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THE

## Insurance and Finance Chronicle.

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R. WILSON SMITH, Editor and Proprietor.

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WE HAVE CONCLUDED to take pity on the readers of the CHRONICLE, and give them a short midsummer rest by omitting the issue of our number for August 1st, to be compensated by the issue of a double number on the 15th. Even editors as well as readers find it a good thing to retreat from the sun-baked pavements, and cultivate the acquaintance of woodland shade and mountain stream, perchance to tickle the festive trout, and at least reasonably certain of getting a few good deep draughts of pure country air. We shall therefore roll two numbers into one, and give under one cover the CHRONICLE for August 1st and 15th on the latter date, well filled, we trust, with good things.

IT WOULD BE superfluous to inform our readers of the fact that the year 1891 has thus far been one of the largest contributors to the great ash heap of the North American continent of all the years of its history. The fire losses in the United States have been worse somewhat than in Canada, footing up an aggregate of some \$72,000,000 for the first six months of the year, and by far the largest for that period known in many years. We have no means of ascertaining accurately the average loss ratio of the United States business; but from

the experiences of representative companies we may safely place the ratio this year well up in the "eighties." From data collected showing the six months' experience of the business in Canada, we can confidently assume a loss ratio considerably above 70 per cent. Possibly the losses of the remaining six months of the year may be light enough to "even up" and strike a tolerable average. We hope so.

WE HAVE NOTICED and noted of late the tendency of sundry managers of assessment life associations to keep in the background their distinctive assessment features, and to talk to the public about their "renewable term" policies, "natural premium" assurance, and the like, thus trying to sail under false colors. Renewable term assurance, as practiced by some of the level premium, large-asset companies, with which the public have become somewhat familiar, has nothing in common with assessmentism, and the latter is about as much like the simon-pure natural premium system as chalk is like cheese. Assessmentism is essentially a system of uncertainty as to cost and of dense fogginess as to results, based on unscientific guessing, and absolutely without guarantees for the future, save the "perhaps" payments of its easily stampeded members. That its managers are getting ashamed of their old flag is a hopeful sign.

THERE ARE CRANKS in life assurance just as there are cranks among all other professions and classes. Somebody who enjoys riding the hobby of vegetarianism, and whose brain power has evidently never been augmented by the nutriment derived from a good square meal of roast beef, has proposed to the Scottish Temperance Life that it accept vegetarians, and treat them as a distinct class on favorable terms. The suggestion was declined with thanks. And now comes Mr. D. S. Fletcher, the manager of the National Life Association of Hartford, of the assessment variety, with a long paper loaded with statistics, which he read to the members of the national convention of his brethren at Minneapolis the other day, in which he proved to his own satisfaction that in the experience of his association the percentage of losses to risks written for the five or six years past was smallest among the colored

members, while the rate of losses among the Irish was four or five times that of the average of the various other nationalities. Mr. Fletcher therefore suggests that the question of nationality be considered in the adjustment of rates. Possibly if he had carried his researches further, he might have found that the death rate among those with brown hair or turned up noses was greater than among the blondes or roman noses.

IN TALKING ABOUT the New York Life investigation the other day, Mr. Erastus Wiman, according to the *Weekly Underwriter*, is reported as saying: "It is by large commissions only that first class insurance ability is secured. The rank and file of insurance agents are not better paid than men in other vocations, while the large salaries of officers, which have been criticized, are not greater than are paid to men of equal ability in control of interests of equal magnitude. There may be exceptions, but the rewards in life insurance are not greater than those which have been won by the most successful men in dry goods, mercantile and transportation circles, controlling an equal volume of capital and magnitude of business." Whatever his political peculiarities, Mr. Wiman as a business man stands in the front rank, and his opinion deservedly carries weight when expressed.

IT IS DIFFICULT to realize the enormous fire waste going on annually from the enormous figures given in the recently issued *Chronicle Fire Tables*. When the total for sixteen years in the United States requires ten figures for its expression, we stop short of taking in the vast amount—at least until after we have taken breath and a second look. The amount of property loss stands at \$1,474,558,339, and the number of fires at nearly a quarter of a million. During this time the aggregate loss to the insurance companies was \$833,929,348, or 56½ per cent. of the total property loss. The greatest total was in 1889, when the aggregate property loss was \$123,046,833, and the insurance loss \$73,679,465, the latter being almost 60 per cent. of the former. November, December and January, in the order named were the most destructive months, considered for the entire sixteen years, and June, September and February the least destructive. In 1890, however, July was the most destructive month, August beating November, and January exceeding March by only a trifle.

IT IS ONE of the signs of the times, showing the advanced position claimed for life assurance by its friends, that at the recent meeting of the National Association of Life Underwriters at Detroit, a proposition was made, strongly favored by President Harper, to establish a Life Insurance professorship in the new University of Chicago, and that it was enthusiastically received and heartily endorsed by a strong vote of the Association. Not content with this, the executive committee was instructed to appoint a special committee to correspond with the leading educational institutions, to induce them to make life assurance a com-

mon branch of study. We do not suppose that the action taken will lead to any practical results whatever, for the general student will not take the time to pursue this kind of special study; but that such a proposition should be made from such a source, and endorsed with such unanimity, indicates the prominent and honorable position reached by modern life assurance. Imagine such a proposition endorsed by any leading educational institution even twenty-five years ago.

AN ASSESSMENT ENDOWMENT concern, called the "Fraternity of Financial Co-operation," has been taken in hand at Wheeling, West Virginia, by the United States postal authorities, and such of the officers and agents as could be found arrested for fraudulent use of the mails. The "Fraternity" commenced operations last fall at Philadelphia, worked up a large business at Cleveland, and then transferred its center of operations to Wheeling. It has some 20,000 victims scattered over the country, and it is said that during the past three or four months has scooped in over a million dollars from its dupes, much of it through the mails. This concern was of the six months variety, promising \$150 at the end of that period. It recently sent an agent to Cleveland, who, under the plea that the concern was about to wind up its affairs, offered to buy up the certificates there for a few dollars each—about half the amount paid in, instead of the promised \$150. We presume this concern was neither better nor worse than the average brood of the class, and this action of the government looks as though a movement had begun for the general suppression of these swindles. If so, they are doomed, as they ought to have been by the various State authorities months ago.

IT WILL PERHAPS be remembered that a year ago we made some extracts in these columns from a paper read before the annual meeting, in May, 1890, of the American Medical Association, by Dr. Wm. B. Davis of Cincinnati, the medical director of the Union Central Life insurance company on the subject of "Functional Albuminuria in Persons apparently healthy." At the annual meeting in May, this year, of the Association of Life Insurance Medical Directors in New York, Dr. Davis also presented an exceedingly valuable paper, covering the general ground above indicated, in which he has laid the medical fraternity and the life assurance companies under lasting obligations. Cases from actual practice and opinions from scores of distinguished medical men on both continents are presented, showing clearly that albuminuria may exist for years in persons apparently healthy; and that when not associated with other grave symptoms, its presence does not necessarily justify the rejection of an applicant for life assurance. The consensus of medical opinion seems to be, as presented by Dr. Davis, that many applicants of the class named may be safely taken by the companies, for comparatively short terms or at an increased rate of premium, though caution is judiciously recommended. We hope at a future time to give our readers extracts from this valuable paper.

**MR. REINMUND CRACKS AN OLD CHESTNUT.**

The advocates of the assessment plan of life assurance have always been noted for making extravagant statements and assuming untenable positions, in their attempts to contrast their system with the regular, level premium system. This is very natural, for a mind capable of adopting as sound a system resting on a fundamental fallacy will inevitably be fog itself with a succession of fallacies when attempting a survey of the principles and practices of real life assurance protection. We notice a conspicuous example of this fact in some statements made by Mr. H. J. Reinmund, president of the "National Convention of Mutual Life Underwriters," at its session last month at Minneapolis. This convention, as most of our readers are aware, was composed of representatives of the leading assessment life associations of the United States, and Mr. Reinmund is a prominent official of the Mutual Reserve Fund of New York. In his opening address before the convention, Mr. Reinmund made this statement:—

Anyone who will purchase his term insurance of a natural premium or assessment society, and deposit the difference of premium to his account in a savings bank, will fare better in the end than by taking an old-line endowment policy. This can be easily demonstrated by any person able to compute ordinary interest accumulation.

The speaker then proceeds to quote Mr. Sheppard Homans, who in an address in September last argued in favor of renewable term insurance as better for all who desire simple protection for their families at the lowest cost, though at the same time saying very frankly:—"I believe in endowments and tontines, assuming of course that the investment portion of the premiums is treated upon correct principles. Such forms of policies induce thrift and economy; they furnish motives for savings, and if not so saved, the money would probably, in the majority of cases, be frittered away." Mr. Homans then gives the investment portion and the pure insurance portion of a ten year endowment net premium of \$85.36, which he makes \$74.76 and \$10.60 respectively. Just why Mr. Reinmund allowed himself to make this quotation in connection with his own *ad captandum* statement is difficult to understand, for Mr. Homans, as quoted, does not even intimate that an insurer "will fare better in the end" to deposit the difference between the term policy and the full endowment premium in a savings bank; but does distinctly say that endowment policies are good things to have, and that the difference named, *if not so saved*, will, in a majority of cases, be frittered away. And Mr. Homans therein stated a simple fact of general observation. Men do not, as a rule, put the difference between a low term premium and an endowment, if induced to take the former, in a savings bank and keep it there. But suppose they should, would they "fare better in the end" than those who pay that difference regularly for an endowment policy? Mr. Reinmund says they would, and that "it can be easily demonstrated by any person able to compute ordinary interest accumulation." Let us do a little of that computation, and see.

It will be noticed that Mr. Reinmund very adroitly couples the natural premium and the assessment society together in his statement, although they are fundamentally unlike. We cannot ascertain the difference for a term of years between the cost of assessment insurance and a regular endowment policy, for the cost of the former is notoriously an unknown quantity, and we therefore proceed to disprove Mr. Reinmund's statement by using the natural premium plan in our calculation. The natural premium charge, based on the combined actuaries' table, 4 per cent., commencing at age 35 for \$1,000, is as follows, for 15 years, the loading being 33 1/3 per cent. :—

Age.	Premium.	Age.	Premium.
35	\$11.91	42	\$13.97
36	12.16	43	14.43
37	12.41	44	15.00
38	12.71	45	15.65
39	12.99	46	16.47
40	13.25	47	17.33
41	13.60	48	18.28
		49	19.31

Now an endowment policy payable in 15 years or at previous death, issued at age 35 for \$1,000, without profits, can be had in a level premium company for \$56.07 annually. In order to show the exact result, however, as between such a policy and one issued by a natural premium company, as per above table, we have carefully found the difference for each year between the two, with interest added annually at 4 per cent. The actual amount paid in fifteen years by the insured in excess of the natural premium payments is \$621.56 and the aggregate interest \$204.21, making a total of \$825.77 as the amount realizable if the difference in payments were each year deposited in a savings bank at 4 per cent. The cost of the pure insurance being the same on both policies, it follows that the endowment policy at the end of the period—15 years—is ahead by the difference between \$825.77 and \$1,000, the face of the policy, or \$174.23. Besides this, it is to be remembered that the endowment policy has a cash surrender value at any time after three years, at most, if the insured chooses from any cause to terminate his policy. When the natural premium policy terminates, excepting by death, it is absolutely without value.

We would suggest to Mr. Reinmund, whom we must believe "able to compute ordinary interest accumulations," that before making such an unqualified assertion as first above quoted, he consult both the actuaries' and interest tables. Judging from the increasing cost for the past four or five years of a policy in the Mutual Reserve Fund (the cost last year was \$17.37 per \$1,000), the difference between it and a regular endowment saved for the next 15 years and deposited in a savings bank would be only a fractional part of the saving which we have credited to the above natural premium policy. In our issue for April 15 we thoroughly exposed the pretentious character of this savings-bank-deposit scare-crow which pops up now and then to make faces at the multiplication table. The whole, life policy or, in some cases, the cheaper term policy, in a reliable company, may be best for a good many people, but it has been and is being demonstrated every week in the year, that an endowment policy is a capital investment, with which the savings bank investment cannot be compared.

### A SET-BACK TO SPURIOUS "BENEVOLENCE."

The rejection by the committee of the House of Commons on banking and commerce of the bill for the incorporation of the assessment "Home Circle" concern, and the "Septennial Benevolent Society," was a most commendable course, and one which will gratify all the friends of honest insurance and those who take an interest in the protection of the people from delusive schemes. Our Toronto correspondent not long since called attention to the nature of these two baffled societies, which essayed to organize in Ontario under the act concerning benevolent, provident and other societies, and which organization Insurance Inspector Hunter has declared, we understand, to have been illegal. In view of the amendment to the Ontario statutes concerning insurance societies, which went into force on March 10, 1890, and some time prior to the alleged organization of these two societies, there can be no doubt that they are without the sanction of law. A consciousness of this fact doubtless spurred the promoters to the vigorous attempt to obtain the legal sanction of the Dominion authorities.

We rejoice in the failure to do this, not only because of the delusive nature of these particular societies, but because their incorporation under Dominion authority would have been in effect, opening the door to innumerable assessment endowment and kindred associations of which Insurance Commissioner Merrill of Massachusetts, from the intelligent standpoint of two years' experience with them, says: "It is doubtful if, since the famous South Sea bubble, such a gambling mania has seized an intelligent people as that developed in the spread of the assessment endowment and its natural and legitimate offspring—the bond investment insanity." Already scores of these concerns in Pennsylvania, New Jersey and elsewhere have collapsed, the only "profits" realized being in the pockets of the managers and their immediate friends. What Commissioner Merrill calls the "gambling mania" is at the bottom of the mushroom growth of these worse than lotteries where permitted, and the widespread disaster always inseparable from gambling schemes is now everywhere beginning to appear. There is no insurance about these assessment endowment or the bond investment schemes, and to call them "benevolent" is to grossly abuse one of the noblest words in our language.

This act of the House Committee on banking and commerce, in effect closing the door against the whole harmful brood of speculative concerns, the further formation of which Massachusetts, after a brief experience, has forbidden, evidently means that the legislators of Canada do not intend to allow our people to be demoralized and adventurers from over the border and in our midst enriched by confidence games in the name of insurance. It gives us much pleasure to note that the attitude of Insurance Superintendent Fitzgerald toward this recent attempt to gain a foothold for questionable schemes has been, as was expected, decided and unequivocal, and that his clearly expressed and valid reasons in opposition to the bill above referred to

carried great weight and largely contributed to its rejection. Now, let the people's legislators at Ottawa unite, if legislation to that end be necessary, in giving Superintendent Fitzgerald a legal broom especially adapted to the work of sweeping out of the Dominion every assessment endowment and kindred concern found within its borders.

### FIRE INSURANCE AND CONTESTED CLAIMS.

The general public entertains a good many erroneous ideas about the business of fire insurance, one of the most common being that companies are much given to contesting claims. We suppose that if the average unprejudiced citizen were asked for a rough estimate of the amount of claims resisted by the fire companies in Canada for the ten years past, he would consider it a conservative estimate to name at least two millions, over thirty millions being the amount actually paid; while a great many people, given to thoughtless berating of the companies as monopolies getting from the public as much and paying back as little as possible, would not put contested claims at less than twenty-five or thirty per cent. of the total payments. It would astonish these people and tax their credulity to tell them that the actual percentage of contested claims by all the fire companies doing business in Canada stands at an average of less than *one and three-quarters per cent.* for the ten years past. Such, however, is the case, as the following figures from the government insurance reports demonstrate:—

Year.	Claims Paid.	Claims contested.	Per cent. contested.
1881	\$3,169,824	\$21,663	0.78
1882	2,664,986	37,746	1.41
1883	2,920,228	37,338	1.27
1884	3,245,323	57,456	1.77
1885	2,679,287	82,688	3.07
1886	3,301,388	41,224	1.25
1887	3,403,514	86,221	2.53
1888	3,073,822	62,795	2.04
1889	2,876,211	61,125	2.22
1890	3,201,376	35,882	1.12

Total..... \$30,539,959      \$530,068      1.73

Thus it appears that while \$30,539,959 were paid for losses during the period named, only a little over half a million—\$530,068—represent contested claims, or the small percentage of 1.73. Turning to the New York reports recording the experience of the principal companies doing business in the United States, and we find that for the same period of ten years, 1881 to 1890 inclusive, the highest percentage of contested to paid claims was 2.88 and the lowest 1.62, the average for the ten years being 1.99. Taking the whole business in Canada and in the United States for the period named and the percentage is 1.98. When it is considered that incendiaries abound, that willful violations of policy conditions are common, and that a good many people do not scruple when opportunity offers to attempt to beat the insurance companies in one way or another, the above showing proves that instead of litigious tendencies, the companies manifest remarkable forbearance, and, as those well informed know, frequently pay claims that in common justice ought to be resisted rather than paid.

**THE NORTHERN ASSURANCE COMPANY.**

The fifty-fifth anniversary of the Northern has been passed, and the summary of its transactions for 1890, printed elsewhere in our columns, will be read with interest. We had occasion a year ago to record a prosperous year, but the one now under review was still more prosperous. In the fire department the total premium income was \$3,357,322, and an increase over the previous year of \$225,678. The losses amounted to \$1,975,943, and the total management expense to \$1,100,018, a total expenditure on underwriting account of \$3,075,961, leaving a balance of \$281,361. After setting aside, as usual, 33 1/3 per cent. of the premiums to cover liabilities on current business, a profit remained of \$206,135—a result which much be regarded as eminently satisfactory. In the life department progress appears, the gain in amount of new assurance issued being on a liberal scale. The net amount so issued was \$2,433,275, calling for new premiums amounting to \$94,120, while the interest on life funds amounted to \$468,335. Adding renewal premiums, the total income in the life branch was \$1,549,062. The business in the annuity branch was not large, \$85,498 representing the receipts for annuities, and \$2,080 from interest. The total funds of the life department have been largely increased during the year, and now stand at the large sum of \$12,403,467. The following table, covering a period of thirty years, will show the steady progress made in both fire and life business and the increased accumulations by totals, in five year periods:—

Year	Net Fire Premiums	Net Life Premiums	Interest Income	Total accumulations
1861	\$ 607,000	\$ 334,000	\$ 107,000	\$ 2,576,000
1866	820,000	437,000	173,500	4,013,500
1871	1,068,000	604,000	257,000	5,771,000
1876	1,756,500	706,500	454,500	9,593,000
1881	2,223,000	842,500	574,000	13,108,500
1886	2,886,500	957,500	660,000	15,671,500
1890	3,357,320	1,080,500	806,500	19,877,500

The total of accumulated funds at the close of 1889 was \$18,900,000; it therefore appears that additions have been made during 1890 amounting to \$977,500, or almost an even million of dollars. The sum of \$250,000 has been added to the fire reserve fund, bringing it up to \$4,500,000; the reserve for liabilities on current business is \$1,119,105; the balance to credit of profit and loss (after paying balance of shareholders' dividends and setting aside a small amount to the staff pension fund and for annuity account deficiency) is \$150,720, and the paid-up capital \$1,500,000—making a total of funds available for the benefit of the fire branch of about \$7,270,000, or an amount more than double the annual fire premium income. The Northern has been known in Canada for 24 years, and wherever known is confided in, for the record it has made has been such as to inspire confidence. During that time it has paid to Canadian policy holders more than \$2,000,000 for loss indemnity, and receives, as it deserves, increasing patronage. In the hands of Mr. Robert W. Tyre, the company's manager for the Dominion, its interests are sure to be well served, for he is recognized in a wide field as standing in the front rank of reliable underwriters, and is universally

esteemed for his personal worth of character. The future of the Northern in Canada, as elsewhere, is full of promise.

**DAMAGE BY REMOVAL DURING A FIRE.**

*Editor* INSURANCE AND FINANCE CHRONICLE:—

Will you kindly give an opinion through the medium of your valuable journal upon the following problem? The stock of a clothing store was covered by two policies, say in companies A and B, for \$2,000 each. Company A's policy contained the following stipulation, as to its liability: "Nor for any loss or damage caused by removal of property from a building, except it be proved that such removal was necessary to preserve the property, in which case the damage shall be borne by the assured and this company, in such proportion as the sum hereby insured bears to the whole value of the property at risk."

Company B's policy had no such stipulation. A fire occurred, sufficiently threatening to warrant the removal of the stock, to prevent its being consumed. The stock was removed, none of it being burnt; but as it was raining at the time of removal, it was badly soiled by mud and water. The damage was satisfactorily appraised at \$810. The value of the whole stock was estimated at \$9,000 at the time of removal. How shall the loss be apportioned between the two companies, A with the clause, and B without?

Q.

REPLY.

The whole question as to the necessity for the removal having been amicably agreed upon with the amount of damage caused thereby, it only remains to apportion the loss in accordance with the terms of the several policies. The limitation clause of company A's policy is operative only between that office and the insured, and controls the liability. Company B cannot avail itself of the limitation stipulation of company A upon the same principle as adjustments are made in cases of loss, where one of the contributors' policy is made subject to average, and the others are simply specific, and liable in their full amounts; the average policy is first made specific, in the ratio that its amount bears to the total value of all of the property, and in this specific sum it contributes with its specific co-insurer, leaving the insured as co-insurer for the difference between the face of the policy and its specific liability; this deficit the insured casts upon the specific policy, company B, presenting the following adjustment:—

As \$9,000 value is to \$2,000 insurance, so will be \$810 to the liability of company A on \$180.

Company B covering the same amount, \$2,000, but with no restrictive clause, becomes liable for the full amount of the damage, \$810, less the contribution thereto of company A \$180, leaving its own liability \$630, which gives the following:—

CONTRIBUTION.	
Company A pays	\$180
Company B pays	630
<b>Total</b>	<b>\$810</b>

It is an old axiom in the adjustment of insurance losses, that no apportionment between the companies will be permitted that will fail to indemnify the assured within the sum of the insurance thereon. And under no other apportionment—giving effect to the limitation clause of company A's policy—could the insured have been indemnified. Company B has no claim upon company A beyond the *pro rata* proportions provided by the latter's policy, and suffers accordingly. The value

of the property at risk is never a factor in the appointment of fire losses, unless when made so by a special stipulation of the policy, as in the case under consideration, where the value is one of the *pro rata* proportions of the liability.

### VOLUME OF FIRE INSURANCE AND RATES IN CANADA.

COMPANIES.	Gross Amount of Risks written during 1890.	Premiums charged thereon, 1891.	Rate of Pr. m'm. charged, 1890.	Same for 1889.
<i>Canadian Companies.</i>				
	\$	\$ cts.		
British America .....	19,977,950	265,100 79	1'32	1'29
Citizens' .....	23,536,077	227,892 83	0'96	1'24
Eastern .....	9,751,377	124,192 75	1'28	1'31
London Mutual .....	16,171,169	200,819 90	1'24	1'25
Quebec .....	10,081,671	134,433 73	1'33	1'32
Royal Canadian .....	20,178,346	241,932 91	1'20	1'18
Western .....	35,148,704	456,610 26	1'30	1'28
Total .....	135,145,294	1,651,283 17	1'22	1'26
<i>British Companies.</i>				
Atlas .....	8,174,760	89,293 37	1'09	1'11
Caledonian .....	9,833,902	113,810 01	1'16	1'17
City of London .....	10,894,336	164,869 29	1'51	1'47
Commercial Union ..	29,685,244	379,406 58	1'27	1'27
Employers' Liability ..	5,833,290	70,065 70	1'20	1'19
Fire Insurance Ass'n ..	11,540,239	124,362 85	1'08	1'10
Glasgow and London ..	15,609,880	203,955 88	1'31	1'32
Guardian .....	20,585,581	220,562 11	1'10	1'07
Imperial .....	20,032,751	234,275 40	1'17	1'15
Lancashire .....	22,671,816	286,476 51	1'26	1'25
Liv. & Lon. & Globe ..	30,004,027	302,725 14	1'01	1'02
Lon. & Lancashire .....	16,949,088	189,747 63	1'12	1'10
London Assurance ....	12,394,350	109,160 11	0'88	0'84
Manchester .....	5,286,255	63,797 65	1'21	.....
National of Ireland ....	10,455,522	116,944 02	1'12	1'13
North British .....	35,120,893	375,945 85	1'07	1'07
Northern .....	17,903,736	209,639 33	1'17	1'19
Norwich Union .....	10,838,092	117,117 58	1'08	1'06
Phoenix of London ....	22,581,633	258,757 19	1'15	1'15
Queen .....	26,841,847	298,331 11	1'11	1'15
Royal .....	56,387,108	595,843 93	1'06	1'05
Scottish Union .....	14,254,913	141,882 64	1'00	0'95
Union Society .....	1,016,966	12,179 91	1'20	.....
Total .....	414,896,260	4,685,215 79	1'13	1'12
<i>American Companies.</i>				
Aetna Fire .....	13,452,137	154,422 56	1'15	1'16
Agricult' of Watertown	8,274,112	87,650 90	1'06	1'09
Connecticut Fire .....	4,100,000	42,404 53	1'03	1'03
Hartford .....	13,915,633	144,396 66	1'01	1'15
Insurance Co. of N.A. ..	3,564,805	32,677 63	0'92	0'79
Phenix of Brooklyn ..	9,499,707	95,072 02	1'00	1'01
Phoenix of Hartford ..	4,840,505	57,756 64	1'19	.....
Totals .....	57,646,959	614,380 94	1'07	1'10
Grand Totals .....	607,688,511	6,950,879 90	1'14	1'16

### INSURANCE TO PROPERTY VALUE.

We have given prominence in these columns from time to time to the important relation which amount of insurance carried bears to the value of the property insured. We have frequently illustrated and enforced the necessity in all sound underwriting of taking into the account this relation in making rates, and, wherever possible, have advocated the free use in policies of the co-insurance clause. We are pleased to note that so capable an underwriter as Manager Thomas Chard of the Fireman's Fund of California handles this subject without gloves in the *Golden Gate*, from which we quote with approval as follows:—

When an agent is asked to rate two buildings of an equal physical hazard, he is apt to name the same rate for each, without considering a factor which cannot properly be ignored, namely, the ratio of insurance to property value. Each building may be valued at \$10,000, yet one owner may have \$6,000 of insurance, the other but \$3,000. A fire occurs which damages each building to the extent of \$3,000. One policy sustains a 50 per cent. loss, the other is exhausted. At a like rate of, say, one per cent. the one owner has contributed \$60 to the insurance funds, the other but \$30. Or, to state the proposition in another way, the underwriters of the meagerly insured man take at the same rate double the chance of a total loss taken by the companies writing the \$6,000 line. As a company should be paid in proportion to the hazard it assumes it follows that one per cent. is an excessive rate in the one case, or an inadequate rate in the other.

Fire premiums are a tax paid by policyholders for the benefit of such of their number as may sustain a fire loss, and, as in the case of every other tax, each person should contribute his equitable proportion. He who is insured inadequately brings into the insurance treasury less than his relative proportion, and therefore is a charge upon his more liberal neighbor. It is remarkable that throughout a large part of the country risks are rated almost habitually without any inquiry as to whether the assured carries much or little insurance. Nothing saves the underwriters from the consequences of their stupidity but the fact that there is an average rule of human conduct influencing men who insure at all, to cover about 60 to 70 per cent. of their values. This rule, however, is violated frequently, and shrewd men "with an eye to business" more and more are manipulating their insurance lines, so as to diminish that "salvage" which thus far has been the underwriter's only hope. Equity and good sense alike demand that co-insurance shall be incorporated into all contracts, so as to give stability and intelligence to insurance tariffs. A man who carries sixty per cent. of his own insurance should be permitted to assume sixty per cent. of his own loss. Special agents, local agents and daily report examiners can do their companies a good service by studying this weak point of the business, and by cancelling all risks where small damages mean total losses to the underwriters.

### ECHOES FROM THE NATIONAL LIFE UNDER WRITERS ASSOCIATION AT DETROIT.

In all that is progress, in all that tends to lift men up from the enjoyment of the present, and make them look forward into the future for a certain provision, the business and the science of life insurance must continue to play a part ever increasingly large. I do not know anything in this world, except true piety, which makes a man feel happier than life insurance; and perhaps for this world life insurance is an equally good investment.—Hon. Alfred Russell, Detroit.

And as you think of the growth and the millions of funds in this for the protection of American homes, no men can take greater pride in this growth than the life insurance agents, for they have gathered the premiums upon premiums, until we have witnessed these marvelous accumulations which have become the combined assets of all the companies. And, gentlemen, I think when we consider this great achievement, we are apt to forget the individual efforts of the agents, just as we forget the bravery and heroism of the private soldier when we read of the victories on the field of conquest at an Austerlitz or a Gettysburg. I have given great consideration to the administration of our officials, to the popular plans proposed for the public, but the great

influence which sends life insurance forward has been the agents in the field, and more than that, in all localities the reputation of our companies is largely dependent upon the character of their agents.—*Geo. N. Carpenter, Boston.*

I believe that insurance is a good thing. I believe in any institution that will keep the wolf from the door, after the provider has left the home, and that will stop the stroke of the sheriff's hammer. Life insurance does this; it means shelter and protection, raiment and food for a widowhood and childhood. We are all helpless creatures, very dependent; we are helped into our cradles and helped into our coffins, and no one in the whole range of our humanity is more helpless, more lonely, more needy in the world, than the widow and the orphan.—*Rev. R. T. Savin.*

While we would concede to the three influences named—the church, our institutions of learning, and the home—all that they are entitled to as factors in solving the social problem, we claim that without the aid of life insurance, even their combined efforts may at times fail of satisfactory results. \* \* \* If you were to blot out of existence this system of life insurance, you might as well close the doors of most of our institutions of learning. Deprive the widows and orphans of this country of the fifty millions or more disbursed each year in the settlement of death claims paid by American life insurance companies, and how many wage earners will be at once created from among those who should still be in our schools and colleges? If you reduce the intelligence of the people by depriving them of necessary education, you will increase pauperism and crime, and will lessen the number in that great social division of which the test of eligibility is true manhood and true womanhood.—*Geo. P. Haskell, New York.*

In the first place, I repeat, Life insurance is a business; in the second place, insurance should always insure; and in the third place, the business has great public uses.

I can only cursorily advert to what I mean: and yet it seems to me to be potent that if any evils threaten us as a nation, they are evils of a social character, growing out of the condition of labor in the present, or, as it may be, in the future. And I have marked, as you must have marked, that in France and Germany and elsewhere the thoughts of statesmen have been directed to this very subject in some of its aspects, the subject of provision for those who must labor or for those who may get feeble. Even Bismarck, representative as he is of the purest ideas of despotism, of despotic force in government, has deemed it necessary, or did deem it necessary, during his tenure of power, to propose some method of assurance of the welfare and support of those laboring men who had become incapacitated by disease or by age. The same thought has struck the statesmen of France. And while it is not exactly life assurance in the sense in which we are considering it and know it, yet it is germane to that subject, and it points a moral or teaches a lesson, which admonishes us how important the entire system may be and is in the economy of government. If every laboring man in this country had his life insured, if we could be certain that that would be for all time, I tell you, my friends, that for all time we would have no dangerous classes in this country, no men sullen and discontented; because under those circumstances, at his death those whom he left would not become paupers, to be the mere hewers of wood and drawers of water, or the suffering wretches whose conditions have brought about revolutions in other countries, and whose conditions might, if they

existed in this country, bring about rebellion here. It would be a perfect safeguard, it would be a supplement to the constitution more indestructible even than the constitution itself.—*Hon. J. Logan Chipman, M. C., Detroit.*

## Financial and Statistical.

### THE NEW BANKING ACT.

The amended Banking Act, passed at the last session of the Dominion Parliament, and which went into effect on the 1st inst., is by no means perfect, but is a very good one, and admittedly an improvement on the old law. There are four important features in the Act as now in force, each of which is in the interest of sound banking and for the protection of the public. In the first place, the notes of all banks are to be made of par value in all parts of the Dominion, each bank being required to arrange at the commercial center of each Province for the redemption of its notes, thus doing away with vexatious discounts for geographical reasons. Thus, New Brunswick or Manitoba bank notes will be worth their face in Montreal, and *vice versa*. In the second place, the creation of a redemption fund by *pro rata* contribution from the various banks (to equal at all times five per cent. of the average circulation), as a guarantee for the redemption at par of the notes of any bank which may become insolvent, is an important factor in establishing confidence in all our bank note-circulation; and, while a protection to the public, will, we believe, prove to be a good thing in the interest of the banks themselves. Such a guarantee is practically equal to a national guarantee by the Government. In the third place, under the present banking law, no bank will be permitted to pay a dividend exceeding eight per cent. to its shareholders, until its reserve funds equal at least thirty per cent. of its capital, a provision in the interest of safety and not at all unreasonable. In the fourth place, the regulations governing the formation of new banks cut off the possibility of the addition of weaklings to our present banks—a possibility which in the past has more than once found realization. Under the existing law, a paid up capital of \$250,000 must be furnished and deposited with the Minister of Finance, before authority can be conferred for the first steps of organization, and no shareholder can become a director unless the owner of at least \$3,000 of paid up stock; and if the capital of the proposed bank exceeds \$1,000,000, he must be the owner of \$4,000 of such stock. On the whole, we regard the present banking regulations of Canada as excellent, and better than will be found in most other countries.

### MONEY IN THE UNITED STATES.

According to the U. S. Treasurer's statement for July 1, the money circulation of the country is larger than ever before at the same time of year; and with the exception of November, 1890, and April, 1891, larger than before known at any time. On these dates it was slightly in excess of the July 1st statement above



referred to which, in round numbers, was \$1,500,000,000. This is an increase of \$70,000,000 since the same date a year ago, and nearly \$500,000,000 during the past ten years. The circulation under various forms on July 1st for three years has been as follows:—

July 1	1889	1890	1891
	\$	\$	\$
Gold coin	376,000,000	374,300,000	405,000,000
Standard silver doll's.	34,400,000	56,100,000	57,000,000
Subsidiary silver	5,400,000	54,000,000	78,200,000
Gold certificates	116,700,000	131,300,000	120,800,000
Silver certificates	257,100,000	297,200,000	307,300,000
Treasury notes, Act of July, 1890	.....	.....	40,400,000
U. S. notes	317,000,000	334,800,000	345,000,000
Nat'l. Bank notes	207,000,000	181,600,000	163,200,000
<b>Total</b>	<b>1,380,100,000</b>	<b>1,429,700,000</b>	<b>1,500,000,000</b>

It will be seen that the increase applies to every form of circulation excepting National bank notes, in which the decrease in the three years has been \$44,800,000. The largest increase has been in silver and silver certificates, the latter amounting on July 1st, 1891, to \$50,200,000 more than at the same date in 1889. The new issue of Treasury notes adds over \$40,000,000 to the aggregate. It is anticipated, however, in well informed financial circles that, owing to increased business and large crops, there will be a cry for "more money" in the early fall, notwithstanding the above increase over previous years.

### THE CAISSE D'ECONOMIE.

As we have before had occasion to state, the principal savings bank business of this Province is carried on by the City and District Savings Bank of Montreal and the Caisse d'Economie of Quebec, both strong and vigorous institutions. The annual statement of the Caisse d'Economie is before us, and, as expected, makes a good showing. The number of depositors reported is 14,847, and the amount deposited last year \$4,544,650, indicating the wide range of the bank's transactions. The assets seem to be invested with much care, and the funds loaned secured by collaterals which are first class. The following comprise the assets and liabilities:

Assets.		
Provincial and municipal bonds.....		\$1,498,264.92
Loans on Dominion and Provincial bonds....		396,225.00
Loans on bank stocks.....		329,114.88
Loans on other stocks or bonds.....		396,725.00
Cash on hand or deposited in banks.....		595,713.96
Invested specially for the poor fund.....		83,000.00
Other Assets.....		132,696.05
		<b>\$3,431,739.81</b>
Liabilities.		
Subscribed capital stock.....	\$1,000,000.00	
Not called up.....	750,000.00	\$250,000.00
Reserve fund.....	90,000.00	
Profit and loss.....	16,419.55	106,419.55
Deposits.....		2,968,960.26
Special fund for the poor.....		83,000.00
Sundry liabilities.....		23,360.00
		<b>\$3,431,739.81</b>

The bank is conducted on the plan of giving annually a share of its profits to charity, as the presence of the items above relating to funds for the poor indicates—a feature very commendable and appreciated by its

constituents, who are mainly of the Catholic church. Considering the field of its operations—Quebec and vicinity—the growth and large success of the Caisse d'Economie reflects great credit on its enterprising secretary-treasurer, Mr. L. C. Marcoux, and his associates.

It has been decided by a general meeting of the shareholders of the Bank of Hochelaga, to establish a pension and guarantee fund under the provisions of section 18, paragraph 2, of the new Canadian Banking Act. This provides for a fund from the resources of the bank for the benefit of "the officers and employees and their families," whenever the shareholders may see fit to authorize such a fund. This early action of the Hochelaga Bank is commendable, and deserves imitators.

The consensus of public opinion in the Dominion seems to be that the recent Government measure removing the tariff entirely from raw sugar and putting salt on the free list, was a good one, on the whole. The loss of more than \$300,000 annually of revenue will no doubt be largely, if not wholly, made up by the added duty on spirits, beer and tobacco. None of these are necessities, and can stand a high tariff; while sugar is a household necessity in every home, and its freedom from duty a boon to all classes of the people. Whether, in a purely financial sense, the Government may or may not be a loser by the reform movement, we regard it as wise, and that, for obvious reasons, it was made none too soon.

The Commercial Bank of Manitoba reports a prosperous year. After paying a 7 per cent. dividend and providing for all actual losses and doubtful debts, the sum of \$10,000 was added to the rest. An increase of the paid-up capital has been made from \$381,000 to \$525,000 and a London agency established.

It is stated on apparently good authority, that the Rothschilds have, during the past 75 years, furnished to the various governments, mostly in Europe, a total of about \$2,750,000,000, apportioned substantially as follows: Great Britain, \$1,000,000,000; France, \$500,000,000; Italy, \$300,000,000; Austria, \$250,000,000; Prussia, \$200,000,000; Russia, \$125,000,000; Brazil, \$70,000,000; other States \$250,000,000. What the volume of private loans by the Rothschilds may have been, nobody can tell.

The Canadian canal statistics recently published, says the *British Columbia Commercial Journal*, show that of the total value of the in transit trade of the United States for 1890, \$16,002,384 was received from British North America; of this amount \$12,450,246 came from the Provinces of Quebec, Ontario, Manitoba and the North-West Territories, and \$3,552,138 from other British possessions. Of the in transit shipments from the United States \$27,335,678 were destined for British North America, of which \$21,140,198 was shipped to the Provinces of Quebec, Ontario, Manitoba and the North-West Territories.

In the coinage of gold during 1890, the British mint led the rest of the world, the amount being £7,662,898—about \$38,000,000. The countries next in gold coinage were: Australia, over \$26,000,000; Germany,

about \$24,500,000; Russia, over \$22,000,000; United States, not quite \$22,000,000; and Portugal about \$5,250,000. In silver coinage India leads, with over \$41,000,000, followed by the United States, with \$30,000,000; Mexico, with \$23,600,000; England, \$8,250,000; Japan, about \$7,150,000; Spain, over \$7,000,000; and Austria and Hungary, about \$3,900,000. Owing to the higher price of silver, the coinage profit has been less than in 1889.

It is now announced definitely that in September next, from the 17th to the 25th, the Provincial Industrial and Agricultural Exposition will be open in this city at the grounds on Mount Royal avenue. The Provincial Government has granted aid to the enterprise, and the buildings and grounds have been improved and fitted for the purposes of a first class exposition, having a variety of interesting and instructive features. The railway and steamboat lines will grant reduced fare, and freight designed for exhibition will be delivered on the grounds free of charge. Mr. S. C. Stevenson is the manager and secretary, who will give all needful information on application.

The mercantile failures both in the United States and Canada for the first six months of 1891 show a considerable increase over the same period in 1890, according to Bradstreets. The totals for the six months of both years are as follows:—

	No. failures.	Assets	Liabilities.
United States ..... 1891	6,037	\$48,405,496	\$91,270,252
" ..... 1890	5,466	30,025,116	62,867,962
Canada ..... 1891	996	3,618,000	8,702,000
" ..... 1890	869	3,614,000	7,224,000

The following failure statistics in the United States for the first six months of each of the 13 years past will be interesting and instructive:—

No. failures.	Estimated assets.	Total liabilities.	Per cent. of assets to liabilities.
1891.....6,037	\$48,405,496	\$91,270,252	53.2
1890.....5,466	30,025,116	62,867,962	48.4
1889.....5,918	32,803,940	67,411,711	48.6
1888.....5,254	34,834,746	64,957,622	53.0
1887.....5,072	25,643,108	52,778,829	48.0
1886.....5,461	25,599,317	53,241,431	48.0
1885.....6,106	32,955,405	68,570,505	48.0
188.....5,444	70,720,078	124,104,357	56.0
188.....5,296	39,887,202	73,594,205	54.0
1882.....	27,329,765	52,383,289	53.0
1881.....	19,783,523	39,533,705	50.0
1880.....2,599	14,727,107	31,837,303	46.0
1879.....3,810	29,690,478	60,508,756	49.0

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

### LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE.—

It is an old saying, "There's no need of bait when you are fishing for gudgeons." As applied to the human gudgeon you simply have to show how fifty dollars can be secured for five dollars, and they bite with avaricious greed.

Why, I well remember as a boy, seeing the fakir selling purses said to contain a sovereign for a shilling. He would open the purse, show the sovereign, apparently drop it in the purse, shut it, and there you are, the whole thing for one shilling; first come first served. The crowd would fight and clamber over one

another to secure a purse while the good thing was going; but by the time the unfortunate had discovered that the contents consisted of a gilded farthing, Mr. Fakir would disappear in the crowd, and commence his philanthropic work elsewhere.

The latest method in England to make a fortune in twelve months without work, is known as Pinderism. One Pinder, a shrewd Yankee, by a scientific chemical process, known only to himself, proposed to turn one sovereign into three. But, like all swindling fakirs, he struck a snag when he ran against Mr. Streeter, a well known jeweller, who, so far from being convinced that it was a legitimate deal, communicated with the police; these gentlemen promptly laid hands on Mr. Pinder, and he now stands a very good chance of spending some years in the old land, in close confinement and at the expense of Her Majesty the Empress of India.

Here in Canada, some promoters of schemes take a more respectable method of proposing to make people rich in a hurry, i.e., by the assessment endowment plan. You are aware of the attempt that was made within the last two weeks to obtain incorporation at Ottawa by the Septennial Benevolent Society and its twin brother the Canadian Order of Home Circles. The promoters deserve credit for the energy and activity they displayed in working on the members of the banking and commerce committee. It is said nearly every member received a requisition from his riding to support the schemes; but when the matter was thoroughly thrashed out, only six mustered up courage enough to vote for incorporation, and I am advised that at least one of these may now be classed as "a doubting Thomas."

When the bills first came before the committee, there was such strong opposition shown by Superintendent Fitzgerald, that the members requested an adjournment for a week, that they might look into the subject, as from the new light they had it really did not appear feasible that for \$245 paid in seven years the society could pay each member \$1,000 at the end of that period.

Supreme Solicitor J. R. Roof, a highly respectable Torontonian, promised that at the next meeting he would be able to prove his case, and shew that the opponents did not understand the scheme. Of course, there was a lot of bosh talked about the jealousy and opposition of the old line companies, but there was really no basis for such remarks, as, I regret to say, the companies took no action whatever in the matter, and appeared totally indifferent about the proposed incorporation of these societies. A friend from Ottawa advises me that some members of the committee, desiring expert information on the subject outside of the department, consulted with Mr. Wm. McCabe, and that gentleman visited Ottawa on both occasions, simply in a private capacity, and did yeoman service in assisting to kill these outrageous schemes.

For apace the papers here, viz., *The Mail, Globe, and Evening Telegram*, came out strongly against the proposed bills, and hit out straight from the shoulder. They spoke with no uncertain sound, and the thanks of the profession are due to these journals for the proper attitude they took in the matter. At the second meeting of the committee Mr. Roof was in the position of Pinder. He could talk well, but failed to satisfy the members that the septennial scientific process would produce the amount of money expected; so the septennial infant was taken out of its cradle dead, and the innocent-looking twin brother named "Home Circles" dangled before the committee for adoption. When it was explained that this too had an endowment feature in it, the committee was dead against allowing it a new lease of life, and promptly ordered it to be strangled. I think the minutes will be found to record that "The committee disapproves of endowment insurance being done on the assessment plan." This should effectually settle once for all the attempts of assessment endowment societies endeavoring to obtain incorporation at Ottawa. Superintendent Fitzgerald and Actuary Blackadar nobly did their duty in opposing these schemes, and can rest satisfied that the insurance companies consider they

have well earned their salaries this year. Here in Ontario, Superintendent Hunter, a wide-awake, intelligent man, is after the same fellows, and will probably compel these societies to dissolve, as they are acting illegally in following the business of insurance without a license.

These schemes are worked as secret societies, and thereby endeavor to evade the law; but it is a question if they do not come under the Insurance Act, as a member must take insurance, and it therefore follows that the main object of the society is assessment insurance.

The fire at the Hess Bros. furniture factory, Listowel, has assumed a new aspect, as Geo. S. Roshach, the proprietor, whose creditors lately obtained an injunction restraining him from receiving any insurance money from the companies, are suing all the insurance companies for damages for wrongful retention of the insurance money and also for the losses under the policies. The companies interested are said to be: Fire Insurance Association, Union, City of London, Citizens, Commercial Union, Caledonian, Phoenix, Guardian, North British and Mercantile, National of Ireland and some others.

The \$12,000 old penalties which Fletcher B. Carlile was suing the Budget Printing and Publishing Co. for, on behalf of himself and the Crown, have been remitted by a special order from the attorney-general of Ontario in Council. It is understood the action against the *Budget* will come up for dismissal in the course of a few days.

Mr. Campbell, sen., never had any anxiety about the matter; still he smiles very pleasantly, as his many friends call to congratulate him on the happy ending of what might have been an exceedingly unpleasant and expensive law suit.

In spite of considerable grumbling, both the life and fire men must be doing very well, as they appear to have deserted the city, and I understand the majority are away enjoying a well earned vacation.

TORONTO, 11th July, 1891.

P. B. P.

### IN SEARCH OF INFORMATION.

*Editor, INSURANCE AND FINANCE CHRONICLE:—*

I have been reading the prospectus of a building and loan association—*one of the new kind*,—and I find this sentence:—

"Your money in the ———, like the money of the thrifty merchant, is turned to make you several profits during the year, and more than that, it soon gets into several mortgages, and makes you several profits all at the same time. This is more than compound interest—it might be called compound principal." Connected with this association, I find the name of one: "Hon." whose position in this Province would lead one to expect to find him in the van in the matter of progressive education, and also that of a Rev. "L.L.D." (the "Rev." does not appear in the prospectus), whose ambition leads him at times to offer himself for the position of a law-maker; consequently, before discarding the principle involved in the sentence quoted, I want to ask, is there anything in it? When my money "gets into several mortgages and earns me several profits all at the same time," is it really earning me more than if I had it all in one mortgage? That's the crucial question which I would like you to answer.

If the theory propounded by these Honorables and L.L.D.'s be fallacious, then it is time we had a reformation in some high places; but if correct, then many of us are financial dunces, making money much less rapidly than we might; and we have at least a right to expect that when the next public school arithmetic is published, our children shall be given an opportunity of learning what "compound principal" means, so that they, at least, may benefit by its magic power.

DULLARD.

LONDON, Ont., July 7th, 1891.

## Notes and Items.

The officers of the New York Life propose to vindicate their management of the company, by compelling the proprietors of the *New York Times* to answer to a suit for libel, in which the damages are laid at a million dollars.

Another assessment endowment swindle has gone under, called the Financial Co-operative Benefit Order, of Lynn, Mass. The victims, who were to get \$150 a piece, and got nothing, went in a crowd after the secretary the other night, who, to escape rough usage, decamped.

The "Index" of London deserves credit for its enterprise in bringing out historical sketches, with portraits of many of the present editors and proprietors of the British insurance journals, in its issue for May 30th. The many pages devoted to the subject are full of interest and of more than passing value.

The Insurance and Investors Magazine, the new journalistic venture of Ex-Insurance Commissioner D. W. Wilder of Kansas, has made its appearance, and right well it looks and reads. We welcome the new comer, confident that whatever peculiarities may hereafter be found in its pages, dullness will not be one of them.

The Manufacturers' Life has moved its Winnipeg office to more commodious quarters on Main street, with Mr. Miller in charge. R. J. McDonald, formerly with the Confederation Life at Portage la Prairie, is cashier of the Manufacturers' at Winnipeg, and W. J. Starling represents the Confederation at Portage la Prairie.

The Provident Savings Life we notice reports a large increase of business thus far this year, in which the Canadian branch, under the management of Mr. R. H. Matson of Toronto, has a prominent share. Mr. Matson, we understand, was highly commended for his work, by Mr. Chas. E. Willard, the company's manager of agencies, on his recent visit to Canada.

The recent annual meeting of the Institute of Actuaries shows general prosperity. The present membership is 620, an increase of 19 members during the year. The membership is composed of 168 Fellows, 202 Associates, and 237 Students. There were 85 candidates at the recent examination, of whom 27 were successful. The funds now amount to \$20,500.

As noted by our Toronto correspondent, the suit brought against the Budget Printing Company, at the instance of Mr. F. B. Carlile, to enforce a heavy penalty for neglecting certain provisions of the Ontario law concerning the posting of the names, etc., of its shareholders, seems to have failed. We congratulate Brother Campbell on this desirable outcome of the case.

A correspondent sends us from London (Ont.), an advertisement of the managers of the Masonic Temple building there, for "tenders" from companies for placing \$25,000 on the building, and saying, "only stock companies need apply." Coming from the advocates and promoters of the Masonic Mutual Benefit Association, our correspondent thinks this exhibition of faith in stock fire companies, only, somewhat significant.

The report of the London salvage corps for 1890 shows the number of fires attended by the fire brigade to have been 2,555, and the number attended by the salvage corps 2,189, at 1,039 of which it rendered service. The number of fires for 1890 was larger than in any previous year. The annual average of fires for ten years was 2,201, and the average number attended by the salvage corps 1,994.

The Review, of London, concisely puts into words a very generally entertained opinion of the Mutual Reserve Fund Life, when it says: "We think it is bound to come to grief at some future date. The date may be postponed, but that it must smash is in our opinion, certain. This, although Mr. Harper be even as Aristides the just, and though he have the twelve Apostles for his cashiers and accountants"

The Mutual Life, through Vice-President Granniss, has set a good example to other life companies, by addressing a letter to general agents, requesting them to ask all their subordinates to refrain from attacking other life companies, and to confine themselves to maintaining the reputation of their own company as a course tending to strengthen the confidence of the public in well managed institutions.

The press dispatches report the arrest at Medina, N. Y., of James McCargo, an agent of the assessment association of Rochester, called the Flour City Life Association, for forgery of a document and check for \$300. It is said he compromised a claim for \$500 against the association for \$150, representing that he had paid the full amount. The president of the association, C. F. Underhill, is also under indictment for forgery.

The Rev. Dr. Breckenridge, of Missouri, who fell dead on the floor of the Presbyterian General Assembly recently held in Detroit, was insured in a New York life company for \$20,000. On the day before his death, according to the New York Press, Dr. Breckenridge telegraphed the company as follows: "I am here. My premium is due. Will it be all right if I pay it on my return to the city?" The company answered "yes" by telegraph. The week after his death the company paid the loss promptly.

Here is what Mr. Thomas S. Chard, central department manager at Chicago of the Firemen's Fund of California, says of the insurance press: "No underwriter, unless he is willing to be deaf, dumb and blind, should dispense with the literature of his business. The editors of these papers themselves little suspect the practical value of their articles to the underwriters whom they address. Here at least is one of the readers who desires fully and cordially to acknowledge the great help that such instrumentalities have been to him, and to wish with sincere good will the continued prosperity of the insurance press."

Assessment Life assurance statistics were reported at the National Convention, at Minneapolis, by the executive committee, as follows, the number of associations reporting being 480:—

New members admitted during 1890 .....	506,425
New insurance written in 1890 .....	\$1,117,310,000
Number of members at close of 1890 .....	2,751,087
Insurance in force at end of 1890 .....	\$5,900,586,000
Payments by members during 1890 .....	60,720,183
Income from other sources .....	6,158,200
Death claims paid during 1890 .....	46,431,583
Expense .....	13,724,416
Assets, Dec. 31st, 1890 .....	30,207,485
Total losses paid since organization .....	343,519,831

The average death rate per thousand in the capitals of the Australasian colonies for the past four years has been as follows: Melbourne, 21.25; Hobart, 21.43; Brisbane, 17.51; Adelaide, 16.41; Sydney, 16.21.

The July dividends of the Hartford insurance companies are as follows: Aetna Fire, 5 per cent. quarterly; Hartford, 10 per cent. semi-annually; Phoenix Fire, 3½ per cent. quarterly; National, 5 per cent. semi-annual; Connecticut, 4 per cent. semi-annual; Orient, 3 per cent. semi-annual; Travelers, 8 per cent. semi-annual; and the Aetna Life, 5 per cent. semi-annual.

In the destructive fire which occurred in this city, on the night of the 13th, in the lumberyards, door and sash factories and dwellings in the East End, the loss to insurance, with the exception of perhaps some \$15,000 by the regular tariff offices, has fallen on American underground companies, which probably are "in" for \$40,000 to \$50,000. These cut-rate companies will get little sympathy, and we hope the insured may find them ready to pay up. Rotten hose, constantly bursting, was an expensive hindrance to the work of the fire department.

After several weeks of negotiation, the New England Insurance Exchange and the Boston Board of Fire Underwriters have agreed on rules governing agents' and brokers' commissions, and the agreement has been signed by ninety per cent. of the companies interested. Agents and brokers are to procure certificates from the Boston Board, under which the maximum commission allowed to regular agents shall be 20 per cent. on net premiums, and to brokers 15 per cent. What the non-concurring companies will do remains to be seen.

The Canadian branch of the London and Lancashire Life, of which Mr. B. Hal. Brown is manager, has issued a neat manual for circulation, not only giving interesting facts about the company's excellent condition and calling attention to its special features, but printing in full its form of application, and giving the text of the conditions and privileges endorsed on its policies. The assurer who makes himself acquainted with the contents of this publication will know all about his contract as well as his company, both of which are attractive.

A copy of the Chronicle Fire Tables for 1891 comes to us superbly printed and bound, larger than ever, and with some new features which enhance the value of this always valuable publication. It is only simple truth to say that no periodical publication relating to the business of fire insurance has ever appeared of equal value. It is a veritable storehouse of information, which no wide-awake underwriter will think of doing without. The abridged edition, in paper covers, at a nominal price, is especially suitable for field men.

We are pleased to learn that our old friend, Mr. W. H. Rowland, inspector of the City of London Fire office, is establishing agencies for his company in the principal cities and towns of this Province. Among recent appointments are Messrs. Royer and Burrage of Sherbrooke; J. A. Dalton, Richmond; Alex. Tetu, Fraserville; W. H. Chapdelaine, Sorel, etc. The City of London is a plucky and popular company, and we are glad to welcome it back to this Province, which, as previously stated, is under the management of Mr. H. M. Blackburn of Toronto, the popular manager for Ontario. The company formerly had an unprofitable experience in this Province, but under present arrangements we think it may safely expect to make a different showing.

The "Order of Unity," one of the Massachusetts assessment endowment concerns ruled out of several States, and the true inwardness of which we exposed at some length several months ago, has lately attempted to find dupes in Sherbrooke, when it announced, by cheap handbills, that Carl W. Kimpton, "Supreme secretary" of the order, would hold a public meeting on July 9, to present the beauties of the scheme of getting something for nothing. A correspondent writes of the failure of the attempt, through the exposures made by himself and other level-headed citizens. This concern collected during 1890 over \$23,000 for "expense fund," and paid in benefits only \$13,920.

#### PERSONAL MENTION.

MR. O. R. FYLER, insurance commissioner of Connecticut, has been re-appointed to that position by Governor Bulkeley.

MR. KITSON has, we understand, severed his connection with the Atlas and the National, for which companies he was inspector.

MR. E. W. HENDERSHOTT, of St. John, N.B., the general agent for the Maritime Provinces of the Sun Life, called on us while in the city this week.

MR. J. CREAGH has been appointed general agent of the Federal Life for the Northwest Territories. We believe that Mr. Creagh will make a good reliable representative.

MR. JAMES H. BOOMER, of Toronto, general manager of the Manchester, was in Montreal for a couple of days last week, and favored the CHRONICLE with the light of his genial countenance.

MR. J. J. McLAUCHLAN, F.F.A., assistant actuary of the Scottish Equitable Life, has been promoted to the secretaryship, in place of Secretary Wm. Finley, recently retired.

MR. DANIEL E. BUSHNELL, who for a few months past has been on the Western field staff of the *Spectator* of New York, will hereafter be in charge of its Chicago office, where, we predict, he will do good work.

MR. ED. VILLENEUVE, for fifteen years connected with the Royal Canadian of this city, has been appointed inspector of the Phoenix of Hartford by Manager Hart. We join with his many friends in wishing him abundant success.

SOME CHANGES have been made in the Quebec Fire insurance company, by which Mr. Edwin Jones becomes president instead of vice-president, in place of Mr. J. Greaves Clapham, resigned. Mr. Geo. R. Renfrew becomes vice-president, and Mr. Wm. Simons becomes a director in place of Mr. Clapham.

THE LANCASHIRE Insurance Company, in accordance with its recent decision referred to by us, has appointed a second assistant manager for the United States branch to aid Manager Littlefield. Mr. Daniel Winslow, for several years passed with the U.S. branch of the Commercial Union, has received the appointment.

MR. J. K. MACDONALD, managing director of the Confederation Life, passed through Montreal on the 7th inst., to visit the agencies of his company in the Lower Provinces. He states that business in that field is good under the enterprising manager, Mr. F. W. Green. We are always pleased to note the solid progress of the Confederation under the guidance of its able managing director.

MR. WM. W. HENSHAW, assistant United States, manager of the Royal Insurance Company, died suddenly on the 29th ult. He had been for twenty-five years secretary of the New York Board of Fire Underwriters, which body passed resolutions attesting the worth and ability of the deceased.

"REV." J. THOMPSON PATERSON, whose transfer from the management of the Mutual Reserve Fund for the North of Ireland at Belfast to that of Scotland we lately chronicled, is coming to New York to occupy "an important position at the home office of the association," according to the *Insurance and Financial Gazette* of Ireland.

MR. THOMAS KERR, of Toronto, inspector of the Standard Life, favored us with a call recently when passing through Montreal. Mr. Kerr evidently believes that the Standard is the best life company in the world, and he always endeavors to imbue everybody with the same belief. It certainly ranks very high, Brother Kerr.

MR. E. A. LILLY, Dominion manager of the London Assurance, has returned from a tour of inspection throughout Manitoba and the Northwest. He reports general prosperity, and that the prospects of an abundant harvest are very bright. He prophesies a grand future for the Northwest and British Columbia.

## Legal Intelligence.

#### FIRE INSURANCE.

CALIFORNIA SUPREME COURT, March, 1891. *Harron vs. City of London Ins. Co.* Verbal contract.—Powers of agent.—Evidence.

The commission of the company's agent stated that he had authority to receive applications for insurance, fix rates, and receive money, subject to the company's rules and regulations, and such instructions as might from time to time be given by its general agents. The plaintiff applied to the agent for insurance on July 6th, stating that he desired the insurance to cover immediately, and that if this could not be done he must apply to some other company. The agent agreed to accept the risk, the insurance to commence at once, and told the applicant that a formal proposal was not necessary. Prior to this transaction, the company had issued policies on the building, and the general agent had written the local agent that he would give attention to any insurance required on the hotel and its contents, and upon another occasion had said that he would take the whole line and place it in such companies as were desired. The Court held that these facts were sufficient to justify a finding that the agent was fully authorized to make the contract in the manner specified.

#### THE LIGHTNING CLAUSE.

ORANGE CO. CIRCUIT COURT, N.Y., April, 1891. *Beakes vs the Phoenix Ins. Co. of Hartford.*

About a year ago the barn of the plaintiff Beakes, insured in the defendant company for \$2,750, was wrecked during a storm which was accompanied with lightning and a heavy wind. The policy contained the usual lightning clause. The plaintiff claimed that the barn was struck by lightning to such an extent as materially to weaken its timbers before the wind blew it down, and he therefore demanded the insurance money of the company. The company resisted the demand, and suit was instituted to enforce the claim. On the trial of the case evidence was introduced to show that a stroke of lightning fell upon the barn before the wind wrecked it. In his charge to the jury, Judge Dykeman said:—

If you find that the lightning was the primary cause of the disaster, even if the wind caused more damage, you can bring in a verdict for the whole amount of the damage, as if it had all been caused by lightning. If the lightning set the building

reeling, if it weakened the foundation enough so that it was the primary cause of the demolition, then the plaintiff can recover. If you find it was not the primary cause, you are to say how much damage the lightning did cause, if it struck the building, and then assess the damages. It is not a plain case, because there is no direct testimony on the subject.

On the evidence adduced, the jury gave a verdict for partial damage from lightning, amounting to \$1,100 for the plaintiff.

FIRE INSURANCE.

U. S. CIRCUIT COURT, June, 1891.—*Hamilton vs. Connecticut Fire Ins. Co.* Proofs of Loss.—Appraisalment—Waiver.

The points in the above case, as summarized by *Rough Notes*, are of general interest:

The policy provided that the loss should be appraised as prescribed by the policy, and that the report of the appraisers should form part of the proof required by the policy. The proof of loss furnished the defendant did not contain such a report of appraisalment, but the letter accompanying the proof stated that, if there were any defects in the substance or form of the proofs, plaintiff, upon being advised thereof, would perfect the same. No objection was made at any time to the form or substance. Several other companies, some of which were not entitled to demand such appraisalment, had policies on the same property; and in the course of a correspondence carried on by them and the defendant company jointly on the one side and the plaintiff on the other, in which they disputed the amount of the loss, they demanded submission to arbitration on conditions which were refused by the plaintiff. They then, by joint letter, stated that if the form of submission proposed by them contained any provisions not prescribed by the policies, each company would submit its own form. There was no further correspondence between them jointly, or between defendant and plaintiff on the subject. *Held*, that the joint demand could not take the place of the separate demand, and defendant had, therefore, waived its right to have the appraisalment made a part of its proofs of loss.

**WANTED.**—Life and Fire Insurance Agents. Energetic solicitors who have a good connection any where in the Province of Quebec or Ontario; who have faith in their own ability to obtain business for one of the oldest and best Life Insurance Companies with easy plans to work, and who desire a remunerative contract, please address, in confidence, "Business," care of Insurance & Finance Chronicle, MONTREAL.

**CONNECTICUT FIRE INSURANCE CO.**

OF HARTFORD, CONN.

CASH CAPITAL, ONE MILLION DOLLARS.  
CASH ASSETS, TWO AND A HALF MILLION DOLLARS.

J. D. BROWNE, President.  
CHARLES R. BURT, Secretary. L. W. CLARKE, Ass't. Secretary.  
DOMINION GOVERNMENT DEPOSIT, \$100,000.00.  
GEO. H. McHENRY, Agent, MONTREAL

**NOTICE.**

**DISSOLUTION OF PARTNERSHIP.**

The business heretofore carried on under the firm name of **BELLEAU & BAMFORD** As General Insurance Agents and Brokers Has been dissolved on 30th June last.

The undersigned having been appointed **Sole Agent for Montreal and Vicinity**

—FOR THE—

**LANCASHIRE FIRE INSURANCE CO. and the CITY OF LONDON FIRE INS. CO.,**

the general insurance and brokerage business will be continued as usual in my own name.

**JAMES P. BAMFORD, Agent,**  
43 and 45 St. John street.

**RE-INSURANCES.**

Who can influence a good and profitable re-insurance business in **Fire and Life and Accident** for a first-class European company?

Write full particulars to M. H. care Mather & Crowther, 71 Fleet street, London, E. C.

**NOTICE**

*Termination of Partnership.*

The long time Partnership of Messrs. Taylor Bros. terminates to-day by effluxion of time, 30th June, 1891.

The individual business of Mr. T. M. Taylor which commenced in 1845 is resumed, and his Agency business continues.

Insurance business, and any other connections of his own, will be continued by Mr. J. W. Taylor individually, under the old Firm name—"Taylor Bros."

It is desirable that Accounts for any indebtedness of the Firm should be presented early after this date.

THOMAS M. TAYLOR.  
JAMES W. TAYLOR.

**MUNICIPAL DEBENTURES.**

**GOVERNMENT AND RAILWAY BONDS.**

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

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Debentures and other desirable Securities purchased.

**A BOOK WITHOUT A RIVAL.**

—THE—

**FIRE UNDERWRITERS' TEXT-BOOK**

BY J. GRISWOLD.

REVISED AND BROUGHT DOWN TO DATE BY THE AUTHOR,

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

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ESTABLISHED 1884.

# CITIZENS' INSURANCE CO. OF CANADA FIRE AND ACCIDENT.

Total Assets, including Capital at Call, the whole of which is available for the protection of the Policy-holders, **\$1,328,131**

Head Office, the Company's Building, 181 ST. JAMES STREET, MONTREAL.

Directors and Officers :

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C. D. PROCTOR.      A. DESJARDINS, M.P.      ARTHUR PREVOST,      J. O. GRAVEL,  
H. MONTAGU ALLAN.  
E. P. HEATON, General Manager.      WILLIAM SMITH, Sec.-Treas.

## UNITED FIRE RE-INSURANCE CO.

Of Manchester, - - England.

Chief Office for the United States and Canada  
MUTUAL LIFE BUILDING, - NEW YORK  
WILLIAM WOOD, Manager.

CANADIAN BRANCH,  
Temple Building, St. James St., MONTREAL,  
PERCY F. LANE, Superintendent.  
FIRE RE-INSURANCE ONLY.

## PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY OF NEW YORK.

SHEPPARD HOMANS, President.

### SIXTEENTH ANNUAL STATEMENT FOR THE YEAR ENDING DECEMBER 31st, 1890.

Income.....	\$1,543,407.78
Paid Policy holders.....	1,055,079.46
Total Expenses of Management.....	346,205.94
Assets.....	889,027.37
Liabilities, Actuaries' 4% Valuation.....	450,407.00
Surplus, Actuaries' 4%.....	438,120.57
Surplus, American Experience, 4½%.....	460,282.37
<b>\$238.25 of Net Assets to each \$100 of Net Liability.</b>	
Policies issued in 1890.....	\$10,174,330.00
Policies in force December 31st, 1890.....	65,131,509.00

\$50,000 deposited with the Dominion Gov't.  
ACTIVE AGENTS WANTED.

R. H. MATSON, General Manager for Canada.

Head Office, - - - 37 Yonge St., Toronto.

R. J. LOGAN, Agent, Imperial Bldg, Montreal.

## LANCASHIRE

### INSURANCE COMPANY

Of Manchester, England.      Established in 1852.

Capital and Assets exceed - **\$20,000,000**  
Total Income in 1890 exceeded - **4,000,000**  
Canadian net Premiums, 1890, exceeded - **250,000**

S. C. DUNCAN-CLARK, Gen. Agent,

For the Provinces of Ontario, Quebec, Manitoba, and the North-West Territories.

Head Office, - - TORONTO.

Montreal Office, - - 43 & 45 St. John Street

JAS. P. BAMFORD, Agent.

Quebec Office, - - - Union Park Building

JAS. F. BELLEAU, Agent.

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OF THE

Insurance and Finance Chronicle

—FOR 1890.—

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1850 ————— THE ————— 1881

# United States Life Insurance Co., IN THE CITY OF NEW YORK.

New Insurance written,	1888.	1889.	1890.
Total amount in force December 31st,	\$6,335,665.50	\$8,463,625.00	\$11,955,157.00
	25,455,249.00	29,469,590.00	85,395,462.50

GEORGE N. BURFORD, President.      C. P. FRALEIGH, Secretary.      A. WHEELWRIGHT, Assistant Secretary.      WM. T. STANJEN, Actuary.

The two most popular plans of LIFE INSURANCE are the CONTINUABLE TERM POLICY which gives to the insured the greatest possible amount of indemnity in the event of death, at the lowest possible present cash outlay; and the GUARANTEED INCOME POLICY which embraces every valuable feature of investment insurance, and which in the event of adversity overtaking the insured maybe used as COLLATERAL SECURITY FOR A LOAN, to the extent of the full legal reserve value thereof, in accordance with the terms and conditions of these policies.

Good Agents, desiring to represent the Company, are invited to address J. S. GAFFNEY, Superintendent of Agencies, at Home Office.

E. A. COWLEY, Manager Province of Quebec, Montreal.



ONTARIO AND QUEBEC BRANCH. HEAD OFFICE, TORONTO

H. M. BLACKBURN, General Agent.

WM. ROWLAND, Inspector.

# CITY OF LONDON

## FIRE INSURANCE CO. OF LONDON, ENGLAND.

Chairman: SIR HENRY E. KNIGHT, *Alderman, late Lord Mayor.*

General Manager: L. C. PHILLIPS Esq.

CAPITAL, - £1,900,000 STG.

All Losses adjusted and paid in the various Branches without reference to England.

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Head Office, Halifax,  
ALF. SHORTT, General Agent.

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

MANITOBA BRANCH,  
Head Office, Winnipeg,  
G. W. GIRDLESTONE, General Agent.

AGENTS WANTED

IN UNREPRESENTED DISTRICTS.

# The Fire Insurance Association

(LIMITED)

OF LONDON, ENGLAND.

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CANADIAN BOARD:

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ROBERT BENNY, Esq.,

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The Company issues policies on the most approved plans, both level and natural premium, and is the only Canadian Company keeping Abstainers and non-Abstainers in separate classes.

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VICE-PRESIDENTS:

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H. SUTHERLAND, Manager

Good Agents Wanted.

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