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CASH CAPITAL	- - -	\$2,000,000.00
RESERVE FUND:-		
UNADJUSTED LOSSES,	\$ 254,523.43	
RE-INSURANCE FUND,	1,749,245.41	
		\$2,003,768.84
NET SURPLUS	- - -	1,301,235.39
TOTAL ASSETS	- - -	5,305,004.23

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No. 9.

Insurance and Finance

VOL. X.

CHRONICLE.

OFFICE:  
1724 Notre Dame Street.

MONTREAL, MAY 1, 1890.

SUBSCRIPTION:  
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Nos. 26 & 27.



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*Manager for Canada*



J. B. MOFFAT,  
*General Manager and Secretary*

OF THE  
MANCHESTER FIRE ASSURANCE COMPANY.

THE  
Insurance and Finance Chronicle.

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

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R. WILSON SMITH, Editor and Proprietor.

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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 MANCHESTER FIRE ASSURANCE CO.**

For a period of sixty-six years this company has been before the public, and during that period has won a deserved reputation for fair and honorable dealing and conservative management. While there are companies of more rapid growth and larger resources, there are few which enjoy a larger measure of the confidence of the public. For a time past it has not been so active as its friends could have wished, but under the present management it takes the field with broader plans and new vigor worthy of its capabilities. Upon the retirement last fall of Mr. J. B. Northcott as secretary and manager, after a long service of more than thirty years, the directors selected Mr. J. B. Moffat, an accomplished underwriter of experience, to fill the vacant position, and an aggressive policy has been inaugurated. Not only is its work to be prosecuted with greater activity at home; but a Canadian branch has been established and opens with favorable auspices under the direction of a capable manager, long and favorably known to our citizens. The affairs of the company are in a satisfactory condition, as shown by its last annual statement for December 31st, 1889. Its net income for the year amounted to \$857,825, of which \$816,840 was from premiums, after deducting re-insurances. The excess of income over expenditure was \$56,738, and after paying to shareholders a ten per cent. dividend a balance was carried to reserve fund account, which fund now amounts to \$441,903. The Manchester has a paid-up capital of \$500,000 and a subscribed capital of \$5,000,000, which stands as a guarantee in addition to its cash capital and reserve fund. Altogether, the company is well equipped for extending its business under good generalship, and we have no doubt will find a generous welcome from the Canadian public.

J. B. MOFFAT.

We present to our readers in this issue of the INSURANCE AND FINANCE CHRONICLE a portrait of the above-named gentleman, the present manager and secretary of the Manchester, and who has for many years been most favorably known among the underwriters of Great Britain. His first continued experience was gained in the service of the Northern Assurance Company, with which he remained with credit to himself for several years, leaving that company to become sub-manager of the London and Lancashire Fire some twelve years ago. Mr. Moffat

retained that position to the entire satisfaction of that most excellent company until the close of last year, when he retired to enter upon his duties as manager of the Manchester, to which position he had been unanimously called a month or two previously. The general terms of approval by which this appointment was announced by the insurance press indicate the general confidence in his ability to assume successful direction of the company's affairs, while the favorable estimate of his qualities by the insurance fraternity was at the time expressed in various ways; notably on the eve of his departure from Liverpool, when the various managers and branch managers with whom he had been associated united in a fitting testimonial of their esteem, and spoke words of hearty endorsement of his worth. In the prime of life, genial in disposition, of acknowledged capacity, and rich in experience, Mr. Moffat may be expected to render most successful service to his company.

JAMES BOOMER.

We also present in this issue an excellent portrait of Mr. Boomer, the recently appointed manager for Canada of the Manchester. This gentleman is so well known in underwriting circles in the Dominion that we need only refer briefly to his record here. Mr. Boomer is a genuine Canadian, having been born at Toronto. In 1870 he entered the service of the Western Assurance Company of that City, where he remained some two and a half years, when he went into the office of the British America as chief clerk of its fire insurance department, under the late Mr. F. A. Ball. Here he continued for four years, at the end of which time the inspectorship of the Western became vacant by the promotion of Mr. J. J. Kenny to the office of secretary, and Mr. Boomer was offered the position, which he accepted. For two years he filled this place with ability, and then was chosen secretary of the company in place of Mr. Kenny, advanced to the position of managing director. Mr. Boomer has continuously occupied the secretaryship of the Western since that time, until a few weeks ago, when he resigned to become manager of the Canadian branch of the Manchester, assuming charge on May 1. While discharging the ordinary duties of secretary to the Western, Mr. Boomer also had the entire control, under Manager Kenny, of the Canadian business of the company, and the uniform success achieved and the progress made by that company abundantly testify to his underwriting ability. In assuming the duties of his new position, Mr. Boomer enjoys the esteem and will have the good wishes of his associates in the fraternity, who confidently look for good work from a good man.

Life assurance in France is not in a booming way, judging from the business of 1889. Of the 17 French companies, only 5 show a gain in new business over 1888, and these but small. Taking the total results of the year, we find that the decrease in new business from that of 1888 was over \$6,000,000. The total new assurance of the 17 companies was \$78,000,000.

## Editorial Paragraphs.

WE INVITE ESPECIAL attention to the announcement found on the outside cover of this number, respecting the completion of the revised edition of Griswold's *Fire Underwriters' Text-Book*, published by the INSURANCE AND FINANCE CHRONICLE. The book in its present form contains 903 octavo pages, elegantly printed on fine paper, and strongly bound in law sheep. The additions which have been made are considerable in extent and important in kind, embracing reference to all matters of importance to underwriters occurring since the first edition in 1872, besides a large number of citations of adjudicated cases in the courts of last resort bearing on the various points treated; thus making the work valuable, not only as treating of the principles and practices of underwriting, but giving the authoritative interpretation of the courts on these principles and practices. There is no other work, so far as we are aware, attempting the scope of this one, which embodies the best results of the life work of the author, Mr. J. Griswold, than whom there is no better recognized living authority on the subject treated. But a limited edition has, at great expense, been issued, and those who have not yet done so will do well to send in their orders at once.

OUR NEW YORK contemporary, the *Weekly Underwriter*, in its issue for April 26th, finds fault with our article of April 1st entitled, "The 'New Business' Fallacy Exposed." The *Underwriter* seems to think that we should have considered surplus earned instead of surplus on hand in comparing the aggressive with the conservative companies. Very well; here is a sample of the result on that basis: If for the three years past the Connecticut Mutual had kept the dividends which it paid out, the surplus at the end of 1889 would have been 15.4 per cent. of its total assets. If the Northwestern had pursued precisely the same course, its surplus would have been 24.2 per cent. of its assets. We shall be pleased to have our contemporary pursue this line of comparison with several other aggressives and conservatives in our list, and let its readers see the result! The simple and distinct point made in our article, as to whether a large new business obtained at an increased expense is an injustice to the old policyholders, we proved in the negative by facts and figures, inasmuch as we showed that the aggressive companies saved more from a low death rate than they lost from a high expense rate. The *Underwriter* is at liberty to talk about "age of assured" and "age of policies" and to set up men of straw to knock down, but until it disproves the thing which we proved, its attempt at criticism is neither edifying nor becoming.

THE INCREASED MORTALITY, caused by the disease known as "la grippe" during January and February last, has been a subject of considerable comment as to its effect on the year's death rate among the life assurance companies. A somewhat general idea seems to prevail

that the increase thereby will prove to be quite marked. This is, however, we think, a very erroneous view of the matter, as a little calculation will show. We have for instance, before us the total number of deaths from "la grippe" and diseases resulting therefrom, during January and February, in a company having in 1889 a death rate of 8.82 per 1,000, the mean amount of assurance in force being \$145,000,000. Out of 70 deaths occurring during the two months named 18 were directly and indirectly caused by "la grippe," or an addition thereby of \$72,000, in round numbers, on a total loss of \$280,000, being a 25.7 per cent. increase. This looks somewhat startling; but when we take the results of the whole year, distributing this temporary addition over the entire period, assuming the same death loss from other causes as before, we find that the increased rate is 8.82 as against the normal rate of 8.30. Fifty-two cents increase on each \$1,000 paid for death loss is not such a startling calamity after all.

THE LONDON *Observer* calls attention to the faulty system of government supervision of insurance in England, and by way of comparison says: "In the United States there is a fixed standard of valuation under which all companies doing business in the country must be able to show surplus, or else they become technically insolvent. It has already been pointed out that in this country a weak office may seek refuge from showing a deficit by changing its basis of valuation to a less rigid one; it may assume a higher rate of interest, or adopt a more favorable mortality table, but in the United States no such sanctuary is available; an office must come up true to the gauge imposed upon it, or else pay the penalty. Here each company may become a law unto itself." The safeguards thrown around the entire business of insurance by the several States above referred to also exist, even of a more stringent character, under the Canadian government, which has set an example in insurance supervision that might be followed across the water with much profit.

ON ANOTHER PAGE will be found a very suggestive summary from the advance report of Insurance Superintendent Fitzgerald, showing the progress of the Canadian life assurance business for fifteen years, from 1875 to 1889 inclusive. While there has been a steady increase during that period by the British and American companies operating in Canada, that made by the Canadian companies has been nearly three times as great. Thus, the British companies issued new assurance in 1875 amounting to \$1,689,833, and had assurance in force of \$19,455,607, while in 1889 the new assurance was \$3,406,613 and the amount in force \$30,471,186. The American companies issued in 1875 \$8,306,824 of new assurance, and had in force \$43,596,361; in 1889 they had in force \$76,349,392 and issued \$14,719,266. At the close of 1875 the Canadian companies had in force but \$21,957,296, a little more than the British and less than half the American business, while in 1889 they reported \$125,125,692, or about

\$19,000,000 more than the aggregate of both the British and American companies. The new business issued in 1875 was \$5,077,601, and in 1889 \$26,438,358, or the former amount, multiplied by nearly five and a half. The aggregate of assurance in force for all companies at the close of 1889 was \$231,946,270, as against \$85,009,264 in 1875.

THE ONTARIO LEGISLATURE made some important amendments to the laws governing insurance at its recent session. Among these was the provision, referred to by us some weeks ago, amending section 5 of the Act for benefit of wives, etc., by striking out the word "married" in the first line, and declaring that where a policy is taken out before marriage a declaration in favor of the intended beneficiary shall be as valid as where made after marriage, and the proceeds of the policy are secure against all claims of creditors. The same provision applies to policies taken by a wife for the benefit of her husband and children, or by a son or daughter for the benefit of a father or mother. The law governing societies organized for provident or benevolent purposes now provides that no such societies, organized after March 10th, 1890, shall "effect any contract of insurance, indemnity, or guarantee whatsoever with the members of the corporation or with others, or any contract within the intent of the Ontario Insurance Act, or of chapter 136 of these Revised Statutes." Similar societies incorporated before the last named date, and not originally authorized to enter into regular life assurance contracts, are also prohibited from making such contracts. In other words, the purely "fraternal" societies may be *benefit* societies, pure and simple, for their members, but cannot go into the business of general assurance by the issue of formal contracts.

IT IS CURRENTLY stated, we notice, that Hon. J. A. Chapleau, Secretary of State, proposes the introduction at the present session of the Dominion Parliament of a government insurance scheme professedly for the benefit of the working class. It is essentially an annuity plan with two options: either, first, the payment of a stipulated deposit up to age 60, say, the depositor being entitled to an annuity thereafter based on the entire deposits and interest; or, second, on the interest only of the principal or deposit, the latter, in case of the death of the annuitant, going to the legal heirs. On the first named plan nothing is returned at death. We very much doubt whether the scheme materializes during the present session of Parliament, but if it does we have no doubt of its substantial failure to benefit any considerable number of the people. Government insurance, by whatever name, has proved a failure heretofore, and human nature is very much the same in Canada as elsewhere. The experience of the home Government across the water, where but three and a half millions of dollars have been distributed in thirty-four years in death payments—an average of less than \$103,000 per year to 30,000,000 people—ought to be conclusive. In these days of industrial companies there is no call for government insurance schemes.

A PROMINENT LAWYER, the Hon. Henry L. McNulty, died recently at Dubuque, Iowa. Some years ago he took out a policy on his life for \$10,000 in the Connecticut Mutual Life, which his heirs claim to have been in force at his death. This question the courts will doubtless be called upon to decide. It seems that Mr. McNulty was of a somewhat convivial turn, and a few years ago the company gave notice that on account of his alleged drinking habits it would cancel his policy. An effort was made by the company, through a special agent, to settle in some manner with Mr. McNulty and take up the policy, but the offers made were refused, and the stipulated premiums were tendered each year to the company, which refused them, whereupon the money was regularly deposited to its credit by the insured. We presume the policy was of the "iron clad" form, giving the company the right to cancel it for "intemperate habits" and for other causes, and the old question will come up as to whether the company, under the clause named, had the right to constitute itself judge and jury and hangman to declare, *ex cathedra*, what frequency and extent of drinking shall be deemed "habitual intemperance," and to execute the penalty so declared. We shall follow this case with interest.

#### FIRE INSURANCE ON CREDIT.

We have more than once referred in these columns to the credit feature prevailing so generally in the management of the insurance business, both fire and life. That uncollected premiums, by whatever name that item may be included in the schedule of assets, is an item of uncertain value and very undesirable, it needs no argument to prove, and nobody realizes this more fully than the managers of the companies themselves. That these outstanding premiums are a constant source of annoyance and anxiety is well known, and their existence to any considerable extent is certainly unbusiness-like and unprofitable. Is the carrying of so large a percentage of risks on credit a necessity? While acknowledging that it is undesirable, do the companies believe the practice to be unavoidable? It would certainly seem so, for instead of improvement in this feature of the business, especially in fire insurance, the bad practice grows with the growth of the business.

The uncollected premiums of all the fire and fire-marine companies reporting to the New York insurance department show an increased percentage for each of the three years past. In 1886 the average percentage of "premiums in due course of collection" to total cash premium income was 10.3; in 1887 it was a trifle over 11 per cent.; in 1888 it was 12.2 per cent.; and during 1889 it rose to an average of 13.3, the total uncollected premiums amounting to a little over \$13,000,000, the total cash premium income being reported at \$100,314,325. This is a very large sum to be due for risks carried and subject to an unpleasant proportion of shrinkage before counted in cash, to say nothing of the inequity of selling one man insurance on his bare promise to pay at the same price charged the man, his next



neighbor, who pays cash. And if already paid into the hands of the agent and unreported to his company when the annual statement is made up, so much the worse for all concerned, from a sound business point of view.

We have compiled carefully from the New York insurance report for 1889 the results of the credit business as before stated, and herewith give in detail the experience of the United States branches of all the foreign companies as follows:

Name of Company.	Net cash Premiums	Premiums in course of collection.	Per cent. Outstanding.
British America.....	\$607,891	\$91,590	15.0
City of London.....	502,668	71,546	14.2
Commercial Union.....	2,390,554	420,947	17.6
Guardian.....	843,293	51,164	06.0
Hamburg-Bremen.....	949,420	81,884	08.6
Imperial.....	1,087,912	155,240	14.2
Lancashire.....	1,454,982	154,334	10.6
Lion Fire.....	416,331	54,998	12.7
Liv. and Lon. and Globe.....	4,273,372	647,653	15.1
London and Lancashire.....	1,553,944	150,462	09.7
London Assurance.....	868,056	120,083	13.8
North British.....	1,893,192	249,900	13.2
Northern.....	944,443	125,478	13.2
Norwich Union.....	1,019,597	74,860	07.3
Phoenix of London.....	1,295,692	248,137	19.0
Queen.....	1,475,924	29,652	02.0
Royal.....	3,079,212	495,397	16.0
Scottish Union.....	502,876	49,077	09.7
Sun Fire.....	1,211,377	221,509	18.2
Transatlantic.....	263,140	25,969	09.8
United Fire.....	997,866	198,170	19.9
Western Assurance.....	1,240,506	157,657	12.7
Totals.....	\$28,872,248	\$3,875,709	13.4

It will be observed that, compared with the general average of the entire 162 companies reporting to the New York department, the average percentage of premiums in course of collection of the above companies is just about the same as the general average. The increase however over 1888 is a little greater, for these same companies had then a percentage of 11.8 as against the general average of 12.2, while in 1889 their percentage was quite up to the general average.

We also append in this connection a list of the United States companies doing business in Canada, together with several other leading representative companies, the figures being taken from the 1889 report:—

Name of Company.	Net Cash Premiums.	Premiums Uncollected.	Per cent. Outstanding
Ætna.....	\$2,833,926	\$412,447	14.5
Agricultural.....	813,276	104,265	12.8
Connecticut.....	1,069,531	99,817	09.3
Continental.....	2,203,985	298,570	13.5
Firemen's Fund.....	1,237,789	279,319	22.5
Fire Asso., Philadelphia.....	1,568,072	159,723	10.2
German-American.....	2,430,362	227,971	09.3
Hartford.....	2,821,339	448,029	15.8
Home, N.Y.....	4,337,403	593,264	13.6
Ins. Co. N. America.....	3,986,574	653,869	16.4
Niagara.....	1,605,874	253,912	15.8
Phoenix, N.Y.....	3,415,737	415,560	12.1
Phoenix, Conn.....	2,559,539	301,314	11.7
Union, California.....	815,745	170,632	20.9
Totals.....	\$31,699,152	\$4,418,692	13.9

We regret that in the absence of the Dominion insu-

rance department report for 1889 in full we are unable to give herewith the record of the Canadian companies for that year, but instead we give the figures from the 1888 report, which will, we think, be found to give very nearly the same percentages as those of 1889. In giving uncollected premiums we have been obliged in some cases to treat "agent's balances" as identical with outstanding premiums, the various statements not being uniform in their manner of reporting this item. However, the figures as given substantially measure the feature which we desire to present:—

Company.	Net Cash Premiums.	Agents Balances and Uncollected Premiums.	Per cent. Outstanding.
British America.....	\$822,981	\$95,953	11.6
Citizens.....	222,476	18,698	08.4
Quebec.....	94,253	5,776	06.1
Royal Canadian.....	460,776	53,886	11.6
Western.....	1,617,678	190,794	11.8
Totals.....	\$3,218,164	\$365,107	11.3

The above showing is creditable to the Canadian companies, taking their entire business, as compared with the United States companies and United States branches of foreign companies, the former being just 2 per cent. less in their percentage of outstandings, or 11.3 to 13.3. Summing up the whole situation then as regards insurance on credit, the unpleasant fact stares us in the face, that the fire and fire-marine insurance companies on this continent are embarrassed with carrying on their books over thirteen and a half millions of dollars past due for indemnity which has been or is being furnished, and on which 50 per cent. or thereabouts has been charged against them as a liability. The practical questions for consideration are: Can the present percentage of uncollected premiums be materially reduced without also materially reducing the volume of business? Is the present volume at current rates as desirable as a reduced all cash business would be?

**THE PHOENIX FIRE INS. CO. OF HARTFORD.**

Hereafter this solid company, hailing from a place as famous for producing insurance companies as New-castle has been for coal, will become better known to the people of Canada, where it has recently entered by the front door, for business, with headquarters at Montreal, and Mr. Gerald E. Hart as general manager and chief agent. The past record of the Phoenix and its present condition are such as to commend it to the unqualified confidence of the public, for among many excellent companies in the general field there are none offering more certain indemnity for loss to insurers or more honestly managed, and its reputation throughout the United States is therefore of the best. The company on Dec. 31st last had assets amounting to \$5,305,004 liabilities, including its paid-up capital of \$2,000,000, amounting to \$4,003,809 and a resulting net surplus of \$1,301,235. The authorized guarantee capital is \$5,100,000. Something of the magnitude of the business habitually transacted may be seen by reference to the company's report for 1889, from which we learn that risks amounting to

\$234,534,683 were written, and \$2,559,539 cash premiums collected, the total income being \$2,778,050. The amount paid for losses was \$1,625,182. The total expenditures, including a 14 per cent. dividend on the capital stock, were \$2,737,718. It will thus be seen that during one of the worst years for companies in the United States since the great Chicago fire (where it was first to pay the enormous loss it there met with), the Phoenix, after paying all losses and expenses and a fine dividend, had left a considerable balance over all expenditures. Since its organization in 1854 the Company has received in premiums the sum of \$43,092,281 and paid for losses \$25,710,646. With Mr. Hart, so well known to the underwriting fraternity as a gentleman of untiring activity and loyal member of the Canadian Underwriters' Association as manager, the Phoenix will be cordially received and no doubt liberally patronized. The officers are men of large experience and marked ability as underwriters, and it would be difficult to find gentlemen better qualified to guide a company's affairs than are President Kellogg and Vice-Presidents Skilton and Mitchell, who have so long been identified with its successful career. We understand that Mr. Hart is now prepared to receive applications for agencies in any part of the Dominion.

#### STANDARD LIFE ASSURANCE COMPANY.

There seems to be a peculiar fitness in the name borne by this widely known institution, for not only is it a recognized standard of excellence among life assurance companies, but its banner is unfurled in the thickest of the conflict throughout the world. For more than threescore years has the Standard Life been before the public, and always in the possession of its confidence. The benefits which during that time the company has conferred on thousands of bereaved widows and orphans, the suffering it has averted, the vice it has prevented, and the heart gratitude it has kindled, will never be told. In calling attention to the company's annual report for the year ending November 15, 1889, we find, what was looked for as a matter of course, a very satisfactory exhibit. The work of the year includes among other things the issue of 2,671 new policies, assuring \$6,711,143, the payment of \$2,218,115 for death claims and matured endowments, and the collection of total revenue amounting to \$4,744,750. After paying all claims and expenses of whatever kind, the company had \$1,721,063 to add to the assets, making the total accumulated fund in hand \$35,730,586. That is a very good sized nest egg for policyholders to contemplate. The Standard is noted for the liberality of its policy contracts and the uniformly equitable treatment accorded its members, whose attachment for it is proverbial. That the Canadian business is in excellent hands is well known, for Manager W. M. Ramsay is recognized by his associates and the fraternity generally as standing in the very front rank of life assurance management. The business reported from the Dominion last year, which was large and satisfactory, bids fair to be eclipsed during the present year.

#### A SUGGESTIVE COMPARISON.

The advocates of assessment life assurance never weary of declaiming long and loudly about the merits of the system, as compared with the level-premium companies, on the score of economy. The changes are rung endlessly on the "fat salaries" of officials, on the "palatial offices," on the large commissions to agents, and the extravagance of management generally indulged in by the old-liners. We propose with a few very brief facts to show that the boasted economy of management practiced by the assessment associations—the best of them—is a myth, and like other pretentious claims set up, mere wind. Fortunately for our purpose, we have at hand the official statement of the Superintendent of Insurance of the State of Ohio for 1889, covering the experience of 27 assessment associations reported to that official, as required by law. As the insurance laws of Ohio governing this class of insurance are very discriminating, none but the best associations are admitted to the State, hence the experiences which we present are more favorable than the average experience of the great bulk of co-operatives throughout the land.

Referring to the Ohio Superintendent's tabular statement, we find that the expense of management of the 27 associations referred to amounted to \$2,363,058 and the total income to \$11,028,629, the former being just 21.42 per cent. of the latter. Turning to the New York insurance report for 1889, embracing 30 regular companies, we find that the total management expense of these companies amounted to \$32,904,345, that the total income was \$168,184,700, and the expense percentage thereof 19.56. Thus, notwithstanding the considerable expense of carefully looking after the investment of nearly \$700,000,000 of assets (from which the comparative absence of assets on the part of the assessment associations entirely relieves them), we find that business has been done by the "extravagant" old-line companies for *two per cent.* less than by the best of the "economical" assessment associations. Compared with the Canadian business of the several regular life companies, whose ratio of management expense to income is somewhat less than that of the companies reporting to the New York insurance department, the difference is even greater.

In this connection we call attention to another point of comparison which demonstrates the comparatively weak hold of these associations on the confidence of the people, who are learning fast the difference between genuine and imitation life assurance. We refer to the lapses, which, if the assurance issued by the co-operatives were both good and cheap, as claimed, ought to be less than with the regulars, not only because of its "cheapness," but for the further reason that many policyholders who desire to keep up their policies in the level-premium companies are often unable to do so under the stress of sudden misfortune, where a man similarly situated, if so minded, might manage to pay an assessment. As a matter of fact, however, the record shows that the lapses are more

than two to one in the assessment associations, as compared with the regular companies in the United States and Canada. In order to show at a glance the expense ratio and the lapse ratio of the two classes for 1889, we append the following summary. The data is from the Ohio report for the co-operatives and the New York and Dominion insurance reports for the United States and the Canadian business:—

	Percentage lapsed.	Management expense to total income.
United States Companies.....	5.03	19.36
Canadian Companies.....	9.34	18.32
British Companies in Canada....	5.00	15.68
General average.....	5.20	19.40
Assessment Associations.....	11.81	21.42

It is also of special interest to note that of the above co-operatives the Mutual Reserve Fund of New York has both a higher percentage of management expense and of lapses on its general business than the average of the 27 associations referred to. The expense ratio is 22.75 as against their average of 21.42, and the lapses 12.59 as against 11.81. Thus, measured by its own kind, the Mutual Reserve is in a bad way, while the difference between it and the regular companies is marked by 7.36 for lapses and 3.47 for expenses in favor of the old-line, "high-priced" companies. With a rapidly increasing death rate, and management expenses already far above the expense belonging to legitimate assurance, the co-operative policyholder is likely to have a hard time of it with his "cheap" article.

#### THE LONDON AND LANCASHIRE LIFE.

The report of the directors presented at the recent annual meeting of the London and Lancashire, which will be found on another page, shows that this company has not only well maintained its past record for active operations during 1889, but has made a considerable advance all along the line over previous years, especially in the amount of new assurance issued. This amount was \$3,131,625 and the new net premiums \$122,725, as against \$2,951,152 and \$108,504 respectively for 1888, not a large increase but a healthy one. The total net premiums amounted to \$751,090, showing an increase over the preceding year of \$50,284. It is gratifying to notice that this increased business was obtained at a reduction of between one and two per cent. from the expense of the previous year, and further future reductions are promised by the managers. Of course it is well known that the larger the proportion of new business to the old in any company the larger the working expense will naturally and legitimately be, and that the lower death rate because of the influx of younger and newly examined lives in a well managed company fully offsets the increased expense ratio. It is, however, now possible for the London and Lancashire to do a large new business and continue to move on progressive lines at a reduced expense, and this no doubt will be done.

The financial condition of the company shows increasing strength, \$341,331 having been added

during the year to the funds, making the total now \$3,298,075. This shows that though \$282,032 was the balance to profit and loss on the business of 1888, that of 1889 yielded \$59,803 more, certainly a very handsome showing. Following is a summary of the business with results for the six years past:

Year.	Amount Assured.	New Net Premiums.	Total Funds.	Increase of Funds.
1884	\$2,635,725	\$84,785	\$1,856,340	\$193,200
1885	2,913,375	109,265	2,112,695	256,355
1886	3,044,350	110,063	2,383,860	271,165
1887	2,894,450	105,130	2,674,160	290,300
1888	2,951,152	108,504	2,956,744	282,584
1889	3,131,625	122,725	3,298,075	341,331

It will thus be seen that during the six years the total funds have been increased by \$1,441,735. The total fund of \$3,298,075 now in hand consists of \$100,000 paid-up capital, \$3,180,335 the assurance fund, and \$17,740 proprietor's accumulations.

The London and Lancashire has adopted several liberal features applicable to policyholders, which are in keeping with progress and prudence, relating to incontestability as to age, to suicide after one year, to revival of policy within one year without new medical examination, and to cash surrender values applicable at the option of the policyholder, with other desirable liberal features. The business of the company in Canada showed a handsome increase under the vigorous management of Mr. B. Hal Brown, who reported from this field over 38 per cent. of the new business issued by the company, and contributed materially to the profit balance above noted, the excess of income over total expenditure having been \$121,473, or an excess of just about 50 per cent. on the Canadian business. Referring to the selection of Mr. Brown to take the place of the former manager, Mr. Clirehugh, the Company's able general manager, said, at the annual meeting:—

"Perhaps before I sit down I may be allowed to refer to another class of officers—our branch managers. To them we are very much indebted for the large new business received every year. It would be invidious to select any particular one, but the occasion I think is not inopportune to refer especially to our Canadian manager. Last year we had to report with great regret the death of our manager, Mr. Robertson, who had done so much to place the company in a leading position in Canada but I am happy to say that the selection of Mr. Brown, our new manager, has in every way exceeded our expectations. He is a man of very considerable ability and great earnestness of purpose; and I feel sure that—aided as he is by a board with Sir Donald Smith as chairman, second to none in the Dominion—he will maintain the high position that the Company has now reached in Canada, and that our business will continue in the future to make even greater success than we have had in the past."

AT WELLINGTON IN AUSTRALIA, in a case where a life assurance agent had induced a man to make application for a certain kind and amount of assurance at a certain premium, and the policy issued was for a less amount at a higher premium, the court awarded the assured plaintiff \$230 damages. Not a bad prescription for some "smart" agents in this country.

## FIRE INSURANCE TARIFFS.

In a recent issue we took exception to the assertion of Mr. E. F. Beddall, that fire insurance tariffs had for their sole object the increase or maintenance of rates, at least so far as our Canadian Association was concerned, and we think the Government returns will bear us out in this as well as in the statement we made, that the Association's chief object was the improvement of the business of fire insurance.

We will first give the average rates of premium per cent. charged and the loss ratio paid by the British offices for the eight years ending 1889, which are respectively as follows:—1882, 1 per cent. and 65 per cent.; 1883, 1.03 per cent. and 66 per cent.; 1884, 1.14 per cent. and 64 per cent.; 1885, 1.14 per cent. and 57 per cent.; 1886, 1.13 per cent. and 68 per cent.; 1887, 1.11 per cent. and 65 per cent.; 1888, 1.17 per cent. and 54 per cent.; and 1889, 1.13 per cent. and 50 per cent. This period it will be seen extends back to the time previous to the formation of the Canadian Fire Underwriters Association, which was inaugurated in 1883, and may be said to have come fully into operation about two years subsequently; and we presume that no one will dispute that before the birth of the Association the fire insurance business was not on a satisfactory basis, for while rates were so low as to leave a bare margin of profit upon an ordinary year's working, nothing was left as a reserve for extraordinary conflagrations, and beyond this also little or no discrimination was shown for improvements either in individual risks or difference in the municipal fire protection of the various towns and villages. The justice and equity of these improvements were speedily acknowledged by the associated offices, and the necessary steps taken to make allowances for the same, with the result that the average rate ruling in the years 1884 and 1885 of 1.14 per cent. was gradually reduced down to 1.11 in 1887; and though at first sight it might be supposed that these reductions were hardly warranted, since in 1886 and 1887 the loss ratio reached the high figures of 68 and 65 per cent. respectively, yet this anomaly is to be accounted for in a great measure by the disastrous results of the business in Montreal, owing to the disgraceful state of that city's fire protection; and this evil being grappled with by the companies is the explanation for the average rate having advanced in 1888 to 1.17, bringing the loss ratio down to 54 per cent. No sooner, however, did the municipal authorities of Montreal accede to the demands of the fire underwriters giving the protection to which the city was entitled, than the advance was remitted, and we find the average rate of last year has receded to 1.13 per cent., while the loss ratio touches the lowest point for the eight years we have named.

These changes, together with the fact that owing to a compensation in rates Brockville has provided itself with municipal protection which has placed it in class "A," while in like manner Belleville, Berlin, and Windsor have been raised to class "B," and many other towns similarly advanced for corresponding improve-

ments, clearly prove that our Canadian Tariff Association is conducted on business principles, and is not simply a combination for the increase or maintenance of rates. Further, we must again decline from past experience to believe that these reforms could have been brought about by the offices single-handed, and it seems to us that it is because the companies over the border ignore the principles which guide other branches of commerce, that makes the real stumbling-block in the way of forming tariff associations.

We will not conclude as Mr. Beddall did with a poetical quotation, but would remind him of the remark of the immortal Jack Bunsby, which should be always remembered in dealing with a Fire Insurance Tariff, viz., "because the bearing of this observation lies in the application of it."

## THE LIFE BRANCH OF THE CITIZENS INSURANCE COMPANY.

Unquestionably the most important movement in the Canadian life assurance world during the past fortnight is the transfer of the life business of the Citizens Insurance Company to the Sun Life of this city. The annual report of the Citizens', which we published not long since, announced the decision of the directors to abandon the life business, and concentrate their energies on the fire and accident branches. We believe, as heretofore expressed, that this move is a wise one. While fire and life assurance have many things in common, they are essentially different in fundamentals and details like two distinct lines of business, and experience has shown that it is unwise to unite them in one company. So well understood is this, that the Dominion Parliament has several times laid it down as a principle on which, for a number of years, action has been based, and on which it will act in the future, that no new charters will be granted to companies seeking to combine these two features. This is the settled practice in the United States also, where not one of the competing life companies has a fire branch, and *vice versa*. From its very nature, fire insurance is exposed to great fluctuations as the result of conflagrations impossible to foretell, and the provision which men make for their families should be left to no contingencies, but be placed beyond possible doubt.

The experience of the Citizens' has shown that not only is the association of the two branches an undesirable one for the assured, but it is equally so for the company. If, with or without good cause, the public once come to distrust a company, new life business can be secured only at very heavy expense, and when secured can with great difficulty be kept. From these evils the Citizens' has suffered, and as a result the number of life policies in force on December 31st last was only 1,613, amounting to \$2,163,677, on which the reserve was \$289,526, though representing the business of 22 years. In view of such a result, the reasonable and wise course was such as has been taken, and for which the company is to be strongly commended, viz., the transfer of the entire business to a strong company doing a life business exclusively. We believe that not

only will the policyholders be benefited, but that this move will prove to have been a good one for the Citizens', for we have no doubt that under the present energetic and liberal management more profit will be realized from the fire and accident branches, and greater progress made than would be possible were all three carried along. We have great confidence in Mr. Heaton's management, and this confidence we are pleased to see is shared by the public generally. There is every indication that under his guidance the Citizens' will soon take a leading place among our Canadian institutions.

The selection of the Sun Life for the transfer of the life branch will, we think, be generally regarded as a commendable one. There is a manifest appropriateness in the choice of a Canadian company of well established reputation and reliability, and moreover of a fellow townsman, so to speak,—a Montreal company, which by virtue of its location can deal personally rather than by correspondence with a large number of questions of interest to policyholders or others, arising in connection with the transfer. We may safely congratulate the policyholders on being taken over by a company of the liberality and standing of the Sun Life.

By the summary statement of the Sun, printed on another page, it will be seen that on the 31st of December last it had assets amounting to \$2,233,323, and a cash surplus, so far as policyholders are concerned, of \$219,036, besides subscribed but uncalled capital of \$437,500, or a net cash surplus over capital and all other liabilities of \$156,537. The reserve fund for the security of policies amounts to \$1,541,490. The company last year had a total income of \$563,140, issued \$3,732,331 of new assurance, and has in force a total of \$13,337,983.

#### THE CONFEDERATION LIFE ASSOCIATION.

The report of the eighteenth annual meeting of the Confederation Life of Toronto will be found on another page and will repay perusal. The report shows a total of new policies issued and revived of 1,635, assuring \$2,396,500, and total premiums received amounting to \$561,293. The receipts from interest and rents were \$142,031, and as the death claims were \$132,234 and endowments paid \$3,366, it will be seen that interest income was more than sufficient to pay for deaths and endowments combined. The death rate was an exceedingly favorable one, having been, on the mean amount assured during the year, \$7.72 per \$1,000, and considerably below the table rate. The company's gross assets are \$2,894,502 and the liabilities, including paid-up capital, at \$2,664,253, leaving the handsome net surplus of \$230,249, or, including capital, a policyholder's surplus of \$330,249. An additional guaranty to policyholders of course exists in the subscribed capital of \$900,000, thus making the Confederation one of the strongest life corporations doing business in Canada.

Probably many, if not most, of our readers are aware of the fact that some items in the company's statement have been questioned by Mr. John M. Martin, one of the auditors associated with Mr. W.

R. Harris as a regular auditor of the company. This refusal to join with his associate in approving the statement as made was based, in the main, it seems to us, on very trivial grounds, exhibiting more captiousness than sound sense. There was, however, one item of some importance, involving a difference of opinion between Mr. Martin and the officers of the company, amounting to about \$40,000. The latter claimed the market value of real estate owned in Toronto to be \$40,000 more than the cost value, and that this appreciation should be treated as an asset of the company. To this, together with some other matters of bookkeeping, Mr. Martin objected, and the company called in Mr. Wm. E. Watson as an independent auditor in addition to Mr. Harris, both of whom, as will be seen, endorse the company's statement. Messrs. Clarkson & Cross, chartered accountants, were also invited to examine the statement and affairs of the company and endorsed Mr. Harris' certificate as sufficient.

We are aware that it is the universal rule in the United States to admit as an asset the market value of real estate over cost (as is also done with stocks and bonds), unless the insurance commissioner has reason to believe an over-estimate has been made. The department reports, however, separate the items of market value and cost value so that both may be known, admitting the former, however, as a valid asset. Fortunately the item in dispute is not material as affecting the sound and highly prosperous condition of the Confederation Life, for its net surplus of \$230,249, nearly one half of which was accumulated during the past year, together with its cash capital of \$100,000, shows its unquestioned ability to take good care of its policyholders, even if the \$40,000 in question be left out of the account.

The company is fortunate in having for its managing director a gentleman of such ability and experience as Mr. J. K. Macdonald is known to possess, and to count in its board of directors gentlemen of business sagacity and personal worth, which afford a guarantee of careful management and future prosperity. Mr. H. J. Johnston, of Montreal, is the worthy representative of the company in this province.

The *Annual Insurance Digest*, Vol. I, is the title of an excellently printed and bound volume, compiled by J. S. Bloomington, L.L.B., and published by the *Investigator*, Chicago. The book contains cases arising under the various branches of insurance as adjudicated by the Courts of last resort of the United States and of the several States during the court year of 1888-89, together with explanatory tables covering references in the text, tables of cases cited and subjects treated, and a valuable chapter on construction of policy conditions. We have no hesitation in pronouncing this volume most admirably adapted to the purpose for which it was intended. With rare skill the compiler has avoided the two extremes of giving, on the one hand, a mere index of insurance decisions, and on the other the tedious full-text of the opinions, and formal statements requisite for the court record, but mere lumber to the underwriter, and has presented instead a judicious abridgment of the various cases, sufficiently covering the points involved. The volume will be valuable, not only to the insurance agent and manager, but to the practicing lawyer as well.

**LIFE INSURANCE PROVERBS.**

Insure your life to-day, and to-morrow will take care of itself.

A life insurance policy in the hand is worth two dozen you are "going to take" some time.

Never put off until to-morrow the "application" that can be written to-day.

Brag is a good enough assessment society dog, but Holdfast to a regular company is better.

Half a loaf, meaning, of course, a small policy, is better than none of the bread of life insurance at all.

Don't jump from the frying-pan of no insurance into the fire of a useless co-operative association.

Better late than never. William Cross, of Chicago, recently deceased, took most of his insurance just as he was turning the age of 60.

Misery loves company. An assessment society victim will sometimes actually try to get others into the same net.

A friend in need, the insurance company always ready with the full amount of the policy when the family provider has been removed by death, is a friend indeed.

Old books to read, old wood to burn, old friends to trust, old-line insurance to depend upon.

A drowning man will catch at a straw, but even that hope is not so frail as the average assessment insurance concern.

Honesty is the best policy, and a policy in a standard company is an honest promise that will be honestly fulfilled.

Never crow at the cheapness of your fraternal insurance until you are out of the woods of assessments.

"Many a mickle" in the way of irregular and unexpected assessments in every co-operative association "makes a muckle," more than would be necessary to insure in a genuine company.

Forewarned by the fate of others who have left their families in poverty is to be forearmed with life policies in real insurance organizations.

Take care of the cents and pay your premiums, and the companies will take care of the dollars and have them ready when your policies mature.

Great oaks in the shape of large policies grow from little acorns of steady premium payments.

A stitch in time, *i. e.*, the moderate annual premium payment required if you take a policy in early years, may save the nine it will cost if you wait until you are a deal older. Besides, a stitch in the side may catch and carry you off uninsured.

All work and no play makes Jack a dull boy. With your life well insured you can play more and work less.

As men sow, saving their earnings and keeping up their premiums, so shall they or their families reap goodly sums as their policies mature.

We must speak only good of the dead, particularly of the dead who are sensible enough to be well insured.

Always speak of a man as you find him, and when you do find him see if he doesn't want a little more insurance.—*Detroit Free Press.*

**LIFE ASSURANCE IN CANADA.**

FROM 1875 TO 1889, INCLUSIVE.

*Premium Income for each Year.*

Year.	Canadian Companies.	British Companies.	American Companies.	Total.
	\$	\$	\$	\$
1875.....	707,256	623,296	1,551,835	2,882,387
1876.....	768,543	597,155	1,437,612	2,803,310
1877.....	770,319	577,364	1,299,724	2,647,407
1878.....	827,098	586,044	1,197,535	2,610,677
1879.....	919,345	565,875	1,121,537	2,606,757
1880.....	1,039,341	579,729	1,102,058	2,721,128
1881.....	1,291,026	613,595	1,190,068	3,094,689
1882.....	1,562,085	674,362	1,308,158	3,544,605
1883.....	1,652,543	707,468	1,414,738	3,774,749
1884.....	1,869,100	744,227	1,518,991	4,132,318
1885.....	2,092,986	803,980	1,723,012	4,619,978
1886.....	2,379,238	827,848	1,988,634	5,195,720
1887.....	2,825,119	890,332	2,285,954	6,001,405
1888.....	3,166,883	928,667	2,466,298	6,561,848
1889.....	4,460,589	981,538	2,785,403	8,227,530
Totals.....	26,331,471	10,701,480	24,391,557	61,424,508

*Amount of Assurance issued each Year.*

Year.	Canadian Companies.	British Companies.	American Companies.	Total.
	\$	\$	\$	\$
1875.....	5,077,601	1,689,833	8,306,824	15,074,258
1876.....	5,465,966	1,683,357	6,740,804	13,890,127
1877.....	5,724,648	2,142,702	5,667,317	13,534,667
1878.....	5,508,556	2,789,201	3,871,998	12,169,755
1879.....	6,112,706	1,877,918	3,363,600	11,354,224
1880.....	7,547,876	2,302,011	4,057,000	13,906,887
1881.....	11,158,479	2,536,120	3,923,412	17,618,011
1882.....	11,855,545	2,833,250	5,423,960	20,112,755
1883.....	11,883,317	3,278,008	6,411,635	21,572,960
1884.....	12,920,265	3,167,910	7,323,737	23,417,912
1885.....	14,881,695	3,950,647	8,332,646	27,164,988
1886.....	19,289,694	4,054,279	11,827,375	35,171,348
1887.....	23,505,549	3,067,040	11,435,721	38,008,310
1888.....	24,876,259	3,985,787	12,364,483	41,226,529
1889.....	26,438,358	3,406,613	14,719,266	44,564,237
Totals.....	192,252,514	42,764,676	113,769,778	348,786,968

*Assurance in force at end of each Year.*

Year.	Canadian Companies.	British Companies.	American Companies.	Total.
	\$	\$	\$	\$
1875.....	21,957,296	19,455,607	43,596,361	85,009,264
1876.....	24,649,284	18,873,173	40,728,461	84,250,918
1877.....	26,870,224	19,349,204	39,468,475	85,687,903
1878.....	28,656,556	20,078,533	36,016,848	84,751,937
1879.....	33,246,543	19,410,829	33,616,330	86,273,702
1880.....	37,838,518	19,789,863	33,643,745	91,272,126
1881.....	46,041,591	20,983,092	36,266,249	103,290,932
1882.....	53,855,051	22,329,368	38,857,629	115,042,048
1883.....	59,213,609	23,511,712	41,471,554	124,196,875
1884.....	66,519,958	24,317,172	44,616,596	135,453,726
1885.....	74,591,139	25,930,272	49,440,735	149,962,146
1886.....	88,181,859	27,225,607	55,908,230	171,315,696
1887.....	101,746,754	28,163,329	61,734,187	191,694,270
1888.....	114,034,279	30,003,210	67,724,094	211,761,583
1889.....	125,125,692	30,471,186	76,349,392	231,946,270

The constant dropping of the waters of eloquence by the persistent agent will wear the stony heart of indifference and obstinacy in any insurable man's breast.

### THE CANADA LIFE ASSURANCE CO.

This company's annual meeting, which has been changed so as to occur in April instead of September, was held on the 17th ult., and the report of the directors then presented appears elsewhere in this issue. It will be observed that the time covered by the report was eight months only, from May 1 to December 31, 1889, the financial year before the change ending on April 30 each year. The record presented for the eight months referred to is one of most decided progress in volume of business and in financial resources. During that time the company issued 1,790 policies assuring \$4,070,598, on which the premiums amounted to \$135,035, the total receipts for premiums being \$975,443. The amount of assurance in force at the close of 1889 was \$49,519,558 under 24,375 policies. The total receipts for eight months were \$1,377,619, and the total expenditures \$633,105, leaving the very satisfactory balance for addition to assets of \$744,514,—a very fine result! for that period, and due largely both to economy of management and a low mortality rate. The total assets reported amount to \$10,480,471, the liabilities to \$8,621,428, and the net surplus to \$1,859,043.

During the past year the company has arranged to extend its field into the United States, and commenced business in Michigan late in the year, with promising results. It will be noticed that the valuation of the company's policies was recently made by Insurance Commissioner Raymond of Michigan, the result corresponding with the company's own valuation. The surplus as above stated of course largely represents the accumulations of the past four and two-thirds years, the distribution of profit bonuses to policyholders occurring at intervals of five years. Instead, however, of applying all the usually applied portion to the distribution now taking place, the company decided as a matter of precaution to reserve \$250,000 toward meeting the increased policy liabilities arising under a 4 per cent. valuation instead of the present 4½, should the former be at any time adopted by the Government. This is doubtless a timely move, for while, as we have recently demonstrated in these columns, the average interest rate realizable is *not* decreasing, as compared with the three or four years past, a four per cent. standard is probably none too high for absolute safety. Notwithstanding the reservation from the surplus of the quarter of a million referred to, the company, it will be seen, is able to distribute more than a million and a half on account of bonus additions, this being 2½ per cent., or \$25 on each \$1,000 assured. Had the entire surplus been applied, without the \$250,000 reservation, the bonus would have equalled about 3½ per cent. The growth of the company in the past has been steady and healthy and may confidently be expected to continue, at an accelerated rate, but on safe lines. We append the following comparative statement showing the record of the business for the years named:—

Year.	New Business.	Total Premiums.	Total Assets.
1882	\$3,753,535	\$733,010	\$5,118,573
1883	3,680,250	809,554	5,664,639
1884	4,200,700	877,161	6,315,451
1885	4,001,950	971,403	7,067,973
1886	4,649,750	1,077,176	7,396,777
1887	4,381,297	1,157,428	8,207,999
1888	4,630,439	1,250,729	8,954,064
1889*	8,271,150	2,309,545	10,480,471

\* For 1 year and 8 months, from April 30, 1888, to December 31, 1889.

The commanding position reached by the Canada Life is the result of the painstaking activity and prudence on the part of the management during many years of varied experience, and its reputation is a credit to the country from which it took its name. So long as the company enjoys the services of the present managing director, Mr. A. G. Ramsay, and other officers, we may safely look for it to maintain the high standard of excellence already attained. Among the able corps of agents occupying the field, we may mention as prominent the manager for this Province, Mr. J. W. Marling of this city, whose business has been large and profitable.

## Financial and Statistical.

### THE BANKS AND LEGISLATION.

Rumors filled the air a few days ago, to the effect that the Banking Act had received its quietus for the present session. The fact, however, proves to be far otherwise, and it is now generally believed that the new act, with certain modifications, will become law this present session. The Bank of Montreal and of British North America, which held aloof while the first stage of negotiations was in progress, have gone in cheerily in pressing for what may be termed the rights of the larger institutions. The 5 per cent. safety fund, proposed for the redemption of notes of defunct banks, was objected to, and this provision has been changed so that 2½ per cent. of the circulation shall be called on the first year, the same amount the second year, and in case this 5 per cent. fund becomes impaired, then 1 per cent. each year for five years may be called for, the amount to be kept up to the original 5 per cent.

Some dissatisfaction seems to exist as to the compulsory payment of Government cheques. That provision, in our opinion, is harmless, though we can hardly think it a question sufficiently important to call for direct legislation, as few cases are known where Government pay-cheques are refused by a bank. Again, the provision, that balances remaining unclaimed for a term of 5 years be escheated to the Crown, is strongly objected to, and has been dropped; but a new clause is to be added securing publicity regarding these balances. The compulsory audit clause has also been dropped entirely.

Strong objections have been made to the 5 per cent. redemption fund, as being totally unnecessary and

uncalled for on the part of the large banking institutions. Legislation is supposed to be in the interest of the masses, not of classes; therefore, bankers, like other professions, should be required mutually to bear a portion of the responsibility resting on each other. They are granted by the Government certain protection and privileges, and in return for these they have certain duties to perform, the least one of which should be to aid each other in strengthening the security to the general public. We claim that the new bill gives protection to the banks now in existence, inasmuch as it so largely increases the amount of paid-up stock necessary to entitle the granting of a charter. There are some clauses in the bill which tend to leniency on the part of the Government, but our space will not permit further detail. We only hope that when the bill comes before the House, it will not appear that the Government has been obliged to make all the concessions, and that the bankers with their friends (who are a strong party in the House) concede very little.

The Bank statement for March, though not remarkably reassuring, shows some tendency to a better state of things. We find Bank Notes circulation increasing, loans to corporations decreasing, and current loans increasing; available assets stands about the same; Directors liabilities show a decrease. We hope that a greater improvement may be noticeable in the April statement, when it appears. Some of the smaller banks have added slightly to their capitals, and the Western Bank of Canada has added \$6,000 to the reserve fund.

The colony of Victoria, Australasia, has in its banking law the following provision:

"No banking company that issues notes, unless the contrary be provided by any Act of Parliament esta-

blishing or regulating the same, shall be entitled to limited liability in respect to such issue, but shall continue subject to *unlimited liability* in respect thereof, and if necessary the assets shall be marshalled for the benefit of the general creditors, and the members shall be liable for the whole amount of the issue, in addition to the sum for which they would be liable as members of a limited company."

The number of vessels of all kinds coming to Canadian ports from the different countries of South America, and going to South America from Canadian ports during the fiscal year of 1889, according to the *Monetary Times*, was as follows:

	Vessels.	Tons.
Canadian craft, coming in.....	89	51,056
Other craft, " " .....	138	97,788
Canadian craft, going out.....	108	38,020
Other craft " " .....	56	30,158

From which it will be seen the commerce was a very respectable one as regards Canadian craft.

SIZE OF ANCIENT CITIES.—Niveveh was 15 miles long, 9 wide, and 40 miles round, with a wall 100 feet high, and thick enough for three chariots abreast. Babylon was 60 miles within the walls, which were 75 feet thick, and 300 feet high, with 100 brazen gates. The temple of Diana at Ephesus, according to Pliny, required 220 years to complete it, and was supported by 127 pillars 60 feet high, having been raised by as many kings. The largest of the pyramids is 481 feet high and 653 on the sides; its base covers 11 acres. The stones are about 30 feet in length, and the layers are 208. It employed 330,000 men in building. Thebes, in Egypt, presents ruins 27 miles round, and had 100 gates. Carthage was 25 miles round, and contained 250,000 citizens and 400,000 slaves. The walls of Rome were 13 miles round.

STATISTICAL ABSTRACT OF THE CHARTERED BANKS IN CANADA.

Comparison of Principal Items.

	31st March, 1890.	28th February, 1890.	31st March, 1889.	Increase and Decrease for month.	Increase and Decrease for year.
<i>Assets.</i>					
Specie and Dominion Notes.....	\$15,869,791	\$15,919,205	\$16,981,988	Dec. \$49,414	Dec. \$1,112,197
Notes, cheques and balances due from Canadian banks.....	8,969,963	7,987,499	8,340,002	Inc. 982,464	Inc. 629,961
Due from American Banks and Branches.....	10,393,027	11,023,658	17,702,103	Dec. 630,631	Dec. 7,309,076
Due from British Banks and Branches.....	1,841,256	2,262,339	3,314,046	Dec. 421,083	Dec. 1,472,790
Government Securities.....	8,096,836	8,171,133	6,267,159	Dec. 74,297	Inc. 1,829,677
Loans and Collaterals.....	13,165,822	13,134,244	12,425,527	Inc. 31,578	Inc. 740,295
Loans to Corporations.....	25,354,201	25,709,980	23,450,650	Dec. 355,779	Inc. 1,993,551
Discounts to the Public.....	152,317,486	149,601,334	149,733,539	Inc. 2,716,152	Inc. 2,583,947
Overdue debts, including those secured by mortgage.	3,057,670	2,906,012	2,748,132	Inc. 151,658	Inc. 309,538
Total Assets.....	248,709,510	246,289,761	252,146,304	Inc. 2,419,749	Dec. 3,436,794
<i>Liabilities.</i>					
Notes in circulation.....	31,704,281	30,627,074	32,471,522	Inc. 1,077,207	Dec. 767,241
Government Deposits, Dominion and Provincial.....	6,980,264	6,765,070	11,990,493	Inc. 215,194	Dec. 5,010,229
Deposits from the public.....	123,809,854	123,392,728	120,666,540	Inc. 417,126	Inc. 3,143,314
Loans from other Banks.....	2,428,068	2,689,514	2,944,358	Dec. 261,446	Dec. 516,290
Balances due to American Banks.....	193,921	125,720	153,680	Inc. 68,201	Inc. 40,241
Balances due to British Banks.....	2,291,824	2,072,184	2,946,827	Inc. 219,640	Dec. 655,003
Total Liabilities.....	167,564,544	165,926,624	171,399,015	Inc. 1,637,920	Dec. 3,834,711
<i>Capital.</i>					
Capital paid up.....	60,204,018	60,196,603	60,236,893	Inc. 7,415	Dec. 32,875
Reserve Fund.....	20,565,333	20,559,333	19,211,999	Inc. 6,000	Inc. 1,353,334
Directors' Liabilities.....	7,236,881	7,342,002	8,851,479	Dec. 105,121	Dec. 1,614,598



## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

### JOTTINGS FROM HAMILTON.

Editor INSURANCE AND FINANCE CHRONICLE:—

The report of the Canada Life of this city has already appeared in the papers, together with favorable criticisms on its success and financial standing, so on that subject I refrain from further reference, leaving it to your editorial columns. Mr. W. T. Ramsay, the lately appointed superintendent, has got fairly into harness, and promises to make a very suitable successor to his much lamented and highly respected brother, Alexander.

There are no agency changes of late worth noting. The Confederation Life is now located in new and suitable quarters, and, under the old management of Mr. Seneca Jones, is making an energetic effort for new business in this city. This company is now pushing the deferred dividend system, very similar to the Semi-Tontine plan of the American companies. Some competitors say that the estimates given by the agents are somewhat high; that, however, is a matter on which their actuary should certainly be the best judge.

Another Toronto company, the North American Life, is evidently represented by a live agent, who is apparently determined not to let his company's light, though not large, be hidden under a bushel, judging from the painted lettering on the outside walls of the office.

The officers of the Federal appear somewhat blue over the results of their last year's operations, for last year they reported a largely decreased new business and a considerably increased mortality. A noted general once said: "Another such victory and I am undone." The many friends of Manager Dexter trust he does not feel himself in that position, although from the report at their annual meeting, one is inclined to think that last year came near to being a disastrous victory.

Inquiry is frequently made as to the Manufacturers Life. That company has certainly a nice office here, and in a prominent location, though it has apparently ceased to be very active in the city. Probably it is quietly pushing in the "highways and by-ways," where the other fellow goeth not.

About twelve months ago, the old-liners were startled at the boom made by a concern, called the Provincial Provident Institution, hailing from St. Thomas. It was represented that they proposed to lead all assessment concerns in Canada, and the promises made to intending insurers far excelled anything previously presented to the public, and that is saying much in this city. The insurance superintendent's report, just at hand, demonstrates that the boom represented "a tempest in a teapot," and must be exceedingly disappointing to its staff of agents. Here are the results: 775 certificates issued for \$1,438,000, considerably less than 1888—while the terminations amounted to \$1,304,000, leaving an increase for the year of \$74,000. What would these assessment concerns say of an active "old-liner" making such a miserable showing? It is also remarked that the issue of the Mutual Reserve was less in 1889 than in 1888, this leads one to the conclusion that the insuring public no longer prefer the so-called cheap form of insurance, or else they find it not so inexpensive as represented, and decline to be captured by insurance "at cost," with an envelope full of tracts thrown in.

Hamilton has been visited by a special, who represents himself as coming direct from New York, with authority from headquarters to give a special policy and extraordinary terms to capitalists and "leading citizens;" by that term is meant those able to pay a large premium. Principally owing to the activity of Mr. Kidd, the well-known agent of the Canada Life, the chain-lightning fellow's methods were exposed to the aforesaid leading citizens, and, so far as known, not a single convert was made by this wonderful special. Rebating is becoming too common, and it would be better and fairer for the companies practising that

system to auction off their policies; then each fellow would have an equal opportunity with his specially selected neighbor to get in on the ground floor.

Latterly we have had quite a legitimate increase in real estate values. Some nice sales are reported. It is said leading real estate men of Toronto are making deals here, evidently becoming alive to the fact that the boom in their city is on the wane.

Later, I shall have something to say about a proposed new fire insurance company. In the meantime, this must be considered like the special life policy of a certain company, as strictly confidential.

AJAX.

### THE OLD LAND (Continued).

Leaving London in the evening, we crossed the Channel at midnight and arrived next morning at Paris. The country which the early light had revealed to us, while speeding along in the train from Boulogne, is not inviting. There are no houses to be seen; very few fences or hedges; and few trees. Ditches and small embankments serve as dividing lines. We saw no cattle. As mile after mile of such scenery (if we may call it such) was passed, we came to the conclusion that the north-eastern section at least of France is

EXTREMELY UNINTERESTING AND DREARY.

It is a marked contrast to the beautiful views we had seen in England. All life appears to be concentrated in the villages, where even the tillers of the land seem to live. This is one of the first indications that we are in Continental Europe, where the terrible scourge of war is an ever-present consideration with the inhabitants. We were determined to make the most of our limited time, so sallied forth immediately after breakfast and at once visited the great centre of attraction.

THE EXHIBITION.

It is unquestionably the finest of its kind which the world has ever seen. It has been attended by an unprecedentedly large number of people (nearly twenty millions, if we remember aright). The space occupied is that of the Champ de Mars, which a bridge over the Seine connects with the grounds of the Palace of the Trocadero. The buildings occupied by many of the South American natives are very attractive, while the main buildings, in which most of the European countries have their sections, are very elaborate and must have cost a great deal of money. The most prominent feature of the grounds is however the great

EIFFEL TOWER.

One thousand feet high, and towering several hundred feet beyond the pinacles of the highest buildings in the world. It looks somewhat flimsy as one gets near the top, but it is of course perfectly safe. Elevators carry passengers to the top by four stages. The view from there is good. The people in the grounds below look like flies.

Turning to the exhibits themselves, the mass of materials is so great as to be positively confusing, and we made no effort to retain in our memory any but the most important features. Perhaps the one which impressed us most is the

RAILROAD TRAIN WITHOUT WHEELS OR ENGINE.

This has been so fully described in the daily press, that it is unnecessary for us to say more than that the principle is to support the carriages on a species of runner, which has a film of compressed water between it and the rails which are broader than usual. The speed and direction are regulated by allowing the water to escape at one end or other of the runner. It is claimed by its inventors that trains can be run on this plan at double the present speed and without vibration. We had the pleasure of a trip of a few hundred yards on the one in the exhibition grounds.

GERMANY

Is conspicuous by her absence, and we were ashamed to notice that Canada also is not represented, although the Australian colonies have a very creditable exhibit. A department which interested us is that of "Social Science," in which the leading

## LIFE ASSURANCE COMPANIES

Exhibit large charts and other devices, showing the wonderful progress made by each. The French companies and the New York Life had this branch almost to themselves. The large books containing the lists of properties owned by the French life offices reminded us that these make a specialty of investing their funds in this kind of security. They are among the largest land-owners in the country. In spite of everything, however, the exhibition looked too much like an enlarged fair to long retain our interest. There have been and will be many exhibitions, but there is only one Paris, and to a study of that we next directed our attention. Several things struck us at once. In the first place we found it difficult to believe that

## TWO AND ONE HALF MILLIONS OF PEOPLE

Live within the comparatively narrow limits of the city. The distances seem short as compared with London. The population is denser. The buildings are larger and probably higher on the average, but most of them are built on an entirely different plan. The entrance is through a covered passage leading to a court yard. There are several doors leading off from this, and the house may be occupied by a number of families or room boarders, after the manner of the New York flats, the whole establishment being in charge of a *concierge* or housekeeper. When the large double gates of the passage are shut there is no entrance, and the effect after dark is rather dreary. The buildings are chiefly of yellowish grey or cream-colored stone, very similar to that used in the trimmings of the English Cathedral at Montreal. The city has a cleaner, brighter appearance than London. This is no doubt due to the

## ABSENCE OF SMOKE.

This in turn indicates a comparative lack of factories. In fact, one of the problems which occur to a stranger is what there is in Paris to attract and keep people there, apart from the fact that it is the heart of France. It does not seem to derive its importance from manufactures or commerce like London. Another novel sight was the number of

## UNIFORMS AND LIVERIES

To be seen in the streets. Every person is ambitious to have a military appearance. The policemen or "gens d'armes" are dressed as soldiers, and carry swords instead of batons. Soldiers themselves are to be met everywhere. They present a marked contrast to the British redcoats, particularly in the fact that their uniforms are in most cases much looser, even extending with many to bagginess. This mode of dressing lacks neatness somewhat, but is decidedly more natural and comfortable. Even the cabmen are all in livery, there being two styles, one with black glazed high hats, navy blue coats and red vests, the other with white hats of similar shape and drab-colored coats. They have a habit of cracking their whips with such vigor that the air resounds with reports like small pistols. The workmen also wear blue or white blouses over their clothes as a sort of badge to mark their social standing. This is a continental custom, and is not intended as a mere protection while working, for it is equally noticeable on Sunday, and among holiday seekers. Talking about Sundays reminds us that that is the day of the week on which

## THE ELECTIONS

Are always held. While we were in Paris the supplementary voting took place. We went to the Boulevard des Italiennes in the evening, and found ourselves in a vast crowd who were watching the bulletins for the results. Those near us appeared to be principally Boulangists, and cheers and cries of "Vive Boulanger" came thick and fast. They were very good-natured, however. The public buildings, fences, and even the lions and other monuments in the public squares were at the time of our visit covered with election placards and manifestos. Some of these were interesting reading to an outsider. Here for instance is an extract from one in favor of M. Antoine, who was recently expelled from Alsace by the German government, and was now contesting a Paris constituency:—

"Notice: It is in the name of Germany that you are asked to vote against him. \* \*

"Frenchmen: In the name of Alsace Lorraine! In the name of France! In the name of right and justice, we cry to you, vote for Antoine!" Unfortunately Antoine was not elected after all.

## A COMMUNIST MANIFESTO.

Near the Palais Royal our eye caught a placard of another description. It interested us, and we endeavored to quietly make a copy standing by a tree as far off as we could read. We waded through about one half and made several extracts. The writer referred to the elections, and congratulated himself that this solemn farce would soon be over. If the people would take his advice there would be none but the two candidates at the poles, and they could fight it out between themselves. But we will let our communist friend speak for himself.

## "THE FATHER PEINARD TO THE PEOPLE.

"\* \* \* Revise what? The constitution of 1875? I believe there is not one person in a thousand who understands that constitution of unhappiness.

"And then see: Constitutions! We break them, but we do not live on them. A loaf of bread and a beefsteak are worth all the constitutions in the world.

"Nevertheless, if they do it squarely, I am in favor of revision, but, by thunder, a revision cut up into small onions.

"Revise the fortunes! It is not just that a dog like Rothschild should have millions, while the people drudge along and lack bread.

"Revise the property! That he who sows shall reap. The peasants are fools to pay rent to cheats. \* \* \*"

But this is as far as we got. One or two persons had stopped to see what we were reading, and others in their turn wished to see what these were at, until a crowd had gathered. A *gend'arme* soon elbowed his way in and then disappeared, no doubt to send the workman, who quickly came with a scraper and destroyed the centre of attraction. We however noticed that enquirers were directed to "No. 16 Rue 4th Septembre." Thither we turned our steps, bent on securing a full set of communist documents, but failed to find any person at that address who could supply them.

MOUNT ROYAL.

## Notes and Items.

Mr. Cromar, Toronto city agent for the New York Life, has united his fortunes with the Mutual Life.

The valued policy bill, for some time pending in the New York legislature, has been defeated by a large majority.

An effort is being made to organize a fire patrol by the underwriters at Portland, Oregon, at an estimated cost of \$550 per month.

Mr. Robert J. Foster has been appointed special agent of the Imperial Fire for the Western States in place of Jas. M. Whitehead, recently deceased.

Mr. Geo. W. Thompson, of Boston, the Superintendent of agencies of the New England Mutual Life, died recently at St. Paul, Minn., after a brief illness, aged 54.

We are informed that Mr. Alex. Dixon, general agent for Canada of the Norwich Union Fire Insurance Society, has appointed Mr. Walter Kavanagh agent at Montreal to succeed Mr. J. W. Molson, who resigned to accept the agency of the Manchester fire office. Mr. Kavanagh also represents the British America and Scottish Union.

**Mr. George Milne** has been appointed metropolitan inspector for London by the British Empire Life, after serving for several years as branch manager at Birmingham.

It is rumored that **Mr. Geo. A. Cox**, vice-president of the Western Assurance Co., will be made president of the Canadian Bank of Commerce at the annual meeting in June.

**Hon. Philip Cheek**, insurance commissioner of the State of Wisconsin, retired on the 30th ult., to engage in the general insurance business. His successor has not yet been named.

The **Fire Committee of the Toronto Council** has decided to recommend the purchase of two additional engines for the fire department,—one chemical and one steam engine.

The **Electric Mutual Insurance Co.** of Boston has just commenced business with **Mr. S. E. Barton**, late special agent of the Royal, as president and a fairly good board of directors.

**Mr. Allen G. Whittaker** has resigned as secretary of the General Accident and Guarantee Co. of Dublin, to accept the position of inspector for Ireland of the English and Scottish Law Life.

The **Fire Brigade of Birmingham**, during 1889, was called to 300 fires, few of which were serious. The total estimated loss was \$235,000, the value of the property at risk being \$4,500,000.

It is reported that **Mr. H. C. Dennis**, the former Ontario manager of the Equitable Life, is "hustling" for business in Detroit, where he is said to have recently taken three \$100,000 risks.

**Messrs. Cowie & Edwards**, of St. John, N.B., have been appointed general agents for the Province of New Brunswick for the Caledonian. They also represent the Union Marine Insurance Co.

Although they went to school together and grew up side by side, he never dreamed how much he loved her until her wealthy uncle died—and left her ten thousand dollars life insurance.—*Chronicle*, N.Y.

**Mr. John W. Molson**, of this city, has been appointed resident agent for the Manchester under its new Canadian management. Mr. Molson is active and reliable, and will do good service for the company.

**Mr. Irving Walker**, the Toronto merchant who died recently, had life assurance amounting to \$75,000, all of which was taken during the 18 months previous to his death. His estate is estimated at \$250,000.

Among the callers at our office recently were Messrs. W. Fitzgerald, superintendent of insurance, Ottawa; Thomas Kerr, Toronto; James Skeoch, Trinidad, W. I.; R. H. Matson, Toronto; and Fred. J. Claxton, Victoria, B.C.

A bill has passed the Senate of the Massachusetts legislature, providing for an appeal by foreign insurance companies to the Supreme Court from the decisions of the insurance commissioner. It has been taken up and amended in the lower house, where it is still pending.

**Mr. Charles C. Little**, for some years assistant secretary of the Phenix Fire Ins. Co. of Brooklyn, has been made secretary in place of Mr. Philander Shaw, who retires as honorary secretary to the board of directors. Mr. W. A. Wright becomes assistant secretary.

The recent killing of several firemen and others by the fall of the Bowen-Merrill building at Indianapolis, Ind., has moved the city council to pass an ordinance authorizing a special board to inspect, and, if found unsafe, cause to be pulled down, any building in the city.

**Insurance Commissioner Merrill**, of Massachusetts, gives notice, in his recent annual report, that funds belonging to United States branches of foreign companies, and not placed under the control of United States trustees, will not hereafter be recognized by his department.

Not much to brag about.—After all the boasting of the Mutual Reserve Fund of its "immense" foreign business, it transpires from the Connecticut report that it has 1,852 policies in Great Britain, 535 in France, 217 in Sweden, and 33 in other countries. Great Scott, what a drop!—*Wall Street News*.

We are under obligations to Superintendent Ellerbe, of the Missouri Insurance Department, for Part I. of the 1889 Insurance Report, embracing fire and marine insurance; also to Auditor Pavey of Illinois, for advance summary report of the fire and marine business of the companies operating in that State.

Insure against accidents.—The total number of accidents in New York, reported to the authorities for the two months ending March 20, was 666, of which 50 proved fatal. Of the number, 411 were from falls, 79 from falling objects, and 83 from street vehicles. Accidents in this bustling world seem to multiply.

It is stated by the newspapers that the firemen of Cincinnati have been experimenting with a fluid to prevent suffocation by smoke. Several firemen recently entered a building filled with dense smoke, and remained for fifteen minutes without the least difficulty. A sponge saturated with the fluid is placed over the mouth and nostrils.

The statement is now made, without qualification, by the *Daily Commercial Bulletin* of New York, that the Caledonian of Edinburgh is positively coming to the United States for business, and that Mr. Henry W. Brown of Philadelphia is the appointed manager. The *Bulletin* adds, however, the rumor that its business will be confined to those States not requiring a deposit.

The authorities at New Orleans undertook to tax the foreign insurance companies on their gross receipts, under the State law, in addition to a heavy licence tax. The Liverpool & London & Globe and the British and Foreign Marine refuse to pay, and the question has recently been decided in the United States District Court by Judges Pardee and Billings in favor of the companies, on the ground that the alleged law is indefinite and imperfect in its provisions.

The Fire Insurance Association, of London, was fortunate in its withdrawal from the United States, just in time to escape the heavy fires which occurred last year. We notice from the annual statement, by the way, that the affairs of the Association are much improved, financially, while on the underwriting account for 1889 there was realized a profit of some \$10,000, besides which the liabilities under outstanding risks have been considerably reduced. The Canadian business for 1889, under the management of Mr. John Kennedy, shows also a very favorable loss ratio.

The associates of Mr. James Boomer took occasion, on the evening of the 18th ult., to testify their appreciation of the former secretary of the Western of Toronto by gathering in force, and with Mr. Geo. A. Cox as chairman, and Mr. J. J. Kenny as vice-chairman, thinking and saying good things about their *confrere*, hereafter to be manager of the Manchester. As a tangible token of their esteem, Mr. Boomer was presented with a complete set of the Encyclopedia Britannica.

A weak assessment concern of the Pacific Coast, called the Mutual Benefit Life Association, has amalgamated with the Mutual Reserve Fund of New York, and that Association is issuing its certificates to the members of the former promiscuously, without medical examination, according to the *Coast Review*. When the notoriously lax methods of medical examination practiced by the average co-operative are considered, the recklessness of the above wholesale taking over of risks will be apparent.

A good investment.—Twenty-two years ago the late Mr. Andrew Robertson of this city insured his life in the Standard for £10,000 (\$48,666.66), and his heirs have now received \$62,232.49 in cash, \$13,565.83 being the amount of bonus additions to the original policy. That was a good investment, for the heirs receive that large amount in ready cash without risk of administration or expense of a farthing for collection. In case of earlier death the investment would have shown still greater results of course.

The Mutual Fire Insurance Corporation of Manchester, after twenty years of experience, is about to retire. It is to be consolidated with the Palatine, organized four years ago and having a subscribed capital of \$250,000 with \$50,000 paid up. The Mutual has had an eventful history, originally organized in behalf of the cotton mills of Lancashire and Yorkshire, as a protest against the rates charged by the proprietary companies, which at last have beat it on its own ground after a twenty years struggle.

Our Excellent Contemporary, the *Coast Review*, has adopted a bran new design for its cover, and asks: "How do you like our new title-page? Should the general verdict be unfavorable, it shall be sent after McGinty." Send it after McGinty by all means, brother *Review*, and shoot the "heathen Chinees" who made the design. As a crazy-quilt pattern it might pass, but as the front door of a square-toed, honest journal, which puts what it has to say in vigorous Saxon without ruffles, it is out of place. Give us something easier.

Insurance Superintendent Wilder, of Kansas, says a good many good things in his recent report, but none better than this: "I often get letters saying that insurance is a burden that costs Kansas a million and a half a year; and then the ire of the writer rises, and he feels like going out and doing bodily harm to some insurance interest. A great many things are a burden: buying shoe strings, paying board, buying clothes, paying taxes. Life is a burden. If we get value received for what we buy, the burden is not burdensome. If we are cheated, anger is in order. In point of fact, a very large part of what we pay for insurance comes back to Kansas in the payment of losses, and the expenses of companies, of agents and their families, paid in Kansas and to and for Kansas men and women. \* \* \* We are apt to get into a rage in insurance matters, and to make the companies sweat when we serve on a jury. Indirectly and ultimately we pay for our anger; judgment collected out of the policy holders."

The Briton Medical and General Life, in the conduct of business under its reconstruction scheme, seems to be making satisfactory progress, and to have successfully combatted the opposition which it has been called to encounter. In addition to the \$780,000 of assets with which reconstruction was commenced, some \$395,000 more have been realized from securities and various sources which is to be added to the reduced face value of policies, while \$120,000 as profits are reported, which amount is applied as bonuses to the further increase in policy values. The assets are also increased by \$115,000 from funds recovered (\$85,000)—and shareholders' profits (\$30,000) to remain with the company. It is proposed to apply for an Act of Parliament to carry the reconstruction into effect and regulate the affairs of the company for the future.

The Actuarial Society of America held its second annual meeting in New York, at the Astor House, on the 24th ult., at which important subjects were ably discussed in carefully prepared papers. Sheppard Homans was re-elected president, and Israel C. Pierson of the Washington Life, and Rufus Weeks of the New York Life, were chosen respectively recording and corresponding secretaries. D. Parks Fackler was also re-elected first vice-president. A number of new members were elected, among whom were A. K. Blackadar, Insurance Department of Canada; George Wegenast, Ontario Mutual Life; J. G. Richter, London Life; J. H. Richardson, deputy commissioner New Zealand Life Insurance Department; and Dr. John A. Fowler of The *American Exchange and Review*. There was a full attendance, the Canadian actuaries present being: T. B. Macaulay of the Sun Life, Wm. Hendry of the Ontario Mutual, and Wm. McCabe of the North American.

## MUNICIPAL DEBENTURES,

### GOVERNMENT AND RAILWAY BONDS

### INVESTMENT SECURITIES,

#### BOUGHT AND SOLD.

Insurance Companies requiring Securities suitable for deposit with Dominion Government or other purposes, can have their wants supplied by applying to

R. WILSON SMITH,

British Empire Building, MONTREAL

Debentures and other desirable Securities purchased.

**REMOVAL.** DAVID DENNE, City Agent, (English Department) of the ROYAL INSURANCE COMPANY, will remove on May 1st to No. 100 St. Francois Xavier Street, from British Empire Building.

**Wanted.**—A live Agent to represent the Provident Savings Life Assurance Society at Toronto. To the right man, liberal terms. Apply to R. H. Matson, Manager for Canada.

**Wanted.** Agents wanted for the Norwich Union Fire Insurance Society, in all parts of Ontario and Quebec where the Society is not represented. Liberal terms to the right men. Address ALEXANDER DIXON, Manager for the Dominion, 41 Adelaide Street East, Toronto.

### Banque Ville Marie.

Established 1873.

HEAD OFFICE: MONTREAL.  
Paid-up Capital, \$477,530.  
Reserve, 20,000.

#### DIRECTORS.

W. Weir, President,  
J. G. Davie, Vice-President.  
Godfrey Weir,  
John McDougall,  
W. Strachan,  
Ubalde Garand, Cashier.

#### BRANCHES.

Berthier... A. Gariépy.  
Hochelaga... Geo. Dastous.  
Hull... A. Le Blanc.  
Lachine... H. Frost.  
St. Césaire... M. L. J. Lacasse.  
Louisville... F. X. O. Lacoursière.  
Nicolet... C. A. Sylvestre.  
Pt. St. Charles, M. J. E. Wall.  
St. Jerome... G. Lavoilette.

#### AGENTS AT NEW YORK.

The National Bank of the Republic and Ladenburg, Thalmann & Co.

### Union Bank Canada.

Established 1865.

HEAD OFFICE: Quebec.  
Paid-up Capital, \$1,200,000.

#### DIRECTORS.

Andrew Thomson, President.  
E. J. Price, Vice-President.  
Hon. Thos. McGreevy, E. Giroux, D. C. Thomson, E. J. Hale, Sir A. T. Galt, G.C.M.G. E. E. Webb, Cashier.

#### FOREIGN AGENTS.

London—The Alliance Bank Limited.  
Liverpool—Bank of Liverpool, Limited.  
New York—National Park Bk  
Boston—Lincoln National Bk.  
Minneapolis—First National Bank.

#### BRANCHES.

Alexandria.  
Troquois.  
Merricksville.  
Montreal.  
Ottawa.  
Quebec.  
Smiths Falls.  
Toronto.  
Winnipeg.  
W. Winchester.  
Leithbridge, Alberta.

## Annual Statements.

### CONFEDERATION LIFE ASSOCIATION.

The eighteenth annual meeting of the Confederation Life Association was held at the head office, Toronto, on the 25th March, 1890, the president, Sir W. P. Howland, occupying the chair, and Mr. J. K. Macdonald acting as secretary.

The following report was submitted:—

#### REPORT.

The eighteenth annual report of the Association affords evidences of substantial progress, which cannot fail to be satisfactory to the policyholders and shareholders.

Your board has continued the policy of contenting itself with a moderate volume of new business, rather than seeking a greater amount at a largely increased cost. Your directors believe this to be the wisest policy, and one which in the not distant future will result most satisfactorily to the company.

There were received during the year 1,659 applications, for a total assurance of \$2,440,350. Of these 1,584 for \$2,314,850 were accepted, and the balance were either declined or withdrawn. There were fifty-one policies for \$81,650 revived, making the new business 1,635 policies for an assurance of \$2,396,500. The total business in force at the close of the year was \$17,711,404 under 11,606 policies, covering 10,183 lives.

The death claims continue to show a careful selection in the admission of members. There were 70 deaths under 75 policies calling for the sum of \$132,234.52—including \$3,811 bonus profits.

The income for the year has been very satisfactory, showing a most gratifying increase in both premiums and interest. A change in the mode of dealing with interest and rents in the present statement by which repairs, taxes, etc., for the year have been deducted, shows, as compared with the previous year, an increase less by nearly \$6,000 than was actually made. It is gratifying to notice that our interest account has again exceeded the losses by death, which enables your board to repeat the statement made in the last report, that from the inception of the company the income received from investments has been more than sufficient to pay the death claims.

The financial statements herewith submitted exhibit in a clear and simple form the company's condition.

Considerable progress has been made in the matter of the new head office building on the site purchased by the company, referred to in the report for 1888. Your board deemed it wise and fair to ask for competitive designs, a course which, while it did not exclude foreign architects, afforded the profession in Canada an opportunity to display its skill. Four substantial prizes were offered for the four best designs. Eighteen sets of plans were sent in, and from these the selection was made. The plans which obtained the first place were those of Messrs. Knox, Elliott & Jarvis, of Toronto, and while the estimated cost came within the limit fixed by your board, their design will give a handsome structure, conveniently and economically arranged, that will compare favorably with the best buildings in the city.

Your board availed itself of an opportunity to purchase a valuable and prominently situated property on Main street, Winnipeg, at a favorable price. The building, a substantial brick, has been largely remodelled internally, and in addition to affording a good office, suited to the large and growing business of the Association in Manitoba and the North-West, will yield a handsome interest return on the investment. Your board deemed it wise, in view of the purchase of property in Toronto and the erection of the proposed head office building, to apply to the Dominion Parliament for an amendment to the Act of Incorporation, to increase the limit in the annual value of property held by the Association and acquired by direct purchase in the Province of Ontario; also to vary or reduce the number of directors on the general board to not less than ten, to limit the number of shares of the capital stock which may be held by any one person, and to purchase ground rents. A bill affecting these purposes was introduced, and has passed the House of Commons, and will no doubt become law in due course.

It affords your directors great pleasure to refer to the continued faithfulness and efficiency of the agency and office staffs

J. K. MACDONALD,  
Managing Director.

W. P. HOWLAND,  
President.

Toronto, March 18th, 1890.

## THE THREE SYSTEMS OF LIFE INSURANCE.

By MERVIN TABOR, Actuary, Insurance Dept., Illinois.

### I.—THE LEVEL PREMIUM SYSTEM.

### II.—THE NATURAL PREMIUM SYSTEM.

### III.—THE ASSESSMENT SYSTEM.

- I.—Agents' Pocket Edition, printed on bond paper, flexible Russia covers, 240 pages. Price . . . \$5.00  
II.—Company Edition, bound in semi-flexible leather covers, 240 pages. Price . . . . . \$2.50  
III.—Library Edition, bound, English Cloth. Price \$2.00

Having purchased several hundred copies of the balance of the above Editions, we will allow a Cash discount of 50 per cent. off the \$5 Edition, and 20 per cent. off the \$2.50 and \$2 Editions.

Every Life Insurance Agent should secure a copy at once.

FOR SALE AT THE

Insurance and Finance Chronicle Office,  
MONTREAL.

FINANCIAL STATEMENT.

Receipts.	
Net ledger assets carried forward from 1888.....	\$2,364,615 81
Real estate accretion .....	\$ 8,694 51
Less furniture (10 per cent. written off).....	284 93
	<u>8,409 58</u>
Premiums.....	2,373,025 40
Annuities.....	\$561,293 34
	24,642 38
	<u>585,935 72</u>
Interest and rents.....	\$142,030 88
Less repairs and taxes.....	5,933 24
	<u>136,037 64</u>
	<u>\$3,094,998 76</u>

Disbursements.	
Expenses (salaries and commissions, agents, doctors, solicitors, etc.).....	\$119,030 67
Re-insurance premiums.....	5,202 57
Annuities.....	4,119 30
Commissions on loans.....	2,148 90
Rents.....	2,842 89
Taxes.....	1,500 00
Insurance superintendence.....	626 49
To policyholders—	
Death claims.....	\$126,774 52
Endowment claims.....	3,366 00
Surrendered policies.....	33,985 77
Dividends.....	35,271 72
Temporary reductions.....	34,152 92
	<u>233,550 93</u>
Dividends to stockholders, and civic tax.....	12,138 28
Balance to new account.....	2,713,838 73
	<u>\$3,094,998 76</u>

BALANCE SHEET.

Assets.	
Mortgages.....	\$1,712,763 22
Debentures.....	207,465 93
Real estate.....	443,465 12
Loans on stocks and debentures.....	82,512 82
Government stock and deposit.....	4,752 90
Loans on company's policies.....	159,016 99
Fire premiums due from mortgagors.....	2,692 20
Furniture.....	2,564 43
Loans to agents and employees on security of salary or commissions.....	350 00
Advances to travelling agents.....	1,271 51
Agents' balances.....	866 75
Sundry current accounts.....	335 24
Cash in banks.....	95,082 22
Cash at head office.....	863 87
	<u>\$2,714,003 20</u>
Less liabilities (current accounts).....	164 47
	<u>\$2,713,838 73</u>
Premiums in course of collection (reserve thereon included in liabilities), of this the sum of \$44,077.42 is covered by short date notes.....	84,009 91
Quarterly and half-yearly premiums on existing policies due subsequent to Dec. 31st, 1889 (reserve thereon included in liabilities).....	25,042 68
Interest due and accrued.....	66,464 02
Difference between cost and market value of debentures.....	5,057 07
	<u>\$2,894,502 41</u>

Liabilities.	
Assurance and annuity funds.....	\$2,519,920 00
Losses by death accrued.....	18,708 25
Fees, doctors and directors.....	7,361 25
Rent.....	350 00
Held to cover cost of collecting premiums outstanding and deferred on Dec. 31st, 1889.....	10,914 25
Capital stock paid up.....	100,000 00
Dividend due January 1st, 1890.....	7,000 00
Surplus.....	230,248 66
	<u>\$2,894,502 41</u>
Surplus above all liabilities.....	\$230,248 66
Capital stock paid up as above.....	100,000 00
Capital stock subscribed not called in.....	900,000 00
	<u>\$1,230,248 66</u>

J. K. MACDONALD, Managing Director.

AUDITORS' REPORTS.

I hereby certify that I, with my late co-auditor, have audited the books of the Association for the year ending 31st December, 1889, and have examined the vouchers connected therewith, and that the above financial statements agree with the books and are correct. We also examined the securities represented in the assets, which are safely kept in the Association's vault (excepting the securities lodged with Dominion Government, amounting to \$84,147.72, par value), and found them in good order.

W. R. HARRIS, Auditor.

Toronto, 18th March, 1890.

Inasmuch as only one of the auditors for 1889 had certified to the statements, it was deemed wise to have the books, etc., re-audited, which was done by Mr. W. E. Watson, whose certificate is as follows:—

I have carefully examined the books of the Association for the year ending 31st of December, 1889, and beg to report as follows:—The ledgers, journals, and cash books of the Association have been accurately and neatly kept. I have examined every account for the year in each ledger, and also the journals and cash books, and find that all items have been checked as to posting by your auditors. The balances for each ledger, in books kept for this purpose, I have also examined, and find to be correct, and each item to have been checked by your auditors, and these balances correspond with the annual statement sub-

mitted to your shareholders.

WM. E. WATSON, Auditor.

Toronto, 9th April, 1890.

The whole matter was also submitted for expert opinion to Messrs. Clarkson & Cross, who after strict scrutiny made a commendable report, from which the following is quoted:—

“After weighing the whole evidence, we conclude that the certificate of Mr. W. R. Harris to the annual statements is, and ought to be, accepted as sufficient.

“CLARKSON & CROSS.”

On motion of the chairman, seconded by Wm. Elliot, Esq., the report was adopted, and after the customary motions of thanks, Messrs. W. R. Harris and Wm. E. Watson were appointed auditors for the current year, and the following gentlemen were elected directors:—Sir W. P. Howland, Wm. Elliot, Edward Hooper, W. H. Beatty, Hon. James Young, M.P. Ryan, S. Nordheimer, W. H. Gibbs, A. McLean Howard, J. D. Edgar, Walter S. Lee, A. L. Gooderham, W. D. Matthews, George Mitchell (Halifax, N.S.), and J. K. Macdonald. The meeting then dissolved.

At a meeting of the newly-elected board, held after the termination of the annual meeting, Sir W. P. Howland was re-elected president, and Messrs. Wm. Elliot and F. Hooper vice-presidents.

## CANADA LIFE ASSURANCE COMPANY.

REPORT BY THE BOARD OF DIRECTORS.

As was resolved at the last annual meeting, the company's books were closed upon 31st December last, so that the transactions of the 43rd year only embrace a period of eight months, from 1st May to 31st December, 1889, in place of the usual full year of twelve months.

The new assurances applied for during the eight months were 1,997 in number, for \$4,455,098, of which 1,856 for \$4,190,098 were accepted. Of the balance, 141 for \$265,000 were declined, the lives not appearing desirable risks for the company to assure; and 66 for \$119,500, not being completed, the business of the eight months amounted to 1,790 policies for \$4,070,598, with a new premium income of \$135,035.14. The total amount assured, with profit bonuses, as at 31st December last, was \$49,519,558.48 upon 18,536 lives under 24,375 policies.

During the eight months the death claims were for \$321,106.86 upon 105 lives under 149 policies.

The receipts for the eight months were \$1,377,618.74, and the payments for death and other claims and all expenditures being \$633,104.80, the assets of the company were increased during that period by \$744,513.94, bringing them up to \$10,480,471.09, at 31st December last.

The period for the division of the profits since 1st May to 31st December last (4 $\frac{3}{4}$  years) having now arrived, the Board has much satisfaction in reporting as to that. A careful valuation of the company's policy and other risks having been made by the Superintendent of Insurance for the State of Michigan, in connection with the company's license to transact business there, it will be seen by his report herewith that the total life policy liabilities amount to \$8,237,540, and that the result has corresponded with the company's own examination. The abstract of assets and liabilities submitted herewith shows that the surplus or balance available for distribution amounts to \$1,859,043.25; but looking to the gradual fall which is being experienced in the rate of interest upon first class investments, it is considered prudent to set aside \$250,000 of this amount as a special reserve, on account of the possible change from the present Government basis of interest at 4 $\frac{1}{2}$  per cent. to the lower rate of 4 per cent., and this course will, it is believed, meet with the cordial approbation of all who are interested in maintaining and increasing that sound position which has at all times distinguished this company. After laying aside the special reserve of \$250,000 there will remain the sum of \$1,609,043.25 available for distribution, and the directors having allotted fourteen-fifteenths thereof (93.33 per cent.) to the policyholders, a bonus addition at the rate of 2 $\frac{1}{2}$  per cent. per annum, or \$25 per annum for each \$1,000 assured upon the life system, is declared, leaving a balance of \$94,583.82 on account of policies entitled to share in profits.

To meet the cases of policies becoming claims before the next division of profits in 1895, prospective or intermediate profits will, as upon previous occasions, be paid at the rate of a bonus addition of 1 $\frac{1}{4}$  per cent. for each year from 31st December last. Where profits are taken otherwise than as bonus, the equivalent of the rate named will be allowed. To the stockholders, an allotment of one-fifteenth, or 6.66 per cent., of the profits has been made, and the amount being \$107,269.55 enables a bonus of \$25.00 per share to be declared.

As required by the company's charter, the following Directors retire by rotation at the present time, but are eligible for re-election: The Hon. Mr. Justice Burton, Col. C. S. Gzowski, A.D.C. to the Queen, and Nehemiah Merritt, Esq., of Toronto.

(Signed)

A. G. RAMSAY, President.

R. HILLS, Secretary.

Hamilton, Ont., 11th April, 1890.

## REPORT OF THE MICHIGAN COMMISSIONER OF INSURANCE.

STATE OF MICHIGAN INSURANCE BUREAU,

LANSING, March 19th, 1890.

I, Henry S. Raymond, Commissioner of Insurance of the State of Michigan, do hereby certify that I have caused the policies of the Canada Life Assurance Company of Hamilton, in the Dominion of Canada, outstanding on the 31st day of December, 1889, to be valued as per the American Experience Table rate of Mortality, with interest at four and one-half per centum per annum, as required by the Statutes of this State, and I find the net values of said policies to be eight million, two hundred and thirty-seven thousand, five hundred and forty (\$8,237,540) dollars.

In testimony whereof, I have hereunto set my hand and affixed my official seal, on the day and year first above written.

(Signed)

[SEAL]

HENRY S. RAYMOND,

Commissioner of Insurance.

## REPORT OF COMMITTEE ON INVESTMENTS.

We hereby certify that we have carefully examined and passed in detail the several securities specified in the "general abstract of assets and liabilities to the 31st of December last," and find the same to be correct, and have also verified the balance of cash.

(Signed)

GEO. M. INNES.  
N. MERRITT.  
F. W. GATES.  
WM. HENDRIE.

Hamilton, 11th April, 1890.

## THE ADOPTION OF THE REPORT.

The President (Mr. Ramsay), in moving the adoption of the report, said:

"By the arrangement which met your approval at our meeting last year, whereby the date of the closing of the company's books was changed from 30th April to 31st December, the business before you upon this occasion covers only the eight months between these dates, and I would ask you to bear that fact in mind in considering the figures which are contained in the directors' report and in the statements now presented to you. If that be done it will be found that the business of the eight months is proportionately larger than it has ever before reached, and it is very gratifying to be able to point to the continued undiminished success of the company, which the figures before you indicate.

"The amount of assurances carried by the company is within a trifle of \$50,000,000, the assets exceed \$10,000,000, and the annual income is now about \$2,000,000.

"The death claims during the eight months amounted to \$321,106.86, and were again largely under the amount anticipated by our calculations, and it may be added that they were, as they have generally been before, even less than the receipts from interest in the same time.

"The return of another period for the division of the company's profits adds interest to the proceedings of the present meeting."

"The important subject of the basis of the valuation of the obligations of the company is one which has from time to time received very careful consideration, and the meeting will, I dare say, be able to recall that upon the original foundation of the company in 1847, the basis of its business was that of the Carlisle rate of mortality, with an assumption of future interest at 6 per cent. per annum. Subsequently, in 1870, seeing that the rate of interest on satisfactory investments had somewhat fallen, and looking to the possibility of its becoming still lower, our interest basis was changed from 6 per cent. to 5 cent. In 1880, the still further important change to the assumption of interest at 4 $\frac{1}{2}$  per cent. was made, and the more recent mortality experience tables of the Institute of Actuaries of Great Britain were adopted, as being probably a more accurate criterion than that of the older Carlisle tables. Having last year, as you are aware, opened a branch of the company's business in the State of Michigan, it became necessary, in compliance with the State laws, that a valuation of the company's policy obligations should be made upon the basis of the American Experience Table of Mortality, with interest at four and a half per cent. per annum; and as the results of that table would not be materially different from those of the other, and being based upon the actual experience of the duration of life upon this continent, its results have been adopted upon the present occasion.

"The previous division of profits in 1885 was for the full five years, to 30th April of that year, while upon the present occasion it is only for the four and two-thirds years, to 31st December, 1889. As explained by the directors' report, the valuation of the company's liabilities of all kinds amounts to \$8,237,540, and the accounts herewith submitted show a surplus or profit upon the four and two-thirds years' operations amounting to \$1,859,043.25.

"The fall in the rate of interest in Canada during the past few years, to which I have already alluded, and the possibility of some further reduction, have given us a good deal of consideration, the result of which is to lead us upon the present occasion to lay aside out of the present profits a special reserve of \$250,000, as a preparation for such a change of our basis of interest as to 4 per cent., should that at a future time become expedient. The adoption of so wise a course will, I believe, add to the company's reputation for careful and prudent management, and still further increase public confidence in its stability and strength. After deduction of this reserve of \$250,000 from the surplus of \$1,859,043.25, there will remain \$1,609,043.25 for distribution, in which the policyholders share to the extent of 93.33 per cent. This enables us to declare a bonus addition at the rate of 2 $\frac{1}{2}$  per cent. per annum on ordinary life policies payable at death, where the profits are taken as bonus. Where they are taken otherwise, as in cash, or reduction of premiums, the equivalent value thereof will be allowed, and after making this

(Continued on Page 208.)

CANADA LIFE STATEMENT.

RECEIPTS AND PAYMENTS FOR THE PERIOD OF EIGHT MONTHS ending 31st December, 1889.

Receipts.	
To balance at 30th April, 1889.....	\$9,328,027 93
" premiums received on new policies and renewals.....	\$975,443 44
" extra risks.....	475 77
" fines.....	232 17
" interest earned on investments, and profit on sales of debentures, etc.....	368,732 74
Add difference between value in account and market value of bank stocks, etc., owned by company....	32,734 62
	<u>1,377,618 74</u>
	\$10,705,646 67

Payments.	
By expense account.....	\$175,199 80
" re-assurance premiums.....	2,129 56
" claims by death.....	\$283,191 23
" " matured endowments....	5,000 00
	<u>288,191 23</u>
" cancelled (purchased) policies.....	17,457 36
" profits of mutual branch "bonus.".....	\$37,220 24
" " "cash.".....	8,765 79
" " Diminution of premiums.".....	91,440 82
	<u>137,426 85</u>
" dividends on stock.....	12,500 00
" annuities.....	200 00
	<u>\$633,104 80</u>
Balance of assets as per general abstract of assets and liabilities.....	10,072,541 87
	<u>\$10,705,646 67</u>

Audited and approved.  
 (Signed), MAITLAND YOUNG, Auditor.  
 (Signed), A. G. RAMSAY, President.  
 R. HILLS, Secretary.

The Canada Life Assurance Company,  
 Hamilton, 9th April, 1890.

GENERAL ABSTRACT OF THE ASSETS AND LIABILITIES AS AT 31ST DECEMBER, 1889.

Assets.	
Cash on hand, \$278.39, and in banks.....	\$74,726 35
Mortgages on real estate—value in account.....	4,200,059 18
Debentures—value in account (par value):—	
City.....	\$450,817 11
County.....	108,973 34
Township.....	290,135 38
Town.....	635,352 89
Village.....	577,054 50
Ontario Government subsidy.....	1,181 44
Loan companies.....	60,000 00
Dorchester Bridge Company.....	6,000 00
Railway bonds.....	7,455 75
Street railway bonds.....	111,000 00
Cotton companies' bonds.....	15,000 00
Waterworks.....	240,000 00
United States Government bonds.....	127,250 00
	<u>\$2,630,220 41</u>
Bank stocks.....	699,305 76
Loan companies' stock.....	25,743 00
Dominion Telegraph Co. stock.....	5,723 50
Gas companies' stock.....	37,143 65
Newfoundland Government inscribed stock.....	50,535 13
Loans on policies.....	902,938 82
Loans on stock.....	724,105 98
Real estate, head office, branches, etc.....	578,620 32
Liens on half credit policies in force.....	133,887 65
Ground rents, present value.....	1,763 54
Office furniture.....	6,138 49
Suspense account—balance of items awaiting adjustment.....	730 09
	<u>\$10,072,541 87</u>

Other Assets.	
Cash in agents' and others' hands including receipts held by them for premiums which have since been accounted for.....	\$138,165 69
Half-yearly and quarterly premiums secured on policies and payable within nine months.....	110,336 96
	<u>\$248,502 65</u>
Deduct 10 per ct. for cost of collection.....	24,850 26
	<u>223,652 39</u>
Accrued interest on debentures, etc.....	184,276 83
	<u>\$10,480,471 09</u>

Liabilities.	
Capital stock paid-up.....	\$125,000 00
Proprietors' account.....	56,075 14
Assurance, annuity and profit fund:—	
Reserve required to meet all outstanding policies by American experience table and 4½ per cent. interest, valuing net premiums only....	\$8,262,541 00
Deduct value of re-assurance.....	25,001 00
	<u>8,237,540 00</u>
Reserve for suspended policies which may be revived during thirteen months from date of lapsing.....	25,000 00
Death claims not fully due or for which claimants had not presented perfect discharges at 31st December, 1889, nearly all since paid.....	70,274 00
Vested profits on death claims not fully due.....	6,511 54
Endowments matured (awaiting perfect discharges).....	2,000 00
Vested profits on endowment policies (awaiting perfect discharges).....	274 62
Premiums paid in advance.....	701 10
Balance of unpaid profits on premiums due prior to 31st December, 1889.....	4,336 54
Mutual branch surplus profit reserve, 1885.....	93,714 90
	<u>\$8,621,427 84</u>
Surplus or balance available for distribution as profits.....	\$1,859,043 25
Of which an amount has been placed to Special Reserve on account of future 4 per cent. basis.....	\$250,000 00
And fourteen-fifteenths of balance (or 93.33 per cent.) at credit of policyholders for distribution as profit to them.....	1,501,773 70
And at credit of shareholders, being one-fifteenth share (6.66 per cent) of profits.....	107,269 55
	<u>\$10,480,471 09</u>

Audited and approved.  
 (Signed) MAITLAND YOUNG, Auditor.  
 (Signed) A. G. RAMSAY, President.  
 R. HILLS, Secretary.

AUDITOR'S REPORT, 1890.

To the President, Vice-President and Directors of the Canada Life Assurance Company:  
 GENTLEMEN,—I have closed a minute audit of the books and accounts of your company for the broken period of eight months ending 31st December, 1889. I have also examined the debentures, mortgages and other securities, representing the loans and investments of the company.  
 I beg to certify to the accuracy of the books and agreement

therewith of the statement of "receipts and expenditure" and of "assets and liabilities" to which my signature has been affixed.  
 I further certify that the securities were all found in perfect order, and agreeing with the statements, also that the cash and bank balances at 31st December were duly verified.  
 I have the honor to be, Gentlemen, your obedient servant.  
 (Signed) MAITLAND YOUNG, Auditor.  
 HAMILTON, 11th April, 1890.



declaration of profits to policy-holders there will remain at the credit of assurers on the profits system a balance of \$94,583.82.

"I would here point out to you that as this profit arises from the operations of four and two-thirds years only, it exceeds that of the last declaration, which covered the full five years, and by this statement you will see that there has been no pause in the onward progress of the company, but that it still continues to hold that successful position which has for so long a period distinguished it. The handsome profit just declared will largely increase the already considerable number of assurers whose policies are now self-sustaining, and yielding their holders an annual income. For very much of the company's success we are indebted to its agents and officers, and I gladly take the opportunity to thank them most heartily, and trust the present report and the favorable position which the company occupies may induce all connected with it to continue their best efforts to retain for the 'Canada Life' its honorable and proud pre-eminence. I shall be glad to supply any further information which may be desired, and conclude by moving the adoption of the directors' report and accounts now before the meeting."

The gentlemen present listened to the eloquent remarks of the speaker with the deepest attention, and at the conclusion of his address paid him the tribute of a hearty round of applause.

The vice-president, Mr. Gates, seconded the motion, which was unanimously adopted.

After the usual vote of thanks to the president and directors and the agents and representatives of the company, the election of directors took place and the meeting adjourned.

At a meeting of the Directors held immediately after, Mr. A. G. Ramsay was re-elected president, and Mr. F. W. Gates, vice-president.

**LONDON AND LANCASHIRE LIFE ASSURANCE COMPANY.**

EXTRACTS FROM THE REPORT OF THE DIRECTORS,

*Presented to the Shareholders at the twenty-seventh Annual Meeting, held at the Offices of the Company, 66 Cornhill, London, on Wednesday, the 2nd April, 1890, at half-past one o'clock.*

The Directors have the pleasure to submit to the proprietors the report and accounts for the year 1889.

**NEW BUSINESS.**

The Proposals received during the year were 1,990 for \$3,764,905  
Deducting those declined and not completed. 343 " 633,280

The policies issued were.....1,647 "\$3,131,625

the new premiums on which amounted to \$122,724.37, including single premiums of \$10,142.52, under 9 policies assuring \$38,500. The average age of the new lives is 34½ years.

The total premium income for the year amounts to \$786,421.95, and deducting premiums paid to other offices for re-insurance, the net amount is \$754,091.87, showing an increase over the previous year of \$50,285.41.

The claims by death, with bonus additions, amount to \$289,706.00, and those matured under Endowment Assurances to \$10,049.87, together \$299,755.87, exceeding last year's amount, but within the expectation as shown by the tables.

The audited accounts on the annexed page are in accordance with the Insurance Companies Act. After providing for dividends and bonus to the shareholders, and the payment of claims, surrenders, and cash bonus to policy-holders, and all other outgoings, there is a balance on the year's working of \$341,834.29, equal to 45 per cent. of the net premiums, making the funds in hand as at 31st December, 1889, \$3,298,078.33.

The Board have the satisfaction to point out that the expense ratio has gone down during the year nearly two per cent.; this, and the probably further reduction during the present and future years, must be considered a satisfactory feature, especially having regard to the increased new business in connection with which expenditure is so largely incurred.

It is with very great regret the Directors have to report the death, since the last meeting, of their highly esteemed deputy-chairman, Sir Thomas Dakin, who had for many years been a much valued member of the Board. Mr. Samuel Gurney Shep-

pard has been elected to the office of Deputy Chairman, and for the vacancy the Board have appointed Sir Thomas Paine, who has been associated with the Company from its commencement as its legal adviser—a post which he has vacated—and whose appointment the shareholders are now asked to confirm by election. In terms of the deed of settlement, the Directors who retire by rotation are:—The Hon. Evelyn Ashley, Sir R. N. Fowler, Bart., M.P.; Vesey G. M. Holt, Esq.; and the Right Hon. Sir Henry A. Isaacs, Lord Mayor, and the auditor.—Messrs. Turquane, Youngs & Co., and J. H. Powell, Esq., all of whom are eligible and offer themselves for re-election.

The Directors, having from time to time adopted various improvements in connection with Life Assurance, have, after mature consideration, resolved still further to popularize the system by the adoption in the future of some special features not previously in operation. Such cannot be set forth *in extenso* within the limits of a report, but are fully explained in the new prospectus, and may be briefly summarized as follows:—

1. Policies on which age is admitted are unchallengeable from the outset, except in the case of misrepresentation and fraud, and they are free from all restrictions as to foreign travel and residence, provided the life assured has attained the age of 30, so that, subject to payment of premium and admission of age, such policies are whole-world and unconditional.

2. Policies on the lives of those who die by suicide will not become void unless such suicide happen within the first year of assurance, and in that case the Company will be liable to any one who shall have a bona-fide interest in the Policy.

3. Policies may be revived within 12 months and during the lifetime of the assured, without evidence of health, on payment of the overdue premium, and a fine of 2s. per cent. per month on the sum assured; or, with satisfactory evidence of health, on payment of arrears of premium with 5 per cent. interest.

4. The surrender value attaching to lapsed Policies will be held at the disposal of the holder for a period of one year; or on application during the currency of the Policy, such value can be applied towards the payment of the overdue premium.

5. Policies on the lives of those in the Military or Naval services, or engaged in a seafaring occupation, issued on special and advantageous terms.

In conclusion, the Directors believe that these new and well-timed conditions will greatly strengthen the claims of the company on the public, and serve as an additional incentive to its various representatives to continue their zeal and co-operation, shown to a marked extent in the past, in still further extending the business of the company.

BY ORDER OF THE BOARD.

W. P. CLIREHUGH, *Manager.*

66 CORNHILL, E.C.

The following figures show the steady progress of the Company during the past seven years:—

Year.	Sums Assured.	New Premiums.	Increase in Assets.	Total Assets.
1883.....	\$2,724,450	\$91,790	\$161,510	\$1,663,140
1885.....	2,913,375	109,265	256,355	2,122,695
1887.....	2,894,450	105,130	290,300	2,674,160
1888.....	2,951,152	108,504	282,082	3,009,935
1889.....	3,131,625	122,724	341,834	3,331,797

The next division of profits will be on the 31st December, 1892. Below are examples of those declared in 1887:—

At age 20.—On policies of 5 years duration, bonuses equivalent to 57½ per cent. of the premiums received during the quinquennium.

At age 25.—On policies of 10 years duration, bonuses as above equivalent to 65 per cent. of the premiums.

At age 30.—On policies of 20 years duration, bonuses as above equivalent to 80 per cent. of the premiums.

At age 30.—On policies of 4 years duration, endowment at age 70 plan, bonuses have shortened the endowment period 3 years.

Under the deferred bonus system, the additions vary from \$10.00 to \$40.00 for every premium paid on each \$1,000 of assurance.

B. HAI, BROWN,  
*Manager for Canada.*

THE LONDON AND LANCASHIRE LIFE.

BALANCE-SHEET on the 31st December, 1889.

<i>Liabilities.</i>	
Capital fully subscribed.....	\$500,000.00
Original amount paid up.....	\$50,000.00
Proprietors' Share of profits added.....	50,000.00
	<hr/> 100,000.00
Proprietors' Fund—	
balance thereof at 31st December, 1888.....	\$22,742.47
Less amount of Bonus distributed amongst Proprietors in 1889...	5,000.00
	<hr/> 17,742.47
Assurance Fund.....	\$117,742.47
	<hr/> 3,180,335.87
Total Funds (as per First Schedule).....	3,298,078.34
Profit and Loss items, not appropriated.....	11,370.16
Claims admitted, but not paid.....	17,345.50
OTHER SUMS OWING BY THE COMPANY—	
Interest to Shareholders.....	5,003.62
	<hr/> <hr/>
	\$3,331,797.62

<i>Assets.</i>	
Mortgages on Property within the United Kingdom:—	
On real Property.....	\$88,205 58
" Life Interests and Reversions.....	198,948 89
	<hr/> \$287,154 48
Mortgages on Freehold Property in Canada, Australia and India.....	393,995 18
	<hr/> 681,149 66
Loans on the Company's Policies within the extent of their value.....	333,655 93
INVESTMENTS AT COST PRICE—	
In Indian and Colonial Government Securities, and Special Deposit with the Canadian Government.....	\$408,086 39
" Railway and other Debentures and Debenture Stocks.....	1,048,489 85
" Indian Railway Stocks.....	55,260 70
" Railway Shares (Preference and Ordinary).....	168,006 06
" Waterworks Stock.....	6,801 39
" Cornhill Premises and other House Property.....	125,718 33
" Improved Ground Rents.....	68,866 06
" Reversions.....	30,099 22
	<hr/> 1,911,328 00
Loans upon Personal Security in connection with Life Policies.....	34,819 94
Branch Officers' and Agents' Balances.....	\$50,832 58
December Premiums on which the days of grace are current.....	137,563 52
	<hr/> 188,396 10
Outstanding Interest... ..	26,484 87
Do Rents.....	2,837 50
Amounts placed on Deposit for fixed periods.....	29,375 00
CASH—	
On Deposit and on Current Account at Head Office and Branches....	\$110,250 06
Bills Receivable.....	3,000 00
	<hr/> 113,250 06
OTHER ASSETS—	
Furniture and Fittings at Head Offices and Branches.....	\$11,536 60
Less amount written off for Depreciation.....	1,153 66
	<hr/> \$10,382 94
Policy Stamps in hand, etc.....	117 62
	<hr/> 10,500 56
	<hr/> <hr/>
	\$3,331,797 62

We have compared this Balance Sheet and Revenue Account with the books at the Head Office, and the Certified Statements received from the Branches, and find they are correctly drawn up in accordance therewith. We have also verified the Cash Balances, and examined the Securities held in London.

TURQUAND, YOUNGS & CO., } Auditors.  
11th March, 1890. JAMES HESLOP POWELL, }

R. NIGEL F. KINGSCOTE, *Chairman.*  
SAML. G. SHEPPARD, } *Directors.*  
HENRY A. ISAACS, }  
W. P. CLIREHUGH, *Manager.*

CANADIAN BRANCH.

Amount of new Policies issued during the year.....	\$1,199,250.00
Yielding an Annual Premium of.....	41,845.74
Total Annual Income.....	242,543.85
Assets invested in Canada.....	1,100,000.00
Surplus, Policy-holders account.....	236,816.00

DONALD A. SMITH, *Chairman.*  
ROBT. BENNY, } *Directors.*  
R. B. ANGUS, }  
SANDFORD FLEMING, }  
B. HAL. BROWN, *Manager.*

COMPANY'S OFFICE,  
MONTREAL, April 15th, 1890.

## A PROSPEROUS INSTITUTION.

# The Sun Life Assurance Company

— OF CANADA —

**Incorporated 1865. Capital, \$500,000.00**

**HEAD OFFICE, MONTREAL.**

### FEATURES OF THE REPORT FOR THE YEAR 1889.

Life Assurances in force, 1st January, 1890,	- - -	\$13,337,983.08
Increase over the previous year,	- - -	1,406,666.87
New Applications received in 1889,	- - -	4,102,710.55
Increase over 1888,	- - -	706,226.99
Cash Income for year ending 31st December, 1889,	-	563,140.52
Increase over 1888,	- - -	37,866.94
Assets at 31st December, 1889,	- - -	2,233,322.72
Increase over 1888,	- - -	259,006.51
Reserve for Security of Policy-holders,	- - -	1,541,489.97
Increase over 1888,	- - -	221,137.40
Surplus over all Liabilities, except Capital,	- -	656,536.64
" " " and Capital Stock,	-	156,526.64
Increase over 1888,	- - -	46,499.37
Death Claims fallen in during 1889,	- - -	100,140.86
Decrease for 1889,	- - -	5,045.55

*The rapid progress made by the SUN LIFE may be seen from the following statement:*

	INCOME.	ASSETS.	LIFE ASSURANCES IN FORCE.
1872 ....	\$48,210.93	\$516,461.95	\$1,064,350.00
1876 ....	102,822.14	715,944.64	2,214,693.00
1880 ....	141,402.81	911,132.93	3,881,479.14
1884 ....	278,379.65	1,274,397.24	6,844,401.01
1889 ....	563,140.52	2,233,322.72	13,337,983.08

The new business of the SUN LIFE was the largest ever secured in the Company's history and was equalled by but one other Canadian life company. The surplus accumulated during the THREE years of the current quinquennium far exceeds the amount earned during any previous FIVE years, and the profits to policy-holders thus cannot fail to be highly satisfactory. The prosperity of the Sun Life is no doubt largely due to its issuing unconditional policies and paying its claims promptly. Canadians should also remember that by patronizing a home Institution, which invests all its funds in the Dominion, they are benefiting themselves by reducing the rate of interest here, and are helping to build up our own cities rather than those of foreign states.

T. B. MACAULAY, SECRETARY

ROBERTSON MACAULAY, PRESIDENT.  
HON. A. W. OGILVIE, VICE-PRESIDENT.

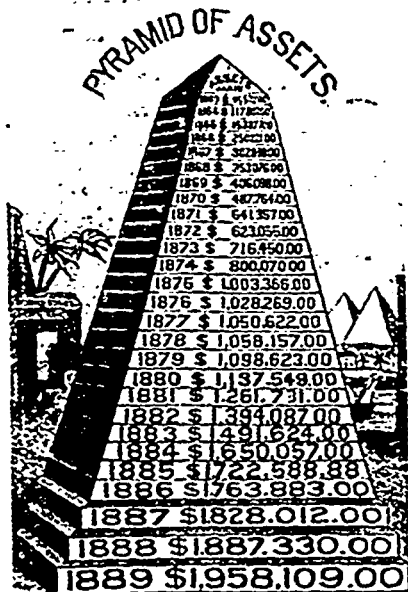
➤ **AGRICULTURAL** ◀  
INSURANCE COMPANY.  
OF WATERTOWN, N.Y.

ESTABLISHED

1853.

CAPITAL, NET ASSETS, to protect Policy Holders,  
NET SURPLUS to Policy Holders,  
NET SURPLUS to Stock Holders,  
DEPOSIT AT OTTAWA,

\$ 500,000.00  
1,058,109.54  
802,101.40  
302,101.10  
125,000.00



J. FLYNN, Chief Agent, DEWEY & BUCKMAN,  
25 Victoria Street, Arcade Building, General Agents Eastern Ontario and  
Province of Quebec,  
TORONTO. BROCKVILLE, Ont.

SECURITY. ECONOMY.

The Natural System of Life Insurance.

**THE DOMINION**  
Safety Fund Life Association,  
ST. JOHN, N.B.

FULL DOMINION DEPOSITS.

The only Regular Company in the Dominion devoted to the business of pure Life Insurance.

PRACTICAL EXPERIENCE. UNPARALLELED RESULTS.

Twelve per cent. Dividend, annually, in reduction of Natural Cost now enjoyed by those enrolled in 1881!! An annual dividend larger than that declared by any other Company after 3 years enrolment.

**SPECIAL FEATURES.**

Mutual Insurance, but security of Trust Funds guaranteed by a fully subscribed Capital of \$100,000.  
Insurance at Natural Cost only, without any loading whatever, for an indefinite Reserve Fund.  
Terminal Profits from the Safety Fund, after 5 years enrolment, in reduction of cost of Insurance.  
Full Endowment from the same Fund, under the conditions set forth in the Policy.

Commended and Endorsed by the Insurance Press of Canada.

Active First Class Agents Wanted, apply to  
J. F. LORANGER, 62 St. James Street, Montreal, or to  
Head Office, St. John, N.B., CHARLES CAMPBELL, Secretary.

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

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

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

**NORTHERN**



ESTABLISHED  
1836.

ESTABLISHED  
1836.

**ASSURANCE COMPANY,**

OF LONDON.

INCOME AND FUNDS, 1888.

Subscribed Capital.....	\$15,000,000	Annual Revenue from	
Paid-up .....	1,500,000	Life Premiums.....	\$1,000,315
Accumulated Funds....	17,000,000	Annual Revenue from In-	
Annual Revenue from		terest upon Invested	
Fire Premiums.....	\$,077,500	Funds .....	44,532

CANADIAN BRANCH OFFICE,  
1724 Notre Dame Street, - - MONTREAL

**ROBERT W. TYRE, Manager.**  
JAMES LOCKIE, Inspector.

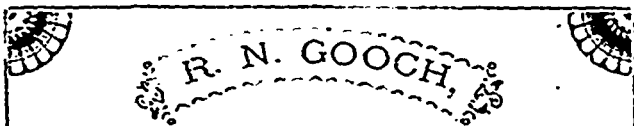
**BOUND VOLUMES**

OF THE

Insurance and Finance Chronicle

— FOR 1889. —

For Sale at \$3.50 Each.



— AGENT AND WESTERN DISTRICT INSPECTOR —  
North British and Mercantile Insurance Co.  
26 Wellington Street East, TORONTO.

**DEBENTURES.**

Government, Municipal and Railway.

HANSON BROS.,

TEMPLE BUILDING, MONTREAL.

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

GOVERNMENT AND MUNICIPAL DEBENTURES suitable for deposit by Insurance Companies with the Dominion Government at Ottawa, or, for other trusts, and are always ready to purchase first class INVESTMENT SECURITIES of every description.

# The New York Life Insurance Company,

346 & 348 BROADWAY, NEW YORK.

## SUMMARY OF FORTY-FIFTH ANNUAL REPORT.

January 1, 1890.

### REVENUE ACCOUNT.

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

### DISBURSEMENT ACCOUNT.

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

### CONDITION JANUARY 1, 1890.

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

### PROGRESS IN 1889.

Increase in Interest, .....	\$ 303,653 06
Increase in Benefits to Policy Holders, .....	1,148,051 61
Increase in Surplus for Dividends, .....	1,716,849 01
Increase in Premiums, .....	3,458,330 33
Increase in Total Income, .....	3,761,983 41
Increase in Assets, .....	11,573,414 41
Increase in Insurance Written, .....	26,099,357 00
Increase in Insurance in Force, .....	75,715,465 00

\* Exclusion of the amount specially reserved as a contingent liability to Tontine Dividend Fund.  
 † Over and above a 4 per cent. reserve on existing Policies of that class.

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

HENRY TUCK, Vice-Pres.      ARCHIBALD H. WELCH, 2d Vice-Pres.      RUFUS W. WEEKS, Acty.  
 THEODORE M. BANTA, Cashier.      A. HUNTINGTON, M. D., Medical Director.

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

Premiums Paid, .....	\$ 610,656 24; Increase over last year	\$ 110,468 00
New Insurance Issued, .....	4,456,100 00; " " "	620,000 00
New Insurance Paid for, .....	3,685,100 00; " " "	971,927 00
Total Insurance in force, .....	14,320,863 00; " " "	2,367,099 00

<b>HEAD OFFICE,</b> Company's Building, Montreal.	<b>DAVID BURKE,</b> General Manager for Canada.	<b>BRANCH OFFICE,</b> 103 Bay Street, Toronto.
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Active and Reliable Agents Wanted for Unrepresented Districts in Canada.