

4% DEBENTURES

ISSUED

In sums of \$100 and upwards.
For terms of from One to Five years.
Interest paid Half-yearly.

Interest computed from date money is received.

THESE DEBENTURES ARE A LEGAL INVESTMENT FOR TRUST FUNDS

They are a favourite investment of Benevolent and Fraternal Institutions, and of British and Canadian Fire and Life Assurance Companies, largely for deposit with the Canadian Government, being held by such institutions to the amount of more than ONE MILLION DOLLARS.

Send for a specimen Debenture, copy of Order-in-Council authorizing the investment of Trust Funds therein and our last Annual Report.

CANADA PERMANENT
MORTGAGE CORPORATION
TORONTO STREET, . . . TORONTO.

NOMIST

TORONTO

DIRECTORS

Geo. R. Cockburn, Esq., President.; Donald Mackay, Esq. Vice-President. R. D. Perry, Esq. R. Grass, Esq. Hon. K. Harcourt. T. Walmsley, Esq. John Flett, Esq.

CHARLES MCGILL, GENERAL MANAGER.
R. B. CALDWELL, INSPECTOR.

BRANCHES

Alliston,	Cornwall,	Holstein,	Ottawa,
Aurora,	Collingwood,	Lindsay,	Peterboro'
Bowmanville,	Fort William,	Montreal, Que.	Port Arthur,
Buckingham, Q.,	Kingston,	Mount Forest,	Sudbury,
Trenton, Tweed,	Waterford,	Newmarket,	
Toronto:	{ Scott and Wellington Streets, Queen and Portland Streets, Yonge and Richmond Streets, Yonge and Carlton Streets.		

AGENTS

London, England—Parr's Bank, Limited. France and Europe
—Credit Lyonnais. New York—Fourth National Bank and
the Agents Bank of Montreal. Boston—Eliot National Bank.

The Economist

No. 4.

TORONTO, APRIL, 1906.

\$2.00 Per Year.

THE FEDERAL LIFE

Assurance Company

HEAD OFFICE, HAMILTON, ONT.

CAPITAL AND ASSETS,	- - -	\$3,293,913.93
PAID POLICYHOLDERS, 1905,	- - -	236,425.35
ASSURANCE WRITTEN IN 1905,	- - -	3,329,517.08

Policies Indisputable after One Year from issue.

The Most Desirable Policy Contracts.

- -	Accumulation Policies.	- -
- -	Compound Investment Policies.	- -
- -	Guaranteed Income Bonds.	- -

DAVID DEXTER,
President and Managing-Director.

THERE IS NO ONE BUSINESS

which has many tempting openings for energetic men. Its ranks are not overcrowded and capital is not needed for success. This business is the Field Work of a Successful Life Company.

One of the best companies in Canada to represent is the Manufacturers Life. It has many good field positions vacant and its own success bespeaks success for its agents.

APPLY FOR TERMS TO

THE MANUFACTURERS LIFE INSURANCE COMPANY

HEAD OFFICE, - - - - - TORONTO, CANADA.

INCORPORATED 1833.

British America FIRE and MARINE. Assurance Company.

BOARD OF DIRECTORS

HON. GEO. A. COX, President. J. J. KENNY, Vice-President.

AUGUSTUS MYERS, Esq. THOS. LONG, Esq.
HON. S. C. WOOD E. W. COX, Esq.
ROBT. JAFFRAY, Esq. LT.-COL. H. M. PELLATT.
JOHN HOSKIN, K.C., LL.D.

P. H. SIMS, Secretary.

Capital - \$850,000.00
Assets - 2,048,678.59
Losses paid since Organization - 25,868,544.80

HEAD OFFICE, BRITISH AMERICA BUILDING
COR. FRONT AND SCOTT STREETS
TORONTO, ONT.

The Mutual Life OF CANADA

has had another prosperous year, as may be seen from the following table

Insurance written in 1905.	\$6,014,576
Gain over 1904.....	966,408
Insurance in force, Dec.	
31st, 1905.....	44,199,955
Gain over 1904.....	3,722,985
Cash income for 1905....	1,956,519
Gain over 1904.....	231,211
Total assets, Dec. 31st,	
1905.....	9,296,092
Gain over 1904.....	1,075,562
Surplus (Company's stand- ard).....	954,001
Gain over 1904.....	181,928
Surplus (Government stan- dard).....	1,263,905
Gain over 1904.....	214,504

The Canada Life's

New business paid for during 1905 was greater than in any similar period of the Company's

Fifty-nine Year History.

The Canadian Casualty and Boiler Insurance Company

HEAD OFFICES: TORONTO.

Authorized Capital One Million Dollars
Subscribed Capital over Four Hundred Thousand Dollars

PRESIDENT: ALEXANDER SUTHERLAND, D.D.
VICE-PRESIDENTS:
H. N. BATH, Esq., Director Bank of Ottawa. Director Royal-Victoria Life Insurance Co.
W. S. DINNICK, Esq., Vice-President and Managing Director Standard Loan Co., Toronto.

Managing Director: A. G. C. DINNICK.

PERSONAL ACCIDENT INSURANCE. BOILER INSPECTION.
BOILER INSURANCE. CONSULTING ENGINEERS.
SPRINKLER INSURANCE. ELEVATOR INSURANCE.

Chief Engineer: A. M. WICKENS.

ESTABLISHED 1859.

The London Mutual FIRE INSURANCE CO. OF CANADA.

Head Office, - TORONTO, Ont.

Losses Paid to Date \$4,000,000.00
Assets 755,707.33

HON. JOHN DRYDEN, President. GEO. GILLIES, Vice-President
H. WADDINGTON, Secretary and Managing Director.
L. LITCH, Superintendent. D. WHISMILLER, JOHN KILLER, } Inspectors.
H. A. SHAW, City Agent, 9 Toronto St.

THE ECONOMIST

BANKING
INSURANCE
FINANCE



110 Bay Street,
TORONTO.



Subscription, \$2.00
per year.



1905 Another Successful Year for the
Northern Life

		Gains
Insurance written.....	\$1,383,385.00	7%
Insurance in force.....	4,710,554.00	14%
Premium income.....	151,440.51	16%
Interest Income.....	23,278.21	9%
Total Assets.....	588,344.73	21%
Tot. Govt. reserve security for Policyholders	394,269.91	27%

To Agents who can produce business good contracts will be given.
 JOHN MILNE, Managing Director, LONDON, ONT.

H. T. BECK

Barrister, Solicitor, &c.

OFFICES: - Confederation Life Building (West Section)
 4 Richmond Street East, - TORONTO.

ACCIDENTS AND DISEASE.

THE ONTARIO ACCIDENT
 and
LLOYDS PLATE GLASS
 INSURANCE COMPANIES

Issue Specially Attractive Policies
 Covering.....

- ACCIDENT
- ACCIDENT and SICKNESS Combined
- EMPLOYERS'
- ELEVATOR
- GENERAL and PUBLIC LIABILITY
- PLATE GLASS.

Eastmure & Lightbourn, GEN. AGENTS TORONTO

EXCELSIOR LIFE
 INSURANCE COMPANY
 INCORPORATED 1889

Head Office: Excelsior Life Building, Toronto.

BUSINESS FOR 1904

Largest and Most Satisfactory in Company's career.

ASSETS.....	\$1,250,000.00
NEW INSURANCE.....	2,233,132.00
IN FORCE.....	7,601,097.00

DESIRABLE POSITIONS VACANT ON AGENCY STAFF
 FOR GOOD MEN.

E. MARSHALL, General Manager. DAVID FASKEN, President.

THE EQUITY FIRE
 INSURANCE COMPANY

THOS. CRAWFORD, M.P.P., President.
 C. C. VANNORMAN, - Vice-President.
 WM. GREENWOOD BROWN, Gen. Man.

Subscribed Capital, . . . \$500,000
 Paid-up Capital, \$100,000

Dominion License
 Represented throughout Canada.

HEAD OFFICE, - - - - TORONTO.
 24 KING STREET WEST. PHONE: MAIN 2413.

STRONGEST RESERVE STANDARD.
GREATER SECURITY TO POLICY-HOLDERS.

The Sovereign Life is the first company in Canada to adopt the new British Mortality Tables. These tables are the most modern and accurate in existence and give the experience of companies of to-day and not fifty years ago. The policies of the Sovereign Life are extremely liberal and contain, on the whole, the most satisfactory guarantees issued by any company. Agents can secure first class contracts. Address:
A. H. HOCVER, PRES. & MAN. DIRECTOR, TORONTO.

FIRST-CLASS FINANCIAL PROPOSITION

CAN YOU SELL STOCK?

IF SO, WE WILL GIVE YOU
 A LIBERAL CONTRACT
 WITH A STRONG FINAN-
 CIAL INSTITUTION

ONLY FIRST-CLASS AGENTS NEED APPLY

Address: "FINANCIER,"
 Care of THE ECONOMIST.

A GOOD INVESTMENT.

The
Toronto
Life
Insurance
Company

No other class of investment in the world is to-day as safe as life insurance. This is evidenced by the fact that there has never been a failure of a Canadian old line life insurance company. ¶Not only is life insurance good as an investment, but in the event of death it is an indemnity as well. ¶Policies to suit all classes issued by the Toronto Life offering good returns for the money invested. : : : : : : : : : :

Head
Office :
243
Roncesvalles
Toronto

INCORPORATED 1889

Average Rate of Interest for 1905

6.22%

THE DOMINION LIFE

1905

This Company's BEST Year.

HEAD OFFICE: WATERLOO, ONT.

FIVE YEAR
6% COUPON CERTIFICATES.

**FULLY PAID WITHDRAW-
ABLE** shares in **The Acme
Loan & Savings Company**
are issued for periods of (5)
five years and upwards at
\$100.00 per share. Half-
yearly dividends of **Six per
cent.** paid from date of in-
vestment.

THE
ACME LOAN & SAVINGS CO.
PETERKIN BUILDING, - BAY STREET,
TORONTO, ONTARIO.

Executor, Administrator, Trustee,

In performing the duties of Executor, Administrator or Trustee, a Trust Company provides security, effective management and continual service, and discharges its duties at a minimum cost.

CORRESPONDENCE INVITED.

THE TRUSTS & GUARANTEE CO. LIMITED

14 King Street West, Toronto.

Capital Subscribed - \$2,000,000.00
Capital Paid-up over - 1,000,000.00

JAMES J. WARREN, - - - Manager



The HOME LIFE

Association - of - Canada.

Incorporated by Special
Acts of Parliament.

CAPITAL - \$1,400,000
AND ASSETS

AGENTS WANTED
IN UNREPRESENTED
DISTRICTS.

PRESIDENT:—HON. J. R. STRATTON.

Manag. Director—J. K. McCUTCHEON. Sec'y—JNO. B. KIRBY.

Head Office: HOME LIFE BUILDING, Toronto.

Anglo-American Fire INSURANCE COMPANY.

Head Office—McKinnon Building, - - Toronto

Authorized Capital, \$1,000,000.
Deposited with Dominion Government for the protection of policy holders. . . \$51,677.34
Security for policy holders at 31st December, 1905 \$195,479.78.
Licensed by the Dominion Government to transact the business of Fire Insurance in Canada.

PRESIDENT: S. F. MCKINNON, ESQ.,
S. F. McKinnon & Co., Toronto.

VICE-PRESIDENT: JOHN FLETT, ESQ.,
Flett, Lowndes & Co. Toronto.

H. H. BECK, Manager

An Unrivalled Record

The History of Canadian Life Insurance affords no parallel to the following record of progress and prosperity.

Dec. 31st	Cash Income.	Reserves.	Assets.	Insurance in Force.
1897	\$ 37,416	\$ 38,426	\$ 336,248	\$ 1,185,725
1899	321,523	434,112	930,443	7,134,625
1901	350,000	798,785	1,344,128	10,524,731
1903	577,167	1,428,637	2,013,888	15,405,442
1905	804,453	2,064,099	2,828,534	19,672,664

The Imperial Life

HEAD OFFICE, - TORONTO.

WANTED

A General Manager for the Province of Ontario, for a first-class old line Life Insurance Company, being established in the Province for ten years. To the proper man, who can show a successful record in personal work, and developing agents, a first-class contract will be given. Address all communications, which will be treated confidentially, care of THE ECONOMIST. . .



INDUSTRY and INTELLIGENCE

Meet with merited success in the field of Life Insurance. Under the agency contract of the

North American Life

its representatives are enabled to secure an income commensurate with persistent effort.

Applications invited for agencies in unrepresented districts, experience not necessary. Address, T. G. McCOSKRY, Superintendent of Agencies.

HOME OFFICE, TORONTO, ONT.

L. BLAIKIE, President. I. GOLDMAN, A.L.A. F.C.A., Managing Director.

MERCHANTS FIRE INSURANCE CO.

Head Office :

Confederation Life Bldg., - TORONTO.

CAPITAL and ASSETS over = Half a Million

President : GEV. H. HEES. Vice-President JOHN H. C. DURHAM, T. KINNEAR.
(Geo. H. Hees. Son & Co.) Gen. Manager (T. Kinnear & Co.)

Agents wanted in all unrepresented districts.

WANTED

A gentleman of experience in Life Assurance for the position of Inspector for parts of Ontario.

Applications in Confidence. A. McDOUGALD, Manager.

PELICAN AND BRITISH EMPIRE LIFE OFFICE.

THE ECONOMIST

INSURANCE, BANKING AND FINANCE.

Vol. X.

TORONTO, APRIL, 1906.

No. 4.

THE GREAT FIRE.

What a tremendous calamity lies behind the statement, "The greatest fire in the history of the world." The mind rapidly runs over the conflagrations of previous years, Toronto, Rochester, Baltimore, and in years gone by, Boston and Chicago with many others such as those at Ottawa and St. John, N.B., but all pale into comparative insignificance before the terrible holocaust which is still raging in San Francisco as we write, and which, it is announced, will only cease when the supply of inflammable matter is exhausted.

A question which will be on many lips is, "How will the Fire Insurance companies come out?"

Insurance Commissioner Wolf of California has announced that the eighty odd fire insurance companies interested had decided to pay dollar for dollar to every one insured with them, and that the companies will not discriminate between fire and earthquake.

This is an extremely liberal view for them to take, because, as was pointed out by a Toronto insurance man, companies, as a rule, are not liable in cases where fire breaks out after the collapse of a building.

Our two local companies which transact business in the United States, the Western and British America, will be somewhat affected, but not as much as has been generally supposed.

Mr. C. C. Foster, Secretary of the former company, says the Toronto offices carried no greater lines than those of the average insurance company doing business there; in fact, he believes them to be somewhat less. The amount was reduced a few months ago to equalize its distribution. The Western is said to be somewhat more heavily interested than the British America.

The thirty-seventh annual report of the Insurance Commissioner for California shows that there were 136 fire and marine companies doing business in that state at 31st December, 1904, and of these eighty-seven confine themselves entirely to fire insurance business. Sixty-seven are foreign and about a like number American. Of American companies the Hartford carries the heaviest risks on California business, \$43,222,500, while two New York offices, the Home and Continental, carry respectively \$30,765,304 and \$23,285,948.

The Liverpool, London and Globe carries in that state \$25,544,440, while twelve London companies carry a total of \$148,672,561.

THE WORTH AND WORK OF A FIRE MARSHAL.

Those states possessing officially appointed Fire Marshals are finding the office, when capably filled, productive of excellent results. Especially has this been the case with Ohio. Through the efforts of that state's capable officer, forty-six persons were convicted of arson during 1905. The total number of fires found on investigation to be incendiary was 97, entailing a loss of well over \$90,000. As the causes of all suspicious fires were carefully gone into, the above mentioned convictions ought to have a wholesomely deterrent influence. The number of fires recorded as "origin unknown" was reduced for last year to 69 per cent. The total fire loss for the state was reported as 1½ millions of dollars less than the average; part at least of this reduction must be due to the marshal's work.

Kentucky has recently fallen into line by enacting a fire marshal law which, if faithfully enforced, will reduce the fire loss in that state. Its execution is committed to a deputy chosen by the insurance commissioner, clothed with authority to investigate fires, take testimony and institute legal proceedings through the prosecuting attorneys. Chiefs of fire departments are to assist in the investigation of fires. The fire marshal's salary is \$2,400 per year, and the fire insurance companies are taxed one-third of one per cent. on their gross premiums to pay all the expense of administering the law.

The one point where exception may be taken to Ohio and Kentucky methods in connection with this important public office, is that its expenses are provided by an assessment on all stock fire insurance companies. Ohio is worse in this respect than even Kentucky—that hotbed of anti-company agitation. In the former state the tax is 1 per cent. of the companies' gross premiums, and the revenue derived was sufficient to leave a balance of about \$10,000 at the end of 1905, and in 1906 this revenue will total about \$70,000. There seems no just reason why the fire companies as such should pay this tax. Of course, they are benefited by any reduction in fire losses, but those who in the last analysis really benefit most are the property owners themselves.

AN EXAMPLE AND A WARNING.

WHAT HAS HAPPENED AND WHAT MAY OCCUR THROUGH AN UNSCRUPULOUS CAMPAIGN OF ABUSE.

The life agents of Canada have before them a period of unrest and agitation. The public have become unsettled, and view with suspicion the most innocent matter pertaining to life insurance, if it be not perfectly clear to them. Like a herd on the eve of a storm it requires but the slightest excuse to start a stampede.

Now, more than ever before, it behooves the field men to stand together. It is not enough that the representatives of a given company should be loyal to it—that may be taken for granted. There should be an allegiance to Life Insurance itself which would rise above the mere consideration of the welfare of a single office.

* * * *

Life Insurance is not on trial, but it may receive incalculable harm through the misrepresentation and twisting of facts which unscrupulous persons do not hesitate to make use of for their own ends.

It is not long ago that a reporter at the Armstrong investigation heard a statement as to premiums being loaded. Probably this conveyed to the sapient young man the same idea as loaded dice. Immediately there was flashed over the wires a message which appeared under scare headings that the life companies had been forced to confess that their premiums were loaded. This seems to be the height of absurdity, but it must be remembered that the average man knows nothing of these matters, and at present he is prepared to believe the worst.

* * * *

In the United States the daily papers are more given to sensationalism than those of Canada, and Mr. Jerome, the District Attorney of New York, a man of the highest probity and courage, took occasion in a recent public address to refer to them as follows:

"One or two newspapers stand as vultures that seek their carrion, and seek it with a sense of recognition. The others try to be clean and right. Standing before these others, however, is the financial success of these two papers. The people demand hot stuff and their needs are met by these publications. These papers play in the guise of leading public opinion. I have no words but words of praise for the honest papers. In our days criticism of public officers is right—stinging criticism if it is just. But let us illustrate concretely a type of paper that would mold public opinion, and yet is actuated by base motives. Concrete illustrations come back so much better than beautiful sentiments, as I remarked to-day to a judge.

"I was investigating a certain large corporation in this city, and the city editor of a paper came to me with an article in galley proof about it. The statements in the article were false. I told him that the reports of my accountants, though not yet finished, showed that. I said it was an unequalled falsehood, so far as my investigation went. The reply was that they were going to publish it anyway."

Does not this fit pretty accurately the one Canadian paper which is popularly designated as "yellow"? The proprietor of that paper poses as a friend of the people. Day in and day out for months this paper contained a series of attacks on one of our life companies, which ran from the baseless insinuation to the rankest misrepresentation and distortion of facts. So long as these attacks were confined to one company, and that a strong one, the insurance press of the country took no notice, for it was conceded that in its own good time and way that company would deal with the matter as it thought best. Now, however, things have got beyond that state. Since the sittings of the Insurance Commission have commenced, that paper has taken hold of every bit of evidence that could possibly be used against a company, and has made capital of it without bothering about the fact that the companies could not at the time put in any evidence in their own behalf. We show in other columns how grossly unfair and misleading some of these comments and criticisms were.

When not engaged in this precious work, this righteous defender of the people was busily engaged in poisoning their minds as to the personnel of the Commission. President Roosevelt made some pointed remarks the other day as to "the man with the muck-rake." The following quotation from his address is timely:

"The effort to make financial or political profit out of the destruction of character can only result in public calamity. Gross and reckless assaults on character, whether on the stump or in the newspaper, magazine or book, create a morbid and vicious public sentiment, and at the same time act as a profound deterrent to able men of normal sensitiveness and tend to prevent them from entering the public service at any price."

* * * *

It is generally conceded that the Insurance Commission, composed as it is of men of known honesty and ability, will perform its duties faithfully and fearlessly. Its record so far as a body is an assurance of that, for it has shown no disposition to favor either the Insurance Department or the companies. Then, as Life companies are human institutions, it cannot be expected that during the past fifteen years all of them have achieved a perfect record. In the nature of things it will be shown that methods have been in some cases faulty and that mistakes have been made. It will doubtless be ordered that these things shall be made right, and that will be well.

It is the hope and expectation of all who have the welfare of life insurance at heart that the business of this country will be sounder, better and ultimately more popular than ever, through the purging it will receive during the next few months. But the business will not be helped by the venomous comments of a critic who cares nothing for the merits of the case, nor for the real interests of those he professes to uphold. Here is a picture of this self-constituted champion of the people, the man who in his insufferable egotism styled himself "a man to cheer for" just before his ignominious defeat at the polls in his home city. Here is an extract from the press report of the proceedings in the House of Commons on March 28th, 1906:

"The evening was spent on Mr. W. F. Maclean's bill to put express companies under the jurisdiction of the Railway Commission and to make the railway passenger rate two cents per mile, and occasion was taken by several Conservatives to express very frank criticism of their fellow-member from South York.

"Mr. Andrew Ingram was perhaps indiscreetly frank in setting down the rising hope of the Conservative party. Among other things he said: 'I care not for the member of South York or his paper. There was a time when he wrote a friend that he would be leader of the Conservative party. Now he has not got a follower, and I do not know a man that deserves to have fewer followers.'

Those who know the facts and the man are well aware that the foregoing, scathing as it is, is not one whit stronger than is warranted. And those who are in touch with these matters should be made aware of the nature and standing of the man who is behind the campaign of vilification which has taken place, and which will doubtless be continued.

* * * *

If this were simply a matter of companies and managements it would not require much comment. If abuses exist they should be publicly criticized and corrected, and if false charges are made the companies can live them down without much permanent harm. But there is another outcome of charges whether true or false, which is grievous and pitiable; and it does not require a prophet to foretell what will happen, for history repeats itself. We quote again from the address of District Attorney Jerome:

"I was informed the other night by a director of the Mutual Life that nearly \$100,000,000 in policies had lapsed in the last year. What policies were they? Those from \$1,200 to \$3,000—the policies of the poor had lapsed. They had taken the cries of these wild newspapers. No one could doubt that these companies are as solvent as the United States Government, but they had been scared by these hounds of 'yellow' journalism and the poor motormen and conductors and mail carriers have let their policies lapse. The newspapers had driven from their protection the wives and children of the poor."

We say, again, let criticism where merited be made fully and publicly; but let those who are seeking to make capital for themselves, or through ulterior motives

are trying to create a sensation, pause and consider the consequences which are likely to follow an ignorant or unscrupulous presentation of the case.

THE PITY OF IT.

The man of affairs knows that Life Insurance is perfectly safe, and that the legal reserve companies are able to meet every contract obligation to the last cent. But those who are not in touch with these matters have been stampeded in the United States. We give in another column the burning words of District Attorney Jerome, as to the effect on holders of small policies in the Mutual Life, of the campaign of misrepresentation carried on by the "hounds of yellow journalism."

We reprint hereunder a despatch from New York which appeared the other day in our Toronto dailies:

"A statement given out by the Equitable Life Assurance Society says:—'Investigation shows that the fears engendered by the developments of the year resulted in the lapsing of 27,385 policies for \$1,000 or under, while only one policy for \$250,000 was allowed to lapse. Of the entire volume of lapsed policies in the Equitable 84 per cent. were for \$3,000 or less.'

In commenting on the results of his efforts to restore the standing of lapsed policyholders, President Morton said to-day: 'My belief that the small policyholder was the chief sufferer from the agitation and excitement regarding life insurance is now confirmed. The holders of policies of \$5,000 and upwards are generally men of business experience. Through fear, based on misapprehension of the real facts, and often on misrepresentation, thousands of small policyholders allowed their policies to lapse.'

Let the foregoing be a warning to the small policyholders of Canada. We say emphatically that there is no ground for the slightest apprehension as to the solvency of our Canadian companies, and those who strive to create a doubt as to their safety are no more the friends of the policyholders than they are of the institutions they seek to injure.

The Toronto *Globe* took occasion the other day to quote on its editorial page, with favorable comment, a portion of the Financial Article of our March number. We are pleased to note that the big daily when desirous of accurate information as to such matters knows where to turn for it. Would it be immodest to suggest that there are some in insurance circles who would not find a regular and careful perusal of the *ECONOMIST* altogether unprofitable?

The Insurance Commissioners have engaged quarters in the Toronto City Hall at the rate of \$25.00 daily, which rate one would think should have the effect of keeping things moving.

The whole Life Insurance world is certainly desirous that matters be cleared up as soon as possible.

SICKNESS INSURANCE.

BEING A PAPER READ BEFORE THE INSURANCE INSTITUTE OF TORONTO,
BY MR. E. WILLANS, ASSISTANT MANAGER IMPERIAL
GUARANTEED AND ACCIDENT INSURANCE CO.

When this paper was contemplated it was expected there would have been published before this date the Combined Sickness Experience for 1903 of the companies writing Sickness Insurance in Canada and the United States. The data for this experience is being tabulated under direction of the International Association of Accident Underwriters, and it was hoped would have been available for the purpose of presenting to the Institute some of the lessons to be derived therefrom, so that in conjunction with other available material we might contribute some suggestions with a view to solving some of the problems which present themselves to the companies writing Sickness Insurance.

The experience referred to has not yet been made public, however, and it has therefore been necessary to depart from the plan laid down, so that I have thought it advisable to lay before you the conditions under which Sickness Insurance has been carried on, and present a few of the main features which require careful study in order to place the business on a better basis.

It is often remarked that Sickness Insurance, as carried on by Stock Companies, is a new thing. Such is not the case. It is more correct to say that the present stage is the revival of attempts which have previously been made to carry on the business of Sickness Insurance on a commercial basis.

We have record of at least ten companies organized on this continent during the years 1847 and 1848 for the carrying on of Health Insurance, which for a time flourished, but all of which has ceased operations within a few years of their organization. These companies left us no statistical information, and there is little or no record left as to the cause of their demise.

The process by which the present revival of the business has been brought about on this continent is illustrated by the manner of its development in Canada.

The business has not reached any very great proportions in Canada for the reason that our companies have approached it with some degree of caution. During 1904 the reported premiums amounted to less than \$100,000.00, while in the United States for the same year they amounted to over \$1,500,000.00.

It is remarkable that the introduction of the business has grown entirely out of competition in Accident Insurance, as will be seen by reference to the three general forms under which the business is now carried on, viz.:

- The Fever Clause.
- Limited Health.
- General Sickness.

THE FEVER CLAUSE.

In the year 1895 an English company obtained a license under the Dominion Insurance Act to carry on Accident Business, and introduced an Accident Policy containing what is called The Fever Clause, which provided twenty six weeks' indemnity for total disablement occasioned by four diseases—Typhoid Fever, Typhus Fever, Scarlet Fever and Smallpox.

At that time not a single Canadian company was authorized by its charter to carry on the business of Sickness Insurance, and consternation was thrown into the Accident Insurance camp. We can well remember some of the arguments used by the ingenious agent to meet the competition of this rival invader. He said, "There was nothing in it; that smallpox was unknown or of very rare occurrence in this country; typhoid and typhus were equally so, and scarlet fever was a child's disease."

It is most remarkable how those diseases have spread since those days, and it is amusing to look back at these arguments in view of the losses which have been paid for that innocent looking Fever Clause.

The demand for an Accident Policy which included the Fever Clause grew to such an extent that the Canadian companies one after the other were finally compelled to apply to Parliament for amendments to their charters, and as nearly all of the companies operating in Canada were carrying on two classes of business, the limit allowed by the Insurance Act, an amendment to the Act was made in 1899, so as to allow Sickness Insurance to be carried on in connection with Accident business. The amendment defines the limits within which Sickness Insurance may be carried on, as follows:

"Sickness Insurance means insurance against loss from illness not ending in death, or disability not arising from accident or old age."

On commencing to write Sickness business the first thought was to meet the competition offered by the Fever Clause. Some of the companies added one more disease, and demanded an extra premium of \$1.00, others 50c, for each five dollars of weekly indemnity, but it cannot be said that the additional premium was strictly enforced. In fact, more generally the benefits were given free of charge when in competition for an Accident Policy.

The companies which have had experience with the Fever Clause have attempted to discourage its use in later years except on payment of an extra premium, or by only issuing it with an inferior Accident Policy when no extra is charged.

There is every reason to believe that sound underwriting was unnecessarily sacrificed in this initial introduction of Sickness Insurance. It could not be claimed that the premiums for Accident Insurance were too high—experience disclaims any such admission. As nearly as can be estimated, it may be said that from four to seven per cent. was added to the claim ratio by these diseases, for which there was practically little or no premium income.

LIMITED HEALTH POLICIES

The unhappy experience with the Fever Clause was soon felt in the United States, which led to the introduction in 1899 of the Limited Health Policy, and the same year it was introduced into Canada, and is still issued by all the Accident companies. The policies at first issued in Canada insured against:

- | | |
|------------------|---------------------|
| Typhus Fever. | Erysipelas. |
| Typhoid Fever. | Appendicitis. |
| Scarlet Fever. | Diabetes. |
| Smallpox. | Peritonitis. |
| Varioloid. | Menigitis. |
| Diphtheria. | Tetanus (Lock Jaw). |
| Measles. | Pleurisy. |
| Asiatic Cholera. | Pneumonia. |

and also provided a sum equal to one hundred weeks' indemnity for loss of eyesight from disease or total paralysis of two limbs. The premium charged was two dollars for each five dollars of weekly indemnity, limited to twenty six weeks.

The number of diseases insured against have since been increased by some companies to thirty or more. A few companies sell the Limited Health Policy as a separate contract, but the majority only issue it when combined with an Accident Policy.

It is difficult to secure any statistics as to the experience of the several companies with this class of policy, but as far as my investigation goes, I am convinced that if the figures could be secured from the companies which have written this policy to any extent for at least five years, that the claim percentage to earned premiums will be at least sixty-five per cent.

Dr. R. S. Keelor, Secretary of the Philadelphia Casualty Company, in publishing the experience of his company with the Limited Health, records that out of 3,631,374 days of insurance they had 26,825 days of sickness, which is equal to a rate of 2.70 days' sickness per year of risk, which would bring the percentage of claims to premiums at the rates charged in Canada largely in excess of the ratio given above, which is too high a percentage to allow of any profit being realized.

It is significant that at the Annual Convention of the International Association of Accident Underwriters held at Portland in 1904, that on a vote as to whether the Limited Health Policy should continue to be issued, sixteen companies voted against it, three companies were in favor of the continuance, but two of them only on condition of an adequate premium being charged and more restrictive conditions being placed in the contract.

The causes for this unsatisfactory experience with the policy are:

First. Although the contract is limited to stated diseases, it would seem that the diagnosis of disease has not yet become an exact science, so that there appears to be little or no difficulty for the insured and his doctor to make the policy unlimited in its application. Consequently a great many claims are paid which were not intended to be covered by the contract.

Second. It has led to considerable misunderstanding on the part of the insured. No matter how carefully the agent may explain the policy, it seems that many get the notion that they have a General Sickness Policy, and dissatisfaction arises when the claimant finds his claim refused because the disease was not one covered by the policy.

There has undoubtedly been a demand on the part of the public for Limited Health Policies, and it is the opinion of several experienced underwriters that it may be regarded as fairly certain that we may be required to continue this form of policy. Hitherto the companies have looked upon it only as a help in selling Accident Insurance, and they seem to have been content as long as there was no excessive loss. With the increased benefits, however, which are now being given under Accident Policies, the condition cannot continue, and some of the Canadian companies are now beginning to study the Limited Health Policy more carefully, with a view to making it yield a profit.

GENERAL SICKNESS POLICIES.

The fact that a great many claims were made under Limited Health Policies for sicknesses not covered by the policy, brought about the General Sickness Policy. Experiments have been tried with policies of varying conditions and benefits, at premiums ranging from five to seven dollars for each \$5.00 of weekly indemnity. What may be called a standard General Sickness Policy now in use in Canada and the United States, is one sold at a premium of seven dollars for all ages between eighteen and fifty, and a premium of nine dollars for ages fifty to sixty. The benefits of the policy may be summarized as follows: Five dollars per week for illness, limited to twenty-six weeks, disability for less than one week not being covered. Other benefits are specific sums payable for surgical operations. Indemnity while quarantined; one hundred weeks' indemnity for loss of eyesight from disease or Paralysis from disease. All diseases are covered except Rheumatism, Lumbago or lame back, Tuberculosis, Insanity, Venereal Diseases, Intoxication, Anesthetics, and Narcotics.

It may safely be said that the companies in Canada have not pushed to any extent for this class of business. In fact, some do not issue a General Sickness Policy. It is now realized, however, that Sickness Insurance has come to stay, and the efforts of the companies in Canada and the United States, as previously stated, are towards placing the General Sickness Policies on a commercial basis. There is very little material available to assure the companies that they are working on correct lines. The conditions under which the business is now carried on presents problems which cannot altogether be solved by the experience of the Friendly Societies, so that the companies will be largely dependant upon their own experience in firmly establishing the business.

Sickness Insurance, we see, therefore, has really been thrust upon us by the stress of competition in Accident Insurance, so that there has really been little time in which to properly approach the subject. We have reached a point where it would seem very imprudent to go further in the field of com-

petition until it has been well established that we are on safe lines. The experience already gained teaches that there are some phases of the business which materially affects the premium rate, requiring more thorough investigation. Some of the points I may refer to are:

POLICY CONDITIONS.

There is no uniformity amongst the companies in the application of Policy Conditions and Restrictions. Some pay total weekly indemnity during confinement to the house, with a smaller indemnity during convalescence; others merely require disability from work the condition under which total indemnity is paid. It is not difficult to see that the companies adopting the latter method of payment leave themselves open to many unjust claims. Cases have come to our notice where the claimant has been recommended an ocean voyage, or has been ordered to a health resort during convalescence in order to build up his system. If the patient's position is such that his business does not absolutely require his personal attendance, the company whose policy requires them to pay total indemnity during inability to work may do considerable chafing at having to pay in full, but pay it must, although the case may be one where a convalescent indemnity would have satisfied all reasonable demands. Such cases are of frequent occurrence, and it is desirable that the companies should adopt a standard wording, so as to define when full indemnity should be paid.

A similar course might very well be adopted as to the number of weeks during which indemnity shall be paid. I am of the opinion that it is advisable to make the standard ten weeks as the limit of indemnity for Limited Health Policies, and twenty-six weeks the limit for General Sickness Policies.

In the absence of Medical Examination the question of what chronic diseases should be excluded from being covered is another important consideration. There is probably no class of insurance which requires more careful drafting of policies than Sickness Insurance as carried on by a company. The Benefit Societies have facilities through their lodges for providing protection against malingerers that it is impossible for a company to adopt, so that we are to a large extent dependent on the restriction which the policy provides.

SELECTION.

The safeguards which are at present in use to protect the company against impaired risks consist of:

1. The questions asked in the Application Form.
2. The requirement that fifteen days must elapse before the company goes on the risk.
3. The provisions in the policies making certain diseases uninsurable.

The fifteen days clause may be some protection to the company against risks which have been exposed to contagious disease immediately before applying for a policy, and also some restraint on applicants taking out policies after they have had symptoms of an approaching sickness; and the questions in the application may reveal some bad risks, yet these are wholly insufficient to ensure the company securing first class lives. On the contrary, the selection is very much against the company for the reason that a man of weak constitution is more likely to seek the benefits of Sickness Insurance than the man who never felt sick in his life.

Medical examination would reveal defects in a risk for sickness which even the applicant himself may not suspect, and only by such selection can we secure the best business, but it would require a revolution in the present methods of conducting the business to adopt Medical Examinations, so that the only recourse at present appears to be that more restrictive safeguards shall be placed in the policy, and care taken that the application shall be drawn up so as to secure replies that will bet or reveal the nature of the risk to be assured.

AGE.

That invalidity increases with the age of the insured has been frequently demonstrated. The following tables, prepared from the latest experience of the Manchester Unity, are instructive in this connection. The tables are based on the Experience, by omitting all sickness after the first twenty-six weeks, so as to make them better conform to the period of disability paid by our companies.

Rate of sickness per member per annum in weeks:

Ages up to 19 years	\$.88
20 to 24 years	.80
25 to 29 years	.80
30 to 34 years	.84
35 to 39 years	.89
40 to 44 years	1.05
45 to 49 years	1.21
50 to 54 years	1.45
55 to 59 years	1.77

The average number of weeks of sickness claim:

Ages 16 to 19 years	\$3.07
20 to 24 years	3.18
25 to 29 years	3.40
30 to 34 years	3.56
35 to 39 years	3.67
40 to 44 years	4.14
45 to 49 years	4.17
50 to 54 years	4.89
55 to 59 years	5.37

It will be noticed that between the ages of nineteen and sixty years there is an increase of one hundred per cent. in the rate of sickness per member, and an increase of seventy-five per cent. in the average claim made.

This leads us to the conclusion that the present method adopted by the Accident Companies of a level premium for ages up to fifty, with an advance only for ages fifty to sixty, is not a correct grading. It may further be said there is every reason to believe that the largely increased invalidity at the older ages will require a much higher premium for ages 40 to 60 than is now being charged. The necessity for such an increase is heightened by the fact that applicants over 40 years of age are more likely to take out Sickness Insurance than the younger men, and for obvious reasons it may be expected the older ages are less likely to lapse their policies. The lapse ratio therefore acts as selection against the company.

Tables are now being considered by the companies in Canada which will, I believe, result in a more equitable schedule of rates.

OCCUPATION.

General Sickness Policies have been largely confined to occupations rated in the Select, Preferred and Ordinary classes for Accident Insurance. It would be well in my opinion to keep to the Business and Professional classes as near as possible, but here are indications of the companies extending the Insurance to occupations rated as more hazardous.

The question of the influence of occupation on invalidity does not seem to be established to an extent that the information can be relied on, but a casual study of the question goes to show that the present method in use, of adopting the Personal Accident Classifications of occupation to Sickness Insurance, is inadequate. It is well known that there are trades and occupations classified as "Ordinary" as an Accident risk, which for Sickness Insurance are looked upon as unhealthy. It is equally well known that occupations which are considered as comparatively healthy are classified as more hazardous than those which are rated as "Ordinary" for Accident Insurance. The present Accident Manual of Classifications may serve as a guide, but it is a poor one, and in my opinion a distinct classification of risks must be adopted for the purpose of Sickness Insurance, if all classes of occupations are to be insured.

The question of locality on the influence of sickness has had some attention, but it does not appear feasible to make any distinction in rate in this country. It is a feature, however, which requires most careful attention. Typhoid Fever and other disease epidemics incident to new towns are frequently occurring, the claims from which may create excessive loss ratios, which higher premium rates based on normal conditions cannot guard against. Most of our companies have had experiences of this nature. The only remedy seems to be that of restricting the writing of Sickness Insurance as largely as possible to more settled districts.

That there is a need for Sickness Insurance becomes more apparent. The loss of time as the result of sickness constitutes probably a greater financial loss than any of the casualties which befall men.

I have seen it stated that the contingencies likely to happen to a man in one year are: Of his house taking fire, 1 250;

of him dying, 1,110; of meeting with a disabling injury, 1.8; of meeting with a disabling sickness, 1.5. If these are facts, and so far as sickness is concerned I believe the figures given are underestimated, then there is a vast field for the benefits offered by Sickness Insurance. It would seem that it is almost a distinct business from Accident Insurance. Perhaps akin to Life Insurance in some respects, and yet the main feature of Accident Insurance is that of indemnifying against loss of time, so that in this respect Sickness Insurance may be said to come within the province of a business to be carried on by Accident Companies.

It will be observed that there is a wide field for educative work in connection with this branch of Insurance, and it is to draw attention to this educative necessity that I have taken the lines indicated in this paper, with the hope that the subject may secure the study and investigation which its importance demands, and so that the business may be transferred from a competitive experiment to one of sound practical underwriting.

One of the first needs in my opinion is that the companies tabulate their Experience with all the forms of Sickness Insurance. This could be done through the Accident Underwriters' Association by providing a uniform method of tabulation. Several of the companies in Canada have been writing the business for a period of seven years, and if their combined experience could be secured it would be an excellent groundwork for working out the problem of placing the business on a better basis.

I would suggest that such an experience be brought up to date, and in future each company contribute its figures each year. This suggestion, if carried out, will require some additional work and expense on the part of the older companies, but the combined information obtained would be invaluable to themselves, and I am satisfied would have the result of lessening the competition which continues to go on by some of the less experienced companies.

BOILER EXPLOSIONS IN 1905.

The *Locomotive* contains each year an instructive summary of boiler explosions, giving a tabulated statement of explosions in the United States (and adjacent parts of Canada and Mexico), together with the number of persons killed and injured. According to information obtained, the number of such explosions in 1905 was 450, which was 59 more than reported in 1904. The number of persons killed during the year was 383, as against 220 in 1904. The average number of persons killed per explosion during 1905 was 0.851, and the average number of those injured but not killed was 1.300

SUMMARY OF BOILER EXPLOSIONS FOR 1905.

Month	Number of Explosions	Persons Killed	Persons Injured	Total of Killed & Injured
January	52	45	48	93
February	38	18	40	58
March	29	83	157	240
April	24	10	18	28
May	29	21	23	44
June	25	17	34	51
July	38	87	78	165
August	32	18	29	47
September	43	20	39	59
October	45	20	35	55
November	48	22	50	72
December	47	22	34	65
Totals	450	383	586	969

WILL THERE BE LITIGATION?

VIEWS OF AN EXPERT ON THE GREAT FIRE.

It would appear as if there might be a good deal of litigation before all the San Francisco fire claims are settled, notwithstanding the statement published that the companies would ignore the earthquake damage. When the claims are so heavy as they undoubtedly will be in this case, it would be surprising if it were otherwise, for to some of the companies it will be the most trying experience they have ever been called upon to face.

The point as to whether the companies will be liable if the collapse of buildings occurred before the breaking out of fire is the one around which litigation is apt to centre.

If a stock of crockery, for instance, was contained in a building it would obviously be seriously damaged, if not utterly destroyed, even if there had not been any fire. On the other hand, there might be a good deal of salvage from a dry-goods stock, and a hardware stock might not be injured appreciably by the shock.

A case near at hand was the McLaughlin soda water works which first blew up and then caught fire. Although destroyed by the explosion the fire company had to pay.

Mr. J. J. Kenny, Vice-President and Managing Director of the Western Assurance Company, said in an interview that many insurance companies are not liable for loss on the San Francisco buildings and their contents which collapsed or fell because of earthquake shock; that only half of the business section of the city is ruined; that only a portion of this half will be destroyed in a way to make the companies liable, and that the \$33,804 premium income of the British and Western Companies are on risks carried throughout the city. Hence, losses in the strictly business districts must necessarily be less than estimated by the public. He explained that the form of policies in general use in San Francisco all contain a clause covering the question of earthquakes, which reads as follows:—

"If a building or any part thereof fall, except as the result of a fire, all insurance by this policy on such building or its contents shall immediately cease."

CLAUSE ABOUT EARTHQUAKES.

A more specific clause in many of the policies says:—

"This company shall not be liable for loss caused directly or indirectly by invasion, earthquake, insurrection, riot, civil war or commotion, or military or usurped power, or by order of any civil authority."

Even though half of the city, representing the heaviest risks, were destroyed, therefore, it would have to be determined for how much of these losses insurance companies would be liable.

Another matter which would be open to question, Mr. Kenny explained, was the case of property destroyed by civil authorities. He would not state as to whether his firm had policies in San Francisco containing a clause protecting them on this point, but he remarked that all these things would have to be considered. The companies with which he is associated would meet any

claims sustained by law, but these clauses in policies would clearly show where the public are not fully acquainted with all facts in computing losses Canadian and United States companies would have to bear.

QUESTION OF LIABILITY.

There is a difference of opinion among underwriters as to whether insurance companies are liable on property destroyed by the blowing up of buildings to prevent the spread of fire. Some hold companies must pay if such instructions are given by the Mayor of the city, but many other underwriters maintain clauses in their policies protect them in this case.

These differences of opinion may cause litigation in the future.

When asked as to the risks carried by his companies, Mr. Kenny stated that the premiums for 1905 of the two companies, were respectively, British America, \$13,333 and Western \$17,575. These premiums were for the entire city and suburbs.

"It is unreasonable to compute our losses at anywhere near \$2,000,000," he remarked, "when these premiums cover so large an area and only half of the business section is destroyed. If these premiums were only on the ruined district then those calculations might be fairer, but you can see how extravagant they are."

"Even these figures I have given you are reduced for 1906, though to what extent I cannot say. It is impossible to even roughly estimate our losses till we get reports from our agents, because all regular reports sent in from time to time are for the whole state, not for San Francisco alone. But I would like to correct any misapprehension there may be that we have sustained very serious loss."

THE MUTUAL LIFE OF NEW YORK.

A company having upwards of \$30,000,000 of business in force in Canada, as the Blue Book shows the Mutual Life to have, must of necessity be a centre of interest to a large number of our people. All such are invited to read, on another page, the Report of the committee of four appointed on 6th December last to examine the accounts and assets of the company.

At the present time the certificate of such a committee, accompanied as it is by a detailed report by two firms of public accountants on the Investments and Loans of the Company, should be of more practical value to the average man than a cut-and-dried financial statement whose full import he would be unlikely to gather.

The committee certify that "the investments of the company are of the highest order and well selected," and further, "the committee were much pleased with the thorough, systematic and careful manner in which this important work of caring for these, the principal negotiable securities of the company, had been done."

The Mutual Life of New York is one of the companies which has received a great deal of public attention in the past year, and in common with other life offices it has had to bear the brunt of a good deal of criticism which was unfair and misleading.

The certificate as to its assets, published in this issue, should amply reassure any who may have felt the slightest doubt as to the company's absolute safety or as to its ability to meet every obligation.

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THE RIGHTNESS OF RATING ORGANIZATIONS.

The popular belief seems to be that all organizations composed of fire insurance companies or their managers are in the nature of iniquitous "trusts." For those interested in the companies' welfare and adequate service to the public, the idea is essentially a ridiculous one—but it is not enough merely to assert that the charge is fallacious. In the interests alike of the companies and those whom they insure, there should be a more vigorous educating of the public along those lines where the man on the street is lamentably ignorant. And it is not altogether fair to deride his ignorance and his misjudgment unless all that is possible has been done to make clear the *raison d'être* of underwriters' associations, their schedule ratings and joint-agreements.

The anti compact and other destructive laws that have been passed, or are now being agitated over the border, are almost solely the result of gross misconception of the part of the people and their legislative representatives. They afford striking illustrations of the necessity of showing the public clearly that the safety of their insurance protection depends on a rate large enough to provide for all contingencies, including the chance of losses by great conflagrations. Furthermore, they must be convinced that only by some kind of associated effort in the inspection of risks and comparison of past fire-experience can the basis of a just rate be determined upon. The joint efforts of several companies can secure needed results at a far less proportionate cost to each company—and its policyholders—than could individual efforts of any one office. Imagine for instance that each company in the Canadian Fire Underwriters' Association had to maintain its own inspection bureau. Can anyone doubt that there must be two, and only two, possible results? If each company kept up a bureau in full force and efficiency the vastly increased expenses would necessarily raise premium rates. The other

alternative—and in the long run more harmful to the community than increased rates—would be the saving of expense by lowering the strength and efficiency of inspection staffs.

Possibly, the objection may be raised that the companies could unite to gather data and conduct inspections without going further and determining rates. But a brief consideration of this point makes clear that such a course would be a marching of forces "up the hill and down again" even if such a state of affairs were possible. The accurate determination of proper rates by joint consultation is the practical end—and only end—that justifies the labor and expense of compiling data, forming schedules, and making inspections. Aside, however, from this, can any intelligent business man imagine that company managers would consent—or should be expected—to furnish information to rivals of all sorts if there were no understanding that conclusions arrived at after joint consultation would have some force and effect.

In this connection we quote from an able pamphlet by W. N. Johnson of Erie, Pa., defending rating organizations in general:

"Rates shall be no higher than the experience of the companies has shown to be fair," says Mr. Johnson, and of the Union informs us that it maintains a 'Classification Bureau' by means of which "the individual experience of the associated companies is assembled and tabulated for the common good. In no other way could this important information be obtained and utilized. For many years each company has jealously guarded its own Experience or Classification Tables as a trade secret, and until this Classification Bureau was established it was impossible to base the rates upon the various classes of risks on the general and average experience of a large number of companies. Now the cost of carrying every class of risk can be ascertained and rates fixed by careful and scientific methods in accordance with the average results thus ascertained, and a corps of experts is maintained for the purpose of preparing rating schedules upon the various classes of insurable property based upon such experience."

SIR W. R. MEREDITH RESIGNS.

At a meeting of the Board of Directors of the North American Life Assurance Company, held on the 19th inst., the resignation of Sir Wm. R. Meredith, K.C., as a director and vice-president was accepted with much regret.

Mr. E. Gurney was elected first vice-president, Mr. J. Kerr Osborne second vice-president, and Lieut.-Col. D. McCrae succeeded Mr. Osborne as chairman of the Executive Committee.

OF SAFFRON HUE.

THE STRENUOUS M.P. AND HIS JOURNAL.

When it was announced that a Commission was to be appointed to investigate the whole matter of Life Insurance and Life Companies, a member of Parliament jumped to his feet and protested. He insisted that a Committee of the House was the proper body to act. His attitude on that occasion is a pretty good index of the man and of the motives behind his alleged solicitude for the policyholders of Canada, as shown in the unfair and vindictive articles which have appeared in his paper for several months.

Knowing this gentleman as most people in this vicinity do, the fact that he advocates a committee of the House would decide most of us strongly in favor of the Commission. However, aside altogether from the record for unreliability held by this journalistic person, there are valid reasons why a Commission should be called upon to do the work.

A Parliamentary Committee must of necessity consist of members to whom the approval of a large body of constituents is essential for their continued political existence. If public feeling should run high on the subject they were called on to investigate, it is inconceivable that all members of such a committee could hold themselves entirely aloof from its influence. Again, such a committee would be peculiarly susceptible to the manipulations of the wire-puller, who could very easily work up a feeling in the constituency of a member, which would be apt to influence his action in the committee. The whole idea is a mixing of the judicial with the legislative function in a way which cannot of itself do good, and which might result in great injustice being done.

Where the matter to be investigated is one of such deep and widespread interest it is of the utmost importance that it should be approached in a calm and judicial spirit. We have reason to hope that that will be the case; and that whether the findings of the commission be favorable or otherwise, they will be a true and just presentation of conditions as they shall have found them. Parliament will then be in a position to act fairly and intelligently.

A further and important reason why a commission should be appointed for this work was mentioned by Sir Wilfred Laurier.

A Parliamentary Committee would be compelled to hold its sittings at Ottawa, far removed from all the Life Offices, and it would thereby be hampered at every turn and seriously impeded in its work. At the same time the business of Life Insurance would suffer very seriously from the inconvenience of such an arrangement.

The whole idea seems to have originated in a morbid passion for publicity, possessed by this self-advertising Member to an extraordinary degree.

Having failed to get himself taken seriously he turned his attention to criticism of Mr. J. W. Langmuir, one of the commissioners. It seems that the Trust Company of which Mr. Langmuir is manager, held the securities for the Mutual Reserve Life Company of New York, which it was necessary under the Insurance Act they should have in this country. Then, as it was obligatory under the law that personal trustees should be named, Dr. Hoskin, President, and Mr. Langmuir, Managing Director of the Toronto General Trusts Corporation, had allowed their names to be used. Their relation to the Insurance Company was purely through their holding office in the Trusts Corporation. In fact, Mr. Langmuir had forgotten all about his personal connection with the matter. When it was brought up he promptly offered to resign from the Commission, but Mr. Shepley could not see that this purely formal trusteeship could militate in any way against Mr. Langmuir's continuation on the Commission, and Messrs. Hellmuth, Counsel for Ontario, and Leboeuf, Counsel for Quebec, were of like mind.

Mr. Borden, leader of the opposition, and the other members of the Commission concurred in this view, so the matter dropped.

It was only a journalist of a distinctly saffron hue who would have sought to make capital out of circumstances so simply and easily explained, and it forms one more instance of the utter unreliability of this would-be moulder of public opinion.

THE ROYAL-VICTORIA.

This company's new business for 1905 was represented by applications for \$1,254,325, of which \$1,121,775 was accepted. The new business for the year shows an expansion of thirty-seven per cent.; and, notwithstanding this growth, the percentage of expenses to income shows a reduction of five per cent., which must be gratifying to all interested in the welfare of the company.

The total business in force is now \$4,630,610. The cash income of the year was \$160,308.65, and the claims paid amounted to \$38,000.

The Directors' Report speaks hopefully of a still further increase in new business as a result of gradually improving conditions affecting life insurance in Canada.

It may be that until the Insurance Commission brings in a finding the life companies will, to an extent, mark time, but Mr. Burke, of the Royal-Victoria and his fellow managers will doubtless find that life insurance will continue to have as strong a hold with our people as it deservedly has in the past.

NORTH AMERICAN EXPOSES MIS-STATEMENTS OF THE "WORLD."

Managing Director Goldman of the North American Life has sent his agents a circular letter in which he answers "many misleading statements" made by the *Toronto World*. The letter is dated April 6th, and reads as follows:

TORONTO, April 6, 1906.

To the Company's Agents:

An article has appeared in to-day's *World* criticizing this Company, and as there are many misleading statements made and as it is likely such may be used in a manner detrimental to this Company, we think it well to let you know how the matter really stands.

(1) Sir William Meredith is criticized for being Vice-President of this Company, to which position he was elected at our last annual meeting. It is absolutely untrue that there is any movement on foot in any manner or form looking to him supplanting our respected President, John L. Blaikie. I am happy to say that the President is in excellent health and attends to the office daily, keeping himself in touch as to the affairs of the Company.

(2) A reference is made to the Gain and Loss Exhibit, which appears in the Report of the Joint Committee of the Senate and Assembly of the State of New York, and the *World* states that that document shows that the North American Life expended in the year 1904, \$4 67 for each dollar of first year's premium received in the State of New York that year. This is a clear misrepresentation, because in the Exhibit no reference whatever is made as to the percentage of expenses to premiums, nor does the table specifically refer to the business of the North American Life in the State of New York. The percentage is made up on the basis of the mortality gain for the first year, added to the loading on first year's premiums, compared with the total first year's expenses of the Company. In 1904, the actual death losses for the first year almost equalled the expected losses, hence in making a comparison of the kind referred to, it makes the percentage much more unfavorable to us than would be the case in almost any other year.

(3) Evidently through the mistake of the printer, an asterisk is placed against the figures of the North American Life in the Exhibit above referred to, and below is stated:—"Adopted Preliminary Term Reserve Plans in 1905." This Company has never adopted this plan, hence has never valued its policies on that basis, but its policy liabilities have always been valued in accordance with the requirements of the Insurance Act. We must conclude that whoever compiled the Table of Exhibit has done us a serious injustice—evidently unintentionally—because we have never made a Report to any Department indicating in any manner or form that we had adopted the Preliminary Term Reserve Plans.

(4) The *World* states this Company has been found by a legislative tribunal to have violated the law in an indefensible manner. Evidently this has reference to the incorrect statement that this Company had adopted the Preliminary Term Reserve Plans, and the charges are therefore without foundation.

(5) Reference has been made to the investments held by this Company in American Bonds, and it is claimed that we have exceeded our authority in the amount of such Bonds held by us, but no question has been raised as to the quality of the Bonds themselves. It will be interesting to you to learn that no question was ever raised on this point by the Insurance Department at Ottawa until February of this year, and we certainly believe that we were justified in holding the amount of Bonds we did.

Evidently someone has misled the Editor of the *World* into making such untrue and damaging statements respecting this Company.

Truly yours,
L. GOLDMAN,
Managing Director.

THE OCEAN ACCIDENT AND GUARANTEE CORPORATION.

This corporation, which was founded in 1871, has a tremendous community of interests, as is shown by the statement that while there are 12,000 shares wholly paid, there are 112,308 additional shares on which \$5 per share has been credited. Of the authorized number of 200,000 shares, 124,308 have thus been assigned, and the paid-up capital stands at \$3,107,700.

It is to be expected that a corporation with such large resources should transact a correspondingly great business, and that is clearly shown in the Revenue Account and Balance Sheet printed in this issue.

The premiums received less bonuses and re-assurances in 1905 amounted to \$5,405,905, while the compensation paid and incidental expenses amounted to \$2,809,130.

The assets consist largely of Government securities and State, Municipal and Railway Bonds. They are of a very superior class throughout and aggregate \$7,264,625.

The "Ocean Accident" is a household word on British soil, for it operates in every British colony, as well as in the United Kingdom; and besides, its ramifications extend to the United States, Germany, France and Japan.

The Ocean Accident transacts a varied business, including not only accident and guarantee, but hospital and quarantine indemnity and workman's liability.

The Triple Indemnity policy, which allows three times the amount of the insurance if the policyholder is killed in a railway accident, is a material advance on the double indemnity contract which has become so familiar. Doubtless it is good business or so strong, conservative and well managed a corporation would not adopt it.

THE IMPERIAL LIFE AND THE INSURANCE COMMISSION.

We have already noted that it was unfortunate that, in their examination of the Insurance Department at Ottawa, the Commissioners brought out certain aspects of the affairs of various companies without showing them from the viewpoint of the offices themselves. The result was inevitable, that a distorted version of the facts should go out through the press to the country at large.

Among the companies which have suffered in this way is the Imperial Life, which has issued a circular of explanation to its representatives. It is too long to reproduce in full, but the following paragraph re Agents' Balances, illustrates very well how far from the facts a newspaper report may be:

"Re AGENTS' BALANCES."

"One of the Toronto papers published the following regarding the Imperial Life: 'An item of \$9,512, representing losses on agents' advances, was covered by writing up stocks.'

The facts, as given on page 225 of the Government Blue Book for 1904, are as follows:

First: The Company wrote off from its assets during 1904 agents' advances amounting to \$9,512. This was done in order to avoid counting the \$9,512 among the Company's assets. Most of the other Canadian companies take credit in their annual statements for agents' ledger balances as an asset (see page CIV. of Blue Book for 1904) and the fact that the Imperial Life does not do this is simply a proof of its conservatism.

Second: The Company took credit in the same report for 'ledger value of bonds written up, \$3,738.07.' Between this item and the other of 'Agents' Advances written off, \$9,512,' there existed not the slightest connection whatever."

WESTERN BANK OF CANADA.

The twenty-fourth Annual Report of this Bank must be a very satisfactory one to the shareholders, for it shows a net profit for the year 1905 of \$88,575.76, or 16½ per cent. on the average paid-up capital.

The rest account of \$300,000 equals 54½ per cent. of the paid-up capital, and is an ample guarantee both of the security to depositors and of earning power for shareholders.

The business for 1905 reflects credit on the cashier, Mr. T. H. McMillan, and his board of directors, for it shows an increase of \$295,603.34 in deposits and of \$386,894.42 in gross assets over the previous year, while the losses are stated to have been normal.

The usual half-yearly dividends at the rate of 7 per cent. were paid.

The Report shows that the Western Bank is in a prosperous and flourishing condition; and the growth of the past year indicates a management that is energetic as well as careful.

Shelburne, N.S., has an interesting fire protection relic in the shape of an engine presented to the town by King George in 1787. Some Canadian towns would have their present fire-fighting powers strengthened by the addition of even this veteran machine to their equipment.

THE IMPERIAL ACCIDENT AND GUARANTEE CO.

It is a matter for more than passing comment that an accident insurance company should in the first five months of its existence write 1,292 policies covering insurance risks of \$3,000,000. Such has been the record of the Imperial Guarantee and Accident Company, whose first report was published in our last issue.

That such a notable record should be achieved at the outset implies public confidence, and that in turn rests on two important factors: good management and ample security. Mr. A. L. Davis, the president, has brought to the new company a ripe experience in the insurance business, and has behind him a strong board of directors.

It goes without saying, that with this tremendous influx of business the staff under him must be efficient and well organized.

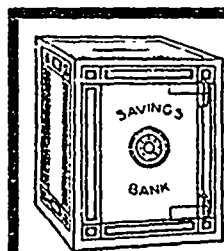
It speaks well for the enterprise of our business men and for the thrift of our people that such a company can be organized purely by Canadians, and that it can have and deserve such generous support from the people of our country.

We trust the Imperial's experience so far is but an indication of what it may look for in the years to come.

THE LONDON MUTUAL.

For well-nigh half a century the London Mutual Fire Insurance Company of Canada has been transacting business. Its growth during the past five or six years has been marked and steady, the assets to-day being well on to twice their amount in 1900. During 1905 there was an increase in this respect of over \$70,000. The present assets are about \$830,000, the surplus at the close of 1905 standing at nearly \$420,000. During the year over 34,000 policies were issued, covering nearly \$50,000,000 insurance on both the Cash and Mutual Systems. The gross amount at risk on 31st December amounted to over \$80,000,000. Since its commencement this company has paid to date about \$4,400,000—an amount that has been no inconsiderable factor in the business progress of the Dominion.

The prospects are bright for the year now under way. Able management cannot but be assured by the appointment of so well-known a man as Mr. D. Weismiller to the office of Secretary and Managing Director.



THE GREAT INDUSTRIAL SAVINGS BANK POLICY

Insures Your Life and Returns Your Money—3c. A Week Upward.

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The Union Life Assurance Company.

CAPITAL FULLY SUBSCRIBED - - - ONE MILLION DOLLARS.
H. POLLMAN EVANS. | HEAD OFFICE—51 Adelaide St. East | AGENTS
President. | TORONTO. | WANTED



CROWN LIFE INSURANCE CO.

Report of the Board of Directors for Year ending 31st December, 1905.

In submitting for the consideration of the shareholders their report of the Company's operations for the year ending 31st December, 1905, your Directors are pleased to be able to report such steady and substantial progress as must commend itself to shareholders and policy-holders alike. The quality of the business has maintained the same high standard of excellence and value at which the management has aimed since the inception of the Company.

During the year new applications for insurance aggregating \$1,602,425 were received by the Company. Of this amount policies for \$1,301,925 were issued and taken, the balance, \$300,500, being the amount declined, deferred and not taken. At the end of the year there were in force a total of 2,100 policies for \$5,704,744 of insurance, representing a premium income of \$147,633.13. The average amount of each policy is thus shown to be \$1,685, and the average premium rate per thousand of insurance is nearly \$40.

From premiums received during the year the Company derived a cash income of \$135,459.37, in addition to which the deferred and outstanding premiums at the end of the year amounted to \$35,201.52.

The Company's assets during 1905 increased by \$93,000.16 and the total assets are now \$258,084.80 as compared with \$165,684.64 one year ago.

The continuance of great care in the selection of risks enables us to report a very small death loss for the past year, the net death claims amounting to only \$15,500 under seven policies.

The Company's liabilities to policy-holders is now represented by a net reserve fund of \$232,044 on basis of the present Government standard of valuation (H.M. 34). Against this liability the total security to policy-holders from all sources amounts to \$620,435.60 as set forth in detail in the financial statement which has been duly audited and which is submitted herewith.

The Directors desire to express their appreciation of the faithfully and efficient services rendered by the Head Office staff and by the Company's managers and agents throughout Canada during the past year.

D. TISDALE, President.

A. H. SELWYN MARKS, Secretary.

FINANCIAL STATEMENT.

FOR YEAR ENDING DECEMBER 31st, 1905.

RECEIPTS.		EXPENDITURE.	
Cash and at Bankers' 31st December, 1904	\$13,629 92	Commissions, Salaries and Travelling Expenses	\$50,688 \$4
Premiums	135,459 37	Rent, Light and Heating, Head Office and Branches	5,473 61
Interest	7,921 78	Death Claims	12,000 00
Annuities	6,500 00	Medical Fees	3,209 00
Investment repaid	2,948 33	Taxes, Re-insurance premiums and other expenses	17,323 91
Capital Stock	23,236 02	Surrenders	1,384 00
Premium on Capital Stock	6,025 08	Office Furniture	1,349 27
Outstanding 1904 returned	2,000 00	Agents' Advances	6,222 25
		Investments	68,830 78
		Cash and at Bankers	33,238 \$4
Total	\$197,720 50	Total	\$197,720 50
ASSETS.		LIABILITIES.	
Bonds, Debentures and Stocks	\$145,896 20	Reserve on Policies and Annuities	\$232,044 00
Loans on Company's Policies	9,858 00	Death Claims (including \$2,000 returned 1904)	5,500 00
Loans on other Companies Policies	20,000 00	Medical Fees	225 50
Office Furniture	3,000 00	Rent Head Office	156 00
Agents' Advances	9,986 59	Auditors' Fees	112 50
Interest Accrued	903 65	Interest on Policy Loans paid in advance	288 48
Net Outstanding and Deferred Premiums (Reserve thereon included in Liabilities)	35,201 52	Surplus	19,758 32
Cash in Banks and at Head Office	33,238 \$4		
Total	\$258,084 80	Total	\$258,084 80

SURPLUS TO POLICYHOLDERS.

Surplus as above	\$19,758 32
Uncalled and Unpaid Capital Stock, including Premium thereon	600,677 28
Surplus Security to Policyholders	620,435 60
Insurance Reserve Fund	232,044 00
Total	\$852,479 60

BONDS AND STOCKS OWNED BY THE COMPANY.

City of Winnipeg	\$30,269 00	Canada Rolling Stock Bonds	\$10,044 00
City of Vancouver	5,186 00	Ontario Power Co. Bonds	5,050 00
City of Brockville	5,931 72	Dominion Bank	10,421 87
City of St. Catharines	5,084 50	Sovereign Bank	16,562 50
City of London	5,069 00	Traders Bank	11,643 75
City of Toronto	1,926 00		
Town of Paris	5,417 86		
Canada Permanent Debentures	25,000 00	Total	\$145,896 20

The Twenty-Fourth Annual Meeting
OF THE
WESTERN BANK OF CANADA,
OSHAWA, *&* ONTARIO.

REPORT.

The following Shareholders were present:—John Cowan, Esq., Dr. McIntosh, Thomas Miller, Esq., F. W. Cowan, Esq., John McLaughlin, Esq., W. F. Cowan, Esq., T. H. McMillan, Esq., J. A. Gibson, Esq., R. S. Hamlin, Esq., R. C. Babbitt, Esq., Dr. Hoig, Thos. Paterson, Esq., W. W. Tamblin, Esq., Richard Souch, Esq., and others.

The President occupied the Chair, and Mr. T. H. McMillan acted as Secretary to the meeting.

Your Directors have pleasure in submitting the Twenty Fourth Annual Report of the Bank for the year ending the 28th day of February, 1906.

The business of the Bank has continued progressive and satisfactory. The Net Profits for the year amount to \$88,575.76 (being at the rate of 16½ per cent. on the average paid-up Capital of the Bank), to which has been added \$15,299.25

brought forward from the previous year, amounting in all to \$103,875.01, and which has been appropriated as follows, viz.: \$37,737.67 in payment of two half-yearly dividends at the rate of seven per cent. per annum; \$50,000 carried to the credit of the Rest Account (which now stands at \$300,000, equal to 54½ per cent. of the paid-up Capital); \$16,000 to the credit of Past Due Bills Account, and the balance, \$137.34, to credit of Profit and Loss Account.

The Deposits have increased \$295,603.34, and the Gross Assets \$386,894.42 over the previous year.

The losses of the year have been of a normal nature.

The Agencies of the Bank have all been recently inspected and found to be in a satisfactory condition.

JOHN COWAN, President.

STATEMENT OF ASSETS AND LIABILITIES

On the 28th Day of February, 1906.

Statement of Profit for the Year ending 28th February, 1906.

Balance carried forward from Profit and Loss Account on the 28th February, 1905	\$15,299.25
Net Profits for the year	88,575.76

\$103,875.01

LIABILITIES.	
Capital Account	\$550,000.00
Rest Account	300,000.00
Notes in Circulation	449,345.00
Deposits with Interest	4,164,373.03
Due to Royal Bank of Scotland	66,396.73
Due to Dividend No. 47	19,250.00

Profit and Loss Account	137.34
-------------------------	--------

\$5,549,502.10

To Dividend No. 46	\$18,487.67
To Dividend No. 47	19,250.00
Transferred to Rest Account	50,000.00
Transferred to Past Due Bills	16,000.00
Carried to Credit of Profit and Loss Account	137.34

\$103,875.01

ASSETS.	
Specie	\$36,360.91
Legals	37,540.97
Notes and Cheques of other Banks	39,350.85
Due from other Banks in Canada	1,280,837.84
Due from Banks in Foreign Countries	42,616.27
Deposit with Dominion Government to secure Note Circulation	23,594.20
Dominion, Provincial and other Debentures	\$22,488.61

Assets Readily Convertible	2,227,989.64
Bills Discounted Current	3,180,090.19
Past Due Bills (Secured)	20,772.46
Real Estate	13,788.59
Mortgages on Real Estate	7,600.00
Banking Premises	28,245.59
Office Safes and Furniture	21,015.63

\$5,549,502.10

T. H. McMILLAN, Cashier.

1. Moved by the Chairman, and seconded by Mr. Hamlin, that the report as read be adopted, printed and circulated among the Shareholders.—Carried.

2. Mr. Miller, seconded by Mr. Souch, moved that the thanks of the Shareholders are due and are hereby tendered to the President, Vice-President and Directors of the Bank for the manner in which they have conducted the affairs of the Bank during the past year.—Carried.

3. Mr. W. W. Tamblin, seconded by Mr. Miller, moved that the thanks of the Shareholders be given to the Cashier and other officers of the Bank for their attention to the interests of the Bank.—Carried.

4. Dr. McIntosh, seconded by Mr. Gibson, moved that this meeting do now proceed to elect by ballot, seven Directors to fill the place of those retiring, and that Messrs. F. W. Cowan, and John McLaughlin be scrutineers for said election, and that

the poll remain open for one hour to receive the votes of the Shareholders, but that should five minutes elapse at any time without a vote being taken the poll shall be declared closed, and that the Scrutineers be paid \$4 each for their services.—Carried.

The Scrutineers reported the following seven gentlemen as having received the unanimous vote of the Shareholders, viz.:—John Cowan, Esq., R. S. Hamlin, Esq., W. F. Cowan, Esq., Dr. McIntosh, W. F. Allen, Esq., T. Paterson, Esq., and J. A. Gibson, Esq., who were duly elected Directors for the ensuing year. A vote of thanks was then tendered to the Chairman for his able conduct in the chair, and the meeting then adjourned.

At a subsequent meeting of the new Board, John Cowan, Esq., was unanimously elected President, and R. S. Hamlin, Esq., Vice-President.

FORTY-SIXTH ANNUAL REPORT
THE LONDON MUTUAL
FIRE INSURANCE COMPANY OF CANADA
For the Year Ending 31st December, 1905.

DIRECTORS' REPORT.

To the Shareholders and Members of the London Mutual Fire Insurance Company of Canada :

Your Directors have pleasure in presenting the Forty-sixth Annual Report and Balance Sheet of the Company, for the year ending December 31, 1905. It will be seen that the assets stand at \$828,528.27, showing an increase of \$72,820.91, over the amount shown at the close of 1904.

The Re-insurance Reserve, amounting to \$344,000.56, is calculated on the basis of the pro rata unearned premium of all policies in force December 31, 1905, on both cash and mutual systems.

There were issued during the year (including renewals) 31,006 policies, covering insurance to the amount of \$49,689,060.13, yielding a gross premium income of \$791,893.13, and bringing the gross amount at risk on December 31, 1905, to \$82,557,800.

While the amount of unsettled losses appears large, it is only fair to state that a large proportion of these occurred too late in the year to admit of adjustment before the 31st of December, but most of them have since been paid.

Owing to the retirement of Mr. Waddington, your Board appointed as his successor Mr. D. Weismiller, whose long experience in both field and office work with the Company specially fitted him for the position. Your Directors are pleased to state that the office and agency staff have performed their duties ably and efficiently during the year.

All of which is respectfully submitted.

Toronto, February 19, 1906.

JOHN DRYDEN, President.

INCOME.		EXPENDITURE.	
Balance forward from 1904	\$123,000 72	Net Losses Paid, 1905	\$338,408 95
Net Premium Income, 1905	\$510,923 84	Expenses, including Agents' Commissions, Salaries and Fees, Taxes and Printing	135,873 95
Interest, rent, etc.	13,077 21		174,282 90
	524,001 05		
	\$648,000 77	BALANCES—	
		Cash on hand and in Banks	\$114,873 06
		Debentures Purchased	31,376 15
		Loaned on Mortgages	2,785 00
		Furniture Purchased	1,830 78
		Agents' Balances	22,851 08
			173,717 87
			\$648,000 77
		LIABILITIES.	
		TO THE PUBLIC—	
		Losses not due	\$ 1,818 84
		Losses reported, but unadjusted	37,418 90
		Due for Re-insurance	8,026 31
		Re-insurance Reserve	344,000 56
			\$391,933 70
		TO THE SHAREHOLDERS AND MEMBERS—	
		Capital Stook	17,500 00
		Surplus over all Liabilities	419,091 57
			436,591 57
			\$828,528 27
			\$828,528 27

D. WEISMILLER, Secretary.

I have audited the books and accounts, and have verified the securities of the London Mutual Fire Insurance Company of Canada, and hereby certify to the accuracy of the above statements, which correctly set forth the position of the Company as on December 31, 1905.

Toronto, February 8, 1906.

W. H. CROSS, Auditor.

Officers:—Hon. John Dryden, President; D. Weismiller, Secretary and Managing Director; L. Leitch, Superintendent; John Killer, Inspector.

Henry Blachford, General Agent Province of Quebec, 180 St. James St., Montreal.

FOUNDED 1871.

THE OCEAN ACCIDENT AND GUARANTEE CORPORATION, LIMITED

(Incorporated by Special Act of Parliament)

Dr.	REVENUE ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1905.	Cr.
To Balance of Revenue Account, 31st December, 1904	\$315,375	
Deduct Transfer to Investment Reserve and General Contingency Account.....	\$225,000	
Balance of Dividend for the year 1904, less Tax.....	61,385	
	<u>286,385</u>	
	\$28,990	
To Provision for Liability on unexpired Risks, brought forward from 31st December, 1904...	1,725,000	
To Premiums, etc., less Reinsurances and Bonus to Assured.....	5,495,905	
To Interest, Dividends and Rents, less provision for Investments redeemable at par, and for Depreciation of Leaseholds.....	162,260	
To Transfer Fees.....	215	
	<u>\$7,322,370</u>	
To Balance brought down.....	\$2,231,440	
	<u>\$2,231,440</u>	
		By Compensation paid and Incidental Expenses.....
		\$2,809,130
		Deduct Provision for Claims outstanding 31st December, 1904.....
		1,780,000
		<u>\$1,029,130</u>
		Add Provision for Claims outstanding 31st December, 1905.....
		2,000,000
		<u>\$3,029,130</u>
		By Printing and Stationery, Advertising, Stamps, Postage, Travelling Expenses, etc.
		328,165
		By Expenses of Management, inclusive of Salaries and Rent of Head Office and Branches, Directors' Remuneration and Auditors' Fee ..
		\$32,520
		By Commissions, including Provision in respect of Agents' Balances.....
		\$89,760
		By Depreciation of Furniture.....
		11,355
		By Balance carried down.....
		<u>2,231,440</u>
		<u>\$7,322,370</u>
		By Provision for Liability on Unexpired Risks...
		\$1,752,500
		By Balance carried to Balance Sheet.....
		478,940
		<u>\$2,231,440</u>

Dr.	BALANCE SHEET, 31st DECEMBER, 1905.	Cr.
To Shareholders' Capital:—		
AUTHORIZED—		
200,000 Shares of \$25 each	\$5,000,000	
SUBSCRIBED—		
12,000 Shares of \$25 each (fully paid).....	\$200,000	
112,308 Shares of \$25 each (\$5 per Share paid).....	2,807,700	
124,308	3,107,700	
Less Uncalled Capital.....	2,246,160	
	861,540	
To Sundry Accounts pending.....	170,375	
To Unclaimed Dividends.....	1,450	
To Capital Redemption Fund.....	56,205	
GENERAL INSURANCE FUND, viz.:—		
To Investment Reserve and General Contingency Account.....	505,000	
To Provision for Liability on unexpired Risks.....	1,752,500	
To Provision for Claims outstanding.....	2,000,000	
To Reserve Fund.....	1,500,000	
	<u>5,757,500</u>	
To Balance from Revenue Account.....	478,940	
Less Interim Dividend paid Sept., 1905, less Tax.....	61,385	
	<u>417,555</u>	
	<u>\$7,264,625</u>	
		By Investments as per Schedule, viz.:—
		British and Colonial Government and Provincial Securities.....
		\$509,240
		Foreign Government Securities
		396,205
		State and Municipal Bonds.....
		885,345
		Indian Railway Stock
		35,910
		British and Colonial Railway Mortgage Bonds, Preference and Ordinary Stocks.....
		968,910
		American Railway Mortgage Gold Bonds.....
		1,547,920
		Foreign Railway Guaranteed and Preference Stocks.....
		509,500
		Miscellaneous Debentures.....
		57,780
		By Mortgages on Freehold and Leasehold Properties and other Securities
		432,300
		By Freehold and Leasehold Premises (less depreciation).....
		1,106,290
		By Furniture at Head Office and Branches (less depreciation).....
		97,910
		By Rent due from Tenants and other Balances ..
		90,730
		By Balances at Branches and Agents' Balances (less Provision for Commission, Cancellments and Non-Renewals ..
		334,820
		By Cash at Bankers and in Hand.....
		239,590
		By Investments and Cash in Trustees' Hands to meet Capital Redemption Fund.....
		56,205
		<u>\$7,264,625</u>
		(\$5 taken as the equivalent of £1 stg.)
		<u>\$7,264,625</u>

RICHARD J. PAULL, Secretary.

SIR THOMAS HEWITT, Chairman.

CANADIAN ADVISORY BOARD

WILLIAM M. RAMSAY, Esq., Director Standard Life Assurance Co., Director Molsons Bank.

E. B. GREENSHIELDS, Esq., President Greenshields, Limited, Director Bank of Montreal, Director Royal Trust Co.

Head Office for Canada: TORONTO.

CHARLES H. NEELY, Manager for Canada.

The Mutual Life Insurance Company

Of New York.

NEW YORK, February 15, 1906.

To the Board of Trustees of The Mutual Life Insurance Company of New York :

Gentlemen - The undersigned were appointed a Committee, pursuant to the following action taken as set forth in the minutes of your meeting held December 6, 1905

The President then stated that the by-laws required the appointment of a committee of four at the close of each fiscal year to examine the accounts and assets of the Company, and offered a resolution covering the point, which was as follows :

Whereas, Section 17 of the By-Laws of the Company provides that at the close of each fiscal year the accounts and assets of the Company shall be examined by a Special Committee of four or more Trustees (not members of the Finance Committee), and

Whereas, The Special Committee of the Board of Trustees appointed October 25, 1905, is about to engage in such an examination and it is inexpedient that the accounts and assets of the Company should be subjected to the examination of two committees at the same time actuated by a like purpose.

Resolved, That the Special Committee to examine the accounts and assets of the Company consist of Messrs. William H. Truesdale, John W. Auchincloss, Stuyvesant Fish, and

Resolved, That such Committee of four be also appointed as a Committee to audit the annual statement of the Company for the year 1905.

The resolution as offered was, on motion duly made and carried, adopted.

The question of the additional member of the Committee to examine the accounts and assets of the Company was then taken up.

On motion, duly made and carried it was

Resolved, That the President be empowered to appoint the additional member

On motion, duly made and carried, it was

Resolved, That the President have power to appoint alternates, if necessary, to assist in this work.

The President of the Company subsequently appointed Mr. William P. Dixon as a fourth member of this Committee

Section 17 of the By-laws of the Company reads as follows

17. At the close of each fiscal year, the accounts and assets of the Company shall be examined by a Special Committee of four or more Trustees (not members of the Finance Committee), whose report shall be placed on the minutes.

Your Committee beg to report that they have examined the accounts and assets of the Company as of December 31, 1905. The extent of the work to be performed and the necessity of doing it within a limited time precluded the possibility of the members of the Committee personally counting the securities. This work was personally entrusted to Messrs. Haskins & Sells and Messrs. Deloitte, Dever, Griffiths & Co., the Public Accountants engaged by the Special Committee of the Board of Trustees appointed October 25, 1905.

Your Committee have, however given their personal attention to the methods pursued by the Accountants in doing this work and did severally attend from day to day while such counting was going on. They have familiarized themselves with the methods of counting, checking over and examining the securities pursued by the Accountants, and beg to say that they approve thereof

Your Committee have personally examined with care into the value at which the various securities are entered on the books of the Company, compared them in detail with the market reports of such values, and have looked thoroughly into the price at which the stocks, bonds and other securities owned by the Company are carried on its books, and have found the valuations their given safe and conservative, in many instances less than the market value, and in none in excess of such value.

Through the Accountants above referred to, all deposits in banks and trust companies have been verified, and the cash on hand has been counted and found to agree with the statement thereof.

Your Committee have also, through the Accountants, examined all the bonds and mortgages on real property, all loans upon collateral security and upon policies of the Company, and have in respect to each found the security ample, with proper and abundant margins on the loans. They have also gone very thoroughly into the methods pursued by the Accountants in making such examinations, and into the valuations put upon real property mortgaged to the Company, and approve the same.

The Committee certify that the investments of the Company are of the highest order and well selected, and with regard to their safe keeping desire to report that they are most favorably impressed with the methods under which the work in the Treasurer's Department, in caring for the securities of the Company, has been and is transacted. The Committee were much pleased with the thorough, systematic and careful manner in which this important work of caring for these, the principal negotiable securities of the Company, is and has been done

Your Committee beg further to report that in respect to auditing the annual statement of the Company for the year 1905, they caused to be transmitted to the President a report, of which the following is a copy :

OFFICES OF THE PUBLIC ACCOUNTANTS,
MUTUAL LIFE BUILDING, 32 NASSAU STREET,
NEW YORK, January 31, 1906

In re The Mutual Life Insurance Company of New York.

Interim Report of the Public Accountants at present engaged on an investigation of the affairs of the Company. W. H. Truesdale, Esq., Chairman of the Board of Trustees of the Mutual Life Insurance Company of New York.

Sir, Under appointment by your Committee we are now engaged on an investigation of the affairs and an audit of the books and accounts of your Company for the two years ended December 31, 1905.

In pursuance of our duties, we have, at this date, examined the following assets viz :

INVESTMENTS IN GOVERNMENT, RAILROAD AND OTHER BONDS.

We have counted and examined Bonds and certificates representing Bonds, owned and held by the Company, having a par value of \$183,352,600, and have verified by acknowledgments of State and Foreign Governments that they held on deposit Bonds having a par value of \$9,380,180.11. The total par value amounts to \$192,732,780.11 and have verified the market value thereof as \$191,117,589.30

INVESTMENTS IN RAILROAD, BANKING INSTITUTIONS AND OTHER STOCKS.

We have examined certificates of Stocks owned and held by the Company having a par value of \$90,235,600.00, and have verified by acknowledgments of State and Foreign Governments that they held on deposit certificates of Stocks having a par value of \$1,475,000.00. The total par value amounts to \$91,710,600.00, and we have verified the market value thereof as \$73,881,288.08

LOANS SECURED BY MORTGAGES ON REAL ESTATE.

We have examined the Bonds and Mortgages held by the Company as security for its Loans on Real Estate, and have verified that such Loans amount to \$100,771,163.16 (3,900 first liens). The titles are now being inspected and the properties are being valued by appraisers appointed by your Committee.

LOANS SECURED BY BONDS AND STOCKS HELD AS COLLATERAL.

We have examined the Notes representing these Loans and the Bonds and Stocks held by the Company as collateral security therefor and have verified the amount of such loans as \$18,195,000.00. The market value of the collateral security was found to be more than 20 per cent in excess of the amount of each loan

LOANS SECURED BY COMPANY'S POLICIES.

We have examined at the Head Office 18,731 Loan Agreements and assigned policies held as security, representing Loans to the amount of \$26,390,011.99, and we have examined in London 1,685 Loan Agreements and assigned policies held as security, representing Loans to the amount of \$27,912.00, thereby verifying Loans to the amount of \$27,872,924.05, secured by the Company's policies. The Policy Loan Agreements held at the Branch Offices of the Company in South Africa and Australia, where we are at present examining them, are stated by the Company as amounting to \$325,331.79. The totals of all these Loans amount to \$28,198,278.84.

CASH.

We have verified the Cash on Deposit by certificate obtained from the Banks and Trust Companies in which such Deposits were held, amounting in the aggregate to \$9,247,124.88, and we counted the Cash on hand in the Head Office at the close of December, 1905, amounting to \$2,770.10, making the total amount of Cash verified \$9,270,513.08.

PREMIUMS DUE AND UNCOLLECTED, AND DEFERRED PREMIUMS.

We have examined the records of the Company as to policies in force at the close of December, 1905, and have verified the gross amount of Premiums Due and Uncollected as \$1,501,209.31, and the gross amount of the Deferred Premiums as \$2,873,806.31, making a gross total of \$7,169,005.84.

We hereby certify that the books of the Company agree with the Assets herein specified as having been verified. Real Estate owned by the Company in the Boroughs of Manhattan and Brooklyn, and in Boston and Philadelphia, has been valued by your Committee's appraisers, Messrs. Douglas Robinson, Charles S. Brown & Co., at the sum of \$24,595,000.00, which, less a purchase money encumbrance of \$25,000.00, is \$24,570,000.00 in excess of the Company's net book value. The other Real Estate owned by the Company is now being valued by your appraisers.

(Sgd) HASKINS & SELLS,
Certified Public Accountants.

(Sgd) DELOITTE, DEVER, GRIFFITHS & Co.,
Chartered Accountants.

All of which being respectfully submitted, your Committee beg to be discharged.

(Sgd) W. H. TRUESDALE,
JOHN W. AUCHINCLOSS,
STUYVESANT FISH,
WM. P. DIXON,
Committee.

THE IMPERIAL GUARANTEE

& ACCIDENT INSURANCE CO. HEAD OFFICE: 46 KING ST. WEST, TORONTO.

Capital Subscribed, \$1,000,000. Capital Paid-up, \$200,000. Capital Reserve, \$50,000. Dominion Govt. Deposit, \$100,000.

A. L. DAVIS, PRESIDENT.

HON. GEO. A. COX, VICE-PRESIDENT.

HON. F. T. FROST, President Frost & Wood Company, Ltd
FREDERIC NICHOLLS, General Manager Canadian General
Electric Company.

ELIAS ROGERS, President Elias Rogers Company, Ltd., and
President National Life Assurance Company.

J. J. KENNY, Vice-Pres & Man-Dir. Western Assurance Co.

H. C. COX, Branch Manager Canada Life Assurance Company.

G. A. MORROW, Vice-President Dominion Securities Corporation

R. BICKERDIKE, M.P., Montreal.

P. G. GOLDSMITH, M.D., Belleville.

S. BURROWS, Branch Manager, Mutual Life of Canada.

W. O. TASSIE, Western Mgr. Imperial Guar. & Accident Ins. Co

ACCIDENT BUSINESS

Policies issued on the most approved plans of Accident
& Sickness Insurance. Investigate our Policy benefits.

An opportunity for Energetic Agents to Represent a Strong Canadian Company.

A. L. DAVIS, General Manager.

GUARANTEE BUSINESS

Bonds issued at lowest cost for all persons in positions
of trust requiring to give security.

E. WILLANS, Assistant General Manager and Secretary.

LIABILITY AND CASUALTY.

The Liability Conference held a meeting in New York recently at which it was voted to continue the association solely as a statistical bureau, retaining, probably, the present quarters in the Aldrich Court building where that useful work is carried on. Up to this time the members of the Conference have been under restraint not to raid one another's business. Now the competition for "renewals" is likely to be as active among the hitherto Conference companies as among the old outsiders.

In the British House of Commons a second reading has been given to the Notice of Accidents Bill, which

will apply generally to the whole class of casualties that come within the scope of the Workmen's Compensation Act. As the law now stands, unless in immediately fatal accidents, the manager or his representative is allowed to define for himself what is meant by "serious personal injury," and it is asserted that only a comparatively small number of non-fatal accidents in mines, for example, are officially reported.

The new bill gives very enlarged powers to the Home Office. The upshot, if the provisions should be fully enforced, must be a great increase in the inspection staff for mines and workshops generally, and so drastic is the new measure that an accident incapacitating a workman for five hours is to be reported.



Cash Box Empty.

Employers are Protected against
Embezzlement by the Bonds of

THE UNITED STATES FIDELITY AND GUARANTY CO.,

Head Office for Canada:
6 COLBORNE ST., TORONTO.

A. E. KIRKPATRICK,
Manager for Canada.

AGENTS ARE ATTRACTED TO

THE NATIONAL LIFE

ASSURANCE COMPANY OF CANADA

ON ACCOUNT OF ITS ATTRACTIVE POLICY CONTRACTS, ITS PREMIUM RATES, AND THE SOLID AND SUBSTANTIAL CHARACTER OF ITS INVESTMENTS.

A few good Districts open in the Province of Ontario.

Apply at Head Office
COMPANY'S BLDG., Cor. TORONTO & ADELAIDE STS.
TORONTO, ONT.

THE CROWN LIFE

is the Company

TO INSURE IN or TO WORK FOR

Policies indisputable from date of Issue. Lower Premium Rates than charged by other companies. Loan Values Guaranteed after two years. Cash Surrender and Paid-up Values Guaranteed after three years. No Restrictions as to Residence, Travel or Occupation. Policies Reinstatable at any time after lapse.

LIBERAL CONTRACTS AND GOOD TERRITORY
AVAILABLE TO RELIABLE REPRESENTATIVES

COL. THE HON. D. TISDALE, P.C., K.C., M.P. President
CHARLES HUGHES, C.A.S., Managing Director and Actuary.
A. H. SELWYN MARKS, Secretary and Treasurer
WILLIAM WALLACE, Superintendent of Agencies.

Ancient Order of Foresters.
The only Legal Reserve Fraternal Society in Canada.

High Court of Canada

Incorporated by Special Act of the Dominion Parliament.
Full Government Reserve maintained on every Policy.
Fixed Rates and Definite Contract with Special Privileges.

RATES PER \$1000 OF INSURANCE

Age	Premium	Age	Premium	Age	Premium
15	\$11.78	21	\$14.70	45	\$32.40
16	12.19	25	16.00	50	40.00
17	12.60	30	19.20	55	50.58
18	13.00	35	22.75	60	68.48
		40	26.00		

10, 15 and 20 Year Payment Policies Issued.

W. RICHARDS, W. WILLIAMS, Permanent Secretary.
HIGH CHIEF RANGER, 33 RICHMOND STREET WEST,
LONDON, ONT. TORONTO.

Standard Life Assurance Co.

of ... EDINBURGH, SCOTLAND ...

ESTABLISHED 1825.

HEAD OFFICE FOR CANADA MONTREAL

Insurance in Force . . . \$137,022,289
Invested Funds . . . 55,094,925
Investments, Canadian Branch 17,000,000
Deposited with Canadian Gov't. 5,949,476

D. M. McGoun, Charles Hunter,
Manager. Chief Agent Ontario.

TORONTO OFFICE

Bank of Commerce Building.

Assurances effected on first-class lives

WITHOUT MEDICAL EXAMINATION

Apply for full particulars.

The Reliance Loan & SAVINGS COMPANY of Ontario,

84 King Street East, - - - TORONTO.

President - - - HON. JOHN DRYDEN
Vice-President - JAMES GUNN, Esq.
Manager - - - J. BLACKLOCK
Secretary - - - W. N. DOLLAR
Bankers - - - IMPERIAL BANK OF CANADA
BANK OF NOVA SCOTIA

4⁰ DEBENTURES

Debentures issued in amounts of \$100 and upwards for a period of from 1 to 10 years with interest at 4 per cent per annum payable half yearly

Assets	\$1,118,659.66
Liabilities to the Public	120,992.53
Security to Debenture holders	\$ 997,667.13

Telephone Main 1646

D. O. CAMERON,

BARRISTER, &c.

24 ADELAIDE STREET EAST,

EQUITY CHAMBERS.

TORONTO, ONT.

FIVE PER CENT.

is a good rate of interest for a short time investment.

THE CANADIAN SAVINGS, LOAN AND BUILDING ASSOCIATION, Toronto, sells Full Paid Stock, \$1.00 per share, withdrawable in four years, which bears five per cent. interest, payable half yearly. Interest coupons attached to each certificate.

For particulars, address

W. J. HAMBLY, *President,*

ABERDEEN CHAMBERS, - - - TORONTO.

A PROFITABLE INVESTMENT

A loan company debenture offers an absolutely safe and profitable investment. You have as security the total assets of the Company which is liable for the payment of both principal and interest. For a limited time we will issue debentures bearing 5 per cent. interest, payable half-yearly

—The—
Dominion Permanent Loan Company,

12 KING STREET WEST,
TORONTO.

Alex. Sutherland, D.D. President	5%	W. S. Dinnick, Manager
DEBENTURES		
ISSUED FROM THREE TO FIVE YEARS BEARING 5 PER CENT. INTEREST PAY- ABLE HALF YEARLY ALL INFORMATION FOR THE ASKING		
. WRITE TO-DAY		
STANDARD LOAN COMPANY TORONTO		

**The Canadian Homestead
LOAN & SAVINGS ASSOCIATION.**

Office—96 Victoria St., Home Life Building.

CAPITAL SUBSCRIBED	\$400,000
CAPITAL PAID UP	140,000
ASSETS	170,569

Money loaned on improved freehold at low rates. Liberal terms of repayment.

JOHN HILLOCK, President.	JOHN FIRSTBROOK, Vice-President.
R. T. COADY, Treasurer,	A. J. PATTISON, Secretary.

**THE ACCIDENT
- - - - - AND - - - - -
GUARANTEE CO.
OF CANADA.**

HEAD OFFICE: Temple Building, Montreal.

CAPITAL AUTHORIZED	\$1,000,000.00
CAPITAL SUBSCRIBED	250,000.00

Transacts :
Personal Accident,
Sickness, and Workmens'
Collective Insurance.

For Particulars apply to
F. J. J. STARK, Manager.

Mutual Reserve Life Insurance Company

FREDERICK A. BURNHAM, President.

GEORGE D. ELDRIDGE, Vice-Pres. and Actuary.

MUTUAL RESERVE BUILDING, - 305, 307, 309 BROADWAY, NEW YORK.

<i>New Paid-for Business Written in 1905.</i>	\$14,426,325.00
<i>Increase in Surplus, 1905</i>	33,204.29
Interest and Rents (after providing for all Investment Expenses and Taxes) 4.15 PER CENT. on Average Ledger Assets.	
<i>Decrease in Expenses over 1904</i>	84,300.00
<i>Payments to Policyholders and Beneficiaries, 1905</i>	3,388,707.00
<i>Total Payments to Policyholders and Beneficiaries</i>	64,400,000.00

SINCE ORGANIZATION

The Exhibit of First Year's Expenses Submitted by the Company to the Legislative Investigating Committee shows the Lowest Ratio of Expense to Expense Margin of all Companies doing a General Business.

Capable Men, with or without experience, can secure the very best agency contracts. Address Agency Department. Industrial Agents, address Provident Department, Mutual Reserve Building, 305, 307, 309 Broadway, New York.

The Royal - Victoria LIFE INSURANCE COMP'Y.

Has on deposit
\$267,000.00
with Dominion Government
as Security for Policyholders
New Business in '05 increased

37%

over previous year.

Expenses **5%** less on Income

Accumulated Assets :

\$1,300,000.00

Insurance outstanding :

\$4,700,000.00

DAVID BURKE, A.I.A., F.S.S.
General Manager, - Montreal.

THE CONTINENTAL LIFE

INSURANCE COMPANY

SUBSCRIBED CAPITAL, \$1,000,000

HEAD OFFICE, - - - TORONTO.

HON. JOHN DRYDEN, - - - - President.

CHARLES H. FULLER, Secretary and Actuary.

SEVERAL VACANCIES FOR
GOOD, LIVE, GENERAL
AGENTS AND PROVIN-
CIAL MANAGERS.
Liberal contracts to first-class men.

APPLY—GEORGE B. WOODS, MANAGING-DIRECTOR.

CONFEDERATION LIFE

ASSOCIATION

Head Office - - TORONTO, CANADA.

OPPORTUNITIES

are offered in the life insurance field to active and energetic men.

Good territory and a remunerative contract may be secured. . . .

Write for particulars.

OFFICERS

W. H. BEATTY, Esq., President. W. D. MATTHEWS, Esq., } Vice-Presidents.
FREDK. WYLD, Esq., }

W. C. MACDONALD, Secretary and Actuary. J. K. MACDONALD, Managing Director.

DIRECTORS

W. H. Beatty, Esq. Hon. James Young S. Nordheimer, Esq.
W. D. Matthews, Esq. A. McLean Howard, Esq. E. B. Osler, Esq., M.P.
Frederick Wyld, Esq. G. Mitchell, Esq., M.P.P. William Whyte, Esq.
Hon. Sir W.P. Howland J. K. Macdonald, Esq. D. R. Wilkie, Esq.

SUN LIFE ASSURANCE COMPANY... OF CANADA

1905 FIGURES

Assurances issued and paid for in cash.....	\$18,612,056.31
Increase over 1904.....	2,700,152.27
Cash Income.....	5,717,492.23
Increase over 1904.....	1,155,556.04
Assets at 31st, December.....	21,309,384.82
Increase over 1904.....	3,457,623.90
Increase in Surplus.....	1,177,793.50
The Company completed the placing of all policies on the 3½% basis, although the law allows until 1915 to do this, requiring..	616,541.00
Surplus over all liabilities and capital (according to the Hm. Table with 3½ per cent. interest).....	1,735,698.59
And in addition paid policyholders in profits.....	166,578.30
Surplus by Government Standard..	2,921,810.00
Life assurances in force.....	95,290,894.71
Increase over 1904.....	9,963,231.86

INCORPORATED 1851.

WESTERN ASSURANCE COMPANY

FIRE AND MARINE

HEAD OFFICE, TORONTO, ONT.

CAPITAL - - \$1,500,000

ASSETS OVER - - 3,460,000

INCOME FOR '05, OVER 3,680,000

Hon. GEO. A. COX, - - President.

J. J. KENNY, - - Vice-President.

G. C. FOSTER, - - Secretary.

PROTECTION

Is what every business man is looking for. We are thoroughly in accord with these views and to this end have deposited with the Dominion Government \$1,015,180 in Gilt Edge Canadian Securities for the exclusive protection of its Canadian policy-holders.

The Union Mutual Life Insurance Company of Portland, Maine, protects its Canadian policy-holders not only by having more than the reserve called for by the Dominion Government, but also through the operation of the Maine Non-Forfeiture Law only applicable to the Union Mutual policies.

UNION MUTUAL LIFE

PORTLAND, Insurance Company MAINE

Fred. E. Richards, Pres. Arthur L. Bates, Vice-Prest.

HENRI E. MORIN, Chief Agent for Canada,
151 ST. JAMES STREET, MONTREAL.

For Agencies in Western Division, Province of Quebec, and Eastern Ontario, apply to

WALTER I. JOSEPH, Manager, 151 St. James Street, Montreal.

For Agencies in Western Division, of the Province of Ontario, apply to

W. J. PECK, Manager, - - 17 Toronto Street, Toronto.

The Royal-Victoria Life Insurance Co.

Report of the Board of Directors and Financial Statement presented at the annual meeting, March 28, 1906, and unanimously adopted.

DIRECTORS' REPORT.

Your Directors beg to submit their report of the Company's business for the year ending December 31, 1905, together with the Financial Statement and the Auditors' Report.

NEW BUSINESS.—The new business for the year was represented by applications for \$1,254,325 of Insurance, being an increase of 35 per cent. over the previous year, of which amount \$1,121,775 was accepted and policies issued thereon, being an increase of 37 per cent. over the previous year.

BUSINESS IN FORCE.—The Insurance outstanding on the books of the Company at the end of the year amounted to \$4,630,610, yielding an average annual premium of \$32 per \$1,000 insurance.

PAYMENTS TO POLICYHOLDERS.—Claims by death under policies on 24 lives matured for \$41,000 during the year. The claims paid amounted to \$38,000, which included \$4,000 outstanding at the end of the previous year. The claims outstanding, in the course of settlement, at the end of the year amounted to \$7,500, and are included under liabilities in the financial statement.

The total payments to policyholders, including claims by death, annuities and surrender values, amounted to \$47,328, being an increase of \$4,723.63, or 11 per cent. over similar payments made in the previous year.

CASH INCOME.—The Cash Income of the Company from premiums and interest during the year reached \$160,308.65, being an increase of over \$10,000 more than in the previous year.

REDUCTION IN EXPENSES.—Notwithstanding that the new business of the year was 37 per cent. larger than in the previous year, the expenses to income show a further reduction of 5 per cent. over the year 1904.

INVESTMENTS.—The investments of the Company continue to be made with judgment and care, as shown by the fact that not only has the interest on each particular investment been promptly paid on the date due, but the class of securities and their marketable value make the investments in every instance most desirable.

THE BONDS AND DEBENTURES owned by the Company on the 31st of December last and deposited with the Dominion Government, amounted to \$267,172.60 market value, details of which are given in the financial statement. The loans on stocks and bonds, amounting to \$110,000, are secured by a marginal value over and above the amount loaned, of \$43,000.

Under the gradually improving conditions affecting Life Insurance in Canada, the Directors fully anticipate a still further increase in the new business of this Company for the year 1906.

All of which is respectfully submitted.

DAVID BURKE, General Manager.

JAMES CRATHERN, President.

FINANCIAL STATEMENT (For the Year Ending December 31, 1905.)

ASSETS.		LIABILITIES.	
Bonds and Debentures (all Canadian) owned by the Company	\$ 267,172 60	Assurance and Annuity Policy Reserves	\$ 440,241 43
Loans on Stocks and Bonds (market value, \$153,000)	110,000 00	Claims reported	7,500 00
Premiums outstanding and deferred (Reserves thereon, \$75,000)	48,357 12	Other liabilities	2,410 00
Loans on Policies (Reserves thereon, \$60,000)	31,305 22	Surplus security for Policyholders in excess of Policy Reserves	844,732 09
Accrued interest, office equipment, agency balances and sundry assets	17,748 78	(Including paid-up capital	\$200,000)
Cash in Banks and on hand	20,299 80		
	494,883 52		
Balance of subscribed capital	800,000 00		
	\$1,294,883 52		\$1,294,883 52
CASH INCOME.		DISBURSEMENTS.	
Premiums received in cash	\$ 144,055 27	Payments to Policyholders	\$ 47,328 40
Interest received in cash	16,253 38	Taxes, Government and Municipal	2,351 66
		Re-insurance premiums	5,463 34
		Commissions, Salaries, Medical Fees, Office Rents, etc.	48,819 67
		General Expenses	13,740 55
			117,703 62
		Balance	42,605 03
	\$ 160,308 65		\$ 160,308 65

Audited and found correct,

MACINTOSH & HYDE, C.A., Auditors.

DAVID BURKE, A.I.A., F.S.S., General Manager.

The retiring Directors were re-elected for three years; Mr. James Crathern was re-elected President; Hon. L. J. Forget and Hon. Robert Mackay were re-elected Vice-Presidents, and Dr. T. G. Roddick, Medical Director.