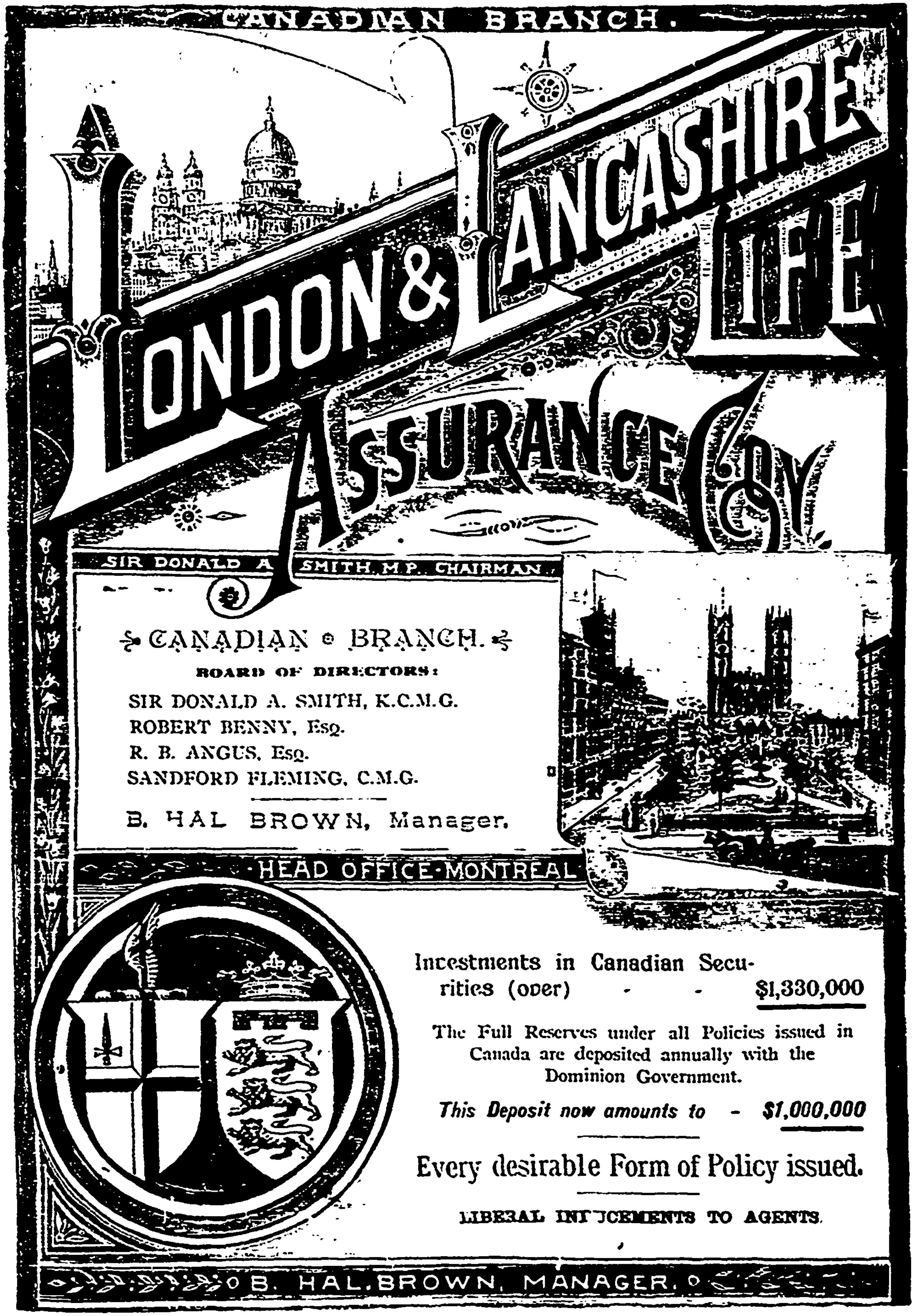
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All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

The Fire Loss for 1892.

THE total fire loss in the United States and Canada for 1892 amounted, according to the figures of the *Commercial Bulletin*, to $132,704,700, as compared with $137,716,150 in 1891, a decrease of $5,000,000. In 1890 the total loss was $106,998,345. The *Standard's* figures place the 1892 loss at $133,154,164, and the 1891 loss at $140,206,000, a decrease of about $7,000,000. Whatever the exact decrease may have been, it is evident that it has been a considerable one, especially when we consider that the amount of property involved, allowing the ratio of increase experienced during the past few years, must have been a good many millions. How the loss ratio will compare with that of the previous year cannot for the present be known, but the indications are strong that the year has been a little better for the companies, as a whole, than 1891 proved to be. Canada's share of the total fire loss, as appears from our tables, was $5,269,000 and the loss to insurance companies upwards of $3,503,000. Adding for small fires unreported, we think the total payments for losses will fall somewhat below those of 1891, which aggregated $3,905,000. We hope to see that the premium income was relatively larger. We shall soon know.

The Ontario Insurance Act.

IT is well for our readers to remember that all the provisions of the Ontario Insurance Act, passed last session, are now in force, and that familiarity with the Act and compliance with its various provisions on the part of companies and agents will be in order. We have heretofore freely commended certain portions of the new law, especially such as relate to life insurance, and with some few amendments believe the code governing this branch of insurance would be a fairly good one. Of other features of the Act pertaining to the "regulation" of fire insurance companies, we have, however, been outspoken in our criticisms. That there are unjust and vexatious requirements with reference to the registry of companies already duly registered and licensed under Dominion authority, no sane man can deny. Companies known the world over, and known familiarly in Ontario for from a dozen to thirty years past, are required to go through with a lot of expensive, vexatious and unnecessary forms, involving more red-tape nonsense than Dickens' famous Circumlocution Office; to say nothing of that $100 tax and the "power of attorney," as needless as a church steeple on a saw-mill. The Act ought during the next session of the Ontario legislature to be shorn of these features, and made consistent with fair play and a credit to the Province instead of a reproach. With proper effort on the part of the companies we believe this could be done.

New Forms of the Installment Policy.

BEGINNING with the new year the two largest American life companies have announced new policies to be issued on the installment plan. The Mutual Life announces the "continuous installment plan," providing for the payment to the beneficiary named of the face of the policy in twenty equal annual payments, without interest, while continued annual installments of equal amount will be paid during the lifetime of the beneficiary. In case of the death of the beneficiary before the end of the twenty years the installments are to be paid to her or his representatives. The premium charge is considerably reduced from the ordinary continued life plan, but is affected by the age of the beneficiary as well as the age of the insured. The form issued by the Equitable Life is called the "tontine installment policy," payable at maturity in annual sums during a period of twenty, twenty-five, or thirty years, as may be elected when the policy is issued, payment beginning with the maturity of the policy by death or otherwise. The premium is from 26 to 36 per cent. less than that charged on the ordinary "free tontine." Both the above forms will prove specially attractive to insurers, both on account of reduced premium outlay, and because these annual payments for a long period assure a certain safe provision for dependent ones, without the danger of loss from unwise investments or extravagant use where the insurance money is received in a lump sum.

Insurance Against Burglary. INSURANCE against burglary is making considerable progress both in England and in the United States, much more so, however, in the former than in the latter. There are several companies there which include burglary risks as a sort of addenda to other insurance, but one company—the National Burglary Company—which devotes its attention exclusively to this branch of indemnity, has within a comparatively short time paid over 600 claims, 100 of which amount to about $32,000. The larger claims so far are among jewellers, watchmakers and pawnbrokers, but private residences come in for considerable claims. This form of insurance seems to be entirely legitimate, and with proper precautions, practicable within profitable limits. Apparently the chances for "putting up jobs" on the companies make the moral hazard somewhat formidable, but discrimination and vigilance will doubtless be able to meet the difficulty. Announcement was made some three months ago of steps being taken to form a burglary insurance company in Canada.

The Taxation of Life Insurance. The protest made by the Australian Mutual Provident Society against the heavy tax on life insurance premiums, proposed by the government of Tasmania, contains several good points applicable everywhere. The first point is that the premium rate to members, being a part of the contract running through the entire life of the policy, cannot be increased to cover the additional tax, as may be done in other kinds of business. In fire insurance, an unjust tax may, if the companies choose to do so, be met by a higher premium—a remedy impossible to life insurance, so far as existing members are concerne Another argument against the life insurance tax is, that the expenditure of money in life insurance for the benefit of dependent ones is far more unselfish and more for the benefit of society than the placing of money in savings banks or building societies, which are exempt from taxation. There are plenty of other good reasons against taxing life insurance premiums, but either of these two are sufficient and unanswerable. Taxing the life premium is simply providing a penalty on a form of beneficence both for the benefit of dependent women and children and for the benefit of society at large.

Fire Insurance and Fire Extinguishment. FIRE underwriters in this country are only too familiar with the troublesome and illogical claim being urged so frequently by municipal authorities, that the insurance companies are under obligations to contribute more than their quota as regular tax payers for maintenance of fire departments, because the companies are benefited by these departments. This argument is mainly responsible for the enactment of compulsory special tax laws in many places for the direct or indirect benefit of the fire extinguishing service. The absurdity of this argument at once appears when it is remembered that the fundamental theory and the universal practice of underwriting is to make the premium charge in a given place according to the risk. A town with no fire department, or a very poor one, must pay a high rate; a town with a first class fire service comparatively a low rate. The companies pay roundly for every improvement in the fire extinguishing service by scaling down the rate—a thing which every municipality at once clamors for when the least improvement is made. Let the people agree to pay the same rate in a well protected town that is charged in a non-protected one and the companies will be more than willing to contribute liberally to the fire department. That would be consistent.

The Arbitration Clause Sustained. AN important decision has recently been made by the House of Lords, on appeal, with reference to the arbitration clause in fire policies, The case as tried by the Scottish Court of Sessions was that of Gilmour against the Caledonian insurance company, involving loss under a policy for £1,700. The parties failing to agree upon the amount of the loss for which the company was liable, the insured brought suit. The company contended that until an attempt to fix the measure of loss by arbitrators chosen as expressly provided for in the policy had been made, the court could exercise no jurisdiction. The company lost its case, however, and pluckily carried it to the court of last resort—the House of Lords. By that tribunal the decision of the lower court was reversed and the company sustained. The opinion by Lord Watson, and concurred in by his associates, holds that the policy contract which binds both parties to an arbitration cannot be set aside where arbitration is possible, and that the courts have no jurisdiction whatsoever, and no cause of action accrues until the arbitrators have determined. In effect, the opinion says that the courts may be called upon to enforce the award of the arbitrators, but not to abolish the arbitration as provided for in the contract. This decision must be regarded as of great importance to fire underwriters.

CO-INSURANCE NOT A NEW IDEA.

To thoroughly informed fire underwriters it is not necessary to say that the 80 per cent. co-insurance clause, now so generally in use in the United States, is nothing new under the sun, but is the modernized application of a very old feature of fire insurance under a new form. There seem, however, to be not a few of the younger members of the profession who are not aware of this fact, and who seem to suppose that the application of the four-fifths clause, limited, as applied nearly ten years ago in the Western States on lumber mill risks, was about the beginning of its history. It should be understood that what is known as the "average clause" has been from the earliest times and still is applied to marine insurance, and is in principle the same as the co-insurance feature. That the average clause was used by some of the fire insurance companies in England more than a hundred years ago will appear upon consulting Griswold's *Fire Underwriters' Text-Book*, which informs us that one company at least —the London Assurance Corporation in 1734—took pains to disclaim the use of the clause, indicating that it must have been in use by competitors, and that its non-use by this particular office should recommend it to insurers. In 1828, however, according to the above authority, the average or *pro rata* clause became universal in England by statute provision. a measure taken by the government to protect the revenue derived from insurance duties. We quote the *Text-Book* in full on this point:—

"By this Act, insurer and insured were compelled to place a certain fixed amount upon each distinct building or contents, or where the fixing of such value was not practicable from any cause, being in the term variable over the several buildings, and the insurance was in one sum upon all, the insured could only recover *pro rata* for any damage that the amount of the property at risk bore to the insurance thereon at the time of the fire, so that if he were under-insured at the time of the fire he was supposed to have, in so far, evaded his fair share of the insurance duty; hence government would not permit him to receive from his insurers any sum upon the amount for which he had not, practically, insured himself. It was this Act which imposed the 'conditions of average' as now used, and opened the way for the writing of general or floating policies 'subject to average' under the following stipulation:"

It is hereby declared and agreed, that whenever a sum insured is declared to be subject to the conditions of average, if the property so covered shall, at the breaking out of any fire, be collectively of greater value than the sum insured thereon, then this company shall pay or make good such proportion only of the loss or damage as the sum so insured shall bear to the whole value of the said property at the time when such fire shall happen.

Of course the *full* co-insurance clause and the three-fourths or the four-fifths clauses are the same in principle, but varying in their limitations. The full co-insurance and the average clauses are practically the same things under different names. The clause commonly in use in France is as follows:

If at the time of the fire the value of the objects covered by the policy is found to exceed the sum total of the insurance, the insured is considered as having remained his own insurer for that excess, and he is to bear, in that character, his proportion of the loss.

And here is the 80 per cent. co-insurance clause used in Philadelphia at present, which is substantially the same as in general use in the United States since the general co-insurance revival of last year.

It is a part of the conditions of this contract, that if the total insurance on each item of this policy on the property herein described be less than 80 per cent. of the total sound value thereof at the time of the fire, the assured shall then be regarded as an insurer to the extent of such deficiency, and in that respect and to that amount shall bear his, her, or their proportion of loss with the same force and effect as if other policies insured said deficiency.

As we have heretofore pointed out, the general adoption in the United States of the 80 per cent. clause has already been beneficial to the business, and though at first opposed more or less by the insured has been quietly accepted of late as the inherent merits of the provision are better understood. It is seen that when a company is asked to insure property for say fifty per cent. of its real value, receiving premiums for only that amount, though almost certain in case of fire to be called upon to pay a total loss, if alone carrying the risk, it is only simple equity that the owner should stand in the same place that would have been occupied by another company to which he would have paid premiums for carrying the balance of the risk. Historically, co insurance or its equivalent is old, and it has had a long continued existence in the Old World, for the good reason that it is inherently sound in principle and equitable in practice.

A WORD ABOUT EXPENSE RATIOS.

A comparison of expense ratios among individual life insurance companies is necessarily very unsatisfactory and often positively misleading as an indication of judicious or injudicious management. A fair comparison can be made only among companies doing business under practically uniform conditions and surroundings. One company with abundant assets may see fit to push vigorously for new business, planting itself in new fields and conducting an aggressive compaign generally, while another may move slowly on the most conservative lines, making little effort for new business and paying out nothing for the occupancy of new fields. The difference in substance between the two is just the difference between two fruit growers, one of whom with a well grown orchard or vineyard is content to gather the fruit from matured trees and vines at the nominal cost of pruning and caring for what is already grown up; while the other buys more ground, and plants an extensive area of young trees and vines, entailing a comparatively large initial expense in addition to the nominal one of caring for the grown up orchard. In order to reap a crop, grain must be sown in cultivated soil; and it costs money to do it. It needs no argument to show that the fruit grower or farmer who combines prudence with enterprise in the extension of his productive area is acting wisely, although the ratio of expense to income for a time may be double or treble that of his neighbor, who only plants one new row of trees each year where the former plants acres. The absurdity of a comparison of expense ratios between the two need not be pointed out.

It is well known that the INSURANCE AND FINANCE CHRONICLE does not believe in a dead-and-alive management in life insurance, but that companies are or should be organized to do something, to be an aggressive force, and to propagate the insurance idea by the practical method of going out among men of varied classes, and by argument and entreaty compelling them to come in. Of course we assume that this work will be done judiciously, not recklessly, and with such economy of expenditure as is consistent with real enterprise. We have no sympathy and not overmuch patience with some of our English contemporaries who are periodically given to preaching the gospel of a low life insurance expense ratio, commending a 12 per cent. company and condemning a 25 per cent. one, on the assumption that the figures have some important connection with the relative merit of the two companies. That entirely depends upon several things usually ignored. The mere figures prove nothing unless the conditions under which results are reached are identical.

We have been led to make these remarks after a perusal of a full-page table in a late issue of the *Finance Chronicle* of London, prepared at much cost of time and labor, designed to present an analysis of the British and foreign offices in detail for the three year period ending with 1890. Our contemporary evidently has not prepared this table as a convenient text for a special lecture to the companies on the overshadowing importance of a low expense ratio, and we have no criticism to offer on that score. The object seems mainly to have been to demonstrate that the assumption that fifty per cent. of the new premiums measures the cost of new business, and is the proper assumption in order to determine the ratio of expenses to renewals; while 7½ per cent. of the renewals is the proper assumption for the cost of old business in order to find the ratio of expenses to new business. As to the latter assumption, there is general agreement all around, but Bourne's Assurance Directory and some others assume 100 per cent. of new premiums as the cost for new business in making their expense ratios, while the *Finance Chronicle* argues strongly for 50 per cent., and uses this figure in its table. The latter divides the offices into three groups, viz.: 66 British offices, which give separately new and renewal premiums; the four foreign companies (Colonial Mutual, Equitable Mutual, and New York Life) which do the same; British companies, which only give total premiums, new and old. The summary of results is as follows:—

	66 British Companies.	4 Foreign Companies.	9 British Companies.
Expense ratio to new preniums, assuming 7½ per cent. of renewals as the cost of old business......................	68.6	93.9	....
Exp. ratio to renewals, assuming 50 per cent. of new premiums as cost of new business..... ..	9.6	21.4	....
Expense ratio to total pre'ms.	13.8	28.3	23.0

While the average of the expense ratio to total premiums of the 66 offices is 13.8, the individual companies vary from 4.3 for the London Life to 27.5 for the British Equitable, while several are from 20 to 26. The other two classes of companies show very much less marked differences. The ratio to new premiums (68.6) for the 66 offices varies from nothing, for the four companies which employ no agents, to 435 per cent. for one company, 220 for another, and 100 to 161 for several, the others running from 15.9 up to 100. The four foreign companies vary from 87.8 to 137.8, the latter for the Colonial Mutual. The table fortunately gives the proportion of new to renewal premiums for the 66 British and the 4 foreign companies, thus enabling the intelligent reader to correct any misleading impressions which the bare ratios to total premiums might convey. Thus, the ratio of some active companies from two to four times as high as that of companies doing very little new business, will be explained by finding that the proportion of new to renewal premiums is several times as large as these low-ratio companies. The well posted insurance man will also correct the disproportion from his knowledge of the fact that the companies doing a large new business at the higher ratio of expenditure also pay out for death claims a very much less proportion of income than the company distinguished for a low expense ratio. The ratio of total disbursements to total income will be found to be a very different affair from expense ratio to premium income. And yet neither are in themselves conclusive as to the superior condition or good management of companies. Life insurance ratios, on almost any basis, are all very well as a study in the hands of the honest expert, but as at all conclusive of merit or demerit they are often worthless, and in the hands of the dishonest or ignorant they are usually dangerous.

THE HARTFORD FIRE INSURANCE CO.

"The old reliable" is an adjective phrase which has a truthful application to the Hartford Fire insurance company,—with one exception, we believe, the oldest American fire insurance company continuously in the field since its formation. Its history is a valuable commentary on the progress of fire underwriting during the past eighty and more years, and demonstrates how honest and capable management may surmount obstacles which are formidable, gradually winning the confidence of the intelligent and yet exacting public, until that confidence becomes a bulwark of strength. Everybody now understands that to have a policy in the "Old Hartford" is assured indemnity in case of loss, to the full extent nominated in the bond. The financial statement of the company for 1892, which is its eighty-third annual exhibit, shows just what was naturally expected, viz., strength and progress. The assets have grown to the large sum of $7,109,825, which is $366,779 more than a year ago, while the surplus to policyholders has reached the sum $3,832,834. The net surplus stands at $2,582,834, or more than double the capital, which is $1,250,000. The reserve for reinsurance is now $2,843,804, and $277,404 more than at the end of the preceding year. The confidence of financiers in the present strength and future prospects of the Hartford is convincingly shown in the fact that its stock is now worth 360 per cent. in the market, which is ten per cent. better than a year ago, and an advance of twenty over two years ago. All the above is shown in the summary statement which appears on another page of our present issue. The underwriting experience of the company in detail for 1892 is not yet given, but that it has been a satisfactory one is proved by the figures of increase above given. President Chase and Secretary Royce, with their associates at the home office, have built for themselves an enduring monument by that judicious and skillful management which is none the less valuable for being rare.

We understand that the business of the company in Canada has been quite as satisfactory as usual, and what that means is well known by a large constituency, We are pleased to learn that the volume of business reported for Montreal and vicinity shows an increase over last year, for which Mr. John W. Molson, resident agent, may be congratulated as evidence of his activity and popularity. Of other portions of the Canadian field we hear also uniformly good reports.

THE AUER LIGHT FROM AN INSURANCE STANDPOINT.

We have seen the Auer light. It is brilliant, more so than the incandescent electric light, but it has the same objections from an insurance point of view that an ordinary gaslight has, except that, owing to its greater brilliancy, a lesser number are required for illuminating purposes. Nevertheless, to start it, a match, taper, or the like, is required, so that there is the same inherent danger attending its inauguration, so to speak, that there is with the usual gas jet, only, as we have stated, in a lesser degree, because a fewer number of lights are necessary for the purpose of illuminating. Again, the Auer light does not burn in a vacuum, and the contact with the air does not extinguish it. In consequence of this, should an accident break the protecting glass, it does not,—as is the case with the incandescent electric light,—immediately become harmless, but has all the dangerous qualities of ordinary gas. In fact, the Auer light is simply an improvement upon the present system of illumination from gas, and, while a clever invention, offers none of that safety from fire which the incandescent electric light gives.

It is well known to the underwriting fraternity that the numerous losses which the insurance companies have, time and again, had to pay from fires, starting in the windows of dry goods and millinery stores, have originated, either from the matches used in lighting the gas jets, the breakage of the protecting shades enclosing those jets, or the close proximity to the lights of the goods displayed. Not one of these dangers is entirely done away with, by the substitution of the Auer light, as is the case with the incandescent electric light, which latter is simply invaluable in minimizing the risk of fires starting in a store window. We do not know how osciliation might affect the Auer light, but the very fact that a match or outside light is required to start it renders it far less safe for steamboats or railway carriages than the electric light.

Beyond all these ordinary hazards, as they may be called, we need not point out the immense superiority of the incandescent method of lighting in connection with flour mills run by the roller or Hungarian process where a perfectly enclosed light may be said to be absolutely indispensable. By these remarks we are not desirous of throwing cold water upon one invention and gratuitously advertising another, but simply wish to place the two before our readers purely from a fire insurance standpoint. We believe the Auer light can be produced at a much cheaper cost than the ordinary system of gas lighting—probably one-half—and, therefore, at present at all events, is far less expensive than electric lighting. But the first cost is not everything, and if to the reduction of that cost is added a decided increase of fire hazard, it may eventually prove the dearest of the two.

THE UNIVERSAL MERCANTILE SCHEDULE.

This schedule is a novelty in its plan and scope, and differs from any other of its class in that it not only defines what shall be a "standard building," but it also lays out the requisites for a "standard city." It makes sundry charges and allowances for fire appliances, water supply, nature and conditions of streets, etc., etc., from which is formulated a "key rate" for the town, based upon a fixed rate of 25 cents for a standard building in a standard town; and upon the "key rate" thus found each risk is to be rated on its merits, by charges for deficiencies and allowances for "exceptional" features of town or building.

The whole forms a harmonious and well balanced system, to which little objection can be made, aside from the fact that there appears to be a lack of definite expression as to the standards, both town and building. This, added to the seeming (or real) inconsistencies in the itemized charges and allowances, may cause some trouble in securing the "uniform and consistent" results anticipated by the compilers. However, as many as these seeming defects have been pointed out and suggestions made for remedy, it may be well to defer detailed criticism until after the final revision is made public.

As stated by the compilers, the objects sought to be accomplished by the adoption of this schedule are:

1st.—To secure accurate ratings; and thereby

2d.—To secure consistent and, therefore, equitable ratings; and

3d.—As a consequence of these two, to prevent opposition on the part of policyholders and legislators;

4th.—To encourage proper construction of buildings;

5th.—To prevent anti-compact laws prohibiting agreements as to rates;

6th.—To discourage the payment of excessive brokerages and commissions by discriminating as to so called "preferred" risks;

7th.—To insure more thorough inspection;

8th.—To prevent excessive deductions for fire departments; and

9th.—To prevent competition and the cutting of rates.

Truly an ambitious scheme, the fruition of which is devoutly to be wished for; and while some may doubt the probability of accomplishing so much good for the business at large, by the application of this schedule, there is nothing to prevent its bringing order and system out of the present chaotic method of "whack rating," provided its adoption becomes general and its application is entrusted to skilled and judicious persons.

A casual perusal of this schedule, with its many conditions, additions and deductions, some 600 in all, leads one to consider it at once complicated, cumbersome and difficult of application. But we have the assurance of its compilers that when once the scheme upon which it is based is fully understood, "but two or three "applications of it will be necessary to disabuse the "mind of any first impressions as to its being either "intricate or unnecessarily elaborate." In this conclusion they seem to be amply supported by the testimony of those who have made many applications of the schedule both to towns and to individual risks, in various portions of the country.

The original committee having the schedule under consideration in its early days consisted of F. C. Moore, Continental Ins. Co.; Jas. A. Silvey, German American Ins. Co.; Geo. W. Babb, Jr., Northern Assurance Co.; E. G. Richards, National Insurance Co. of Hartford, and they devoted much time, patience and energy to its preparation and revision, holding many meetings and consulting expert opinion throughout the country. In addition to this they selected as co-operating committees members of prominence in the New England Insurance Exchange, the Underwriters' Association of

New York State, the Underwriters' Association of the Middle Department, the South Eastern Tariff Association, the National Board of Fire Underwriters, and the New York Board of Fire Underwriters, all of whom finally met as a "joint committee," and after discussion and criticism, continuing for several days, referred the schedule back to the original committee with full power to complete and publish it for distribution. They also appointed a committee consisting of Messrs. H. R. Turner, U. C. Crosby, C. L. Hedge, J. J. Babcock, C. F. Low, E. F. Beddall, C. C. Little and E. A. Simonds, to confer with the original committee and report upon the ways and means for securing the practical adoption and application of the schedule throughout the United States. It is intimated that Mr. Beddall will in all probability be chosen chairman of this committee on "ways and means," and we question whether a better choice could be made.—*Insurance Age.*

THE PHŒNIX INSURANCE CO. OF HARTFORD

The Phœnix of Hartford has an instructive history running through all the vicissitudes of fire underwriting for thirty-nine years, the last completed chapter being its statement at the close of 1892, which appears on another page. The record of the past years shows that its name, interpreted in the light of traditional story, was happily chosen, for like the fabled bird arising with renewed vitality from its ashes, the Phœnix Insurance Company, apparently buried beneath the ashes of the great Chicago conflagration of 1871, and again in the Boston fire of 1874, came forth rehabilitated in each case and capable of higher flights. It enjoys the distinction of being the first company to pay a loss on the Chicago fire, the total payments made there as its contribution to the immense loss being nearly a million of dollars, and 64 per cent. more than its entire capital. Its stockholders, however, stood courageously in the gap, and the company went on as if nothing had happened, until four years later it reported premium receipts of $1,414,532 and assets amounting to almost two and a half million dollars. At the close of 1892 the total assets stood at $5,820,322, or nearly $144,000 more than for the preceding year. The net surplus above capital and reserve and all other liabilities is now $1,240,234, the cash capital $2,000,000, and thus the surplus as regards policyholders $3,240,234. The reserve for outstanding losses and the re-insurance reserve have increased, the former now being $467,226, and the latter $2,112,832.

Like 1891, last year was a bad year for the companies, and the Phœnix has had its share of losses, amounting to over two million dollars, but it comes out of the year undisturbed, with increased assets and an increased business. No company enjoys a greater measure of the public confidence, fairly earned by good management under the direction of President D. W. C. Skilton, ably seconded by his associates at the home office and by a corps of accomplished field managers. Conspicuous among these is Mr. Gerald E. Hart of this city, general manager for Canada and Newfoundland, and who has long been known among the fire underwriters of the Dominion where he is deservedly popular. Since Mr. Hart became the company's representative in this field, the volume of its business has largely increased, and with such a company, whose past record points to the distribution of more than $31,000,000 for losses, and with its present financial strength, its Canadian business is likely to go on increasing.

FIRE LOSSES IN CANADA, DECEMBER, 1892.

DATE.	LOCATION.	RISK.	TOTAL LOSS.	INSRCE LOSS.
Dec 2	Carthage, Ont....	Cheese Factory....	$ 7,500	$ 5,400
4	Montreal.	Statuary Store.....	8,000	8,000
4	Near Forest......	Farm Barns.......	2,00.	1,600
4	Picton	Skating Rink.....	11,000	8,400
4	Simcoe.....	Stores.....	15,000	15,000
5	Virden........	Grain Elevator....	20,000	16,000
6	Doon	Tow Barn	5,000	1,900
6	Otterville.......	Finishing Shop. ..	12,000	1,700
9	Amherstburg....	Steam Tug	6,000	3,000
9	Dresden........	Carriage Works...	3,000	1,500
9	Barrie	Steam Saw Mill. .	20,000	6,300
9	Levis	Stove Warehouse.	6,000	5,700
9	St André Avelin.	Presbytery	8,000	5,000
9	Hamilton.	Vinegar Wareh'se.	5,000	5,000
5	Strathroy.......	Livery Stable.....	4,000	2,800
4	Near Quebec....	Outbuildings......	2,000	1,200
11	Toronto Junc....	Stores............	1,000	1,000
13	Montreal.	Carriage Factory..	3,500	3,500
2	McLeod, Man...	Store..............	5,000	3,600
14	Toronto....	Various Factories.	30,000	24,000
14	Vancouver, B.C.	Saw Mills....	60,000	31,000
18	Waterloo, Ont. .	Woolen Storeh'se.	5,000	5,000
18	Harrietsville. ...	Flour Mill........	9,000	6,500
19	Toronto.........	Canoe & Box Fac.	10,000	7,500
19	Lachine....	Dwelling..........	6,000	3,200
20	Hamilton.	Box Factory......	6,000	6,000
20	Tp. Thurlow....	Farm Barn	2,000	1,500
20	Thorold....	Dwelling..........	1,000	1,000
21	Halifax, N.S....	Orange Hall......	4,000	1,000
21	Montreal...... .	Store....	12,000	12,000
21	Thurso, P.Q....	Woolen Mill......	10,000	5,500
21	Quebec.........	Dwelling.....	2,200	1,500
22	St. Catharines...	Sail Loft.........	2,500	1,000
23	Montreal.	Clothing Store	1,200	1,000
23	St. Thomas.....	Planing Mill......	10,000	5,600
23	Hagersville.....	Stores and Dwg...	6,000	2,800
23	Quebec.........	Tannery...... ...	15,000	8,000
27	Montreal.	Produce Wareh'se.	6,000	6,000
25	Montreal...... .	Dwelling....	12,000	8,500
24	Valleyfield.	Do	5,000	5,000
25	Burlington, Ont.	Church......	12,000	8,000
27	Windsor........	Electric Power H	15,000	None.
27	Brockville......	Dwelling	2,500	1,200
27	Brownsville.	Flour Mill........	4,500	1,000
29	Orillia....	Skating Rink.....	6,000	1,000
29	Toronto....	Carriage Works...	6,000	3,000
24	Lake St. John...	Dwelling..........	1,800	1,200
29	Quebec.........	Paper & Con. Whse.	50,000	43,000
21	Compton, P.Q...	Blacksmith Shop..	1,500	1,000
30	Charl't'n, P.E.I..	Stores	80,000	30,000
31	Montreal.	Rubber Works....	5,500	5,500
31	Napanee.	Dry Goods Store..	4,500	4,500
			$538,200	$339,900

SUMMARY FOR TWELVE MONTHS.

For January..............................	$622,200	$ 462,700
" February..............................	245,400	171,700
" March..............................	702,100	439,900
" April..............................	407,400	319,600
" May..............................	507,100	296,500
" June..............................	195,800	140,900
" July..............................	290,800	210,900
" August..............................	495,600	374,800
" September..............................	574,200	353,500
" October..............................	417,500	200,000
" November..............................	272,300	188,850
" December..............................	538,200	339,900
Totals..............................	$5,269,000	$3,503,250

The late Earl of Eglinton had a policy on his life for $260,000 in the City of Glasgow Life, and $100,000 in one other company, with altogether $35,000 of bonus additions.

THE UNITED STATES LIFE INSURANCE CO.

Promptly with the first day of the new year, the United States Life, as has long been its custom, gave to the public through the New York dailies its statement for 1892, which we reproduce elsewhere in this issue. The statement indicates that among the many most excellent life insurance institutions, this company holds its place as a liberal, progressive and sound institution which furnishes insurance that insures. The new insurance written during 1892 reached the goodly sum of $14,001,695, and its payments to policyholders altogether amounted to $839,480, while the assets were increased, now standing at $6,889,212. The company's surplus as regards policyholders, on the basis of a 4 per cent. reserve, Actuaries' Table, amounts to $611,406, and on the former New York reserve standard of 4½ per cent., American Table, to $1,033,096. A commendable feature of the company's management, reflecting credit upon President Burford and his associates, will be found in the careful and safe investment of its assets, over two-thirds of which are in bonds and mortgages on real estate, and a liberal portion of the remainder in loans on its own policies, United States bonds and cash. That at the close of the year not a dollar of interest due was unpaid speaks well for the financial management. The Canadian business last year was, we understand, very satisfactory, both as regards volume and quality, for which Mr. E. A. Cowley of this city, manager for the Province af Quebec, is entitled to a liberal share of credit. The company issues incontestable policies under some very attractive forms, and is popular where best known.

A WINDING UP SCENE.

A correspondent has kindly sent us a detailed account of the final meeting, held on Dec. 28, of the members of the Mutual Relief Society of Yarmouth, N.S., for the purpose of ratifying the previous action of the directors and manager in handing over the society to the Massachusetts Benefit Association, as chronicled in our last issue. We herewith print the more important part of our correspondent's report, which will prove to be racy reading, in view of the admissions made by the manager of the inherent frailty of the society and its inevitable failures. "Young blood leaving us, and widows asking for funds they could not get," was surely a frank confession of mortal ailment. "If we ask a man to insure, he wants security, wants reserve and good goods," may well account for the waning destiny of this and similar societies. The child-life faith with which "surrender values," "dividends," and the like are expected from the Mass. Benefit Association is also very refreshing from a concern that takes over in a lump, without medical examination, a membership of which over eleven per cent. are upwards of 60 years of age. But we let the report speak for itself. After stating that 42 members were present, our correspondent says:—

There were several of those present who refused to occupy the chair, and after considerable discussion it was taken at 8.15 p.m. by a prominent city alderman, who says—he is totally unacquainted with the manager, whom he believes to be present, and he would "guess" that the gentleman with the glasses on, in the corner, is the manager of the society, and if so he would ask him (Mr. Crosby) to come forward.

MR. CROSBY.—"I am glad, gentlemen, to get a chairman; none of you need be ashamed of being in the chair on this occasion. My object here to-night is to explain the advantages to be gained by transferring our business to the Massachusetts Benefit Association. Eleven years ago this plan of insurance was brought to the notice of some of our Yarmouth gentlemen, the object being to give employment to our own people, and keep money at home. For years the "Mutual Relief Society" had success. Competition then with old-line companies was different to what it is now. Cost was about the same as the "Mutual Reserve" of N. Y., I. O. O. Foresters, A. O. U. W., C. M. B. A. and other associations of a similar kind.

We now find competition keen with old-line companies, and find during the past year that business is dull, and we cannot get enough new members. We got 300 new members, "gilt edge" members, during the first 9 months of the year, but the same number lapsed within that period. As soon as we made extra calls the greater number would lapse. We saw before us, public criticism, young blood leaving us, and widows asking for funds they could not get. For this reason we would be forced into liquidation. I feel keenly my position, as I was manager from the first. Then I and the directors decided to break up. We thought to confer with the members and call a special meeting, but the press would get hold of it and say the M. R. S. had come to a standstill. We felt that members would not come to the meeting, and for this reason we sought amalgamation. We did not want to jeopardize the interests of he society, and we, as the executive, felt justified in the course we have taken. If our judgment was bad, our motive was of the best. The plan is perfect from our standpoint. Now we find competition keen; if we ask a man to insure, he wants security, wants reserve and good goods, therefore we find our patronage limited. We thought best to withdraw. Now the question is, with whom have we re-insured? We examined the Blue-book and found the Mass. Benefit Asso. the best and strongest. We did try to re-insure with the Mutual Reserve; that is the company that the great insurance man, Mr Harper, is president of. But they refused the business, as some 11% of our members were over 60 years of age. I might also refer to the Covenant Mutual of Illinois, but the company that we thought best was the Mass. Ben. Asso. I went to Boston, and spent one day and a half there conferring with them, and they sent a man to Yarmouth to examine our books and report, and they agreed to take over the business and re-insure our members without regard to physical condition. It is better and cheaper than any other association and their charter is more stringent. They have $900,000 of a surplus, and 24,000 members. They issue three kinds of policies, viz: annual premium; five and ten year renewable term; and assessments at death. Their annual premium is less than 60% of amount charged by old-line companies. The old line companies charge too much for reserve. Compare New York Life with Massachusetts Benefit, and you will find the latter is the best, as it is the cheapest, and gives a cash surrender value of 80% of the reserve after expectancy is reached. The Yarmouth Relief has no surrender value. Take a man aged 40 joining the Massachusetts Benefit, his expectation is 28 years. If he reaches that age he will have an amount to his credit estimated at $200, which will give him ten years more assurance There are no dividends in our society, but these are in the Mass. Benefit.

(A voice asks, "What would these profits or dividends amount to?" No answer). "Then there is a total disability clause in their policy. I will give you an instance: a large contractor lately held a $10,000 policy, and had to be sent to an asylum, and on a doctor stating the man was totally disabled the company paid his wife $5,000,—half the face of policy. This would also be paid to any one of you who might be similarly afflicted. I might here state that if the Mutual Relief is continued in business we would have to go into bankruptcy, and for this reason we congratulate ourselves and you on being able to insure in a good company. Therefore I ask you one and all to ratify our bargain. Had the Yarmouth Relief continued in business we would have frozen all the old men out, as at age 70 their calls would be $8. (per month we presume—Ed.) The Massachusetts Benefit is more secure than the Mutual Relief and at less cost."

(Mr. Crosby here sat down)

CHAIRMAN.—"Any member present may ask a question."

MEMBER.—"What deposit has the Massachusetts Benefit at Ottawa?"

MR. CROSBY.—"On referring to the Blue-book, I find it has $61,000 assets in Canada."

ANOTHER MEMBER.—"Have the members in Yarmouth ratified your bargain."

MR. CROSBY.—"I will read you a letter I received a few days ago: 'Yarmouth, 21st Dec, 1892. Transfers coming in from all quarters, our action approved of.

"I may here remark that the only rebuff I have met with was in our own camp; in speaking to one of our agents in New Glasgow, he said: 'Mr. Crosby, I don't know how a rooster feels when he has been ducked in a pond and taken out; but I feel as if I was ducked in a pond and left there, for I have been going through the country lauding the Mutual Relief, saying it was the best company in existence, and now it is going under.' Now, gentlemen, that and one other man are the only two that have condemned our action. Again, I want to call your attention to the great profit we will derive from lapses in the Massachusetts Benefit, for if a member lapses he will lose all. So you see that is a great advantage, because it will make the members remain in order not to lose what they have paid, or if they lapse, we the remaining members get all they paid in."

MEMBER.—"I can recommend the Massachusetts Benefit as a good company, and I agree with Mr. Crosby that we ought to congratulate ourselves on the change, for if we had continued longer in the Mutual Relief its fate was inevitable."

ANOTHER MEMBER.—"Mr. Manager, it seems to me we must do one of two things, viz., either go into this other concern or lose what we have paid to you already."

MR. CROSBY.—"Yes, that is correct. And I might here mention that there are a number of small old line companies paying so much for new business to day that they will go under before long. Of course, if you St. John members do not wish to re-insure with the other company, perhaps you could continue the business amongst yourselves with a St. John directorate. But I wish to get out of it; I want to get clear of the liability. It is just this way, you take two shopkeepers close to one another;one is doing a large business and the other is not doing any; one goes to the other and says: "Here, John, you must buy me out or I will buy you out."

A MEMBER.—"Oh! oh! it is a case of *buying* out. is it?"

MR. CROSBY.—"Yes, that is it."

MEMBER.—"I thought there was a 'deal' somewhere. But whether they paid $10,000 or $15,000 they got a bad bargain."

CHAIRMAN.—"I understand there is no examination necessary, and that is a great preference."

MR. CROSBY.—"No examination, and the rates are preferred; those who have been members 5 years or under can join at the same age, and those who have been members over 5 years will have 5 years taken off their present age."

DR. MORRISON, former examiner for Mutual Relief.—"The Society was always good and paid its claims, and if anyone asked me I always said we, the members, are the company, and if we stand it stands."

By this time half the number of those present had left the hall, and the Doctor handed in a resolution; it ran thus:—

"We, the members of the Mutual Relief Society at St. John, N.B., heartily approve of and endorse the action of the directors of the Society in amalgamating with the Massachusetts Benefit Association."

This resolution was seconded by a few weary ones, and the meeting closed.

Financial and Statistical.

The complete returns for the fiscal year 1892 show that Canada's trade with Great Britain has largely increased, as indeed it has with all other countries excepting the United States, in which there has been a considerable falling off. The figures for 1891 and 1892 are as follows:—

With	1892.	1891.
Great Britain	$106,254,984	$91,328,384
United States	86,968,268	94,824,352
West Indies	7,638,846	6,360,926
Germany	6,526,228	4,336,232
France	2,770,173	2,565,877
Newfoundland	2,503,963	2,218,911
China and Japan	3,300,108	2,201,102
South America	1,906,291	1,782,950
Total	$217,868,861	$205,619,734

The aggregate trade increase is $12,249,127. The increase with Great Britain was $14,926,600, and the decrease with the United States $7,856,084—a practical comment on the McKinley tariff.

The report of the Minister of Finance of the Dominion for the fiscal year ending June 30, 1892, shows the net debt to have been $241,131,434, being an increase of $3,222,404, mainly accounted for by increased expenditure on railways and canals and payment of railway bonds. The main items of receipts show some decrease in the aggregate as follows: Customs $20,501,059, a decrease of $2,898,000; excise $7,945,000, an increase of $1,034,000; post-office, $2,652,000, an increase of $137,000; railways, $3,136,000, a decrease of $45,000. The total expenditure on the consolidated fund was $36,765,894, leaving a surplus on the year's transactions of $155,977, as compared with $2,235,743 the preceding year. The deficit on the Intercolonial Railway was $493,935, and $191,011 less than in 1891. Deposits in the Government savings banks have increased $129,521, the total in these banks being $39,529,548. Counting interest paid to depositors, and the withdrawals of cash still exceed the deposits by $1,191,038, as against $3,960,964 last year.

In an elaborate article, *The Statist* deals with the decline of exports of Great Britain for the eleven months of 1892 ending with November. It is shown that the falling off, as compared with the like period in 1890, has been $172,000,000, and that comparing nine months of 1892 with the first nine of 1891 the decline has been $134,890,000. The countries with which the export trade has most fallen off are the United States, India, Argentina, and Australia, though there has been shrinkage in most other directions. An analysis of the export trrde of the three years 1887, 1890 and 1892 shows that the bulk of the decline has been, as between 1890 and 1892, with the products of the four principal industries, viz., iron, cotton, woolens and coal, and amounted, for these products, to $117,730,000, being largest with iron, and next largest with cotton goods. The decrease was 15.4 per cent. As between 1887 and 1892 the increase for the latter was about 1 per cent.

Following is the record of failures in Canada and New foundland as given in *Bradstreet's* for 1891 and 1892:

	No. of Failures.		Liabilities.	
Province.	1892.	1891.	1892.	1891.
Ontario	716	843	$3,652,959	$5,371,000
Quebec	565	680	5,273,547	7,538,000
New Brunswick	85	93	549,002	599,000
Nova Scotia	153	122	956,320	594,000
P. E. Island	8	10	113,000	106,000
Newfoundland	3	7	37,000	96,000
Manitoba	62	51	517,400	340,000
N. W. Territories	16	17	51,521	159,000
British Columbia	71	23	452,461	81,000
Total	1,682	1,846	$11,603,210	$14,884,000

This shows a decrease in number of failures of 164 and in amount of liabilities of $3,280,790 during 1892 in the aggregate, though British Columbia, Manitoba and Nova Scotia show a considerable increase and P.E. Island a slight increase. Dun, Wiman & Co. give much larger figures for both years, but make the decrease about the same as Bradstreets.

NATIONAL INSOLVENCY LAWS.

It is a noteworthy fact that the movement among our own people for a Dominion bankrupt law, uniform in its operation in the several Provinces, and the features of which we briefly outlined in our last issue, finds a counterpart among the business public of the United States also at this time, and for substantially the same reasons underlying the movement here. The various individual States, like our Provinces, have insolvency laws of some kind, but many of them are very imperfect, not to say unjust, and all of them different. A national bankrupt bill, known as the Torrey bill, is now before the lower house of the United States Congress, and is reported to be favored by a majority of both parties, ensuring its passage, while in the senate no serious opposition is anticipated if reported favorably from the house. The bill has been reported favorably from the house judiciary committee. From that report we append the following brief extract urging the benefits of the proposed bill. We quote:—

A debtor, by the terms of many of the present State laws, may be induced to give or coerced into giving preferences, and thereby bring on his financial ruin without actual necessity, with the result of favoring a few creditors and being compelled to continue to owe the others; the proposed act forbids the giving and receiving of preferences, and, as a result, the creditors will receive their equitable share of the estate, and the debtor, if honest, will be discharged. A creditor, in view of the provisions of many of the present insolvency laws, suffers a nightmare of apprehensions lest his debtors should, in anticipation of real or imaginary dangers, dispose of their estates to his financial detriment; under the measure submitted for passage he will be without fear, as he knows that whatever misfortune may befall his debtors he will receive his share of their estates over and above their exemptions. A debtor frequently commits moral and occasionally legal wrongs with regard to his property in the protection of his dependents under present laws; he will not have occasion to do so after the passage of the proposed law, as it will permit him to retain the exemptions allowed by the laws of his state, grant him a discharge if he is honest, and thereby enable him to honorably perform his duties to his dependents.

A creditor at present, when selling goods or loaning money, must take the chances of his debtor, giving secret liens and conspiring with others to defraud him: under the bill now favorably reported, such secret liens cannot be enforced and such frauds may be prevented. He will, therefore, be liberal in extending credit, and thereby greatly benefit his debtors. A debtor may now, almost without restraint, engage in reckless speculation, buy goods, not intending to pay for them, and make away with his assets, with but small risk of punishment; under the proposed act, such conduct, if the creditors protect their interests, will result in a liquidation of his estate, the refusal of a discharge, and in his punishment; the effect will be a diminution of illegitimate transactions and the promotion of conservative methods in the affairs of commerce. A creditor under the present laws of many of the States is without remedy as against his fraudulent debtor; by the provisions of the proposed law an adjudication may be secured; the entire property and all property rights will thereupon vest in the trustee, who will be entitled to use all processes known to the State and federal courts for securing the property and enforcing the property rights for the benefit of all the creditors. A debtor, in view of the present laws, cannot now secure reasonable financial concessions from his creditors, because they prefer to obtain judgments against him and hold them over him; after the proposed law is enacted he can obtain such concessions as he may be equitably entitled to, because his creditors will know that unless they are granted he can go into a bankruptcy court and enforce them.

Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents.

LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE:—

So far as I can learn, the year that has just closed will not show unfavorable results for either the fire or life companies,—in fact, I believe all of them will have passed through a trying ordeal very well, although with few exceptions the profit side of the account will not show a large addition for the year's work. Two of the life companies closed their books on the last of the year, and sent their reports on that day to Ottawa, viz., the North American Life and the Temperance and General. The figures so far published of the first named company would indicate financially that they had a very successful year. The last named company's figures also indicate that their new business was larger than the previous year, and the financial results of the company were satisfactory.

Judging from the way the Mutual Life started out by making a special call on its agents for business this year, we are likely to have the greatest boom in 1893 in life insurance that has ever been seen. In the hustle for business this year commissions will take an upward turn, rather than be reduced, as was intimated by some of the companies a few months ago, and I think the experience will be the same in Canada, as some of the companies are getting on their war paint to go in for a large new business this year. The merest tyro in the business understands what all this means, viz., a larger outlay of money in the agency department, otherwise the desired results cannot be obtained. The American life insurance magnates met some time ago and resolved to do certain things. Since then we have heard considerable talk in the press about what was going to be done, but the prospect appears to be the greatest conflict for new business ever seen on this continent.

There is considerable talk on the streets here about the Metropolitan Life contesting a number of death claims. I have been unable to obtain detailed particulars, although I have noticed the name of the company appearing as defendant in our papers of late.

Manager Hendry, of the Ontario Mutual Life, was in the city last week, and I am glad to note that he looks very much better in health than he has for a long while. He speaks encouragingly of the company's business for the past year.

Supt. Thayer spent a day or two around town lately, but declined to disclose the object of his visit West, although one agent intimated to me that he was on his way to the States to look over the ground with a view to following the Canada Life in that direction.

I am glad to see that the appeal against the decision, in favor of the Temperance and General in connection with the policy on the life of the late Mr. Jeffrey, has been dismissed. I repeat in justice to this company what I said before, that in my judgment there was not the slightest basis for a suit against the company in this matter.

The rumor that a certain party was trying to buy up the stock of the Temperance & General Life appears to be without any foundation whatever,—at least so far as I can learn,—and therefore deserves to be flatly contradicted.

Mr. Matson, manager of the Provident Life, has been spending his New Year's at home, and reports that 1892 was the very best year they have ever had in Canada. Although death losses were light in number they were exceptionally heavy in amount. He says this year has started off well and will likely surpass last year.

I notice one life company has adopted a new method of advertising. They ask people to "TRY THEIR POLICY." Just what they mean by this is not quite clear. You can understand a person buying a pound of sugar to try it to see if they like it, or take a sewing machine on trial to see if it suits them, but how can an individual "try" a life insurance policy?

I notice Dr. Oronhyatekha, the Supreme head of the I.O.O.F., together with the secretary, has been interviewing the Minister of Finance with a view to obtain an insurance certificate from the Dominion Insurance Department. The object of this is of course to get a recognition from the Department, that from an insurance standpoint the order is financially sound, and thereby qualified to meet all its liabilities the same as a regular insurance company. It is said that the Dr. and others have a big Conservative pull by which they hope to get the required certificate. I trust, however, that the matter will be considered purely from an insurance standpoint. The companies who pay the whole expenses of this Department look to Supt. Fitzgerald, to see that the clever Dr. does not by his political pull obtain a certificate unless fairly entitled to it.

It will be gratifying to ex-President Beers of the New York Life to learn, that here in Canada all life insurance men whom I have met join in tendering to him their congratulations on the happy settlement that has been made as to his remuneration. He fully deserves every dollar he will get.

In my last I overlooked to refer to the death of Mr. John

Pearson, of the well-known firm of Pearson Bros., and brother of the agent of the Northern here. The deceased was an affectionate husband, good son, kind brother, and in every way a loss to those who knew him. It is gratifying to me to be able to say, that after an acquaintance with the late Mr. Pearson of many years, I never knew him to say an unkind thing, or to do other than kindness to his fellow-beings.

There are still a few endowment orders doing business. The latest to give up the attempt at accomplishing a financial impossibility is known as the Sons and Daughters of America. To meet the liabilities of $125,500 there is a sum of $7,000 on hand. The founders are said to have made well out of the concern. They are about the only persons endowment orders endow.

It seems to be the custom nowadays, that when a city assessor wants to increase the revenue from taxes, he generally drops on to the insurance companies. A commencement has been made in that direction in the city, the first victims being the Confederation and North American Life companies

I believe the first named company was assessed at $15,000 and the North American at $6,000, but Mr. Assessor thought it should be more, and in Czar-like fashion got the Court of Revision to run the amounts up. Of course this was protested against, but the only satisfaction given the parties was to take their objections to the county judge; they followed this advice with the result that Judge MacDougall very kindly elated the insurance managers by raising the Confederation to $168,000 and North American to $52,000. This is simply a beginning, and next year the assessor promises not to overlook the other life and fire companies who appear to be jealous that these two companies were singled out and brought so prominently before the public, although in rather an exasperating fashion.

Manager Hart of the Phœnix Fire has been here two or three times lately visiting his agent, Mr. Butt, and encouraging him in every possible way. Mr. B. feels the competition very keenly just now. However, I am satisfied that, given time, he will build up a nice business.

Your Montreal fire men are evidently over-anxious and unnecessarily alarmed about our waterworks affairs just now. There is no necessity for the scare. Engineer Keating is working hard to get the steel conduit in position, and everything will be all O.K. in a few days. In the meantime, the idea of increasing rates would not be favorably entertained by the large insurers, nor those owning first class dwellings. The fire agents here say, and very justly so, too, that if Montreal losses were in the same ratio as those in Toronto, the companies would make more money.

For some time there has been considerable gossip on the street respecting certain companies which have varied tariff rates, and more than one company has been named as the sinner. It appears, however, that they thought it advisable to charge less for their goods than was agreed upon with the other fellows. The representatives of the other companies are all so good, and never (well, hardly ever) cut rates, that they are just boiling over with indignation, and want the two companies to be burned up or something else done to them, as an awful warning and example to all others.

The annual meeting of the Toronto Board of Fire Underwriters will be held here on the 24th, when a large deputation is expected from your city and other points. Many matters of interest will come up on that occasion, and it is expected to be the liveliest meeting that has ever been held. Those coming from a distance are advised to bring their pocket pistols with them and see that they are fully loaded before starting, as that genial fellow Pyke, et al., says they will attend to the loading after the guests arrive.

TORONTO, Jan. 11th, 1893.

P.B.P.

OUR LONDON LETTER.

Editor INSURANCE AND FINANCE CHRONICLE:—

The formation of new insurance companies goes on with scarcely any abatement. The last addition to the list is the Law Accident and Contingency Insurance Society, with a capital of £250,000 in 50,000 shares of £5 each. At present not more than 5s. per share is to be called up on application and 5s. on allotment. The purpose for which the society has been formed is "to undertake insurance against accidents, and various other classes of risk beyond the scope of the existing legal insurance companies. The society will avoid competition with those offices, but will rather seek to co-operate with them." This new venture starts under exceptionally favorable auspices, for no less than three of the members of the board are directors of the Legal and General Life, which is an institution of the highest class; two other directors are members of the board of the Law Life, another first class institution, while a sixth is the solicitor to the same company. No promotion money is to be paid in any shape or form, and a significant fact in connection with the new company is this, that the directors have guaranteed the whole of the formation expenses,—an unmistakable indication of their confidence in the ultimate success of the undertaking. Looking at the character of those who will be engaged in the management of the new society, it is reasonable to anticipate not only that the business will be conducted on liberal principles, but that many of the anomalous regulations that disfigure the policy sheets of the present accident companies, and operate at times greatly to the disadvantage of the assured, will be removed or modified.

"THE OLD ORDER CHANGETH."

I have previously mentioned the London Life Association as one of the companies which, having been asleep for many decades past, had at length been roused into a state of activity. In seeking to carry out a progressive policy, the managers find themselves hampered by the obsolete provisions of the company's charter, which bears date 1806, and the directors have resolved to take steps to remodel this charter, and to conduct their operations in accordance with modern requirements. The directors have, however, not yet determined to employ agents, nor have they abolished the septennial bonus nor the peculiar method of distributing the surplus. Still, as the alterations contemplated are, so far as they go, in harmony with "modern ideas," we may see ere long still further signs of modernization. Another old company, viz., the Union, founded in 1805, has likewise determined to modify its deed of settlement very materially. The Union is one of the "pushing" offices, and it finds that the antiquated clauses of its deed greatly hinder the management in carrying out their ambitious schemes. The Law Life and the Equitable of London,—the former founded in 1823 and the latter in 1762,—have likewise either made, or propose to make, alterations in their deeds of settlement, so as to have a freer hand in the attempts that both offices are now making to give a larger share of the public favor.

THE VACCINATION QUESTION

I have already referred to as being *sub judice* in this country. The Royal Commission appointed some time since is still sitting, and the public, including the officials of insurance companies, are awaiting with interest the publication of the report of the Commission. The conclusions of the commissioners will doubtless be greatly influenced by the Report of the Imperial Health office in Berlin, which deals with the mortality of small-pox throughout the German empire during the year 1890. It is well known that in Germany primary and secondary vaccination are rigidly enforced, and what the official authorities in that country have to say respecting the prevalence of small-pox under such conditions cannot be devoid of interest and instruction. The statistics of deaths from small-pox throughout the Empire in 1886-90 show that the chance of a vaccinated child of two years dying of small-pox is very slight, for only two deaths per million per annum occurred amongst this class. The chance of a person of fifty dying from small pox is smaller than that of a child of two years old, but it is higher than that of a middle-aged person above that age, *i.e.*, 50. Comparing the deaths that occurred in 229 German towns, and towns selected in other countries, it is seen from the report that, though there were fewer deaths in English towns, there were ten times more in Swiss, 13 in Hungarian, 42 in Belgian, 56 in French, 60 in Austrian, and 97 times more in Italian, towns. The average yearly deaths from small-pox per million during the years 1886-90 were in Germany only 3.5, as compared with 963 in Spain, 536 in Italy, 471 in Austria, and 231 in Russia. The German report also gives details of 140 cases of small-pox that were notified from various localities during 1890, mostly from Bavaria and Alsace-Lorraine. From the statistics published it appears that the bulk of the cases were introduced into Bavaria from Bohemia, and into Alsace-Lorraine from France; and that the fatal and severe cases were, generally, to be found amongst people who were either unvaccinated, or who had not been re-vaccinated; and that the disease that appeared in the few re-vaccinated persons invariably ran a mild course, terminating in recovery.

THE PRESIDENTIAL ADDRESS

of Mr. Augustus Hendriks, on the reassembling of the Institute of Actuaries, was, as everyone expected, full of interesting matter. On one point, however, he was more than interesting. The remarks he made on the subject of a revision of the Institute Tables were of the greatest importance to the professional men who surrounded him. There is no question that the urgency with which Mr. Hendriks pressed his views upon the audience were warranted. Looking back over the history of the construction of the Tables, it is difficult to avoid the conclusion that they should be reconstructed. A whole generation has passed away since the data were collected upon which the existing Tables were formed; and during that period vast changes in the science of sanitation and in the knowledge and treatment of disease have taken place—changes which have unquestionably had a material influence upon the longevity of the people. Whether the improvement in the rate of mortality is so marked, and so constant, as to justify a reduction in the present rates of premium, is a question which can only be decided after a thorough investigation; but the public are certainly looking for such a diminution of rates as will make life assurance more accessible to the man of small means than it now is. Another matter of importance upon which Mr. Hendriks touched was the interest rate assumed in valuations. I observe with considerable satisfaction that while he appears to be fully alive to the necessity for strengthening "reserves," he was careful to caution his colleagues "to avoid doing an injustice to present claimants, by postponing the distribution of profits fairly earned, to the undue advantage of the still living policyholders, as well as to the future entrants." The motto of companies in regard to this question should be *festina lente*, and it should be left to the actuary of each company, after duly considering its constitution and its particular circumstances, to use his discretion, *wisely*, in making a reduction in the rate of interest.

THE MORTALITY IN FRANCE

recorded in the report of the committee to which the bill for the "Protection of the Public Health" was referred cannot be very encouraging reading to the officials of the companies—either native or foreign—which are carrying on life business within the boundaries of the Republic. The report states that while the ratio of births is decreasing, the rate of mortality is increasing; while there is a decided diminution in the marriage rate. For instance, in 1890—the last year for which the returns are available—the births were less by 42,520 than in 1889, and 99,885 fewer than in 1883. The number of marriages was also less in the same period, being 269,332 as against 289,555—the rate of decrease being continuous. The number of deaths had, on the other hand, steadily increased; the figures for 1881 being 828,828, and for 1890 876,505. The committee take care to point out that the decrease in the birth rate is not confined to France, but is apparent from the returns of other countries. In England, for instance, the birth rate declined from 34.7 to 30.2 per 1,000, in Belgium from 31.5 to 28.7, and in Germany from 38.9 to 35.7; while in France the decline was from 25 to 21.8 per 1,000. In France the death rate is 22 per 1,000, *i.e.*, about three more than in England; while among infants it is especially high, being no less than 167 per 1,000.

VIGILANS.

LONDON, Dec. 20, 1892.

Notes and Items.

The Western of Toronto announces its semi-annual dividend at the rate of 10 per cent. per annum.

The total loss by fire in Minneapolis for 1892 was about $390,000,—a great reduction from 1891, when it was over an even $1,000,000.

The London and Lancashire Life has just paid a semi-annual dividend to shareholders of 2 shillings per share, being at the rate of 10 per cent. annually.

The new Columbian Fire insurance company of Louisville, Ky., with $200,000 capital and $48,000 surplus, has taken the field for general agency business.

The Buffalo assessment life association, called the Life Reserve, after several attempts to patch up its impaired financial condition, will go into the receiver's hands.

The Milwaukee fire department has been increased by the addition of three new engines, one hook and ladder truck and two fire-boats, all at a cost of $175,000.

Boston's big fire last week of $1,300,000 it is to be hoped will not set a scorching example for other cities to follow. About $1,000,000 insurance was involved.

The New York Life wrote $170,000,000 of new insurance in 1892, the largest amount in its history. In 1890 it wrote something over $159,000,000, and in 1891 $152,665,000.

The Globe Fire of New York has reinsured its existing business on Dec. 31 in the Liverpool and London and Globe, but continues transacting new business as heretofore.

The total calls for fires in New York in 1892 were 3,999, of which 1,391 resulted in more or less damage, the total loss being $4,891,557. The total insurance at risk is estimated at $83,246,935.

Among the many New Year's cards coming to our sanctum, that of Mr. E. D. Lacy, manager of the Imperial for Canada, is especially noticeable for the fine and life-like portrait of that genial gentleman upon the reverse side.

As the result of a jury trial, Judge Russell of New York has sentenced Morris Spiegel to three and a half years' imprisonment for presenting false certificates of loss to insurance companies after a fire in his wholesale liquor establishment in December, 1891.

We have received from the publisher the fourteenth volume of *Rough Notes*, our Indianapolis contemporary. *Rough Notes* is one of our valued exchanges, and finds a prominent place upon our shelves as a fearless and ably conducted insurance journal.

The December fire loss in the United States and Canada turns out to have been $12,354,450—a little more than for the preceding month and more than a million dollars less than for December, 1891, and about half a million less than for that month in 1890.

The first number of the *Insurance Advocate*, formerly the *Insurance Echo*, of Philadelphia, now under the management of Mr. H. E. Roberts, comes out neatly printed and well filled with editorial and other matter which gives promise of future success.

The Weekly Underwriter does itself credit in the issue of its holiday supplement devoted to California and the Pacific Coast, insurance-wise and otherwise. The printing of the portraits and engravings comes as near to perfection as the most fastidious disciple of Faust could wish.

We understand that the North American Life of Toronto closes the record of last year with a handsome advance in insurance issued, in total assets, and in surplus. The total insurance in force will, it is said, exceed $12,000,000. We expect soon to give our readers the annual statement in detail.

The Insurance Age of New York, speaking of the control of the British America by the Western, well says: "Mr. Kenny is a modest, unassuming sort of man, who, having lots of business to mind, minds it to such purpose that the success of the Western has been conspicuous ever since it entered this country. He is a large enough man to drive this double team just as safely as he did his single turnout; and while it is not his style to do much whip-cracking, his vehicles will arrive at their distination all the same."

As we go to press, we learn with sadness of the death of the Mr. A. Holloway, of Winnipeg, widely known in underwriting circles, and whose loss there from will be generally mourned.

From figures received from most of the Canadian life companies and others doing business in Canada, it appears that the aggregate of new business for 1892 will very considerably exceed that of 1891. In our next issue we shall give results in detail.

Notice is given in the *Official Gazette* that application will be made for an Act to revive the Act to incorporate the Equity Insurance Company, and to change the name thereof to that of the St. Lawrence Insurance Company; headquarters at Montreal.

A special meeting was held last week at Halifax, composed of the Nova Scotia Fire Underwriters' Association and a number of the general managers of companies from Montreal, to confer about the situation with reference to the order from the home offices of the British companies to advance rates. The results, if any, we shall note later on.

Four of the "Supreme" officers of the Iron Hall—Somerby, supreme president; Baker, supreme medical examiner; Gladding, supreme organizer; and Eckersley, chairman of the finance committee, indicted both at Indianapolis and Philadelphia, have been arrested, and are under bail in $5,000 at the latter place for misuse of the funds of the order in connection with the Philadelphia banking concern run by theses "supremes."

The Assurance Lloyds of America, of which Messrs. Beecher, Schenck & Co. of New York are the promoters and managers, enters for business with the new year reporting 100 subscribers, each having made a cash deposit of $5,000, or $500,000 in all. Several life insurance men are among the subscribers, notably President McCall of the New York Life and Robert H. McCurdy of the Mutual Life.

There are several disappearances of assessment life associations reported, among which are the Mutual Benefit Life of Hartford, turned over to the National Life Association; the Home Benefit of New York, reinsured in the Commercial Alliance; and the Life Union of New York, whose directors ask for a receiver because of mismanagement of funds and general crookedness.

The Ontario Mutual Life has closed 1892 with a handsome increase in new business, amounting to nearly half a million, reaching a total of $2,676,000. December showed the largest business ever transacted by the company in one month, and amounted to $404,500. The death losses, we understand, were some $45,000 less than the expectancy, and altogether the year's record has been excellent.

The Sun Life Assurance Company of Canada has, as is well known, heretofore conducted an accident branch with success, a liberal amount of first class business being attracted to it each year. Such, however, has been the rapid growth of the regular life business of the company, calling for the undivided attention of the management, that it was deemed best to dispose of the accident business. This was done at the close of the past year, as noted in our last issue, the Canada Accident becoming the reinsurer. We regard this as a wise move, for it seems plain that a company whose new issues have increased from $4,000,000 in 1891 to over $7,000 000 in 1892 can best employ the ability and resources at its command in the building up of a strong distinctively life company.

We are pleased to note that a compromise has been effected between ex-President Beers and the New York Life, by which the former is to be retained in an advisory capacity by the company, at the rate of $15,000 per year for the present. Mr. Beers agrees to drop all further legal proceedings. This settlement, we think, will prove satisfactory to the friends of all the parties.

The "Weekly Statement," published by the Mutual Life of New York, speaking of the general agents, says: These are the men who are to lead the cohorts of the company during this eventful semi centennial, and to every man we look for an amount of personal effort which will roll up a volume of business unprecedented, not only in the history of this company, but in that of any other." This means that the strife between the "three giants" for big business will be greater than ever.

Calendars, etc., for 1893.—Among the insurance company calendars received we note the following: The Atlas, from Manager Hinshaw, an embossed folding pad for desk use of leatherette, finished neatly in blue and gold, and revealing a movable calendar blotter when open.—The Insurance Company of North America, from General Agent Hampson, a wall calendar, lithographed in colors, unusually large and valuable for service.—The Mutual Life, from Manager Brown, Montreal, a mammoth wall calendar of striking design in several colors, as a semi-centennial reminder.—The Western, from J. H. Routh & Son, a lithograph wall calendar in colors of striking design artistically executed, of lage size; also a very pretty house or desk calendar.—The Lancashire, from Manager Thompson, a calendar in black and white, with full page for each month, well designed for office use.—The Liverpool & London & Globe, from C. Mason Kinne, assistant resident secretary, San Francisco, a handsome colored design with center dial showing the time at the principal places of the world, with calendar tablets. Also, same company, from General Agent Jarvis of St. John, N.B., a wall calendar, original design, in white on dark blue, striking in effect, with dials indicating St. John and Halifax and Eastern Standard time.—The Mercantile of Waterloo, its usual very large and very desirable wall calendar in colors, with conspicuous figures.—London and Lancashire Life, Canadian Branch, a large card for the wall in brown and gold with condensed calendar for the year.—The Caledonian, from Manager Lewis, wall card with monthly calendars in lithograph design.—The Waterloo Insurance Co., a pleasant tinted design with separate monthly calendars in colors.—The Northern, from Manager Tyre, large wall card in colors, the center piece of the design representing the St. John's conflagration and the card carrying the usual monthly calendar.—The Provident Savings Life sends an unusually fine engraved calendar, the center-piece of a child and dog ensuring its preservation.—J. W. H. Holtby of Brampton gets out a special design, wall calendar in colors, with medallion sized portrait of himself. As annual souvenirs, the North American Life sends out a morocco bound pocket calendar and diary specially adapted to agents' use; and Managing Director Cory of the Eastern of Halifax sends a book of finely executed views of the city of Halifax and vicinity. Our acknowledgments are also due to the *Times* of Toronto for a large calendar showing its new fine building, and also for a speaking lithograph of the *Times* proprietor's $1,000 prize St. Bernard, "Maxy." Also to the Beaver Line of Steamers, and to Morton, Phillips & Co. of this city, stationers and printers, for one of the best office calendars issued. The *Moniteur du Commerce* also sends us a handy pocket calendar and diary.

A New Credit Insurance Company is now in the field in Canada to guarantee business houses against excess of loss beyond the usual average loss. It is called the Canadian and European Export Credit System Company, and has been duly qualified to transact business in the Dominion by the deposit at Ottawa of $100,000 in Canadian government and provincial bonds. Mr. G. E. Seymour, for several years connected with Dun, Wiman & Co., is the manager at Montreal for the Province of Quebec and Eastern Canada, and enters upon his work under favorable auspices.

The Palatine Insurance Company starts the new year by the purchase of a controlling interest in the stock of the Manufacturers' and Builders' insurance company of New York, which will be continued under its present charter with Mr. Wm. Wood, U.S. manager of the Palatine, as president, while the U.S. trustees of the Palatine have replaced the old board of directors. The risks of the Manufacturers' and Builders' were assumed by the Palatine on December 31 last. The Palatine has also reinsured the business of the Insurance Syndicate of Minneapolis in eight States, on which the net premiums have been about $80,000.

PERSONAL MENTION.

MR. R. D. MORKILL, the well known general insurance agent at Sherbrooke, looked in upon us pleasantly a few days ago.

MR. JOHN B. SLAUGHTER has been appointed resident secretary at St. Louis for the Lancashire insurance company.

MR. J. B. MORISSETTE of Quebec, representing the Lancashire there, was in Montreal last week and made a friendly call.

MR. I. FREEMAN RASIN, has been appointed insurance commissioner of Maryland, in place of Commissioner Talbot, elected to Congress from Baltimore.

MR. D. W. WILDER, of the *Insurance Magazine*, has been appointed one of the advisory council and orator for Kansas, of the World's Fair Auxiliary Congress on Insurance.

MR. E. W. HENDERSHOTT, general agent of the Sun Life at St. John, N.B., for the Maritime Provinces, was at the home office recently, and called on the CHRONICLE.

MR. F. K. FOSTER of Winnipeg, from the office of Kirby, Colgate & Armstrong, the well known insurance agency, was in Montreal a few days ago and called at our sanctum.

MR. D. M. MCGOUN, formerly of Montreal, but now secretary of the West India branch at Barbadoes, of the Standard Life, spent the holidays here, during which he favored the CHRONICLE with a pleasant visit.

Legal Intelligence.

LIFE INSURANCE.

SUPERIOR COURT, Montreal, Dec., 1892. *Ætna Life Ins. Co.*, depositer in Court, *and Gaucher, Gosselin et al.* Destination of policy payable to "wife"—name not given.

In November, 1873, one Pellerin took out a policy on his life in the Ætna Life of Hartford for $1,000, the beneficiary named in the application being simply "wife, Mrs. Pellerin." On the 12th of June, 1877, the Mrs. Pellerin, who at the issuance of the policy was the wife of the assured, died, leaving a daughter Julia, born of the marriage, and still living. She also left a last will naming her husband as universal legatee and testamentary executor. In 1879 Pellerin married a second wife—a Dame Gosselin—making a previous contract stipulating separation of property, and in which no reference was made to the above policy. In September, 1891, Pellerin died, bequeathing, by will, all his property to his daughter above named, and appointing as his executor one Gaucher, continuing his powers as such until the daughter should come of age, and vesting him with the administration of his estate. Both the widow and the daughter laid claim to the policy, and the insurance company paid the proceeds into Court. Two petitions accordingly were befc Judge Tait of the Superior Court: one from Gaucher, the .ecutor of the will, in connection with that of Isaac Pellerin, as tutor of the daughter; the other from the widow as claimant. In giving judgment, Judge Tait says:—

"The policy in question was taken out under the provisions of 29 Vic., cap. 17, of Canada, and of 32 Vic., cap. 39, and 33 Vic., cap. 21, of Quebec. These different acts were repealed by 41 and 42 Vic., cap. 13 (1878), of Quebec, except as regarded assignments made or rights accrued before the coming into force of that act, with respect to all which assignments and rights the said acts remain in force and continue to apply. By sec. 6 of 33 Vic., cap. 22, it was enacted that in the event of some of the parties for whose benefit the said assurance had been effected, dying before the insured, the money payable thereunder should be payable to the survivor or survivors of such party, or, in case they should also die, to the executors or administrators of the assured, but that nothing therein contained should be held to prevent the said assured from assigning the policy for the benefit of any future wife or children, or execute a declaration in their favor or in favor of some or one of them, as thereinafter mentioned. By sec. 14 of chap. 41 and 42 Vic., it is enacted that the benefit of the policy shall revert to the insured when the wife, for whose benefit solely it exists either by the policy appropriation or revocation, or by accretion, predeceases her husband, with or without issue; and by section 15 it is provided that when a policy reverts to the insured in whole or for a share or shares, the insured may deal with such policy, or share or shares, as if the insurance had been effected and been always held for his or her own benefit. These provisions have been carried into the Revised Statutes of Quebec at arts. 5592 and 5593, and are still in force. If the rights of the parties are to be determined by the acts in force prior to 41 and 42 Vic., it appears to me that under sec. 6 of 33 Vic., the money is payable to the executor of the insured, as the only person for whose benefit the said insurance had been effected died before the insured, unless the insured assigned the policy for the benefit of his second wife in the manner mentioned in that act, viz., by declaring by writing, endorsed upon or referring to the policy, that it should be for the benefit of such wife. But he never did anything of this kind; and if this act is still to be regarded in force as respects this policy, the money, I think, became payable to the executor of the assured, that is to say to Isaac Pellerin, and therefore goes to the daughter Julia under the will. If we take articles 5572 and 5573 R.S.Q. as governing the case, we reach the same result, for the wife for whose benefit it solely existed by the terms of the policy having predeceased her husband, such benefit reverted to the insured, and was vested in him at the time of his second marriage. There was no appropriation in favor of his second wife in the manner required by the act. His contract of marriage with her stipulated separation of property between them, and by his will he left all his property to his daughter, Julia. I do not consider that the payment of the premium subsequent to his second marriage can be held as an appropriation of the policy in favor of his second wife. He must be presumed to have known that the policy had reverted to him, and that he could deal with it as if the insurance had been effected and had been always held for his own benefit, and, therefore, his continued payment of premiums is quite consistent with his intention to bequeath the amount of it to his daughter, as he did. Then finally by the terms of the policy the amount is payable to Mrs. Pellerin, that is, the first wife, her executors, administrators or assigns. She constituted her husband her sole legatee and executor. Of course the money could not be paid to the husband as executor, as it was only payable at his death; but, at the same time, whatever interest the first wife had in the policy disposable by will went under her will to her husband. It appears to me, therefore, that whether we look at the provisions of the acts in force when the policy was made, and when the first wife died, or at those in force when Mr. Pellerin died, or at the terms of the policy itself, they all lead to the same conclusion, that the petitioners, Messrs. Gaucher and Pellerin, *ès qualité*, are entitled to the money. The Court will so order."

THE MANCHESTER
FIRE ASSURANCE COMPANY.

CAPITAL - $7,500,000.

ESTABLISHED 1824.

HEAD OFFICE, - MANCHESTER, ENG

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

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HEAD OFFICE, - - - TORONTO.

JAMES BOOMER, Manager.

CALEDONIAN
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ESTABLISHED 1805.

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CANADIAN BRANCH.

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THE THREE SYSTEMS OF LIFE INSURANCE.

By MERVIN TABOR, formerly Actuary of the Illinois Ins. Department.

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A Book Indispensable to every Life Insurance Solicitor.

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CANADIAN AGENCY ESTABLISHED 1821.

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CASH ASSETS, $10,659,139.03.

Fire and Inland Marine Insurance.

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PHŒNIX
INSURANCE COMPANY
(Of Hartford, Conn.)

ESTABLISHED IN 1854.

Cash Capital, . . .		$2,000,000.00
RESERVE FUND:		
Unadjusted Losses,	$391,242.30	
Re-Insurance Fund,	1,950,683.68	
		$2,341,925.98
Net Surplus, . . .		1,334,460.81

D. W. C. SKILTON, President.

J. H. MITCHELL, Vice-Pres.

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GEO. H. BURDICK, Secretary.

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