATH

is reported as having occurred in the ranks of insurance managers. Mr. Thomas Marr, for many years the manager of the Scottish Amicable Life office, has just passed away. Mr. Marr enjoyed the respect of his contemporaries, both in Scotland and in England.

VIGILANS.

LONDON, Oct. 15th, 1891.

THE MANAGER OF THE LONDON MUTUAL ON EXHIBITION.

For the amusement and instruction of our readers we print the letter below (received on Oct. 16th) from the manager of the London Mutual Fire insurance company. For bad grammar and foul and abusive language it would be hard to find its equal. What is to be thought of a company, the mental calibre of whose executive officer is measured by this effusion, we leave to the judgment of our readers. It is needless to tell our subscribers who know us that advertisements of companies like the London Mutual are not only not solicited, but would on no terms be accepted by the CHRONICLE if offered. Here is the letter in full:—

LONDON, ONT., 7th Oct., 1891.

The *Editor* INSURANCE CHRONICLE,

Montreal, Que

Sir:—

When I read your article of the 15th inst., in reference to this Company, knowing it was one of your annual distribes against us, in order to force an advertisement, I intended to treat the mendacious article with the thorough contempt it merits; but with your connivance or that of some party or parties at your back, I find that "marked" copies of your precious journal have been sent to our agents, some of whom do not understand the "true inwardness" that animates you against this Co., and for the benefit of these, and those others whom your mendacious article may effect, I feel a repugnance even in addressing you, yet I must in a feeling of duty do so, but I will be very brief, as the thought of even addressing you is distasteful. You know, that is, if you have the comprehension or honesty of knowing, that for the last four or five years the benefits of fire underwriting have not been profitable, no company shewing a good record, and even in your last issue I find a tabular statement of the business for the first six months of this year of the leading American and British companies, which shews to their financial disadvantage, this, I am happy to say, has not been the experience of the London Mutual our business being exceedingly favorable for the period mentioned. Yet you go on harping on our losses, of course this criticism on your part is legitimate, but when you attempt to belittle our financial standing, stating, as you do, that our Premium Note Capital is only worth from 25 to 50 per cent. of its face value, then the true spirit of vandalism and ignorance comes in, for our Premium Notes, I beg to assure you, are only taken from Freeholders, tenants being insured on the cash system solely; good responsible farmers, and are worth dollar for dollar what they represent, and it is a slander against our good Ontario Farmers, whose premium Notes we hold, for you, or those who advise you, from some back hole in Montreal, to even suggest anything against their solvency. In thirty three years the London Mutual has never lost as much as two per cent. in collections of assessments, so that your calculations as to our Premium Note Capital bears as much truth as the spirit that animates you bears to a true conscience. The "London Mutual" first inaugurated cheap Insurance for the Farmers and owners of Residental property, broke down the combination of companies having oppressive rates, of course incurred their enmity, and they employed and yet employ such tools as you to injure our business, but without avail, for the London Mutual still prospers and will continue to do so—and you cannot coerce us into advertising with you either by cajolery or abuse.

Yours truly,

D. C. MACDONALD, *Manager*.

Notes and Items.

The Union Assurance Society has been admitted to do a life assurance business in Austria.

The Canada Life has increased the maximum limit of assurance on a single life from $25,000 to $30,000.

We are indebted to Superintendent Kinder for Part I of the Ohio Insurance Report for 1891 on the fire business of 1890.

The legal formalities have been consummated for the dissolution of the Equitable Accident Insurance Company of Cincinnati.

By the last Dominion Parliament, an act was passed incorporating the Great West Life Assurance Company, and assented to by the Governor-General on August 28, last.

It is currently stated that there recently died at Bordeaux, France, a Pole named Stanislaus Zalewski, whose birth certificate was dated at Warsaw, 1780. He was a great smoker.

The Commercial Union Assurance Company has re-insured the City Fire and Marine of Louisville, Ky. The company wrote about $3,000,000 of business last year and had a premium income of about $42,000.

Insurance Commissioner Duryee of New Jersey has caused the arrest of some of the managers of assessment endowment orders from Massachusetts and elsewhere, for attempting to do business in the State illegally.

The death is announced of Mr. Thomas Marr, the manager of the Scottish Amicable Life of Glasgow, who died suddenly of apoplexy, on the 12th ult. Mr. Marr was the author of several well-known actuarial works.

The manipulator of an endowment humbug, called the "Eagle Insurance Society," and operating in San Francisco, has been hauled up by the government authorities for fraudulent use of the United States mails, and convicted. M. C. Thielman is the name of the culprit.

As a result of the exposure of the illegal practices of fourteen mutual fire insurance companies of Pennsylvania by Insurance Commissioner Luper, the attorney-general of the State has instituted *quo warranto* proceedings against them.

About the meanest thing we have heard of lately was the action of the Board of Education at Toledo, Ohio, which kept renewal fire insurance policies sent to it for six weeks, and then returned them to the agents refusing to pay for the time covered.

The late Right Hon. W. H. Smith was a believer in life assurance. He was the oldest policy-holder at the time of his death in the Star Life, holding policy No. 3, issued in 1843. All his accrued bonuses were used to increase the original sum assured.

The ranks of insurance journalism are once more depleted by the sudden death, on the 11th ult., of John Slator, aged 53, joint proprietor with his brother since 1862 of the New York *Insurance Journal*. The deceased was much esteemed by all who knew him.

A new life assurance company, called the "British Natural-Premium Provident Association," has been registered in England. Mr. W. H. Hayward, formerly manager of the Mutual Reserve Fund Life of New York, is one of the signers to the articles of association.

The Hartford Fire home office recently received a fifty dollar bill in an envelope, postmarked Manchester, N. H., with a request that it be credited to the "conscience fund." A year ago it received a similar remittance from the same place, and evidently from the same person.

Probably the largest line of insurance of its class on this continent has recently been written by the American Employers' Liability company of New York. It is stated that the minimum amount of the combined pay-rolls under this single application aggregated $13,000,000.

The percentage of premiums paid for commissions by the stock fire companies reporting to the New York insurance department averaged 17½ per cent. five years ago, and twelve to fifteen years ago averaged just about an even 15 per cent. In 1890 the average was 19 per cent.

Our thanks are tendered to Secretary Pierson for a copy of the complete report of the late meeting of the Actuarial Society of America; also to an unknown party for the proceedings of the annual convention of mutual life and accident underwriters held in Minneapolis in June last.

The payment of dividends to shareholders by an insurance company out of the capital of the company was not very long since decided as illegal in England by Mr. Justice North, in the case of the liquidator of the Masonic and General Life against the estate of one of the former directors.

It looks somewhat strange to see the name of Mr. Walter C. Wright, the actuary of the New England Mutual Life, and a member of the Actuarial Society of America, appended as author to a cheap pamphlet, called "A Mistaken Prophecy," not only attacking the tontine system as now largely practiced, but directing this attack against the Equitable Life especially. Such literature from such a source is, to put it mildly, in exceedingly bad taste.

The fire underwriters at Halifax, with the lesson of the recent fire vivid before them, have passed a resolution that after the 16th inst. they will not insure any building or stock situated within three hundred feet of oil in quantity exceeding that prescribed by law. Other places will do well to imitate this sensible move.

The fire alarm system of Boston very narrowly escaped destruction a few days ago, by a fire at headquarters in the city hall dome. A workman held a light too near the parafine insulator, which caught fire, and a temporary wreck was the result. Fortunately the damage was repaired before any serious results from its occurrence transpired.

The Marine Board of Underwriters in Boston has issued a circular recommending that credits for premiums on yearly and on round voyage risks, to and from ports byond the Cape of Good Hope and Cape Horn, be limited to six months, and upon all other risks on vessels and freights to two months. For cargo insurance all premiums to be cash.

Two more Western Mutual fire insurance companies—the Mutual Union, and the Associated Manufacturers of Moline, Ill.—have gone under. The officers say they expect to be able to pay return premiums and to save all creditors from loss. Two others, the Mississippi Valley and the Northwestern of Rock Island, reinsure in a new stock company.

At last the city council of Chicago has indicated a disposition to stop the high-building craze, having instructed the proper committee to draft an ordinance limiting the height of buildings to twice the width of the street, provided that this height shall in no case exceed 135 feet When reported, it remains to be seen whether or not the ordinance shall pass.

The remains of the late William H. Rintoul, formerly Canadian manager of the Imperial Fire, whose death in Scotland we recently recorded, arrived in Montreal, and were interred in Mt. Royal cemetery on the 19th ult. An appropriate funeral service was held in St. Paul's church conducted by Rev. James Barclay, at which a large number of the underwriting fraternity was present.

The many friends of Mr. William Henderson of Toronto, well known in the underwriting world, will learn with sorrow of his death, which occurred on the 17th ult., at the age of 75 years. Mr. Henderson was for some years president of the Toronto Board of Fire Underwriters, and more recently represented the Hartford Fire insurance company, and was universally respected by all who knew him.

According to figures produced by the *Insurance Age*, the percentage of management expense to total expenditure averaged by the life companies of the United States since 1875 has increased each year, 1878 alone excepted, while the percentage paid to policy-holders has correspondingly decreased. The former was 18.1 per cent. of total expenditure in 1875, and 31.6 in 1890. The latter was 81.9 per cent. in 1875, and 68.4 in 1890.

It must be highly amusing to the underwriting fraternity to be told by a certain trade journal, printed in this city, that the nomination understood to have been made of a manager for the Caledonian "appears to have had the approbation of nearly all the leading managers here!" This journal, whose knowledge of insurance affairs is only equalled by the excessive modesty of its pretensions, is noted for having things "appear" to it, but somehow they always appear badly mixed.

There are eighteen companies of foreign countries doing a life assurance business in Prussia. These companies write about one-twelfth of the total assurance of the country, and of this twelfth the four American companies do considerably more than one half, the Germania leading in premiums and in losses. The Prussian government now requires all foreign life companies to invest not less than half their premium receipts in government securities.

The Shipping Federation of London has, after mature deliberation, adopted a system of insurance for seamen who are employed upon Federation ships. The benefits apply both to deaths and accidents, and are graded according to rank. In case of death, the benefit is from $500 for the master, down to $175 for petty officers, and $100 for the ordinary men. For accidents the benefits are $2.50 per week for the men, upward to $10 for the master. It is estimated that this arrangement will cost the Federation at least $100,000 per year.

The various losses by the Halifax fire of October 1st have been adjusted at the amounts following: Ætna, $25; Acadia, $20,000; Caledonian, $2,900; Citizens, $9,125; Commercial Union, $8,080; Eastern, $4,525; Halifax, $21,500; Hartford, $9,000; Guardian, $7,545; Lancashire, $3,180; London and Lancashire, $4,000; Manchester, $1,300; National, $4,080; North America, $5,000; North British, $2,600; Phenix of Brooklyn, $1,371; Phœnix of London, $1,000; Queen, $6,000; Quebec, $1,000; Royal, $10,000; Royal Canadian, $2,000; Western, $80. Total, $123,311.

PERSONAL MENTION.

MR. J. B. MORISSETTE of Quebec was in the city recently, and favored the CHRONICLE with a call.

MESSRS. YOUNG & BARTLETT have been appointed agents at Victoria, B.C., for the Ætna Fire of Hartford.

MR. A. J. RELTON, of London, fire manager of the Guardian, has arrived in New York, and will probably be in Montreal by the time the CHRONICLE reaches its readers.

MR. CHARLES A. DENTON, assistant secretary of the Union Bank of London, has been appointed secretary of the London Assurance Corporation, in place of the late Mr. F. Carpenter.

MR. THOS. DAVIDSON, the popular managing director of the North British and Mercantile, is visiting Manitoba, the Northwest and British Columbia in the interests of his company.

MESSRS. DASTOUS & LEGER have been appointed general agents for the city and district of Montreal of the New York Life. Mr. Dastous is well known as a representative of leading life offices for some years at Sherbrooke, while Mr. Leger is well known to the business community in this city. We wish them success.

HON. SIMEON TOBY, assistant secretary of State for Louisiana, in charge of insurance matters, has resigned His pen will continue, however, to be wielded as insurance editor of the New Orleans *Daily States*.

MR. HUGO SCHUMANN, appointed secretary in 1867, and vice-president in 1886, of the Germania Fire of New York, has succeeded to the presidency, made vacant by the recent death of Mr. Rudolph Garrigue.

MR. C. C. HINE, of the *Monitor*, was in Montreal this week, en route to New York, on his return from Chicago, Toronto, and such like small towns. "Ye Patriarch" always feels at home in this metropolitan city.

MR. W. M. RAMSAY, the popular manager of the Standard Life, is expected home this week, after a visit to the Northwest, Manitoba and British Columbia. He was accompanied by Mr. J. Gillespie, chairman of the local board of directors.

MR. G. D. SCOTT, of Vancouver, inspector of agencies for British Columbia of the London and Lancashire Life, was in Montreal during the past week. As the representative of a first class company, Mr. Scott is doing first-class work.

MR. ROBERT W. RANSOM, for some years past on the editorial staff of the Chicago *Tribune*, goes to Boston, says the *Investigator*, to assume editorial charge of the *Standard*, our excellent insurance contemporary. Mr Ransom is an able journalist, and the son of Col. Ransom, the well known senior proprietor of the *Standard*.

MR. GEORGE M. COIT, for many years in the service of the Hartford Fire insurance company, and for the three years past its New York manager, has been selected for the position of assistant United States manager of the Royal. Mr. Geo. S. A. Young, for twenty years connected with the Hartford, and Mr. James M. Hodges, manager of the Hartford's Brooklyn branch, now become the Metropolitan District managers for the Hartford.

Legal Intelligence.

ACCIDENT INSURANCE.

SUPREME CT. CALIFORNIA, June, 1891. *Richards* vs. *Travelers Ins. Co.*

In this case the Court *Held*, 1st, That where insured died from the effects of a blow struck by a person after an attempt to blackmail, such death is the result of "accidental means" within the general terms of the policy providing against death or injury caused through "external, violent and accidental means." *Held*, 2nd. That where in an action on an accident policy providing that the insurance shall not extend to any cause of death unless it shall be clearly proved by the claimant that the death was not the result of design, and it appearing that the insured died from the effects of a blow struck by another person, it is not error for the court to charge, that if the death of the insured was caused by a blow dealt him that fact would not prevent recovery, in case the person inflicting the blow did not intend to kill the insured.

FIRE INSURANCE.

NORTH CAROLINA SUPREME COURT, June, 1891. *Grubb* vs *North Carolina Home Ins. Co.*—Waiver by agent; also by action of adjuster.

This decision has attracted a good deal of attention because of the liberal interpretation by the court of the power of the agent to waiver the conditions of the policy as to notice of other insurance. In this case, plaintiff had taken out other insurance after the issue of the policy by defendant company, giving verbal notice thereof to the agent who gave consent, though the policy stipulated that notice should be given in writing in the usual form. On this point the court *Held* that, "An agent of an insurance company, who is authorized to take risks and issue policies, is empowered to waive by parol a condition in a policy issued by him."

It seems also that the company's adjuster proceeded to examine into the loss, and in company with other adjusters required the production of the books, invoices, etc., in the usual manner, and objected to settlement on the ground of disagreement as to the amount of the loss. On this point, the court *Held* that, "Where after a fire the adjuster of an insurance company joins the agents of other companies in their efforts to adjust the loss, and requires the production of the books and invoices, or duplicates in case of their destruction, and objects to settling only on the ground that he cannot agree with the insured as to the amount of the loss, the company represented by such adjuster is estopped from insisting on a forfeiture by reason of a breach of any of the conditions relating to additional insurance."

THE INSTITUTE of ACTUARIES.

NOTICE IS HEREBY GIVEN:

1. That the Annual Examinations of the INSTITUTE OF ACTUARIES will be held in the Colonial Centres on *Friday*, *29th April*, 1892, and *Saturday*, *30th April*, 1892.
2. That the respective Local Examiners will fix the places and hours of the Examinations, and inform the Candidates thereof.
3. That Candidates must give notice in writing to the Honorary Secretaries in London, and pay the prescribed fee of One Guinea, not later than 31st December, 1891.
4. That Candidates must pay their current Annual Subscriptions prior to 31st December, 1891.

By Order,

THOS. H. COOKE, GEORGE KING, *Hon. Secs.*

R. W. TYRE, *Local Examiner at Montreal.*

FORTY-SIXTH ANNUAL REPORT
OF THE
NEW YORK LIFE
Insurance Company.

SUMMARY OF REPORT.

BUSINESS OF 1890.

Premiums	$27,228,209.34
Interest, Rent, etc.	4,929,890.74
Total Income	$32,158,100.08
Death Claims and Endowments	$7,078,272.48
Dividends, Annuities, and Purchased Insurances	6,201,271.54
Total to Policy-Holders	$13,279,544.02

CONDITION JANUARY 1, 1891.

Assets	$115,947,809.97
Liabilities, Company's Standard	$101,048,359.11
Surplus (4 per cent.)	14,898,450.86
Policies in Force	173,469
Insurance in Force	$569,338,726.00

PROGRESS IN 1890.

Increase in Benefits to Policy-Holders	$1,158,422.36
Increase in Premiums	2,642,288.24
Increase in Income	2,994,833.84
Increase in Assets	10,884,209.01
Increase in Insurance Written	8,456,977.00
Increase in Insurance in Force	73,736,756.00

GROWTH OF THE COMPANY DURING THE PAST DECADE.

New Insurance Issued.	Insurance in Force.	Assets.	Annual Income.
In the year 1880, $22,229,979	Jan. 1, 1881, - $135,726,916	Jan. 1, 1881, - $ 43,183,934	1880, - - - $ 8,964,719
In the year 1885, 68,521,452	Jan. 1, 1886, - 259,674,500	Jan. 1, 1886, - 66,864,321	1885, - - - 16,121,172
In the year 1890, 159,576,065	Jan. 1, 1891, - 569,338,726	Jan. 1, 1891, - 115,947,810	1890, - - - 32,158,100

Number of Policies Issued during the year, 45,754. New Insurance, $159,576,065.

WILLIAM H. BEERS, President.
ARCHIBALD H. WELCH, 2d Vice-President.
HENRY TUCK, Vice-President.
RUFUS W. WEEKS, Actuary.
A. HUNTINGTON, M.D., Medical Director.

CANADIAN DEPARTMENT:

HEAD OFFICE:
Company's Building, Montreal.

BRANCH OFFICE:
Board of Trade Building, Toronto.

DAVID BURKE, - - GENERAL MANAGER FOR CANADA.