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# INSURANCE and REAL-ESTATE SOCIETY

"Still achieving, still pursuing  
Learn to labour and to wait."

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## The Compliments of the Season.

### INSURANCE SOCIETY.

Having now completed the third year of its existence, can fairly lay claim to be an established institution.

The year now closing, though it can hardly be classed as a prosperous year, yet can boast of having seen the foundations laid for future prosperity, or, at least, of having given rise to well-founded hopes of better times.

A feeling of union has arisen and a more rational method of procedure is being adopted, especially among the fire underwriters of this country. An association has been formed to which all stock companies have virtually given their adhesion; and though occasional difficulties arise, as must naturally be the case, yet the evidences of stability are not wanting, and a belief may confidently be expressed, and a well-founded hope advanced that a wave of prosperity is about to roll over the long-expectant shores of the Dominion.

That the labors of the true-hearted members of Insurance Society have induced this encouraging prospect we may well believe, and that INSURANCE SOCIETY, a Journal established with the motive of inducing as far as possible a friendly feeling among those who must necessarily become associated in a common interest—has been of some little assistance in the march towards a "bond of brotherhood," we modestly claim, and ask you to place to our credit.

The services rendered by us during the last few years have been duly acknowledged and appreciated by many of our readers; and whether we attacked abuses, defended companies from unjust aspersions, praised some for long-

continued honorable dealing, reprimanded others for short-sighted reckless management, or expressed belief in the hollowness of the indemnity offered by a few—we have on all occasions had the moral support of the conservative element of our society.

A special feature of this Journal has been the Fire Record, and we lay claim to having presented the most accurate compilation that has yet been attempted. How far from perfection this yet is, we know,—and know more practically than any of our readers.

At one time we had persuaded every stock company in the Dominion to favor us with reports; and with the help of local correspondents, and the expenditure of a little money, judiciously used, we could, with a reasonable degree of accuracy compile statistics of every fire occurring in the country.

This being done, the deductions and tabulations could be made at any time—the census returns and the experience tables of each company forming data from which to arrive at correctly approximate rates for future guidance.

How much such data are wanted (and how they are wanting) can be acknowledged by any member of any rating committee.

Among the Mutual companies poor results met our repeated efforts to secure reports of fires; several of the larger Mutuals promised—suggested—said that in some other way they could,—and that it was a grand thing,—etc., etc; but reports did not come, and any shortcomings must be laid at the doors of our well-meaning but too lazy friends.

We have been charged with being the organ of a Life Company; the mouthpiece of the Stock Companies (Fire), of the old-Line Companies (Life), and with being *one-sided*. To all of these charges we plead innocent: Witnesses—Our columns; Jury—Insurance Society.

One charge of partiality, to which we, by our origin, have been peculiarly liable, and which we have conscientiously fought against (and that with success), disappears with this number of the Journal, which is the last issued by the promoter and present publisher.

To be the mouthpiece of a system which for nine years has steadily been establishing itself in our midst, and which is universally acknowledged (by liberal, apathetic and parsimonious alike) to be a beneficial necessity, is no crime, and oft-repeated libellous charges of coercion have carried with them their own condemnation.

In resigning control of INSURANCE SOCIETY to MR. R. WILSON SMITH, who for nearly two years has been an active assistant, the present Editor and Proprietor believes that

he is acting wisely in the interest of the journal, and for the benefit of its supporters and readers.

The transfer is a *bona fide* and an absolute one; and in bespeaking your assistance, your cordial support, and your *practical* help, during coming years, we, while tendering our thanks for past favors, will confidently express the belief that for all favors you may be pleased to confer, you will be doubly repaid through the good offices of INSURANCE SOCIETY.

While any who may be inclined to swerve from the path of strict integrity and fair-dealing, though they no longer

*Contra stimulum calcas,*

yet they will have to deal with a smith whose watchword is

*Limæ labor et mora.*

(The Labor and the Patience of the File.)

#### THE CANADIAN INSURANCE DEPARTMENT.

We have on several occasions found fault with the workings of our Canadian Insurance department in its details, and will probably do so again in the future. We consider it by no means perfect, and, for that matter, very few things are. We think that, in regard to co-operatives and some other matters, it has not taken a decided enough stand. At the same time we wish to bear emphatic testimony that we consider the department to be the best managed that we know of.

Mr. J. B. Cherriman, the Superintendent, is a man who enjoys the respect and confidence not only of all the companies placed under his supervision but of the Canadian Insurance world as a whole. He is a thorough gentleman and his dealings with the officers of the different companies have been uniformly courteous and considerate. His ability is admitted, and, above all, his honor and impartiality are above suspicion. We make these remarks on account of some statements which have appeared in a New York contemporary. We are sure that if the Editor of that paper but knew Mr. Cherriman better, he would be among the last to reflect on him in any way. He is worthy of and enjoys the full confidence of the companies, and, if matters continue as at present, it will be, for many reasons, an unfortunate day for them when his connection with the department ceases. We hope that day may be far distant.

#### THE CONFEDERATION LIFE ASSOCIATION.

The Confederation Life has lately issued a prospectus of a new kind of policy now issued by it, called the "Accumulated Dividend Plan." There does not seem to be anything particularly new in it, for, from a rather hurried glance through it, it seems to be practically almost the same as the "Deferred profit" plan of some English companies, and the "Semi-Tontine" of American companies. The plan, however, is an attractive one, and we have no doubt will add to the business of the Company. It is a desirable form of assurance, for those particularly who want an investment combined with life assurance, and it has not the drawbacks of the Tontine plan.

#### ADJUSTMENTS OF LUMBER LOSSES.

We have been requested to present to our readers some points connected with the adjustment of fire losses upon lumber. After making diligent enquiry among some of the most experienced adjusters of our acquaintance, we learn that this class of adjustments, especially when the lumber loss was in first hands, at the mill, or in yards owned by them, or for sale on commission, is among the most trying and difficult falling to their lot to settle satisfactorily to both parties. While the process is the same as for the adjustment of any other species of property, yet the measure of damage which is to be computed upon the *cost* price of the subject at risk, to the owner at the locality where destroyed, is difficult to be arrived at, for several reasons, of which we speak more in detail further on; and just here it is that the question presents itself: What is the cost of the lumber? For insurance being simply a contract of indemnity and not of gain for the insured, it becomes important that this cost be first ascertained, so that no injustice shall be inflicted upon the insured by too low valuation, or upon the insurers by too high valuation, exceeding the indemnity guaranteed by the policy.

There are several important, but, unfortunately, from the nature of the subject, indefinite factors involved in the first cost of lumber at the mill, ready for sale; hence it happens that such cost can be but a matter of estimate at best. These factors are the value of the land to either owner or lessee, and the actual value of the standing merchantable timber thereon; this, as we have said, must be estimated, then follow the more certain charges for cutting, hauling to mill, the cost of manufacture, the stumpage and mileage duty to Government, and the local tax on the production, all of which are component parts of the actual cost of the lumber, at the mill, ready for shipment; if sent to a yard in any city the cost of transportation, and expense of handling until piled in the yard, are to be added, the product giving the actual cost as it stands there. And this is the price value on which the measure of damage in the event of a fire loss thereto *should* be predicated. Some idea of the extent of the "stumpage" and the "mileage" duty, and the local tax upon manufactured lumber, we get from a letter to the St. John, N. B., *Globe*, from Mr. David Wark, in which this question is discussed. After giving the former duty charges, estimated at thirty cents per thousand feet, he says:

"When the Washington treaty rendered the repeal of the export duty necessary the Dominion made us a permanent grant, in lieu of what we collected on United States timber, of \$150,000, annually. It must be admitted that this was ample for the sacrifice we made, and left no deficiency to be provided for, even by continuing the 30 cents import, yet the Government at once imposed 60 cents stumpage, which they soon advanced to 80 cents, and now they give notice that the \$8 mileage heretofore credited in the stumpage, will no longer be refunded. Therefore, if Mr. Rankin's estimate, made forty years ago, that 10s. mileage was equal to 5 cents per M., there can be but little doubt that the \$8 now imposed will be equal to 20 cents per M., raising the actual cost to \$1. Parties well acquainted with the subject have

estimated that the changes in the Dominion tariffs have added 60 cents to the cost of getting out 1 M. of lumber. This added to the local tax (\$1) makes \$1.60, a remarkable contrast with the 25 cents of former years."

We give these *estimates* for the benefit of adjusters, as it may facilitate their labors after lumber fires.

It will thus be seen that the cost of lumber in *first hands* is entirely a matter of estimate as a measure of damage; but when the lumber-yard merchant has purchased his stock at current rates, then the measure of damage to *him*, in the event of loss can, as in any other jobbing house claim, be easily ascertained by reference to his invoices, bills of expenses, etc., until piled in the place where burned. The factors then will simply be:

The value of the lumber at risk, as covered by the property, less the salvage at sound cost value, the difference being the loss for which the insurers will be liable to the extent of their insurance. But just how much each of the offices will pay will depend upon the concurrency or non-concurrency of their several policies. In any event the loss being proved within the amount of the insurance, and honest, the insured must be paid in full, and any dispute as to each office's proportion must be settled among themselves.

#### UNION MUTUAL LIFE INSURANCE COMPANY.

We direct attention to an article in another column taken from the New York *Insurance Monitor*, commenting on the recent action of the Massachusetts Insurance department in excluding the Union Mutual Life Co. from that State. We decidedly endorse the opinions there expressed. The Massachusetts Insurance department seems of late to have degenerated into a mere party machine, and its superintendent into a political hack. The Governor, General Ben Butler, is aiming at the presidency of the United States, and thinks to gain popularity by appearing as a reformer in all departments of the public service. He has endeavored to make use of the Insurance department for his own purposes, and, as a result, it may almost be said to have become the laughing-stock of the country.

We are always among the first to expose anything really wrong about a company, but we have yet to learn that the Union Mutual is anything else than a sound, well-managed company, entitled to the confidence of the public. At the same time, the sight of the extremes to which State supervision of insurance may be carried, and the injury done by it not only to sound companies but to the public as a whole may well make us feel thankful that we in Canada have been spared the infliction.

#### BOARD INSPECTION.

The Chief Engineer of the Fire Department in St. John N.B., at the instance of the New Brunswick Board of Fire Underwriters has again made a thorough and careful inspection of the mercantile premises in that City, and has handed into the Board a detailed report of the condition in which he found each building.

The chief object of these inspections, which the New Brunswick Board has caused to be annually made during the

past six years, is for the prevention of fires from defective heating apparatus and insufficient protection to woodwork in their vicinity, open stovepipe holes in chimnies, gas brackets that swing against partitions, and those close under ceilings in cellars and other places, ashes placed in wooden boxes or barrels, accumulations of rags and paper in cellars and closets, etc., etc.

Inflammable and explosive stocks are also noted.

The advantages of such inspections by a person having authority to order any reasonable alteration to be made for better security against fire are apparent to the mercantile community of St. John, as well as to the Insurance Companies, and Boards in other portions of the Dominion should consider the advisability of having similar inspections instituted

#### FURLED!

*In the City of Hamilton, Ont., of general debility (inanimation) The "Standard Fire Insurance Co.," aged six years and six months. Its end was pieces, little pieces!*

The not unexpected demise of this notorious weakling was undoubtedly hastened by the cruel, heartless desertion of its natural protector and progenitor, D. B. Chisholm. So long as a year ago, the Standard's pulse indicated a rapidly decreasing vitality. The Ontario Court Physician, Dr. Hunter, must have made a very superficial diagnosis of the patient's case on the occasion of his last visit, for he reported it progressing satisfactory, as he collected his fee "for services rendered," which goes to show that doctoring by the year is not a good arrangement for the sick man. The wealthy and influential members of the family to which the Standard belonged felt it a duty they owed themselves to insist on the services of Dr. Robert McLean being called for—this gentleman being now celebrated for his "Sovereign Remedy" (I hope it will be, I'm sure) for sick Companies,—as he says himself, it either kills or cures. Alas, that famous prescription known to the Faculty as the "Minimum Tariff Pad" (sizes A, B, C, D, and E, with specifics to follow) came too late to save the little "Standard."

Nurse Crawford, who had sole charge of the little sufferer in its latter days, did his best by weakly bulletins to calm the fears of those most interested in the life of his charge, trying with all his might to make the public believe that all was well. In fact, in this respect his zeal outran his discretion, as he personally attacked this journal because we inserted from time to time articles disputing his statements as to the health and well-being of his nurseling. Surely now, remorse for his unfair treatment of us will goad him continually until he calls on us and makes his peace! It may be proper to say right here that, as an Insurance Journal, we have our duties to perform, and intend always to perform them in the interests of the public, fearlessly. Results have justified our course with regard to the now sainted Standard (for all Hamilton Insurance Companies go up we think); and although we are told that Corporations have no souls we charitably believe that the Standard, though lacking in material dross, had so large a share of spirit—the spirit of compromise—that with spiritual eyes it now looks down on this Journal as one of its best friends, whose warnings, had they been heeded,

would have prolonged its stay upon earth. It is sad to see the young of any species—short of sharks—prematurely cut off, and by the abrupt ending of the “Standard’s” career—a career so full of *promise*—a lesson or two may be impressed on us :

1. That, mysteriously, the air off Burlington Bay is not good for young Insurance Companies :

2. That temperance, soberness and chastity are admirable virtues in presidents and managers of Insurance Cos., but it is imperatively necessary, that they (the P’s and M’s) have also staying qualities, and that they be good for the stock they subscribe for.

3. That “Pyramids of Assets” sound well and look well, but, if built on fictitious bases, prove but funeral pyres at last.

We offer our respectful sympathies to those whose purse-strings may be wrung, and sorrow with the pecuniary sorrowful connections of the dear defunct. We learn that Mr. Livingston, sometime adjuster for the “Standard, has been appointed to liquidate its affairs—an excellent arrangement—for the Livingstons—and others.

#### THE MORTGAGEE CLAUSE.

What is known among fire underwriters as the “Mortgagee Clause” is just now agitating the insurance community to a serious extent, as it has for many years past disturbed the serenity of the fraternity in the City of New York, where what there is of this clause had its origin (as explained on p. 51 of INSURANCE SOCIETY, issue of March, 38) and where it yet remains a *vexato questio*, with small chance, apparently, of final adjustment satisfactory to all parties.

Capitalists in making loans upon real estate pledges are accustomed either to take out insurance in their own names or to require the owner or mortgagor to take out an insurance covering the property to an amount not less than the interest they may have acquired therein, and payable to themselves in the event of loss by fire, as an additional security against such contingency. There are thus two distinct classes of insurance used in protecting the interest of mortgagees, and known as mortgagee and mortgagor insurance. To properly comprehend the bearing of the matter under consideration just now by the fire underwriters, a few explanations of the general principles underlying mortgagee insurances may not be inopportune.

#### MORTGAGEE INSURANCE.

Mortgagee insurance is where the mortgagee takes out a policy *in his own name*, which he may do either generally or specifically, as the conditions of the policy may require; that is *generally* when he insures as owner, making no mention of the mortgage; or “*specifically*” when the nature of his interest as mortgagee is specified.

A mortgagee’s interest is in the debt secured by the mortgage; and any insurance he may make to secure such interest is wholly a collateral contract which the law permits him to make, and with the result of which the mortgagor or owner has no concern, so that, where the mortgagee insures for his own exclusive benefit, and pays the premium therefor out of his own funds, any insurance

money paid upon the loss or injury to such interest is for his own benefit, and is not in the discharge of the mortgage. And when the mortgagee thus insures *at his own expense*, in the event of loss, the underwriters, on payment thereof, are entitled to a *subrogation* of the mortgage securities to an amount equal to the amount by them paid for such loss. But as the mortgagee insures not the ultimate safety of the whole property, but only so much thereof as may be enough to satisfy his mortgage, he can, in any event, recover only to the extent of that interest, and to that extent only can he subrogate his insurers.

But, on the other hand, and important to be noted in this connection, if the mortgagee, under the stipulations of the mortgage contract, or at the request and expense of the owner, insures for their mutual benefit, any money paid by the underwriters under such insurance is in the discharge of such mortgage, and there can be no subrogation, for it is a well-recognized axiom in insurance contingent to the party having an insurable interest, that “*whoever pays the premium is entitled to the insurance money.*” And the mortgage being satisfied the mortgagee has nothing to subrogate. Subrogation never takes place when the insurance is upon the building directly, as in a mortgagor or owner’s policy: it arises only where the insurance covers a debt or other interest, the securities for which can be transferred. (4 L. C. Jur. 57.)

#### THE MORTGAGOR.

The mortgagor is the owner of the property mortgaged, and by direct insurance thereon insures in his own right; in such insurance the mortgagee has no interest more than any other outside person, and cannot recover under it from the underwriters, except under the Act of George III in Ontario, where a covenant exists to re-instate the building, the insurance money must be used for that purpose and when, by special endorsement upon the owner’s policy, any loss is made payable to the mortgagee the latter still holds such insurance, subject to all of the terms and conditions of the contract; and if at the time of a loss the owner cannot, from any cause connected with the policy, collect from the insurers, the rights of the mortgagee also cease, for the assignor cannot assign anything beyond his own immediate interest in the subject assigned; and no recovery can be had merely in consequence of the equities of the mortgage if the owner has lost the right of recovery by violating the conditions of the policy.

It was because of this acknowledged status of the law, clothing the assignee only with the rights of his principal, and no more, so that if the rights of the principal were forfeited all rights of the assignee followed, that the agreement came into existence known as the

#### “MORTGAGEE CLAUSE.”

Moneyed institutions, recognizing the insecurity of insurances under the ordinary forms of mortgagor policies—subject to the whims, neglect or dishonesty of owners—sought for some means of meeting this, to them, dangerous contingency, as detailed in our March ulto. issue (page 51), and the clause now under consideration was the result of “cheek” on the one hand and timidity, if nothing more blame-worthy, on the other,—for these institutions had only to take

out the ordinary mortgagee policy to secure themselves completely; but then they would have had to pay the premiums themselves, now they make the mortgagor do it and enjoy extra immunity from most of the risks which the underwriters forbid to owners but grant to them free of cost.

There are at this time in our city, two of these clauses under consideration, the question being, which is the better under all circumstances? We copy them as follows:

Form No. 1.

1. It is hereby specially agreed that this Insurance, as to the interest of the mortgagee only therein, is and shall be in full force notwithstanding anything contained in or omitted from the application for insurance, and shall not be invalidated by any act or neglect of the mortgagor or owner of the property insured, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy, nor for the non-occupation of the same.

2. And it is further agreed that whenever the Company shall pay the mortgagee any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, said Company shall at once be legally subrogated to all the rights of the mortgagee under all the securities held as collateral to the mortgage debt, to the extent of such payment, but such subrogation shall not impair the right of the mortgagee to recover the full amount of his claim; or, at its option, said Company may pay to the mortgagee the whole principal due or to become due on the mortgage, with interest according to terms of mortgage, and shall thereupon receive a full assignment and transfer of the mortgage and all other securities held as collateral to the mortgage debt.

3. It is further agreed that in case of loss or damage by fire, the mortgagee shall be entitled to receive payment of the amount of such loss or damage, if he shall, on the same coming to his knowledge, give notice thereof to the Company, and within a reasonable time thereafter deliver in as particular an account of the loss or damage as the nature of the case will admit of, and make proof of the same by declaration or affirmation; and produce such other evidence as the Directors of the Company may reasonably require, and such payment shall be made within sixty days after the delivery of such account.

Form No. 2.

1. IT IS HEREBY AGREED, that this insurance, as to the interest of the mortgagee only therein, shall not be invalidated by any act or neglect of the mortgagor or owner of the property insured, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy.

2. IT IS FURTHER AGREED, that the mortgagee shall notify said Company of any change of ownership or increase of hazard which shall come to his knowledge, and that every increase of hazard not permitted by the policy to the mortgagor or owner, shall be paid for by the mortgagee on reasonable demand, according to the established scale of rates, for the use of such increased hazards during the current year.

3. IT IS ALSO AGREED, that whenever the Company shall pay the mortgagee any sum for loss under this policy, and shall claim that, as to the mortgagor or owner, no liability therefor existed, it shall at once be legally subrogated to all the rights of the mortgagee under all the securities held collateral to the mortgage debt, to the extent of such payment, or, at its option, may pay to the mortgagee the whole principal due or to grow due on the mortgage, with interest, and shall thereupon receive a full assignment and transfer of the mortgage and all other securities held as collateral to the mortgage debt; but no such subrogation shall impair the right of the mortgagee to recover the full amount of his claim.

4. IT IS ALSO FURTHER AGREED, that in the event of the said property being insured with any other office on behalf of the owner or mortgagee, this Company shall only be liable for a rateable proportion of any loss or damage sustained.

Clause 1, in each form which, though differently worded—that of form 2 being decidedly the better—means the same thing, which is that “no act or neglect of the insured owner”—whether he set fire to the premises, converts a dwelling into a planing mill, or refuses to pay the premium—shall impair the right of the mortgagee to collect the insurance, provided only, in clause 2 of Form 2, that such mortgagee shall give notice and pay any additional premium for additional hazard. The omission of this latter from Form 1 is unreasonable and inequitable in the extreme. As this clause is now under the consideration of the Underwriters Association we trust that, in a matter so important to the welfare of the business, the companies generally will avail themselves of this golden opportunity to eradicate the absurdities imposed upon them by Building and Loan Societies, and adopt a reasonable and fair form by which the companies may have at least a meed of protection.

Clause 2 of Form 1 and 3 of Form 2 is the subrogation clause, to be made operative whenever the companies pay a loss under the policy to the mortgagees, and *claim that no liability to the mortgagor exists* under such policy, or, in other words: that the mortgagor's interest in and rights under the policy have ceased for some cause as, provided for in clause 1, then they shall be entitled to subrogation of the mortgage securities, etc. All of which is correct, for the owner no longer having an interest in the insurance it becomes an insurance under this clause to the mortgagees upon their debt secured by mortgage, and to this interest they may legally subrogate their insurers.

Clause 3 of Form 1 is totally unnecessary, because in the contingency intended to be provided for the mortgagees will have become the “insured,” and under the provisions of the policy will have to make the satisfactory proofs; the owner, no longer the “insured,” cannot be called upon for that purpose.

There are, however, several clauses that should be found in this general clause—clause 4 of form 2 is one of them—by which contribution with other insurance upon the property is provided for, essential if only to guard against over insurance or with this rider well and often might occur *double insurance*, either being the parent of incendiarism and the bane of the insurance business. Managers of companies are lacking in their duties who omit this protection from their mortgagee conditions.

The “average clause,” stipulating that the company should be held liable for no greater proportion of any loss than the sum insured should bear to the entire contributive insurance provided for in clause 4, and that the company shall have the right to “cancel” the policy at its option upon the usual terms as to notice and repayment of premium.

Another important provision in this clause would be the right to rebuild or replace the property lost at the option of the company, though in the case of *Matthewson v. Western Assurance Co.* (10 L. C. 8) this right is already recognized, if the premises have been restored before suit is brought.

With these additions and changes the clause might be shorn of some of its absurdities, if not dangers, *provided always*, that it be borne in mind carefully that the mortgagee clause is what its name imports, and nothing more; it is extrinsic to the policy—cannot come into operation until *all* of the owner or mortgagor's interest in the insurance has ceased from any cause, and hence, as he has no interest in or connection with it, it should not form a part of *his* policy. It is a specific, separate agreement between the company and mortgagees, providing for a contingency which may happen through the agency of the owner or mortgagor, but with which he has no further connection, and which cannot come into operation so long as he remains the insured under its provisions. Then why even *attach* it to *his* policy, for it cannot be made a part of it? Why not hand it to the mortgagors at once, as was the case *when* the clause came into being, and let them file it with the policy until such time as the contingency for which it provides shall call it into operation? And why not make them pay something for this extra security afforded them by an agreement wiping out the saving clauses imposed upon the owner, who *paid* for his restricted insurance, while these favored mortgagees get unlimited conditions and pay nothing?

In New York city the policy to secure a mortgagee is now written by some of the offices, to cover both mortgagor and mortgagee, somewhat in the following form:

"Do insure John Jones, as owner, and Thomas Brown as mortgagee, as his interest may appear; loss, if any, first payable to the said Thomas Brown, as such mortgagee." To this policy is attached the mortgagee clause, similar to 1 and 2 of Form 2, but followed by a redeeming clause, viz.:

"It is also agreed that whenever a loss occurs on property mentioned in this policy, for which this company shall claim that, as to the mortgagor or owner, no liability therefor exists, then this company shall be liable to the mortgagee only for any deficiency, by reason of fire, of the mortgage debt, not exceeding the sum insured, after the mortgagee shall have exhausted all the securities and enforced all remedies in their hands for the payment of the same; but nothing in this agreement shall impair the right of this company to contribution from all other insurance at the time of the loss for either the owner or the mortgagee, or both, and the liability of this Company shall not exceed the proportion which the amount of this policy bears to all such insurance upon the property at risk."

In this last clause we have three good points, viz.: Contribution, average clause, and a proper limit to the liability of the company, which is here restricted to any *deficiency* only in the amount of loss after the mortgagees have exhausted their remedies against the mortgagor by foreclosure or otherwise; all other insurances would have to contribute, and the proportion of loss is controlled by the ratios of the total insurance to the total value of the property at risk. Under this stipulation the rights of the mortgagees are secured, but they are compelled to look after their own business instead of handing it over to the underwriters to manipulate after the loss; and these latter gentlemen perform all of their own functions, if not more, than they were chartered to perform—they were not incorporated to collect debts for other corporations or individuals at their own expense, and the necessary operations under the subrogation of debts amount to just that, and nothing less.

If a mortgagee clause must form a factor in the mortgagor's insurance, it strikes us that in no way can this be done less objectionably than by the use of this New York form, which we submit for the inspection of the parties in interest, merely suggesting that the right to cancel, as here inbefore spoken of, would be an improvement, and the subrogation clause might be enforced as to any securities not realized upon by the mortgagees before payment by the companies. Such securities might not realize much; but they could be placed to "suspense account," and filed away until they might be otherwise useful.

"STANDARD" TIME - - SUNSET!

#### AN ILLUSTRATED CARD OF THANKS.

"A thing of beauty is a joy forever!"

Enterprising, original "*Grip*" has introduced something new in the "card of thanks" way. A late number (Nov. 17) has an illustration to the extent of  $\frac{1}{3}$  of a page, over the titles, "*Grip's* Levee" (or *Levy* on the Insurance Companies he might have called it.): "A Formal Reception of sympathetic Insurance men (with checks) by the Singed Raven."

The cut portrays very fairly those representatives of the Insurance Companies who contributed to repay the loss sustained by a recent fire in the "*Grip*" establishment. Such splendid, commendable and well-earned notoriety has been conferred on the gentlemen depicted that a natural jealousy or envious feeling has arisen in the breasts of other Toronto agents, and they yearn for a like distinction. By all means, therefore, let it become customary for the recipients of large and promptly paid claims to give the agents paying them an illustrated card.

Clever "*Grip*" has generally a reason and meaning not always wholly on the surface. In this belief, we would like to ask:

1. Does the processional order, signify the order in which claims were paid? we suppose it does.
2. Why is the "City of London" agent represented with noble side-whiskers? He certainly was not behind them at the time he paid the "*Grip*" claim.
3. Why *two* representatives of the "Lancashire" to pay one check, or were they, so to speak, a check on one another; also, why shown as linked arm in arm, when everyone knows they don't walk about in Toronto street, nor anywhere, in such loving contact.
4. How it happened that the "little" "Citizens" got ahead of old "1797," the "Norwich Union."
5. Did it require two Agents to handle the Hand-In-Hand check, or are they *both* represented for sake of contrast.
6. As the city agent of the "Lancashire" is graded with his chief, why not place the city agent of the Norwich with his chief?

There appears to be just seven altogether, or a week of them, and to our mind the most Sunday-looking man of the lot, is the junior "Hand-in-Hand."

"*Grip*" says he did his best to make pretty pictures of them, which we readily believe, as the illustration shows

evident effort to give beautiful expression to each face, and in this intention may perhaps be found the answer to our first query.

The *Insurance World*, London, Eng., is responsible for the following rumor: "The air is full of mysterious rumors anent a projected absorption of one of the existing fire companies, whose name I will not mention on the mere credit of statements, possibly unauthorised. However, experience has taught us that, where there is smoke, fire may be reasonably suspected, and certainly few persons will be surprised should this item of insurance gossip turn out to be well-founded. Report is not always mendacious. It is a case of the survival of the fittest. Query, which is the Company?"

#### ROYAL CANADIAN INSURANCE COMPANY.

The sale of the forfeited shares of the Royal Canadian, which was to have taken place on the 20th inst., as advertised, has been postponed by the Directors until the 11th of January next, for the purpose of giving the Court time to render its decision as to the legality of the sale of these shares, which is disputed by Mr. Gilman.

The number of shares now standing in Mr. Gilman's name is 650, he having transferred the remainder to other parties, the calls on which have all been paid.

The reason assigned by the Directors for making the additional call of 5 per cent. is that, in consequence of one shareholder holding nearly one-third of the capital stock of the company they, in the interest of the shareholders generally, wanted to test his ability to meet the calls, and also for the purpose of consolidating the stock, besides which the subscribed capital being \$2,000,000 it was considered advisable to show a paid-up capital of \$500,000. It is anticipated that the proceeds of the intended sale of the forfeited shares, which are in the neighborhood of 3,000, will add to the Royal Canadian a considerable surplus over capital stock and all liabilities.

We are informed by the Officers of the Company that they are determined to continue the business of the Royal Canadian, and also that they have entered into important contracts abroad in view of this determination.

#### THE MUTUAL MARRIAGE AID ASSOCIATION OF CANADA.

This Association was formed in Hamilton in September, 1881, with the object of "paying to its members from \$250 to \$500 upon marriage, thus directly furnishing a large or small capital to the married couple to start them in life." Its plan is very similar to that of the co-operative life societies, for the expenses are met by entrance fees and annual dues, and its "claims" by means of assessments varying from thirty cents to two dollars, according to the age at entrance. Should marriage happen during the first two years of membership, only \$250 is paid on each \$1000 certificate, if during the third year, \$500; during the fourth year, \$750; and thereafter the full face value of the certificate. These payments are in all cases to be made, *provided* they do not exceed what would be raised by an assessment of \$1 on each member.

Before entering into the merits of the Association and its plan of doing business, we would refer to a somewhat peculiar feature of its management. The President is Mr. W. A. H. Duff, but its Vice-President is Mr. John M. Webber; its Secretary, Mr. Walter B. Webber; its general agent for Ontario and Quebec is "Mr. Webber;" on its list of benefits already paid is Mr. P. E. Webber, and the only advertisers in its monthly organ, "The Marriage Aid," are Messrs Webber, Sons & Co., Webber, Butler & Co., and John M. Webber. It is evidently a family concern.

The Association claims to have issued since its organization certificates for about \$3,000,000 on about 2,800 members. So far as we can gather, about \$1,750,000 of this was issued in 1882, and \$1,250,000 so far up to the present this year. Nearly the whole \$3,000,000 appears to be still in force. It received for assessments during the first six months of this year \$27,066.76 and paid in benefits \$22,500.00, and has at present on hand, \$4,231.36. The assessments, therefore, appear to be for this year considerably over \$20 per thousand per annum.

In the "Marriage Aid" it is admitted that, "as regards the individuals joining this Association, there is little doubt that at some future date they intend to participate in its advantages." Decidedly so. We venture to assert that not one in ten, perhaps not even one in a hundred, of those who become members, have not the intention of marrying in the near future. No person with any sense would think of joining such an association unless he saw some prospect of his making money by so doing. They all enter on the strength of the assertion, so widely advertised, that "there is no institution in Canada at the present time offering such *means of gain* as this provident society." There is less cohesiveness about such an association than there is about even a co-operative life society, for in the latter case the members are banded together for mutual protection, while in the case of the Marriage Aid Association there is no bond whatever. The only object which every one has who joins the Association is to make money by marrying early. They hope to get a larger return for their money than they could get by putting it into the bank or into any ordinary investment. There is no denying that this is the case, and this very fact dooms it to an early death. We do not say that it is not likely to live long, but that it is *impossible* for it to do so from its very nature. Let any sensible man think of the matter for a few moments. If one thousand people are each to draw one thousand dollars from a concern, making in all a million dollars, there must be a million dollars paid into it. Money cannot be made by magic. The Mutual Marriage Aid Association does not, so far as we are aware, possess the philosopher's stone, and therefore every dollar it pays out in benefits it must first receive in assessments, apart altogether, of course, from the amount paid for entrance fees and annual dues. Instead of putting their money into a profitable investment, we see that the members, *as a whole*, must pay in more than they will ever get back. For every dollar paid in only eighty, or possibly ninety, cents will be returned. Since this is the case, it only remains for the members to find it out and the Association collapses then and there. As soon as it is seen to be an unprofitable speculation, every mem-



ber will drop out as quickly as possible, for it was as a speculation, pure and simple, that its members went into it. But its officers claim that there is a great deal of money to be made in it. This is quite true, but the bulk of the money is made by these same officers. Those also who marry early and draw their benefits before they have been called on to pay many assessments, make money out of it—they can well say that they are “much pleased with their investment;” but these payments should give little pleasure to the other members. The Marriage Aid Society is practically a lottery in which those who go out early draw the prizes, and those who remain draw the blanks. Every dollar that these early members gain is a dollar lost to those remaining. *On the average* every member, as we have pointed out, must pay in, apart from expenses, as much as he draws out. Since then the early members pay in less than they draw out the remaining members must pay in just so much more than they draw out, supposing the Society to continue in existence. The practical effect, however, is merely to hasten on the final collapse of the institution. The more claims they pay, the sooner will the end come.

We know we will be told that the system of the Society, by which the benefits increase with the duration of membership, does away with these remarks. But this is not true. No amount of talking can do away with the simple fact that as much money must be paid in as is paid out. The Association claims patronage as a “means of gain,” and the acknowledgments of benefits paid to its early members show that they have got back more than they paid in. The law of average, then, must apply, and the remaining members must pay not only for all they themselves draw out (besides expenses), but they must pay all that these early members gained. If they continue paying they will be “investing,” and investing permanently too.

But now let us look at the matter still more closely and form an idea, if we can, how long such an Association can possibly last. There are not likely to be many marriages during the first year of membership, for no claim is paid until the certificate is a year in force. Benefits accruing in both the first and second years are paid in the second year at the rate of one quarter of the face value. The Society has been just two years in existence, and has during that time, it claims, issued certificates for nearly \$3,000,000 of these \$1,750,000 are claimed to have been issued within a year, leaving \$1,250,000 over a year in force. The claims paid amount, to \$44,500, representing certificates for four times that amount, or \$178,000. It is quite likely that there are some claims outstanding besides those paid, but, as it is, they amount to about fifteen per cent. of the certificates between one and two years old. As the benefits increase, the number of marriages certainly will, until they reach their maximum in the fifth year, after which no further increase in the benefit takes place. Of certificates issued it may very safely be assumed that, as already shown, 15 per cent. will mature in the second year, 20 in the third, 25 in the fourth, 35 in the fifth, and the remaining 5 in the sixth year of insurance. We think these figures too favorable to the Society, but they will do for illustration. Let us work out the history of \$1,500,000 of certificates on this basis on the supposition that no more certificates are issued.

At end of	Amount in force.	Amount Matured.	Cash paid.	Rate per.
First year . . . . .	\$1,500,000	None	None	\$1000. None
Second “ . . . . .	1,275,000	\$225,000	\$56,250	\$37
Third “ . . . . .	975,000	300,000	150,000	118
Fourth “ . . . . .	600,000	375,000	281,250	288
Fifth “ . . . . .	75,000	525,000	525,000	875
Sixth “ . . . . .	None	75,000	75,000	1,000

If a man marries in the second year he gets \$250 for \$37; if in the third year \$500 for two years' assessments, or \$155; if in the fourth year \$750 for \$443; but if he waits till the fifth year, he gets his \$1,000, but he will have paid for it \$1,318. Those who are unfortunate enough to wait till the sixth year have to pay \$1,000 in that one year alone, making in all \$2,318 for \$1000. This is how the plan works when left to itself. These figures do not include anything for entrance fees and annual dues, which are additional. Of course it is evident that between the fourth and fifth years the Society would go to pieces, for the assessments then become exorbitant. And these factors are at work in the Mutual Marriage Aid Society of Canada. It is simply impossible for it to last long. The evil day may perhaps be postponed to the fifth, or possibly even the sixth, year of its existence, by means of getting in new members and by assessing them to help to bear the burdens accumulating from the past, but we believe this to be the limit of its existence.

#### PROVIDENT MUTUAL ASSOCIATION OF CANADA.

As we promised in our last issue that any reply which Mr. Hopper might feel inclined to make to our strictures on his Company would be inserted by us, we give, in another page, a copy of the circular lately issued by him. We have no desire to weary our readers by merely repeating facts which they already know, but it is desirable that we should point out how completely Mr. Hopper fails in his attempt to disprove our statements. For the sake of greater clearness, it may be well to refer to the points numerically, as has been done by him.

1. When we stated that the Metropolitan Mutual Benefit Society became incorporated with the Provident Mutual we did not mean that it had ever been legally “incorporated” with it, as Mr. Hopper seems to interpret our remarks, but merely that the business was *absorbed* by the Provident. Mr. Hopper avoids our charges by saying that he has no knowledge of what that Society paid its claimants. The agents of co-operative societies generally have no knowledge of the fact that but a small proportion of the face value of certificates is usually paid by these societies, and that they are failing in fifties and hundreds every year.

2. The Rochester Mutual Associates *failed*, and left, we believe, over a hundred thousand dollars outstanding in claims, which, so far as we have heard, were *never* paid. So much for the story of their withdrawing “when they were informed by the authorities at Ottawa they could not legally transact business in Canada.” They had not sufficient honor in them to do that. Why does not Mr. Hopper show the sense of honor which he extols in them by submitting to the requirements of the same authorities at Ottawa?

3. We challenge Mr. Hopper to prove his charge by giving the amounts received for admission fees and annual

dues. A mere assertion is of no value. Let him give the correct figures, if ours are not correct. We believe our statement that about ninety per cent. of the total income went to pay expenses to be literally true.

4. We are pleased to know that Mr. Lynch has taken so much interest in the association, although a director who has only attended three meetings of the Board can hardly yet be said to know much about its workings.

5. Mr. Hopper carefully avoids answering this question. Mr. Hopper, the general agent, is, beyond denial, the manager of the company. If the general agent is the leading spirit, surely the concern is managed by its agents, or rather by an agent.

6. All the references to the official report of the Quebec Inspector of Insurance are and have been of the most deceptive nature. It is worse than a farce to refer people, as Mr. Hopper did, to the last report of this official, knowing full well that there was no report published. It is true that the Society was inspected in October, 1882, but of what value is that when the report was never printed and the Inspector even refuses to give any information as to the position of its affairs. As to the outcoming report the following letter received by us explains itself.

QUEBEC, 6th December, 1883.

To the Editor of INSURANCE SOCIETY:

DEAR SIR,—My report of the Provident Mutual Association of Canada is not yet printed; I shall be happy to send you a copy later on. I have made two inspections of the head office of that Company, but am not permitted to make public any particulars respecting that, or any other company under my supervision. I am obliged by the 46 Vic. cap. 19, sec. 5 P.Q., to report annually upon this and other companies to the Treasurer, who, I presume, will print and circulate the same.

Yours truly,

WALTON SMITH.

7. We do not deny that the representatives of both Mr. Paton and Mrs. Desjardins received all that they were entitled to "according to the exact terms of the contracts." That is what we claim. Mr. Hopper makes no reference to the application of this, made by us, that "the advocates of the assessment system speak loudly of the cheapness of that form of 'assurance,' and they can well afford to do so, since they need only pay \$600 in lieu of \$2,000, which would have to be paid by the regular companies in hard cash."

We admit that the Society has succeeded in accumulating \$5,000 much sooner than we thought it would, although it is now over two years sold. Their assurances in force are somewhere in the neighborhood of \$7,000,000, and their assets, therefore, bear the startling and magnificent proportion to them of say ONE FOUR-TEENTH OF ONE PER CENT!

Mr. Hopper says nothing whatever as to our refutation of his previous clause to greater economy than the regular life companies. We showed that even by his own statement his Society spent more than \$300 per \$1,000 more than regular companies do. There are a number of other comparisons in our last article which we consider convincing, and we hope we will not be considered egotistical when we recommend them again to the careful attention of such of our readers as are interested in the question.

## MUTUAL VS. JOINT STOCK INSURANCE.

### PART III.

We continue our subject by quoting the logical and eminently sound proposition emanating from a veteran insurance journalist, well posted in the subject. He says: "Insurance is essentially mutual, Proprietorship is simply an administrative arrangement. Whether losses shall be prepaid or merely waited for, does not affect the insurance proposition that each is bound to all, and all to each." And he furthermore, as a corollary, adds: "Any project which only arranges to meet at the time of loss the occurrences of loss as they shall arise is not insurance."

In this last sentiment we fully concur: insurance is the making of that which is, or may be contingent and uncertain, fixed, certain and safe. Will promissory notes alone, subject to assessments as occasions arise, meet this requirement? That is the question; its solution, however, is not to be assumed as found because certain "purely Mutual" aid societies, by courtesy called insurance companies, are deemed to have been successful, by reason of having—more by good luck than good management—been called upon to face but few of these contingencies. Instances of this kind are common among stock companies as well; the argument, if there be one, is as strong on the one side as upon the other.

In the last issue of INSURANCE SOCIETY we presented to our readers, by means of a series of tables, an exhibit of the aggregate experience of some fifty "purely Mutuals" of Ontario, for the period of five years, '78 to '82 inclusive—, as derived from the sworn statements made to the Insurance Department of that Province. We now propose to pass the results of those figures in review, and make deductions therefrom with a view to comparisons with other plans of insurance, to the end that the fitness of the "purely Mutual" system, as conducted in that Province, to meet the advancing requirements of fire underwriting of the present day, may be tested.

The sole object of insurance is to pay losses. The avowed object of stock insurance companies is to have losses and make money thereby.

The ostensible object for the existence of purely Mutual Companies is to avoid losses, and pay them, when they do occur, at a minimum cost, as compared with stock rates; eschew dividends, and save money to their members by economical management. Our figures will, by comparison, test the correctness of this claim of the purely Mutual system of salvage over the cost of the stock plan.

In our series of tables we gave the figures in full; in our present computation the system of percentage comparisons will be used, as more concise and, at the same time, more comprehensive and readily comprehended.

All computations are made upon the aggregates of the five years, giving the figures for the entire period upon which the percentages are estimated, producing the same results in percentage as if an average of the five years had been made the computing factor. We come now to

#### ASSETS.

All insurance operations require strong financial backing to aid premium income when sorely pressed. Stock companies fill this need by subscribed cash capital. Purely Mutual societies in Ontario content themselves with unsecured "premium notes," simple promises to pay when called upon, without the investment of one dollar in cash, leaving losses and expenses as they accumulate to be paid by assessments. Some of the companies, by good management, and after many years, have accumulated an amount of cash assets; others again, and there are several of them, present a beggarly account of assets. Among them one, six years of age, had in 1878 cash assets \$1.27; Premium notes

\$23,385; Income \$138.78; Expenditures, losses \$6 and salaries \$131.51. Total \$137.51, the difference being the amount of cash on hand, and yet this company (?) had \$468,685 of insurance at risk! the total assets being less than 5 per cent. of the amount at risk. If this is not a travesty upon insurance, what is it? Echo answers: "Purely mutual insurance!"

Premium notes, subject to assessment on call, enjoy a very equivocal position as assets in fire insurance. They are simply contingent, subscribed, but unpaid capital, and, as such, are entirely ignored as assets in Stock Companies, though backed by paid-up capital. Why they are any more reliable in Mutual Insurance without any paid-up capital is a question not easy to answer.

Of these premiums notes the 51 Companies had, Dec. 31, 1882, \$1,499,744, and unpaid assessment less than one year due \$25,950—all dependent upon the volition and at the option of the insured, to pay or not to pay. In addition there were \$66,797 of what were called cash assets, making an aggregate of \$1,592,491. To offset liabilities of \$41,611 cash, and \$52,142,107 of insurance at risk, and liable to fall in at any moment to a greater or less amount, the average for the past five years being 0.185 per cent. of the risk, and while the gross assets have increased in the five years in the ratio of .04.29 per cent., the ratio of increase in the amount at risk has been 43 per cent. The cash liability in the same time has decreased in the ratio of 32 per cent., so that, under ordinary circumstances, there need be no failure to pay losses from want of means, provided the claimant has the patience to wait for an assessment to be collected, or the Company has the credit to borrow the money.

LOAN ACCOUNT.

We propose to draw a few "inferences" from this account, viz. :

Total standing over each year, for five years.....	\$150,156
Borrowed during five years.....	56,175
<b>Total.....</b>	<b>\$206,331</b>
Paid during five years.....	57,097

Balance for five years.....	149,234
From which it appears that the loan account was reduced in the five years.....	922
The total <i>cash</i> liability for the five years was.....	\$255,315
Of which there was owing, for loans.....	149,224

The borrowed money for the five years was 07.3 per cent. of the total receipts.

The payment of borrowed money for the five years was 08.2 per cent. of the total expenditures, or, for every \$100 paid out \$8.20, was for loans, being a wiping out of old scores at the rate of 90 cents on each \$100 paid.

LOSS ACCOUNT.

Total amount of income for five years (ex loans).....	\$713,046
Amount of losses paid.....	308,343
Equal to 43.2. per cent. of income.	
Total expenditures for the five years.....	\$687,803
Losses paid.....	308,343
Equal to \$44.81 for each hundred expended.	
Total assessments <i>laid</i> for five years*.....	\$621,839
Losses paid.....	380,343
Equal to 61.20 per cent.	
Or for every \$100 of losses paid \$161.20 of assessment was laid.	

\* The figures for "assessment laid" in 1879 in the table should read \$1.9 590.

Total assessments <i>paid</i> for five years.....	\$625,989
Losses paid.....	308,343
Equal to 60.75 per cent.	
Or for every \$100 of loss paid \$160.75 of assessments were paid.	

EXPENSE ACCOUNT.

Total income (ex-loans) for the five years.....	\$713,046
Total expenses " ".....	227,534
Equal to 31.90 per cent.	
Or for every \$100 of income but \$68.10 was left after paying the expense of collecting it.	
Total expenditures for the five years.....	\$687,803
Expenses.....	227,534
Equal to 33 per cent.	
Or for every \$100 paid but \$67 went for liabilities outside of management expenses.	

ASSESSMENT ACCOUNT.

With a view to exhibit the condition of this account we select the following figures from the table :

Assessments unpaid December 31, 1878.....	\$26,330
" " " 1882.....	25,950

Balance..... 380

Shewing that the amount of unpaid assessments had been reduced in the five years but \$380.

The balance unpaid December 31, 1882.....	\$25,950
Plus bad assessments wiped off in five years.....	34,327

Total unpaid..... \$60,277

Shewing that the *actual* balance of unpaid assessments at the end of the five years was not less than \$60,277, though probably much more; but for the reason that the department will not admit assessments more than one year past due as valid assets, many of the Companies omit them entirely from their statements. Mr. O'Reilly, in his report for 1878, says that he found past due assessments to the amount of \$37,098, in twenty Companies, Mutual and Cash Mutual, for that year alone! The inference is fair that our \$34,327 for five years should be at least \$50,000, with an increased number of Companies and an increased business.

In order to make our exhibit complete we endeavored to get the amount paid on "salary account" to shew the proportion of salaries to income and total expenses, a factor that would have been very interesting where the officers *are said* to work for nothing, but the figures as reported were so mixed up with other charges that we could not arrive at any certain results in this matter. From the facts obtained, however, we estimate the amount paid for salaries to reach about forty per cent. of the management expenses.

From the foregoing figures we get the several percentage ratios of loans, losses, expenses, etc., which we now propose to compare with the same factors, as far as we have the figures, as given in the experience of 388 Stock Companies class 1, and 978 Mutuals, classes 3 and 4, in the United States, census of 1880, a detailed statement of which will be found in the June ulto. issue of INSURANCE SOCIETY. We embody the same in the following

RECAPITULATION :

Comparisons.	Ontario Mutuals.	U. S. Stock Class 1.	U. S. Mutuals Class 3.	U. S. Mutuals Class 4.
Assessments to total income.....	92.1 p.c.	.....	.....	82.1 p.c
Losses to assessments paid.....	60.75 "	58.3 p.c.	46.6 p.c.	86.1 "
Expenditures to income.....	99.2 "	.....	12. "	99.3 "
Expenses to income.....	31.9 "	29.1 p.c.	18.3 "	23.3 "
Expenses to total expenditure.....	33. "	31.1 "	18.4 "	23.6 "

From this comparison it is distressingly evident that our cousins across the line are far ahead of our purely Mutual Companies in the economy of management and in the

general conduct of their business. For in every particular, except ratio of losses to assessments paid, the ratios of the Ontario offices are far in excess of the United States' experience for the same class of companies. And even this superiority may be equalized by the much greater number of companies in the latter exhibits. The ratio of losses to premium receipts offer no ground for comparison between Stock Companies and Mutuals, for in the latter the assessments are made to meet the known cost of losses, while premiums in Stock offices are collected without reference to losses. Apart from these exceptions the table presents matter for the serious consideration of the managers of Mutual Insurance Companies of all classes in the Dominion, and the Ontario "purely mutuals" especially.

We might say a considerable more upon this very interesting subject, but, inasmuch as we have already presented the principal facts and dissected the figures connected with the purely Mutual system, and shown conclusively, that instead of being *cheaper* than the Stock, or even cash Mutuals, it is in fact, largely *more costly* to the insured; and, as with this issue our yearly journal will be completed, we leave the subject here, trusting that, if our exhibits have done no good, they will have done no harm to insurers or insured.

#### NINE MONTHS' FIRES.

The *Chronicle*, N.Y., says:—The fires of nine months in the United States and Canada have been 9,965 in number, and have caused a property loss of \$74,848,445, and an insurance loss of \$40,348,558. Compared with the fire loss for the corresponding periods for five years, the 1883 loss is much the greatest, exceeding by \$7,683,545 the largest previous nine months' loss (1879). It is about eight millions of dollars greater than last year's loss to the same date. This has evidently been caused by an increase in the number of fires rather than by an increase in the average loss by single fires. During nine months of 1882 there were 7,733 fires, by which the average loss was \$8,648. During the similar period of 1883 there have been 9,965 fires, by which the average loss has been \$7,511.

The 1883 fire loss, so far, is about  $4\frac{1}{2}$  per cent. greater than that of 1882. If the final quarter of the year is as destructive of property as the similar period of last year the fire loss for the year, in the United States and Canada, will reach \$98,080,162, and the insurance loss \$53,985,645. If the  $4\frac{1}{2}$  per cent. rate of increase continues, the annual fire loss in these two countries will be shown by *The Chronicle Fire Tables* to exceed the round sum of one hundred millions of dollars, which, for some time, has been the favorite estimate of the yearly destruction by fire.

In the United States the January loss was exceeded once, in eight years (1879); the February loss, twice (1876-82); the March loss was the greatest ever reported to *The Chronicle*; the April loss was exceeded twice (1879-80); the May loss, once (1875); the June loss, twice (1877-79); the July, August and September losses, respectively, were the greatest ever reported.

In Canada, the January loss was exceeded four times in eight years (1875-77-78-79); the February loss, once (1879); the March loss five times (1875-77-78-79-80); the April loss three times (1879-80-81); the May loss five times (1875-76-77-81-82); the June loss was the lightest in eight years; the July loss was also exceeded every year but one (1882); the August loss was exceeded twice (1877-79); the September loss was the lightest in eight years with one exception (1879).

Hence it appears that the fiery element has been more rampant in Uncle Sam's domain than in John Bull's best province.

#### INSURANCE AGENTS AND INSURANCE JOURNALS.

The relation between insurance newspapers and insurance agents is, and should be, peculiarly intimate. The newspaper depends on the agent for its principal reader, and the agent looks to the newspaper as his chief informant regarding the details and current happenings in the great interest which each is a partio-

It rarely happens that an agent who is a regular and intelligent reader of a well conducted insurance journal is not among the foremost of his class, and it is quite as often true that one who is not a reader of any is among the poorest of his kind. The reason lies not so much in the mere perusal of a publication devoted to insurance as in the knowledge-seeking energy of which the reading habit is the outward manifestation. The study of insurance periodicals increases the capacity of the agent by adding to his store of technical knowledge, brings him into contact with his fellows in all parts of the world, and spreads before him the example of others' thoughts and deeds.

The word co-operation is a favorite one just now with all insurance men. The mutual benefit arising from a free interchange of views and a unity of action is clearly recognized and its attainment is sought by various means. The natural channel for much of this interchange of thought is, the insurance newspaper. Nowhere else can it be done so deliberately and effectively. In the heat of discussion in formal conventions much is said that is the result of thoughtlessness, while if the same subjects were discussed in print by the same persons the net result would be a far better and more concise contribution to the science of underwriting.

As the daily press addresses every day an audience vastly larger than it is possible to reach in any other manner, so the insurance journals, in their every issue, command the attention of more underwriters than the most numerously attended gathering ever brought together. This silent audience is not only composed of the officers of great institutions who usually attend conventions to make speeches and read resolutions, but also of thousands of local agents for whose education and regulation the speeches and resolutions are made. It would not be desirable, or possible, to do away with the occasional meetings of insurance men, but it should not be forgotten that companies may get nearer to agents, and agents to companies, through the columns of insurance journals than by any other means. Ever since the invention of printing the pen has been mightier than the tongue.

A few weeks ago an agent related to us how an item in this paper had secured him the agency of a valuable company. It was a brief news paragraph, but the agent was alert, and he used the information so advantageously that he reaped thousands of dollars by gaining the information just at the right time.

The worth of newspapers to the general public, and of insurance newspapers to the insurance public, depends on what value men attach to ideas. The poorest periodical ever published never failed to return the price of its subscription to the subscriber. No chronicle of events nor comment on specific incidents can be without suggestiveness to the fertile mind. A man without a daily newspaper lives in the age of stage coaches, before the eras of the telegraph or the railroad. He is behind the times, and will never catch up. In like manner, the insurance agent who does not regularly read a good insurance newspaper is a recluse in his profession.—*The Chronicle*, N.Y.

#### THE UNION MUTUAL LIFE INSURANCE COMPANY OF MAINE.

(From the *Insurance Monitor*, N.Y.)

The Union Mutual Life Insurance Company, of Maine, furnishes the latest target for the insurance blunderbuss of

Massachusetts, who has, without sufficient cause, revoked the Company's authority to do business in his State! A half truth is a most mischievous sort of a lie, and when Mr. Tarbox publishes officially that "the Company by its officers refused to allow free access to its books and papers, or to submit to such examination," he does so under the following state of actual facts:

When the Boston examiner called he found that the usual examination required by law had been already begun by the Maine Commissioner. He proposed to join in that examination but, before any arrangement had been arrived at, he went back to Boston, and returned again with orders from Mr. Tarbox to proceed without delay. He was informed that the books were for the time being in the hands of the Maine Commissioner, and that Massachusetts would have to wait until Maine was through, when every facility would be furnished for the second examination. He was assured by the officers of the Company that they desired his examination to be thorough and complete, and the information was dextrously given him that the Company *did not refuse an examination*, and on this state of facts a peremptory ejection from Massachusetts was ordered! There are a good many intermediate details, but the gist of the matter is stated above. There is absolutely no excuse for the hasty and ill-advised action of the Massachusetts Commissioner; there is not even reasonable ground for personal affront; the discourtesy, as between the two Commissioners, was on the part of Mr. Tarbox who first proposed joint action, and then, without waiting for Mr. Smith, of Maine, to answer, entered upon the abrupt proceedings related above. Nothing has happened for many a day which will so much tend to bring State supervision into contempt. If such action can stand, any Company can be viewed by an agreement between the officials of two States, one of whom shall commence an examination and refuse the other access, when the latter can go home, revoke the Company's authority, publish his revocation to the world, and so cover an institution with obloquy, and involve its business in great difficulties. We have no doubt of Mr. President Dewitt's ability to rise above the perplexities with which he has been so suddenly and so unjustly environed, but the infamy of the outrage is just as great, all the same.

#### COMMUNICATIONS.

All communications to be addressed to the Editor, INSURANCE SOCIETY, and correspondence to bear the name and address of the author, not necessarily for publication, but as a guarantee of good faith.

The publication of a communication does not by any means commit the paper to the sentiments expressed there in; but a fair hearing will be allowed for all sides of the question we may consider of sufficient interest to the Insurance public.

#### TORONTO LETTER.

DEAR EDITOR,—My little experience since I came to Canada has convinced me it is no exaggeration to state that the Insurance Agents of Toronto, numerous as they are, are about as zealous and pushing as any of their brethren in the most go-ahead Yankee city I have visited. To obtain a desirable line on an ordinary mercantile risk, the City Agent is *positively* eager; for the gift of a three-year dwelling-house risk he will *comparatively* worship you; but it is a supreme, *superlative* joy to him to secure a grain risk—Grain risks, Grain risks is the seasonable cry now:—

What time the Shanghai fowl and Plymouth Rock,  
Yon speckled hens, and speckled cock  
For golden grain are watching;  
The Insurance man, that ceaseless bore,  
Now rusheth round from door to door,  
Excelling all in scratching.

—Lay of an Old Bird—

Just so! A friend of my own was introduced the other day to a grain dealer, newly arrived, and, eliciting from the stranger that he was storing grain in one of our elevators, did the amiable at Jewell & Clow's to the extent of some \$3, as he happened in upon a turtle soup day, French punch, etc.—spent about two hours of valuable time, and secured an insurance on 1000 bushels of oats for six months. Still it was a grain risk all the same, and we are all running wildly after such. I really think this class of insurable property is answerable for more profanity, under-hand work and trickery than any other. Your Agent never rests until he is "full" on each elevator and storehouse, and it takes a deal of grain to fill him up to satiety, too.

Since my last I see the "Standard" has gone to the happy hunting-grounds. The public have been expecting this finale ever since Mr. President Chisholm executed what is now known as the "Pacific slope," a term applicable to all who leave hastily, under like circumstances, for California. I have before me the vehement wordy circulars of Secretary Crawford, published in "reply" to your many comments on the financial standing of his Company. When I look on these fair sheets and consider their strong language and then recall that to-day Mr. Crawford himself is seeking for a place (*not*, "a place in THY memory, dearest") I just wonder what reliability is to be placed in circulars and statements anyhow.

A few short weeks ago the "Standard," according to Mr. Theo. C., was solvent, prosperous and prospering. INSURANCE SOCIETY was a blackmailing, vilifying sheet, whose statements about the thrifty popular Standard Insurance Co. were a pack of base slanders, instigated by its proprietor from personal motives. To-day? Well, in the chief control of the "Standard" estate sits Livingston, the Promoter—Livingston, the Inspector—Livingston, the Liquidator!

When the Ontario Parliament meets, at its approaching session, Mr. Inspector Hunter's Insurance Report for Ontario Cos. will be laid before the house. This will be the Report for 1882, and there will appear as "still marching on" the *Standard Insurance Co.*, while in fact, its body "lies a mouldering in the grave," and by the statement the Company will be all right according to the Inspector's ideas. What a farce! If the office Mr. Hunter fills is to be of any real service and efficiency constant supervision should be exercised over the affairs of the Companies licensed. The deposit required of Provincial Companies is so small that they may get into bad shape any day. It would be interesting to learn just how much Mr. Superintendent Hunter really knew of the exact position of the affairs of the "Standard" say, on 1st October last. People get to rely greatly on these Government Reports, and when they are, as in the case of the Ontario Government, nearly a year behind, they are misleading. Let Ontario Companies qualify for Dominion Inspection and obtain a report worth having.

The Provincial appointment of an Insurance Inspector is a political one—any decent, deserving supporter of the Government may fill it—"previous knowledge of the business not necessary." It has been remarked that the new tariff may, perhaps have aided to kill off the "Standard." Certainly it would have a tendency that way. The policyholders of that Company would scarcely tolerate in it such an advance in rates as would be called for by the Minimum Tariff for Ontario.

After all, is it not one of the unconfessed objects of this tariff to clear the field of the weaklings? Perhaps!

We have had a cyclone, or, perhaps, I should say a sort of equinoctial gale, in our local Board Room. It has all arisen in connection with the appointment of a successor to Mr. Secretary Crocker, who has desired for some months past to resign his position as secretary to the Toronto Board. The *Canadian Fire Underwriters Association* (Minimum Tariff) having appointed Mr. Robert McLean its secretary, it was suggested that he be also appointed secretary to our local Board, vice Mr. Crocker. It may be in order to explain here that the Toronto Board is composed almost wholly of the local or city agents of the Fire Insurance Cos. doing business here, whilst the larger and newer organization, the C. F. U. A. is, on the other hand, composed almost wholly of the managers and general agents of companies doing business in Ontario. The Toronto division of the C. F. U. A. having recommended the appointment of Mr. McLean as joint secretary for both associations,

and the Montreal division having approved it, it was supposed that nothing more was required to instal Mr. McLean save the convenience of the present worthy and respected secretary of the Toronto Association. But, to the surprise of all, the Local Board have risen up in arms, considering their rights and privileges to have been ignored, and that a great insult has been offered to their local majesties, by nominating a secretary for them, without their consent and approval asked. And the dust is not laid yet. True, I hear that soft words of explanation have been offered them, and a kindly admission made that perhaps there was a little oversight in not asking the formal concurrence of the Toronto Board in the nomination of Mr. McLean as joint secretary of both associations—I say formal concurrence, because it being the fact that the Insurance Companies, and not their local agents, pay both salaries, if it come to a question of right then the head offices from whence the agents themselves derive their powers have also full power, if they choose to insist, to appoint a secretary, always conceding their natural desire to select such a party as would be agreeable to their agents. *The right of election is with the parties who pay for the service.*

There is, of course, a comical aspect to the whole "trouble." The orators of our clique have come to the front. Set speeches have been made, more or less brilliant, and more or less prolix, but all strong in language. Motions and amendments, party lines, big talk, etc., have been features of the fray. It is my opinion that a little foolish jealousy of the new association, and the equally foolish and unfounded fear that the C. F. U. A. will destroy the older and smaller organization, is at the bottom of the whole matter, for I am assured on all sides that there is not the slightest personal objection to the nominee for secretary, but only to the manner of his nomination.

Comically portrayed and quoted, the late proceedings may be said to run as fellows, let us suppose in the shape of a protest or memorandum to the offenders, to wit, the head offices:

*Whereas*, we are the *Toronto Fire Underwriters Association*, late the "Fire Underwriters Association of Canada," with jurisdiction as to rates, etc., for the City of Toronto.

*And, whereas*, for several years past, through divers trials and tribulations, both external and internal, we have sustained our Association, preserving its integrity and usefulness to the Insurance Cos. we represent, by the maintenance of approved rates, the discouragement of objectionable practices in the profession, and successfully resisting the severe strain brought to bear upon us in the past by the competition of the so-called non-tariff offices;

*And whereas* it is certain that for some years past, and indeed until two years ago, this Association was the only Tariff Association in Canada that had an active healthy existence, or may fairly claim to be the centre from which the other Tariff organizations at present in existence and now forming have sprung, also;

*That* during the past three months we are aware that another organization has been formed known as the *Canadian Fire Underwriters Association*, with jurisdiction for the present over Ontario, and that the said Association meets weekly in our Board Room, uses our furniture and stationery, is warmed by the heat we pay for, and its deliberations enlightened by our gas (both actual and metaphorical) and moreover, has enrolled certain of our most experienced members, whose valuable service of advice, speeches, and instruction are either wholly lost to us, or greatly diminished in volume and extent, and *Lastly*, that the new Association have, with your recorded approval, taken steps to cause our present worthy secretary to be superseded by their own secretary, placing both secretaryships in the hands of one person, the whole matter having been moved and carried through without our consent asked and obtained;—

*Therefore* this Toronto Fire Underwriters Association hereby desires to record its deep displeasure at the slight put upon it by the Head offices, and chiefly the Montreal head offices, in sanctioning the usurpation of its undoubted rights, as set forth above, and in ignoring its honorable record and present status; and whilst desirous, for sufficient reasons, of continuing amicable relations with our head offices, we feel we must nevertheless insist that immediate and sufficient steps be taken whereby:

- 1st. Our rights may be redefined.
- 2nd. Our self esteem re-asserted and local importance re-affirmed.

3rd. And our Ruffled Tempers smoothed by such formal and public apology as the nature of the injuries done us may require.

The whole respectfully submitted.

And your reps. will ever prey, etc., on each other (et al) as heretofore.

We have not heard the end of this matter yet. I expect lively times next Board day. Of course it will all come right in the end, and, seriously, it is a pity that, with such an excellent prospect as there now is for the harmonious and profitable working of Tariff Associations, anything of an unpleasant nature, however trivial, should arise to mar it.

Notwithstanding the advantage of nearly three months of the minimum tariff rates, it begins to look as if the fire insurance business is going to prove unprofitable for 1883. We Western people think that Montreal has very largely contributed to this result. If one city more than another requires a tariff of advanced rates Montreal is that one. Surely the experience of this year will tend to make the leaders among you unite for better rates.

Our latest Toronto loss of any moment, Elliot's drug stock, has been adjusted for something under 8 per cent. of the total insurances, and it appears that both insured and insurers are satisfied with the award.

In Marine there have been some ugly losses, but it is said, an average profit has been netted. The British America claim to have made money by their transactions. Some uneasiness has been felt by the Fire Brigade as to the alleged endangerment of their lives by possible contact with some of the many electric light wires running over our city buildings. It has been stated that under certain conditions a fireman groping his way along and through buildings on fire might easily, by contact, receive from a wire such an electric discharge as would kill him on the spot. This matter has received much notice in the daily press, and has been brought before the Fire and Light Committee of our Council. Later, I observe the manager of the Electric Light Company has exhibited a "switch" lately patented by the Company which, on the breaking out of a fire, may, by a simple arrangement, be readily operated, either by their own employee or a policeman, so diverting the electric current from the burning house or section. The "switch" is reported as satisfactory in operation.

I conclude my lengthy epistle by wishing you and your readers a Merry Xmas and Happy New Year.

Yours truly,  
ARIEL.

TORONTO, 12th December, 1883.

**MUTUAL VS. JOINT STOCK INSURANCE.**

SAUGEEN MUTUAL FIRE INSURANCE COMPANY.

MOUNT FOREST, November 26th, 1883.

To INSURANCE SOCIETY.

In your article "Stock vs. Mutual Insurance" in the October Number, you quote from the Inspector's Report for 1881 and 1882, showing that "some fifty purely mutual companies in Ontario" "had, in 1881, \$26,329.56 and in 1882, \$25,949.48 unpaid assessments," which you term *delinquent assessments*; and owed for borrowed money to meet this delinquency, in 1881, \$16,254.10, and in 1882 the sum of \$21,536.76.

(1) A partial analysis of the Reports will show that four companies, to wit:

The Nichol Mutual, in 1881, had . . . . \$649 77 ; in 1882 . . . . \$567 09
The Economical Mutual, in 1881, had. 4,493 19 " . . . . 4,249 36
The Saugeen " " " 1,944 09 " . . . . 2,249 99
The " " " " 13,022 07 " . . . . 13,162 91

Total for 1881 . . . . . \$20,109 12 ; for 1882 . . . . 20,230 34

On nearly *four-fifths* of the entire amount. I enclose vouchers to show you that the plan pursued by these four companies is to make the assessment for 1881 due or payable in 1882, the assessment for 1882 payable in 1883. Consequently, what you term delinquent assessments are simply ASSESSMENTS LEVIED BUT NOT DUE.

(2) I have not at present any means of positively showing what part of the remaining \$6000 is really delinquent or only, like the above, "levied but not due;" but, granting that all of the remaining \$6000 is really delinquent, it *does not* show a weakness in the system at all comparable with "Agents' Balances" or "Premiums in course of Collections," as shown by the "Stock Companies."

(3) My own experience as agent and manager, covering nearly fifteen years, shows that only about 4 per cent. of the assessments are irrecoverable.

Ten years of that experience has been under the Ontario Act of 1873, which you "affect to despise" in the November Number.

(4) And now one query. If you term the assessment account as shown by the Report "Defective Bookkeeping" why do you add \$6,800 of bad assessments, the average of five years, each to the \$25,000 due December, 1882, and make over \$60,000 unpaid assessments on a premium note capital of nearly \$1,500,000? Your bookkeeping in that statement is worse than Mr. O'Reilly stated the Mutuals' to be.

(5) Allowing you the benefit of the figures as you claim, to wit \$6,800 "bad assessments" each year, that simply means a loss of \$6,800 on a Premium Note Capital of nearly \$1,500,000 each year, and not \$60,000, as it appears you would like your readers to infer.

(6) In conclusion allow me to say, go on, stir up the Mutuals. We deserve all we ever justly obtain; but, for the sake of Insurance Society, of which you claim to be a member, *state the matters as they are*, and so you will ever have peace and honor from

Yours truly,

HENRY L. DRAKE.

REPLY TO MR. DRAKE.

For the purpose of enabling us to reply to our friendly correspondent *seriatim* we have numbered the paragraphs of his letter for reference, and thus avoid the necessity of repeating them. We comment as follows: 1. The "partial analysis" shewing the figures, of *four* companies only does not affect our figures, which covered some *fifty* offices, more or less, except to prove them correct. That there are numbers of individual companies out of the 50 whose shewing will be much better than the average *we know* but we could not treat them singly. Our object was to show the condition of the Purely Mutual Companies of Ontario in the aggregate; and we think that we have done so without fear or favor. No single office, conscious of its own position, should think *itself* alluded to; but to such of these companies as may think that the shoe fits them, we give our free permission to wear it.

The "vouchers" alluded to in this paragraph are simply forms of assessment notices, shewing that it is the custom of some of these companies to make but *one* assessment yearly; a fact that places them on the horns of a dilemma: they must either compel their loss-claim holders to wait for the annual assessment to be made, and the further dilatory process of collecting it, or they must go to the banks or elsewhere and borrow the money to meet these claims. A view of the "liability" and the "loan" accounts show which horn of the dilemma the companies *usually* choose, though we are happy to say that we find several of the companies against which no "unpaid loans" are found in the statements.

2. This is a kind of "you are another" argument; acknowledging their shortcomings, as charged, but excusing themselves by the *assertion*, not proof, that stock companies' "agency balances" are even worse. Does Mr. Drake mean to have it understood that these "purely mutual offices" have no "agency balances"? A reference to the Ontario reports shows that for the five years under consideration there was the sum of \$25,838 in the aggregate in the hands of their agents, a ratio, as to amount of business done, in excess of the stock offices as a rule. "People residing in glass houses mustn't throw stones."

3. Mr. Drake here speaks of his *own* happy experience; he has been careful and conservative, hence fortunate. We

spoke of some half a hundred offices, hence the difference. As to the gratuitous assumption of our "affecting to despise" the Ontario Act of 1873, we simply have to say that, while we have been surprised at the adoption of such a law by any legislative body, we have no occasion to "despise it." If the members of the Ontario purely mutuals can stand it, we can.

4, 5. To the query in the 4th paragraph we simply say that we *did not* add \$6,800, the "bad" assessment estimated for 1882, to the \$25,000 assessment held as good for that year, and thus make the total \$60,000. We added the total of unpaid "bad" assessment for the five years to the balance of good assessments Dec. 31, 1882, and the result was the \$60,000 odd which troubles Mr. Drake. This shows Mr. Drake's position and answers paragraph 5.

6. We are under obligations to Mr. Drake for his kindly suggestion that we "state the matters as they are." This is *just what we have already done* of our own accord, and that is why the shoe pinches. Now "as one good turn always deserves another," we would, with equal kindness, return the suggestion that Mr. Drake hereafter read more carefully what he attempts to criticise, lest he should, as in this instance, "put his foot in it," and show up his ability as an accountant. We trust, however, that we shall continue to retain the "peace and honor" of our esteemed, though mistaken, correspondent; we shall do all in our power to avoid a breach of the first and to deserve the second.

FIRE IN "QUEEN" BUILDING, HALIFAX.

To the Editor of the INSURANCE SOCIETY.

DEAR SIR,—We had a bad fire yesterday morning, 16th inst., by which the Queen Building, corner of Hollis and Prince streets, on Goad's plan sheet 6, block 99, No. 175, was completely gutted. The bare walls alone stand, and they are in a very shaky condition. The building was owned by a company, the chief of whom are Doull & Miller. It cost over \$50,000, so the papers say, and was insured for \$26,000—\$10,000 Royal, \$10,000 Queen, \$6,000 North British and M. The Queen had also \$7,000 on V. J. Gibson's stock of tailoring and gents' furnishing goods, on same stock, Western, \$5,000; Fire Insurance Association, \$5,000; British America, \$5,000.

Mr. M. B. Almon, agent of the Guardian, had his office furniture insured in the London & Lancashire, for \$500. The loss on it will be trifling as the only damage done was by water, and his office being on first floor, into which fire did not get.

In Royal application the value of building was put down at \$40,000. The fire is supposed to have originated in a stove over Mr. Gibson's shop, used by him for heating irons at. There was an elevator in the building which carried the flames upwards. Graham, Tupper & Borden lose all their law books, no insurance; neither was Mr. Tobin insured, or M. Bigelow, agent of the Hamilton Powder Company, or Mr. Wingfield Bonyn, C.E., or any of the other tenants who had offices in the building.

The saddest feature of the fire was the untimely death of Mr. O'Connor, who for eighteen years had done faithful service for Mr. Tobin as bookkeeper. During that long space of time he never missed a day from the office. He slept in the building and, unable to make his escape, perished in the flames, and his body was found with the head and feet completely burnt off. It will be a hard matter to replace him.

The loss to the Insurance Companies on the building will hardly be total.

Yours truly,

Halifax, December 17, 1883.

Agent.

DOMINION SAFETY FUND LIFE ASSOCIATION.

ST. JOHN, N.B., 7TH DEC., 1883.

To the Editor of INSURANCE SOCIETY.

SIR,—Having noticed in your issue of 20th ult. a letter signed "Watch" in which certain statements are made respecting the canvass used by one of our agents, and your editorial comment expressing

confidence in the Head Office, I write to convey my thanks for your kindness, and also, in a few words, to justify that confidence.

Our leaflets and other literature, with which all our agents are furnished, set forth fully our system of insurance, and no agent is authorized to promise anything not contained therein.

If so extraordinary a promise as that asserted by your correspondent "Watch," viz., "that for \$227, the sum of \$3,000 would be returned in 20 years," can have been made by one man, and solemnly believed by another, without other evidence than the bare assertion, there is a flavor not only of "gullibility" but of rascality about it on both sides.

We have written to the agent in question, informing him of the statements which have been made, and when we have his reply will be able to take such action as will prevent in future, we trust, the possibility of any such charge being made with or without foundation.

Again thanking you, sir, for your expression of confidence that no such course would receive countenance or support at this office,

I remain,

Yours respectfully,

CHARLES CAMPBELL,

Secr. Dom. Safety Fund Life Assn.

OFFICE OF  
**THE PROVIDENT MUTUAL ASSOCIATION OF  
CANADA.**

MONTREAL, 10th December, 1883.

Editor of the *INSURANCE SOCIETY*,  
Montreal.

SIR,—In your November edition, you continue your strictures on our Association. You ask (what you are pleased to term) "some pointed questions," and say: "If Mr. Hopper has any reply to make to them we will be happy to insert it." I quote your questions in their order, and give my answers to them:

QUESTION 1.—"Is it not true that many, if not all, of the death claims of the Metropolitan Mutual Benefit Society, which is now incorporated with the Provident Mutual, were settled for a small percentage of their nominal face value? In a late issue we gave an actual case of settlement at twelve per cent."

ANSWER.—The Metropolitan Mutual Benefit Society was not incorporated with the Provident Mutual. When their Directors decided to discontinue business we took such of their members who applied to our Association, when the medical examination was satisfactory. I have no knowledge of what it paid to its claimants. In my opinion the difficulty with that Society (to use the phrase of a noted Actuary) was that it "failed in getting born."

QUESTION 2.—"Are not the same remarks true of the Canadian branch of the Rochester Mutual Association, of which Mr. Hopper was manager, and which he took over with him into his present company?"

ANSWER.—When the officers of the Mutual Benefit Associates of Rochester were informed by the authorities at Ottawa that they could not legally transact business in Canada they promptly withdrew their agencies. When I made my contract to serve the Provident Mutual, I stipulated that all the Canadian members of the Rochester Association, who desired to join the Montreal Association, and who were in good health, should be accepted on favorable terms of admission. While I was connected with the Rochester Association it paid in death claims over \$100,000.00, and paid them in full.

QUESTION 3.—"Is it not true that about \$9.00 out of every \$10 received went last year to pay Mr. Hopper and his associated agents?"

ANSWER.—No. Our sworn official report for the fiscal year ending August 31st, 1883, and which was audited by Walton Smith, Esq., Provincial Inspector of Insurance, and now on file in the office of the Provincial Treasurer at Quebec, shows that the commission to agents, together with the amount of salary drawn by the general agent, did not amount to 50 per cent. of the total income. The Inspector of Insurance can verify this statement. The proportion of this expense to the annual income can never be so large as the assessment fund will be greatly

augmented with a larger membership and increased mortality. Our business for the fiscal year referred to amounted to over (\$5,500,000) five and a-half millions of dollars, and we issued nineteen hundred and eighty-eight certificates of membership. The annual premium on this amount of business, in the level premium companies, would have approximated two hundred thousand dollars, and the brokerage commission that would have been allowed their agents would have been more than five times the amount that was paid me and assistant agents and nearly three times the annual income of our Association from all sources.

QUESTION 4.—"Considerable use is made of the name of the Hon. Mr. Lynch, and he signs the circular as Vice-President. How many board meetings has Mr. Lynch attended? We believe Mr. Lynch to know little or nothing of the practical working of the Society, except what has been told him, by Mr. Hopper. Of what value then is his endorsement?"

ANSWER.—Hon. Mr. Lynch was elected Director of our Association at the annual meeting of the members last June. The Board have had six meetings since; he has attended three of them, and visited the office often, besides. At the meeting of the Directors in October, when your attack against our Association, and its circulation in pamphlet form, scattered broadcast by agents of the life companies, was brought to the notice of the Board, he offered a resolution which was unanimously adopted and the following is an extract:

"The Directors desire that all agents will inform the members in their respective localities, that our books and papers are held in readiness for their inspection at any time they may call at this office, where every facility will be afforded them to ascertain the true position of the Association and falsity of the charges made against it."

The fact is, the Hon. Mr. Lynch has manifested great interest in the administration of our affairs, and has requested the Secretary to always send him a transcript of the minutes of the Board meetings when he is compelled to be absent. In a letter written very recently to a gentleman in Montreal, not connected with the office, he says:—"It has not been possible for me to attend but a few meetings of the Directors, but I have tried, as far as I possibly could, to make myself familiar with the business of the Association."

QUESTION 5.—"The circular states that the Association is not run by its agents, or in their interest, and neither is it controlled by them." As the most practical reply, we ask them to deny that the circular in question was drafted by their General Agent, Mr. Hopper? Moreover, who is their Manager, if Mr. Hopper is not? Mr. Gagnon certainly is not, and they must either admit that Mr. Hopper, their General Agent, controls and manages the institution, or that they are without a head entirely."

ANSWER.—The members of the Association hold annual meetings, and elect from their number Directors, who are intrusted with the management of its affairs.

A circular issued by them over their own signatures under date of September 27th, 1883, says: "The Directors have monthly meetings, and every detail connected with its affairs is submitted to them, and every safeguard practicable is adopted for the security and protection of its members." "The General Agent is employed under a contract approved by them." It also adds that he has attended to his duties efficiently and successfully.

It is moreover a fact that the President is authorized to call special meetings when matters of importance connected with the Association require immediate attention.

QUESTION 6.—"The circular refers its readers to the Official Report of the Inspector of Insurance for the Province of Quebec for further information." We have never yet seen any such report, and never heard of any person who had. Is there any such published report in existence? We do not believe there is."

ANSWER.—I quote the following telegram to Messrs. John Richards & Son, General Insurance Agents, Fredericton, N.B., in reply to their inquiry:—

"QUEBEC, April 25, 1883.

"I inspected the affairs of the Provident Mutual Association of Canada in October, 1882.

"(Signed), WALTON SMITH, Inspector of Insurance,

Mr. Walton Smith not only inspected our affairs in October, 1882 (and filed his Report with the Government), but also in November, 1883. His Official Report of his examination of our affairs for the past year will be printed as soon as authorized by the Provincial Treasurer, and distributed to those interested. I will take good care that a copy thereof is handed to you, as it will effectually dispose of many of your erroneous impressions regarding our Association, which you have seen proper to give expression to in your recent criticisms,



QUESTION 7.—“The Association disclaims all responsibility for ‘the mishaps’ of the Metropolitan Mutual and Rochester Mutual Associates, which are now incorporated with it. We will now give it some facts for which it cannot deny the responsibility. Why did they pay only \$631 on the policy of the late Mr. A. F. B. Patton, of Stanstead, P.Q.? The amount payable to his heirs by the terms of his certificate was at least \$1,000, we think \$2,000. Again, why did they pay only \$647 on the death of the late Mrs. Julie S. Desjardins, of Montreal, when the amount payable, by the terms of her certificate, was either \$1,000 or \$1,500?”

ANSWER.—We paid both of these claims according to the exact terms of the contracts. Mr. Patton died when there were but few members in the Class to which he belonged. He was fifty-five years of age at the time he was admitted into our Association. He paid only five dollars to it during his membership, and his widow received six hundred and thirty-one dollars. The small amount paid to us would not pay the annual premium upon one hundred dollars in any level premium company for a man of his age. Mrs. Desjardins died before the Class to which she belonged was full. The beneficiary, under her certificate, received over seven hundred dollars out of a possible one thousand, and the amount of money paid to the Association during her membership would not pay the premium on three hundred dollars for a person of her age in any Life Insurance Company. So much for your questions.

Your further remark:—“Even in the height of prosperity, and before the *exodus* has begun, the Provident Mutual does not pay all its claims in full.”

At the time of the death of the two members you refer to, the Association was in its infancy, and not “at the height of its prosperity.” Since their deaths we have received over two thousand five hundred members. At that time an assessment in both Classes amounted to about two thousand dollars, while an assessment, if made *to-day*, would realize over twelve thousand dollars. The “*exodus*” you refer to has not yet begun, as was fondly hoped and prophesied by the industrious agents of some of the level premium companies represented in Montreal. They printed in circular form your editorial of September in French and English, and sent a copy thereof to our members scattered throughout the Dominion, with the intention (doubtless) of dissatisfying them with our Association and of injuring our business. The attempt was futile, as our membership has steadily increased, and our members paid the last assessment with greater promptness than any ever before issued. They exercised common-sense and discovered the motive.

In reference to the care we exercise in receiving members, I will state that during the past year the Medical Director rejected applications to the amount of over two hundred and fifty thousand dollars, and that his instructions from the Directors is to closely scrutinize every application for membership received, and always give the Association the benefit of the doubt. The small mortality since we were organized attests the excellent care taken.

In answer to your assertion that one of our directors has been “declined” by a number of the “regular Companies,” I reply that all our Directors are insured in one or more of the old line life insurance Companies.

On the 20th November, 1883, we deposited with the Provincial Treasurer five thousand dollars for the security of our members, in virtue of the provisions of Assembly Bill 139. This comprises a portion of the Reserve Fund, which we have set apart, besides paying promptly all death-claims that have matured. We hope to add to that sum, during the year 1884, twenty thousand dollars, as, according to our By-laws, we put by a considerable reserve from the assessments in both of our classes.

You say in your September edition, “that the Society is almost absolutely without funds or reserves of any kind, and is not likely to have \$5,000 of so-called reserves on hand to invest for years to come, if it ever has.”

In the face of the facts how does this paragraph sound? Within sixty days from the time you published the paragraph above quoted, we had deposited five thousand dollars with the Provincial Government, and the receipt of the Provincial Treasurer is in the hands of our Secretary-Treasurer.

In view of the complaints formulated against us recently, the following extract from a letter written last September by the Hon. Elizur Wright to the President of an Assessment Association in New York, may be aptly re-produced:—

“It appears certain to me that the complaints against your management or your plan cannot have originated spontaneously with any of

your own members. Nor can they come from disinterested, intelligent and impartial critics. If the editors of insurance journals had any of these qualifications they surely would not urge charges against your institution which bear with ten-fold force against the best of the level premium companies, which they have always lauded, both as to plan and management.”

MR. WRIGHT concludes his letter as follows:—

“In the best of the old-line companies the lapsed and surrendered policies outnumber those remaining in force, and are about ten times the number of those matured by death or endowment. And it may be pretty safely said that more members have lost money by unscientific and unjust rules of forfeiture and surrender in solvent companies than in all the insolvent ones. Your company, I trust, will open the eyes of the public to this great nonsense.

ELIZUR WRIGHT,  
Consulting Actuary.

There is much honest difference of opinion regarding the assessment plan of life insurance, and all men are entitled to their views. There are over a million of members in the various Assessment Societies of the United States and Canada, comprising many of the leading business and professional men in both countries. These Associations have certainly accomplished a great deal of good and relieved much distress, as they paid in the year 1882 to the beneficiaries of the deceased members more than fourteen millions of dollars, and have paid in death claims since their organization over sixty-three millions of dollars. I quote these figures from the Report of the eighth Annual Convention of the Mutual Benefit Assessment Associations and Societies, held in Detroit, Michigan, August 28th, 29th, 30th and 31st, 1883.

A large number of persons prefer the assessment system to that of the level premium companies, because it requires a less outlay of money and the payments are more convenient.

There is certainly no good reason why the people should not have their choice, or patronize both systems if they so desire.

I regret to trespass upon your space, and I shall not trouble you again. Journalistic controversy is not in my line, and, if it was, I have no time to devote to it. When men are fixed in their opinions on the subject of life insurance, disputes do not tend to engender good feeling, or promote the courtesies and amenities of life that should exist even among those brought into sharp business competition.

Very respectfully yours,

JOHN HOPPER,  
General Agent.

#### BRIGADE NOTES.

Chief Paton of the Montreal Fire Brigade received \$25 from the Montreal Rolling Mills Co. for the Firemen's Benevolent Fund.

The Ottawa Corporation has ordered 2,000 feet of 2½-inch Eureka seamless woven cotton hose, paragon bound, for the use of the Fire Brigade, from the Canadian Rubber Co. of Toronto.

The Moncton, N.B., firemen made a very satisfactory test of the new steam fire engine on the 12th inst. The hose was taken a distance of 700 feet, and a stream was thrown higher than the steeple on the Roman Catholic Church. The fire equipment now consists of an Amoskeag, No. 2, hook and ladder waggon, fully supplied with all appliances, salvage waggon and three hose carts. There are upwards of 20 fire plugs situated in central parts of the town, and wells in sections where the water-works do not reach.

## SOCIETY NOTES AND ITEMS.

We welcome to our file the first numbers of the *Insurance Post*, published in London, Eng.

The *Ætna Life Insurance Company* offers a \$50 prize for the best original sketch or story, based on life insurance.

The *Northern Assurance Company* has declared an interim dividend of 10 per cent. on account of the year 1883.

The *New Zealand Insurance Company* is going to erect a handsome six-storey building in San Francisco, at a cost of \$140,000.

The *Liverpool and London and Globe Insurance Company* announce a dividend of 6s. per share on account of the current year.

The *Guardian Assurance Company* has declared an interim dividend of 5 per cent. per annum, payable on January 1st.

We had the pleasure of a visit from Mr. B. Hal Brown of Toronto, Inspector for the London and Lancashire Life Insurance Company.

The *Fire Insurance Association of London* has established a head office for Australia at Sydney, with Mr. Richard Shann as manager.

The *Sovereign Fire Insurance Company* is about completing arrangements to re-insure its business with the Glasgow and London Re-insurance Company.

A Fire at Rat Portage, on the 16th inst., nearly destroyed all the remainder of the business portion of the town. Estimated loss \$100,000; insurance only about \$10,000.

The fight which the *Union Mutual of Maine* is now making against arbitrary power unjustly and cruelly exercised is not its battle alone, but that of all life insurance.—*Insurance, N. Y.*

Mr. N. Plympton, the special U. S. examiner, has made his report on his recent examination of the *British America Assurance Company* and the *Western Assurance Company*. The report is highly complimentary to the companies.

A Knight to be Knighted.—The Queen has signified her intention of conferring the honor of knighthood, on Mr. Henry Edmund Knight, late Lord Mayor of London, and present Chairman of the *City of London Fire Insurance Company*.

Mr. Fowler, the new Lord Mayor of London, is a director of the *Fire Insurance Association of London*, and also of the *London and Lancashire Life Insurance Co.*, both of which companies are represented in Canada by Mr. William Robertson.

Mr. James Davison, manager of the *Royal Canadian Insurance Company*, who got a paralytic stroke a few days ago, has our deepest sympathy. We are glad to learn that there is some improvement in his condition, and we wish him a speedy recovery.

Our Canadian High Court has affirmed the decision of the lower Court that the \$100,000 of the *Globe Mutual Life* deposited in the hands of the Dominion Government, shall be disbursed to Canadian policyholders alone. The case will likely go to the Privy Council in London.

Mr. W. Greenwood Brown, B.A., has been appointed general Agent for London and District of the *London and Lancashire Life*. The *London and Lancashire Life* are to be congratulated in securing the services of a gentleman possessing the talents and ability of Mr. Brown.

Mr. Alfred Jones, who was formerly Inspector of the *Citizens Insurance Company*, and Mr. G. W. Baker, late of the *Canada Fire and Marine*, have entered into partnership under the title of *Jones and Baker, Insurance Adjusters and General Agents at Winnipeg*. We wish them success.

Mr. David Denne, who is well known in business circles, Montreal, is now connected with the Montreal Office of the *Western Assurance Company*. From our personal knowledge of Mr. Denne we consider the *Western* has secured the services of a first-class business man, and he has our best wishes for future success in the insurance field.

The *North British and Mercantile Insurance Company* has retired from Italy, and handed over its business to the *Union of Paris*. The reason for having done so is attributed to the heavy taxation imposed on foreign Companies, the tax being in proportion to the amount of the share capital. The annual tax on the *North British* was £2,400.

Attorney-General Sherman of Massachusetts has furnished Insurance Commissioner Tarbox with an opinion that a corporation officer who makes a return which he knows to be a "mere approximation of the truth" is guilty of perjury in the eye of the law, even though the return was made as according to the knowledge, information and belief of the affiant.—*The Investigator*.

The *Glasgow and London Insurance Company*.—We understand that the *Glasgow and London* are going to make the necessary deposit with the Dominion Government. It is also their intention to transact a re-insurance business in the United States, the Head Office for America being in Montreal, under the supervision of the present managers, Messrs. Stewart Browne and E. L. Bond.

Mr. David Downs, who was for some years inspector of the *London and Lancashire Life*, and was subsequently connected with the *Equitable Life*, has been appointed manager for the Province of Quebec of the *Union Mutual Life Insurance Company of Maine*, from the first of January next. The *Union Mutual* has secured the services of an energetic and successful representative, and we shall expect to see a large increase of business resulting from his appointment.

Stock Insurance.—The *Canadian Cattle Lloyds* have determined to ask incorporation and power to insure against loss from the perils of the sea, or otherwise, all live stock shipped from any port in the Dominion of Canada to any port in Great Britain or Ireland, or any port on the continent of Europe, or in the United States of America, and, *vice versa*, from any port of the United States of America or the continent of Europe or Great Britain or Ireland to any port in the Dominion of Canada, and for other purposes.

The *Post Magazine* of London says that the *Manchester and London Insurance Company* has disposed of its business on advantageous terms to the *Manchester Fire office*. It was first offered to the *London Assurance Corporation*, but a basis of agreement could not be arrived at. Still larger transactions of a similar kind are mentioned. We are informed that a fire office, with a premium income of over £500,000, is anxious to abdicate, but has not yet found a suitable successor. It is said that negotiations have been opened in turn with five of our largest companies, but at the time of writing (December 1) no definite arrangement has been concluded.

## LEGAL DECISIONS IN INSURANCE CASES,

COMPILED BY  
MESSRS. MONK & RAYNES, ADVOCATES,  
MONTREAL.

COURT OF APPEALS, MONTREAL.

LA FONDERIE DE JOLIETTE,

APPELLANTS ;

AND

LA CIE D'ASSURANCE DE STADACONA CONTRE LE FEU ET SUR LA VIE,  
RESPONDENTS.*Double Insurance—Notice of—Waiver of—Objection to.*

On the 23rd of January, 1877, the Defendants issued a policy of assurance in favor of the Plaintiffs for \$2,000, against loss by fire, covering buildings, machinery and manufactured stock.

The fourth condition of the policy provided that persons insuring should give notice of all insurances already effected, or thereafter to be effected, by them upon the same property, and should have an endorsement made upon their policy of such other assurance, and, unless such notice should have been given, that the assured should have no right to any benefit under the policy.

On the 28th of June, 1877, the Defendants, having met with great losses, sent the following telegraphic despatch to their Agent :

28th June, 1877.

" By Telegraph from Quebec,  
" To P. E. McConville.

" No new business and no renewals to be taken. Notify policyholders to insure elsewhere, and the unearned premium will be returned hereafter. Steps are taken to meet all outstanding claims in full."

" By order.

" (Signed), CRAWFORD LINDSAY."

The Defendant's Agent, McConville, immediately informed the assured of this despatch, and he consequently assured elsewhere, viz, in the North British, on the 3rd of July, for \$2,000, with the knowledge and consent of the agent McConville. On the 5th of July, the Stadacona addressed to its Agent at Joliette the following letter :

" HEAD OFFICE, QUEBEC, 5th July, 1877.

" P. E. McCONVILLE, ESQ.

" DEAR SIR,—To avoid any misunderstanding regarding my telegram of the 28th June, I have to advise you that no agent of the Company is authorized to return to the insured any cash in acknowledgment of our unearned premium ; the telegram expressly leaves the time of such payment in the Company's hands ; I may, however, say that such monies will be repaid immediately after settlement of existing losses."

" Yours truly,

" CRAWFORD LINDSAY, " Secretary."

A circular, dated the 6th of July, and signed by Geo. J. Pyke, Agent General, contains the following passages :

" The payment or redemption of these obligations for returned premiums will be subsequent to the payment of our fire losses." " A general meeting of the shareholders has been called for the 10th of July, at which will be submitted a statement of the Company's affairs and the question of resuming or finally closing up discussed and decided on."

N.B.—" Policyholders are of course not obliged to cancel, unless they choose to do so—they are only advised to do so by the directors—as the Company is quite solvent."

9 July, 1877.

" By Telegraph from Quebec,

" After this date, and until further notice, allow no unearned premium for cancellation of policies."

" By order,

" C. LINDSAY, Secretary."

" QUEBEC, 10th July, 1877.

" To P. E. McCONVILLE, ESQ., Agent,

" SIR,—We sent you last night the following telegram : After this date, and until further notice, allow no unearned premium for cancellation of policies. "

" By order

" CRAWFORD LINDSAY."

" The directors, at the special meeting to-day, decided for the present to annul that portion of the telegram order sent on the 28th June last, with reference to return of premium on cancelled policies, and leave it optional with parties to continue with us, or re-insure elsewhere.

" I would add that, if you have promised any party payment of unearned premium at any definite day, you have exceeded instructions as per our telegram of 28th June, and the Company cannot make good such promise on your part.

" Yours truly,

" GEO. J. PYKE, " General Manager."

A circular of the 20th July contains the following passage : " The Company intend to return (after losses are paid) the unearned premium due on the policies surrendered and cancelled only up to the date of this last telegram (of the 10th of July), desiring generally to hold existing contracts until expiry, being in a position to do this."

The Respondents never returned to the Appellants any portion of the unearned premium.

On the 25th January the Appellants' establishment was destroyed by fire.

The Agent of the Stadacona at Joliette immediately sent the following telegram to the General Manager :—

JOLIETTE, 25th January, 1878.

" Joliette foundry burned this morning at four a.m. Shareholders called on me to establish damages. Nothing had been settled with the Company last summer. Answer.

" P. E. McCONVILLE."

The General Manager, Mr. Pyke, replied immediately : " Will send our Inspector to investigate. Will loss be total ? what other companies on risk ? Answer.

" G. J. PYKE."

The Agent replied the same day : " Loss about four thousand, average ; North British and Citizens have same risk as you."

On the 26th of January McConville telegraphed again to the Manager : " Mr. Brazier is here to represent the North British and Citizens Insurance Co., in the Foundry affair, and wants to know when your Inspector will be here. Answer."

The Manager, Mr. Pyke, answered the same day : " I hope by Tuesday or Wednesday next."

On the 29th January the Inspector of the Respondents did go to Joliette, and proceeded with a valuator named by the Appellants to appraise the loss. Besides this, the Inspector on the same day, 29th January, 1879, signed in the name of the Company, on one of its blank forms, an agreement with the Appellants, represented by their president, by which they each named an arbitrator and *amicable compositeur*, with power to choose a third to value the amount of loss ; the decision of the arbitrators to be final and binding under a penalty of \$500.

The two arbitrators chosen proceeded to make the valuation, and signed an award ; subsequently the Respondents refused to pay the award, upon the ground of violation of the 4th condition of the policy, referring to additional insurance, and the Foundry instituted the present action.

The Judge in the Superior Court dismissed the action against the Co., on the ground of there being additional insurance, of which the Appellants had neglected to notify the Respondents, considering that the policy was null and void as soon as such double insurance came into force, in accordance with the terms of the application and of the condition as to double insurance endorsed on the policy.

From this judgment the present appeal was instituted.

The following are the remarks made by two of the judges in Appeal at the rendering of the judgment reversing that of the Superior Court.

*Cross, J.* : The Foundry was insured in the Stadacona and the Citizens. The Stadacona having suffered heavy losses, contemplated the possibility of going into liquidation, and notified McConville, their Agent at Joliette, to tell their policyholders to re-insure and the unearned premiums would be returned to them. The Foundry thereupon resolved, at a meeting of shareholders held at McConville's office, to effect an equal amount of insurance with the North British, which they did, but afterwards were informed by McConville, pursuant to instructions from head office, that they would not cancel but continue their risks. They gave no written or other formal notice to the Stadacona of the insurance at the North British, relying upon the fact of its being known by McConville. The policy of the Stadacona was mislaid, the Foundry did not ask the return of the premium, nor did the Stadacona ask for the cancellation of their policy.

A fire occurred ; the Stadacona sent an Inspector to enquire concerning the loss. He signed a submission to experts. The loss was esti-

mated and by the Foundry apportioned among the three companies. The Stadacona did not repudiate while all this was being done, but ultimately refused to pay because of the insurance with the North British without notice to them. I think the notice was insufficient. Was the objection waived? is the only question. I lean to the belief that it was; if so the judgment should be reversed, and the Foundry should recover. The Stadacona Company committed the first wrong by inducing the Foundry to re-insure.

*Ramsay, J.* This was an action for contribution on loss by fire. Respondents pleaded that in contravention of the conditions of the policy there was double insurance. It was also pleaded that there was an abandonment of the policy by mutual consent. It is said that this second plea was dismissed on demurrer, and that from that judgment there was no appeal.

There is a special answer to the first plea, under which it was proved that the Company Respondent was on the verge of insolvency, owing to great losses, and that this Company telegraphed to its agent on the 28th June, 1877 to the following effect:

To P. E. CONVILLE,

"No new business and no renewals to be taken. Notify policy-holders to insure elsewhere, and the unearned premium will be returned hereafter. Steps are taken to meet all outstanding claims in full.

"By order,

"CRAWFORD LINDSAY."

That thereupon the Company Appellants called a meeting of its board of direction, and agreed to re-insure with the North British. The agent of the Respondents was a shareholder of the Company Appellants, and was present at the meeting of the directors—in what capacity it does not clearly appear.

He did not, however, notify the Company before the fire. The Appellants re-insured on the 3rd July, but gave no further notice to Respondents till after the fire in January. From the 5th of July forward, till the 20th, the Company Respondents despatched no less than six messages and letters to their agent, explaining, varying, and finally abandoning their telegram of the 28th June. In fact, they declined to carry out their promise to return the unearned premium, but they definitely agreed to leave it to the option of the insured to cancel the obligation of the Company to insure, while the insurer was to hold the unearned premium as long as it was convenient to do so. Naturally this state of facts disproves the allegations of the second plea, whether it was dismissed on demurrer or not.

The first question that presents itself is this, whether, under these circumstances, the Appellants were obliged to give notice under pain of nullity of the policy.

The object of the stipulation as to notice is to prevent fraud, and to serve as a means of allowing the Company to see that the loss is properly distributed.

There can be no question of fraud when it is at the suggestion of the Company that the re-insurance takes place, nor, under the circumstances contemplated at the time the re-insurance was effected, could there be any idea as to adjustment, for both parties then intended that those who re-insured would cancel the insurance with Respondents.

But it is argued: you never put the Company Respondents *en demeure* to cancel the policy, and therefore, if it was the intention of both parties to cancel, the cancellation was complete. The answer to this appears to me to be complete. The Company Respondent notified its agent afterwards that it would not pay back the unearned premium.

Now, after the Appellants had effected a re-insurance intended to cancel the former insurance, all notice to the Respondent Company was unnecessary by the insurer's own act, and, being unnecessary, there was an end to the obligation. The failure of the Respondent Company to carry out its undertaking could not be a reason for creating a new obligation to give notice. I should therefore reverse the judgment, on the ground that the Company Respondent, by its own act, discharged Appellants of the necessity of giving notice. It seems that in an Ontario case of Parsons and The Standard, noted at page 335 *Legal News*, Vol. iii, it was decided that where the insured had a right to insure by his policy up to a certain amount it was not necessary to give notice of double insurance within that amount.

But there is also the question of waiver. In this case it is not equivocal. After enquiring as to the other companies interested, Respondents agreed to send an agent, which they did. He entered into an agreement to arbitrate as to amount of loss. This has always been held as a waiver in every system of law.

Converse and Provincial is distinctly in point, 21 L. C. J., p. 276, also Canada and Donovan, 2 Leg. News 229, and in Black and The National joining in adjustment of loss was held to be waiver. In Canada Landed Credit Co., and Canada Agricultural Insurance Co., it was held that going into proofs of loss was waiver, 17 Grant Ch. Rep. 418.

The general principle is that any act acknowledging the validity of the insurance after double insurance is known as waiver, May 372. The same principle is found in Agnel de l'Assurance 147. Under our system of law there never could be any reasonable doubt as to the principle on which waiver is founded. Unless a stipulation be of the essence of the contract it can always be waived by the party in whose favor it is stipulated. It was urged by Respondent's Counsel that the Company's agent had exceeded his powers, for that the Secretary had warned him to make no admissions and to be discreet, as perhaps the Company was not liable. These private instructions establish that the Company knew the difficulty before they entered into the negotiation to settle. They establish nothing else of any importance in the case.

I am to reverse on both considerations.

The following are the *considerants* of the judgment in Appeal:

"Considering that by the policy of insurance executed and issued by the Respondents in favor of the Appellants the Respondents insured the Appellants for one year, commencing on 25th January, 1878, at mid-day, against loss and damage by fire, to the extent of \$2,000 upon the foundry, buildings, forge, machinery and stock of the said Fonderie de Joliette;

"Considering that among other conditions of the assurance effected by said policy was the condition that persons insuring with the said Company Respondents should give notice of all other insurances effected on the same property, and should cause a memorandum thereof to be endorsed on the policy, in which case the Company Respondents should not be responsible for more than their proportionate share of any loss or damage that might be suffered, and unless such notice were given the assured should derive no benefit in virtue of said policy;

"Considering that the Appellants effected an additional insurance for \$2,000 on the same property with the Citizens Insurance Company, which existed concurrently with the insurance under the said policy so issued by the Respondents, whereof the Respondents had due notice, and the existence whereof was in fact acknowledged by their policy;

"Considering that at the instance of the Respondents, the Appellants, on the 6th July, 1877, effected a further insurance to the amount of \$2,000, for one year on the same property with the North British and Mercantile Insurance Company, intended to replace the insurance with the Respondents on the understanding that the then unearned part of Respondents' premium should be returned to the Appellants, which the Respondents' several times afterwards, more particularly on the 5th, 6th, 10th and 20th, days of July, 1877, refused to do, and the Appellants, in consequence, adhered to and continued to hold the policy effected with the said North British and Mercantile Insurance Company as an independent and additional insurance;

"Considering that a fire occurred on the morning of the 25th January, 1878, whereby the said foundry, buildings, forge, machinery and stock of the said "Fonderie de Joliette" were destroyed, to the damage and loss of the Appellants of \$6,312.53, for the Appellants, portion of which the present action has been instituted;

"Considering that the Respondents have in effect pleaded to the present action that they received no notice of said insurance so effected with the said North British and Mercantile Insurance Company as required by the above recited condition of their policy, and that in consequence the Appellants had forfeited all benefit thereunder;

"Considering that on the occurrence of said fire the Respondents were duly notified thereof by the Appellants, and of the existence of the said two other insurances with the said Citizens Insurance Company

(Continued on page 297)

Fires in Canada during the Month of **NOVEMBER, 1883.**

**EXPLANATION OF ABBREVIATIONS.**

**S** 34, **B** 104, 243, means—Sheet 34; Block 104; No. 243 on plan. Nos. before name of place are days of month. In Loss and Insurance columns **B** means Building; **C** Contents.

PLACE.—No. ON PLAN.—BUILDINGS BURNT.	APPROXIMATE.		PLACE.—No. ON PLAN.—BUILDINGS BURNT.	APPROXIMATE	
	Total Losses.	Losses to Ins. Cos.		Total Losses.	Losses to Ins. Cos.
<b>ONTARIO.</b>			<b>ONTARIO.</b>		
<b>DATE.</b>			<b>DATE.</b>		
1 PORT DALHOUSIE—SS. "City of Toronto."	20000	No Rep	18 WESTMINSTER TWP.—Geo. Wilkinson, Barn.	600	400
1 CHATHAM—SS. "Manitoban."	No	Rep.	19 BIDDULPH TWP.—D. McDonald, Dwelling.	550	400
1 WELLAND JUNCTION—A. McQuinn, Dwelling.	550	550	20 TORONTO—S 54, B J., No. 3, Central Prison.	20000	17000
3 TORONTO—S 29, B 151, No. 193 Yonge St., Lorimer's Book Store.	250	250	20 PICTON—{ G. E. Fraser, Dwelling.	C 1200	600
4 BRANTFORD—{ S 4, B 23, No. 78, J. Cockshutt, Grocery Store.	B 1000	None.	20 SHEDDEN—Temperance Hall.	B 1200	1000
{ Wm. Stronger, Grocery Store.	C 800	500	20 WINDSOR—{ H. N. Meloche, Fish Store.	500	300
5 NEWBURG—Farrell's Bakery.	C 400	None.	{ R. Marchand, Grocery Store.	400	250
5 PARIS—{ Jas. Muir, Dry Goods Store.	B 4000	1500	23 BROUGHAM—{ R. Vernon, Frame Implement Store.	B 500	500
{ C. L. Newell, Fruit Store.	C 15000	8000	{ R. Vernon, Frame Dwelling.	C 700	500
{ Transcript Printing Office.	1100	400	{ W. Fuller, Frame Dwelling.	B 700	700
5 WALKERVILLE—Special plan. Hiram Walker & Sons, Sheds.	3000	1500	{ Frame Grangers Hall.	C 600	None.
6 DOWNIE TWP.—Geo. Barthel, Frame Cheese Factory.	No	Rep.	23 GUELPH—S 12, B 87, Nos. 2, 3, 4 and 5, D. Spence, Flour Mill.	B 200	None.
6 BRUSSELS—{ S 1, B 4, Struthers & Powell, Dry Goods.	B 1000	700	24 NAPANEE—{ S 1, B C, No. 17, Peter Hicks, Grocery Store.	C 500	None.
{ Mrs. Long, Furniture.	C 3000	2655	{ R. Mills, Fur Samples.	B 1000	750
{ Miss Robertson, Dressmaker Store.	8000	4500	{ G. Maybee, Boots and Shoes.	2000	No Rp.
{ H. Dennis, Harness Store.	2000	1500	{ Campbell House. B. & C.	500	500
{ R. C. Struthers, 2 Stores.	1000	None.	24 RIDGEWAY—{ A. Herschey, Machine Shop.	16000	14000
{ Dr. Holmes, 2 Buildings.	1000	400	{ P. W. Anthony, Tools.	5000	None.
{ M. Armley, Furniture.	5000	2000	{ Sylvanus Teal, Portable Engine.	500	None.
{ A. Veale, Spring beds.	800	400	24 TORONTO—S 29, B 155, rear of No. 42, Bellows Factory.	600	None.
{ W. Bashill, Butcher.	200	None.	24 TORONTO—S 25, B 123, Nos. 20 to 28, Elliott & Co.'s Warehouse.	300	300
{ J. Laird, Barber.	200	100	25 PORT PERRY—S 1 (Conflagration) Stores, Dwellings and Offices.	9000	6000
{ W. Nightingale & Co., Dry Goods.	100	None.	24 ELLICE TWP.—Patrick Kelly, Frame Barn.	75000	45200
6 HAWTREY—F. R. Ball, Saw Mills.	1500	1500	26 OMEMEE—Thomas Rowan, Frame House and Contents.	B 1200	800
7 TORONTO—S 28, B 143, No. 63 1/2 Queen St., M. Robinson, Fancy Store.	800	500	26 WELLAND—J. E. Burgess, Barn.	C 1390	642
7 MORRISBURG—S. Doran's Carding Mill.	1500	940	28 COBOURG—M. Doody, Brick Dwelling.	1000	600
8 BELLEVILLE—{ G. Davies, Store.	1500	750	28 COOKSTOWN—Banting & McMaster's Store.	650	500
{ P. V. Dorland, Store.	B 500	500	28 WOODSTOCK—S. B. Fuller, Dwelling.	3000	2000
8 GALWAY TWP.—Jno. Henderson, Barns and Contents.	500	263	29 OTTAWA—Morse & Co., Lumber.	300	None.
9 NEAR PLAINVILLE—Wm. Westington, Farm Bldgs.	4000	None.	29 DESERONTO—Chemical Works.	3000	No Rp
9 SELKIRK TWP.—Jacob Fry, Barn and Contents.	2000	No Rp	30 PRINGLES COVE—Steam Barge Norman.	10000	5000
9 HAMILTON—S 8, B 30, No. 70, J. H. Stone, Fc'ty	No	Rep.	30 PICKERING TWP.—{ S. Jones, Frame Barn.	5000	4000
10 HAMILTON—Gerrie Bros., Blacksmiths.	No	Rep.	{ G. Cook, Threshing Machine.	1200	None.
10 TORONTO—S 50, B 271, No. 37—T. C. Collins, Factory.	5000	No Rp		400	None.
12 HARRISTON—Geo. F. Burt, Saw Mills.	Total	Part'l.	<b>QUEBEC.</b>		
13 RIDGETOWN—S 1, B 2, Nos. 50-52, Wm. Baker, Carriage Shp.	600	450	<b>DATE.</b>		
13 TORONTO—{ S 7, B 17, No. 16, R'y. Supply } Mfg Co., Machinery and Stock } C 2500	2500	2500	10 MONTREAL—Sheds.	100	100
{ Mrs. J. Boulton, Building. } C 3000	3000	3000	10 MONTREAL—S 93, B 758, No. 467 St. Hubert St., M. Bourassa, Grocery Store.	700	300
{ G. A. Penchen, Paints. } C 4000	4000	4000	14 MONTREAL—S 50, B 368, No. 151 St. Martin St., W. St. Pierre, Dwelling.	300	250
15 PICTON—J. McLoud, Butcher's Store.	200	125	19 MONTREAL—{ S 28, B 196, Nos. 42-50 St. Maurice rice St., Mrs. Laurin, Dry G'ds } 6000	200	None.
15 BEVERLY—Jno. Babcock, Dwelling and Contents.	600	200	{ J. Hurwich, Second Hand Store. } 100	100	100
15 BRANTFORD—D. Baldwin, Corn Canning Factory and Barn.	10000	8000	{ Mrs Poitras, Millinery. } 150	100	100
16 PLYMPTON TWP.—Finlay Wilkinson, Barns and Ct's	1000	1000	{ Thos. Dymont, Saloon. } 300	300	300
17 TORONTO—S 8, B 22, No. 1 Jarvis St., J. G. Beard, Stove Factory.	100	100	{ P. Leblanc, Cigar Store. } 2000	1000	1000
17 TORONTO—S 21, B 102, Nos. 559-561—S. Winter, Provision Store.	800	700	{ Sheds. } 16000	No Rp	No Rp
17 BRANTFORD—E. Brown, Piano and Organ Factory.	3000	1000	22 LAKE MEGANTIC—Berlin Lumber Mills.	600	200
17 SPRINGFIELD TWP.—M. McIntosh, Saw Mill.	2000	None.	23 SOREL—C. Labelle, Stable and Sheds.		
18 WELLANDPORT TWP.—Chas. Robins, Farm Bldgs.	2000	1000	28 MONTREAL—S 13, B 82, rear of No. 40 Bleury St. Castle & Son, Paint Store.	750	750
18 HAMILTON—S 7, B 18, rear of No. 18, A. W. Wright, Stables.	400	400	29 QUEBEC—S 27, B 332, No. 62, Montcalm Market Hall.	3000	2500
18 CORNWALL—James Robertson's Saw and Planing Mills.	1000	None.	30 SAULT STE. MARIE—{ Algoma Pioneer Office. } No		Rep.
			{ M. Biggings, Building. } 2800		None.
			{ D. A. McDougall, Store. } 750		None.

PLACE—No. ON PLAN.—BUILDINGS BURNT.	APPROXIMATE.		PLACE—No. ON PLAN.—BUILDINGS BURNT.	APPROXIMATE.	
	Total Losses.	Losses to Ins. Cos.		Total Losses.	Losses to Ins. Cos.
<b>NEW BRUNSWICK.</b>			<b>NOVA SCOTIA.</b>		
DATE.			DATE.		
3 CLARENDON—F. S. Fisher, Dwelling.	800	400	4 HALIFAX—{ D. Stewart, Grocery Store.	1000	850
4 SACKVILLE—J. Wood, Barns.	2000	None.	{ Jas. O'Connell, Building.	1000	850
6 CORN RIDGE—R. WILSON, Dwelling.	500	None	{ Mary Tobin, Dwelling.	700	500
10 CHATHAM—S 2, B 3, No. 44. Est. P. Dunn, Dw'g.	175	175	8 HALIFAX—D. McDougall, Dwelling.	500	375
16 WOODSTOCK—W. P. Craig, Steam Saw Mill.	15000	11000	15 HALIFAX—S 28, B 20, Halifax Gas Works.	3000	3000
16 AROOSTOOK JCT.—M. Hopkins, 2 Barns.	2000	None	15 HALIFAX—{ Smith & Kaye, General Dealers.		
16 WOLF CREEK—Geo. Walton, Steam Saw Mill, Dwelling and Store.	10000	8000	{ Lambert Bros., Furniture Store. }	12000	8000
20 ANDOVER—Kenny Bros., Tannery.	4000	3000			
22 COVERDALE—Alex. Smith, Dwelling and Barn.	1500	None.			
23 COVERDALE—J. E. Betts, Dwelling and Barn.	1000	500			
24 CAMPOBELLO—Joseph Holland, Barn.	700	None.			
25 ST. JOHN—Alex Duff, Tug Boat.	1860	1860			
25 PETITCODIAC—M. P. Keith, Dwelling.	500	None.			
30 CHATHAM—Thos. Kelly, Dwelling.	500	500			

and said North British and Mercantile Insurance Company respectively, and said Appellants made and furnished their claim upon the Respondents in due course and with due diligence, for which purpose the Appellants furnished claim paper, the forms used for their own office, and requested the Appellants, in making their claim, to deduct the proportion for which the other two companies would be responsible, and did also, by a submission to the arbitration of persons named by themselves and the Appellants, submit the estimation of the damage caused by fire, and joined in having the same estimated and ascertained, and by such means and otherwise acknowledged the existence and validity of their said policy as a valid and binding contract, and waived any and all objections which they might have otherwise urged, founded on the want of notice of the insurance effected under the other two policies, especially that of the North British and Mercantile Insurance Com-

pany, and became and were liable to make good to the Appellants the proportion of said loss falling to be paid by them in the proportion of an existing insurance by them to the extent of \$2,000, which proportion the Appellants consented to reduce to the sum of \$1,400;

“And considering that in the judgment rendered by the Superior Court in this cause on the 11th December, 1880, there is error, the Court here doth cancel, annul and set aside the said judgment, and proceeding to render the judgment which the said Superior Court ought to have rendered, doth condemn the Respondent to pay and satisfy to the Appellants the sum of \$1,400, with interest thereon from the 21st of June, 1878, date of service of the action, and with costs as well in this Court as in the said Superior Court.”

JUDGMENT REVERSED.

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SUMMARY OF 38th ANNUAL REPORT.

# New York Life Insurance Co.

OFFICE, 346 & 348 BROADWAY.

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

Morris Franklin, President.

## BUSINESS OF 1882.

Received in Premiums.....	\$9,152,627.38	
Received in Interest, Rents, etc.....	2,798,018.41	
<b>Total Income.....</b>		<b>\$11,950,645.79</b>
Paid Death-claims.....	\$1,955,292.00	
“ Endowments.....	427,258.95	
“ Annuities, Dividends, and for Surrendered Policies.....	3,827,758.76	
<b>Total Paid Policy-holders.....</b>		<b>\$6,210,309.71</b>
New Policies issued.....	12,178	
New Insurance written.....	\$41,325,520.00	

## CONDITION JAN. 1, 1883.

Cash Assets.....		\$50,800,396.82
*Divisible Surplus (Co.'s Standard, 4 per cent.).....	\$4,948,841.79	
†Tontine Surplus “.....	2,091,372.16	
‡ Total Surplus at 4 per cent.....	7,040,213.95	
Surplus by State Standard.....	60,150	\$10,073,892.51
Policies in force.....	\$171,415,097.00	
Insurance in force.....		

## PROGRESS IN 1882.

Increase in Premiums.....	\$1,101,915.44	
Increase in Interest, etc.....	365,364.08	
<b>Total Increase in Income.....</b>		<b>\$1,467,279.52</b>
Excess of Income over all expenditures.....	3,788,508.25	
Excess of Interest over Death-losses.....	842,726.41	
Increase in Assets.....	3,571,615.18	
Increase in Divisible Surplus (Company's Standard, 4 per cent.).....	121,805.16	
Increase in Tontine Surplus “.....	37,128.13	
Amount added to Tontine Fund.....	1,109,966.00	
Amount paid on Matured Tontines.....	1,072,837.87	
Increase in Policies issued (over 1881).....	2,237	
Increase in new Insurance “.....	8,951,239.00	
Increase in Policies in force “.....	6,223	
Increase in Insurance in force “.....	19,654,273.00	

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

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

‡ If the Actuary's, or American, Mortality Table were used, this amount would be considerably increased.

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Amherst	Liverpool
Annapolis	Lunenburg*
Antigonish	New Glasgow
Arichat	Pictou
Bear River*	Sheburne*
Bridgetown*	Stellarton*
Bridgewater*	Sydney
Canso*	Truro
Chester*	Windsor
Dartmouth	Wolfville
Digby	Yarmouth
Guysborough*	
HALIFAX	
Kentville	

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

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No. 1

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Allea Craig	Cobourg	Madoc	Prescot
Alexandria	Colborne	Markham*	Renfrew
Alliston*	Collingwood	Meaford	Ridgeway
Almonte	Cornwall	Merrickville	Riverside
Amherstburg	Dresden	Merriton	St. Catharines
Amprior	Drummondville*	Millbrook	St. Mary's
Ancaeter*	Dundas	Milton	St. Thomas
Arthur*	Dunnville	Mitchell	Sarnia
Ashburnham	Durham	Morrisburg	Seaforth
Aurora	Elmira*	Mourne	Shannonville
Aylmer	Essex Centre	Napanee	Simcoe
Baden*	Exeter	Newcastle	Smith's Falls
Barrie	Fenelon Falls	Newburgh*	Southampton
Beaverton*	Fergus	Newmarket	Stayner
Belleville	Fleeherton*	Niagara Falls	Stouffville*
Benin	Fort Erie*	Norwich	Stratford
Blenheim	Fort William*	Oakville	Strathroy
Blyth	Gait	Odessa*	Streetsville*
Bobcaygeon	Gananoque	Oranmeee	Tamworth*
Bolton*	Georgetown	Orillia	Teeswater
Bothwell*	Glencoe*	Oshawa	Thornburg
Bowmanville	Goderich	OTTAWA	Thorold
Bracebridge*	Gravenhurst*	Owen Sound	Tilsonburg
Bradford	Guelph	Paisley	TORONTO Vol I.
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Brampton	Hastings	Palmerston	Trenton
Brighton	Hawkesbury	Parkdale	Tweed
Brockville	Hespeler*	Park Hill	Uxbridge
Brooklin*	Hespeler	Pembroke	Walkerton
Brussels	Ingersoll	Peterboro'	Wallaceburg
Caledonia	Jarvis*	Petrolia	Wardsville
Cambellford	Kemptville	Pictou	Warkworth
Cannington*	Kingcardine	Point Edward	Waterloo
Carleton Place	Kingsville*	Port Burwell*	Watford
Cardinal*	Lakefield*	Port Colborne	Welland
Carronbrook*	Leamington*	Port Dover	Whitby
Cayuga	Listowel	Port Elgin	Windsor
Chatham	LONDON	Port Hope	Wingham
Chippawa*	Lucan	Port Perry	Woodstock
Clarksburg*	Lucknow	Fort Stanley	Wroxeter
Clifford*			Yorkville
Clinton			

## P. E. ISLAND.

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Buckingham*	QUEBEC
Coaticook	Quebec Coves
Coteau St. Louis	North Side
Cowansville	Quebec Coves
Danville*	South Side
East Farnham	Richmond
Frelighsburg	Riviere du Loup
Granby	Rock Island
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Hochelaga	St. Cunegonde
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Huntingdon*	St. Gabriel
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Lachute	St. Jean Baptiste
Laprairie	St. Jerome
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Lennoxville	St. Louis of
Levis	Mile End.
Longueuil	St. Scholastique*
Maskinonge*	St. Therese*
Melbourne	Shefford*
	Sherbrooke
	Sorel
	Stanbridge*
	Stanstead
	Sweetsburg*
	Terrebonne
	Three Rivers
	Valleyfield
	Waterloo
	West Farnham

## CITY ATLAS.

Montreal.

## PROVINCE OF NEW BRUNSWICK.

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

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