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SUMMARY OF 39th ANNUAL REPORT.

New York Life Insurance Co.

OFFICE, 346 & 348 BROADWAY.

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

Morris Franklin, President.

BUSINESS OF 1888.

Received in Premiums.....	\$10,948,486.77	
Received in Interest, Rents, etc.....	2,712,863.89	
Total Income.....		\$13,661,350.66
Paid Death-claims.....	\$2,263,092.29	
" Endowments.....	452,229.80	
" Annuities, Dividends, and for Surrendered Policies.....	3,984,068.31	
Total Paid Policy-holders.....		\$6,699,390.40
New Policies issued.....	15,561	
New Insurance written.....	\$52,735,564.00	

CONDITION JAN. 1, 1884.

Cash Assets.....		\$55,542,902.72
*Divisible Surplus (Co.'s Standard, 4 per cent.).....	\$5,002,514.17	
†Tontine Surplus " ".....	2,236,096.04	
Total Surplus at 4 per cent.....	\$7,238,610.21	
Surplus by State Standard.....		\$10,300,000.00
Policies in force.....	69,227	
Insurance in force.....	198,746,043.00	

PROGRESS IN 1888

Increase in Income.....		\$1,710,704.87
Excess of Income over all expenditures.....	4 559,334.78	
Excess of Interest over Death-losses.....	449,771.60	
Increase in Assets.....	4,742,505.90	
Increase in Divisible Surplus (Company's Standard, 4 per cent.).....	53,672.38	
Increase in Tontine Surplus " ".....	144,723.86	
Amount added to Tontine Fund.....	1,116,939.00	
Amount paid on Matured Tontines.....	972,215.12	
Increase in Policies issued (over 1882).....	3,383	
Increase in new Insurance " ".....	11,410,044.00	
Increase in Policies in force " ".....	9,077	
Increase in Insurance in force " ".....	27,330,946.00	

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

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

THE NEW-YORK LIFE has now perfected a policy called **Non-Forfeiting Limited Tontine Policy**, which combines the non-forfeiture features originated by this Company in 1860, with the valuable options and benefits of the "Tontine Investment Policy." This policy marks the latest advance in life insurance. By a combination of non-forfeiture and Tontine privileges it obviates the objections heretofore made against both the ordinary policy and the ordinary Tontine, and it is confidently recommended as (1) the **safest** life policy issued, as regards liability to lapse; (2) the most desirable, as regards character of privileges and benefits; and (3) one of the most profitable, as regards cash returns.

CANADIAN BRANCH OFFICE,

UNION BANK BUILDING, NOTRE DAME STREET.

MONTREAL.

DAVID BURKE, SUPERINTENDENT.

INSURANCE ROYAL COMPANY.

GENERAL RESOURCES.
 CAPITAL \$10,000,000
 INVESTED FUNDS, \$28,000,000.
 SURPLUS OVER LIABILITIES. \$9,616,424.
SHAREHOLDERS LIABILITY UNLIMITED.



CANADIAN POLICY-HOLDERS
 SECURED BY \$800,000
 DEPOSITED WITH GOVERNMENT
 IN ADDITION TO OTHER DOMINION INVESTMENTS.
 CANADIAN PREMIUMS EXCEED \$600,000.
RATES MODERATE.
 LOSSES EQUITABLY ADJUSTED
 —AND—
 PROMPTLY PAID.

CANADA LIFE ASSURANCE COMPANY

—ESTABLISHED 1847—

HEAD OFFICE, - - - HAMILTON, ONTARIO.

Capital and Funds, over - - \$7,000,000. Annual Income over - \$1,200,000.

- A. G. RAMSAY, Pres't.** **R. HILLS, Secretary.** **ALEX. RAMSAY, Superintendent.**
J. W. MARLING, Manager Province of Quebec, 180 St. James St., Montreal.
J. D. HENDERSON, Agent, Toronto.
D. MACCARVEY, Secretary, P. McLARREN, Gen. Agent, Maritime Provinces Branch, Halifax, N.S.
GEO. A. COX, General Agent, Eastern Ontario Branch, Peterboro.
W. L. HUTTON, Manager, A. McT. CAMPBELL, General Agent, Manitoba Branch, Winnipeg.

TOTAL ASSETS - - - \$29,484,019.

NORTH BRITISH & MERCANTILE

FIRE & LIFE INSURANCE COMPANY.

TOTAL ASSETS - - - \$29,484,019.

HEAD OFFICE FOR THE DOMINION, 72 ST. FRANCOIS XAVIER ST., MONTREAL.

ESTABLISHED 1809.

SUBSCRIBED CAPITAL . . . \$12,166,666.
 PAID-UP CAPITAL 3,041,666.
 FIRE FUND AND RESERVES . . 7,748,543.

WM. EWING, Inspector.

—[MANAGING DIRECTORS]—

D. LORN MacDOUGALL

—AND—

THOMAS DAVIDSON.

—[DIRECTORS]—

**GILBERT SCOTT, Esq. CHARLES F. SMITHERS, Esq.
 HON. THOMAS RYAN.**

ESTABLISHED 1809.

LIFE AND ANNUITY FUNDS . \$18,683,810.
 FIRE REVENUE 5,776,976.
 LIFE REVENUE 2,683,027.

G. U. AHERN, Sub-Insp.

—[AGENTS IN ALL CITIES AND PRINCIPAL TOWNS IN CANADA]—

FEBRUARY,

1885.



INSURANCE SOCIETY

VOL. V.

No. 2.

OFFICE:
102 St. Francois Xavier St. }

MONTREAL, FEBRUARY, 1885.

SUBSCRIPTION:
\$6.00 per ANNUM }

"INSURANCE SOCIETY"

PUBLISHED MONTHLY,

R. WILSON SMITH,

Editor and Proprietor,

OFFICE: 102 ST. FRANCOIS XAVIER ST., MONTREAL

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1884,

In the early part of this month we issued a circular asking the fire companies to favor us with their figures for 1884, which we now have the pleasure to publish on another page. We take this opportunity to thank the companies for their courtesy in so promptly furnishing these returns. The Lancashire is the only one whose figures are not included.

We have already delayed going to press for some days, so that we could have the complete returns, and we have not time therefore to criticize them in this issue, but propose doing so in our next; meanwhile, in noticing the wide difference of loss ratios for the various companies it must be borne in mind that Manitoba last year proved a very profitable field, and consequently those companies transacting business in that Province have had their total loss ratio reduced thereby. We shall have something to say regarding the effect of the Tariff organization upon the business. Judging by a glance at the total results we are more than ever convinced that the co-insurance clause is required to make the Tariff effective, for, after providing for expenses, there is little or nothing left to add to the reserve necessary to provide for conflagration hazard.

We are pleased to notice among the companies who have done well the "Aetna," "City of London," "Guardian," "Imperial," "Mercantile of Waterloo," "Phenix of Brooklyn," "Quebec" and "Scottish Union and National," we do not include the "Glasgow and London," this being its first year.

The net premium income of the companies was about \$5,200,000, while the net losses incurred were about \$3,150,000. The average loss ratio, was 60.90 per cent., and if to this be added say 31 per cent., for expenses there is very little margin left. The total net premiums in '83 were \$4,624,741, and net losses \$3,048,724.

PREMIUM RESERVES.

The question of "reserves" in fire insurance, has been discussed through the various Insurance Journals for some time past, and with the usual amount of varying views among the several writers. It is a question seriously affecting the safety of the companies, sooner or later, so that its discussion will serve to bring out opinions, and thus aid in arriving at some mode or method of estimating premium reserves that will inure to the eventual, permanent security of both insurers and insureds. At the present time there seems to be among many persons, both inside and out of the fire insurance pale, no little misapprehension of the subject of premium reserves, as customarily applied to the business, some holding the term to indicate reserves set aside to meet future contingencies, such as sweeping conflagrations and the like; but such is not the accepted meaning among the heads of the several State Insurance Departments, where the practice of setting aside "premium reserves" originated, and through whose influence laws were enacted in the various Legislatures of the United States and in the Dominion, compelling all fire insurance companies to set aside each year a certain percentage of the premium receipts, for the purpose of securing policy-holders to a certain extent of the "unearned premiums"—not losses—upon their policies, in the event of the closing up of the company, from any cause. Hence, what are really premium reserves, may be considered under two distinct heads, viz; *Re-insurance fund*, and *surplus*.

The "Re-insurance fund," or unearned premium fund, is simply such a portion of the premium receipts set aside yearly as will be deemed necessary to repay so much of the aggregate premium receipts of such year received in advance of the risk assumed, as may have not already been earned by the company, by carrying the various risks more or less nearly to termination; and only affects the solvency of the company as regards its existing policy-holders, who have not had losses, yet unpaid. A company does not become stronger by the mere accumulation of funds for such purposes, which belong and must ultimately be paid to its creditors, for advances made upon premium account.

Several distinct elements enter into the computation of the proportions of the premium receipts necessary to form an ample insurance fund. Among the most important are the *duration* or term of the insurance, the

amount of business, and its distribution during the year. The term or duration for which insurances may be taken are what is known as *long-term*, or periods beyond one year; *annual*, or single year, and *short-term* periods, less than one year; and these also, vary with the companies; some writing only dwelling-house or other non-hazardous business, mainly under long-term policies; others writing chiefly annual risks, in towns and cities; while others again, in the larger cities, transact a large amount of their business by means of short-term insurances; and then, again, an immense amount of insurance, done by our agency companies, all over the land will comprise long-term, annual and short term business, though not likely to be in equal proportions.

And then, again, the rates are not always uniform. Taking the average annual rate as a basis; long-term rates fall largely below this average, while short-rates are quite as largely in excess of such annual average rate; and these again vary with the several classes of companies in various localities.

Taking these various terms and rates into consideration, the amount of business done throughout the country must needs approximate uniformity to warrant an average of six months upon each unexpired policy at the close of any given year; for should the business have fallen off toward the close of the year the pro-rata of reserve would have fallen off proportionally; while, had there been any marked increase of business toward the close of the year over the previous months, then the proportion of the reserve will be much greater. But, inasmuch as an approximate accuracy only is essential for this purpose, the average system was some years since generally adopted by State Insurance Departments, assuming as a basis of computation that the majority of fire insurances, in stock offices, are for one year only; that short-term risks with increased rates are about counterbalanced by long-term risks, at lesser rates, but in greater numbers, so that the average duration of the aggregate may be taken as one year; the pro rata of the unexpired annual business of all stock companies is taken as the unearned premiums of the year. But in later years the average has been confined entirely to *annual* business, while long-term business is computed by a scale according to the term written, and the actual pro-rata of the premiums is required to be set aside for an unearned premium fund.

This method of computation is but a rule of thumb, and answers all practical purposes of a rough estimate of the liabilities of any given company, at the close of the year, though some few companies go so far as to compute each existing insurance at its actual value, and thus obtain the exact re-insurance liability; and while 50 per cent of the unearned premium thus obtained may be ample, yet the marine practice of estimating every premium as unearned until the risk has terminated, would be much safer, for as there can be but one entire destruction of the subject at risk, no part of the premium can be said to have been really earned until the risk has terminated and danger therefrom has ceased; for while any portion, or the whole, of the liability remains, the liability of paying any loss, total or partial, during the currency of the policy also remains, and the security, so far as it goes, should also remain unimpaired. There is, in reality, no distinction in principle in this respect, between fire and marine insurance; in the

latter, this rule has been uniformly adopted, with the happiest results. Such, indeed, is now the law in Massachusetts, being equivalent to a premium reserve of 100 per cent. But in order to place the companies of that old commonwealth upon an equality with other State companies they are permitted to compute all reserves at 50 per cent. in their annual shewings, but not for the purpose of declaring dividends.

(To be continued).

PROVIDENT MUTUAL ASSOCIATION OF CANADA.

THE ASSOCIATION HANDED OVER TO THE GENERAL AGENT AND TREASURER BY A CONTRACT FOR TEN YEARS.

(Reported specially for INSURANCE SOCIETY.)

An important and largely attended special meeting of the members of this society was held at their office on Wednesday, the 18th inst. A proposal was submitted that a contract for ten years be entered into with Messrs. John Hopper, the General Agent, and Arthur Gagnon, the Treasurer, by which they would receive all the admission fees and annual dues paid to the Association during that term, and on their part assume the control and supervision of its whole agency system. This evoked a spirited opposition, and an adjournment for eight days was first urged. It was stated that the members had not had sufficient time to consider the matter, but few of even those present knowing the object for which the meeting was called. It was also contended that the meeting had not been legally convened, as the notices were insufficient and did not specify the object of the meeting. Many thought that there would have been a much larger attendance and more decided opposition if it had been known that Mr. Hopper intended to apply for a ten-year contract. The President, however, ruled that the meeting had been properly called, and business proceeded. Objections were then made to votes by proxy, it being understood that the contractors had fortified themselves with a large number of these while the other members slept. It appears that by the bye-laws of the Society all proxies must be filed with the Society at least thirty days before any meeting at which they are to be used, and the proxies of the directors who had complied with this requirement were in order while those of the opposants were not. The advocates of the contract endeavored to make the members believe that the arrangement proposed was really in the interest of the Society, and did not, as was thought, provide an exorbitant remuneration for the contractors. It was explained as merely a renewal of an old arrangement, and that "Major" Hopper had only received \$2,400 last year for his arduous exertions. This view was strongly and even vehemently urged by the President, who stated that if the meeting did not support him he would resign. He was seconded by Hon. R. Thibaudeau (brother-in-law of Mr. Gagnon) and by Drs. Guerin and Mignault (examiners of the association). They were opposed by Hon. Judge Loranger, Hon. H. Mercier, H. A. A. Brault, M.P., Jos. Loranger, Seville Rivard (ex-mayor) and Wilfred Marchand. The opposition at last became generous, and agreed that the "Major" and his worthy Treasurer were shamefully under-paid, and proposed that each should have a salary of \$4,000 per annum and a contract for two years. Strange to say, however, this motion was very badly received by those whom it was

intended to benefit, and their friends fought manfully for the ten-year contract which they claimed would yield them far smaller results. After a warm discussion the directors and clerks came to the help of their managers with bundles of proxies and the \$4,000 salaries were ruthlessly voted down. The Society was thus handed over to Messrs. Hopper and Gagnon for ten years. Who will deny now that our statement was correct that the Provident Mutual exists only as a business speculation run in the interest of Mr. Hopper and his friends?

The opposition are highly indignant at the snap verdict which has been obtained, and threaten to obtain an injunction prohibiting the contract. The matter may thus yet find its way into the courts. It is claimed that the annual dues for 1885 will amount to about \$35,000.

The Manager stated, we believe, that \$14,000 of this will be needed for expenses, leaving \$21,000 for the first year alone to divide between the contractors. Should the Society continue its present rate of growth, in two years the membership fees alone will amount to \$50,000 per annum, and before the expiration of ten years to at least \$125,000. The expenses are hardly likely to ever exceed \$20,000, since the admission fees will more than cover the cost of extending the business, and medical fees are paid by the applicants. There will thus, it is claimed, be from \$30,000 to \$100,000 per annum to divide between the General Agent and Treasurer as their profit. What an el dorado a co-operative insurance society is for its officers!

LOCAL BOARDS.

(COMMUNICATED.)

It is not a little singular that while in the United States the insurance companies have been ready to recognize the importance of Local Boards, and have promoted their establishment as a necessary part of the system for improving and maintaining the business, the Canadian Association have ignored them as a necessary portion of the machinery, and have rather discouraged their formation than fostered their growth. However important the engine may be as the prime motor, without the smaller and more delicate machinery to manipulate the raw material, but little would be accomplished, and so with the insurance business: important as it may be to have a central body with executive power to direct and control, to grade the several localities in proportion to their extinguishing facilities, and decide upon general principles and fix upon a minimum tariff, yet a just and equitable rating of very many of the risks to be insured can be done only by experienced men acquainted with the factors in fixing a rate, and possessed of the knowledge of their particular merits and defects, and submit that the local agents in our respective towns are more thoroughly versed in these conditions than the officers at the head offices or of the Association. In the larger towns and cities so numerous are these risks that some have deemed it advisable that a rater should be appointed; but as this appointment would necessarily involve additional expense the duties have been performed by the secretaries, but this unavoidably takes them away from their proper sphere, where constant attendance is essential, and hence the work at present has to be done in a very cursory manner, or not done at all. No single local agent would care to undertake the responsibility of rating a special for all the companies, and it is questionable whether such a rating would be accepted by a majority of the companies; but the suggestion of a local board or of a majority of its members,

with the minimum tariff for a basis, and their personal knowledge of the risk would be such an one as would generally carry weight and it would be the best procurable.

Again, it is quite evident to a majority of the members of the Association that some provision must be made, and that before long, to meet certain cases where extra precautions in construction or in protection or in occupation, or from other causes, entitle the insured to some modification of the rate in order to prevent the diversion of good business into other channels; and while admitting this necessity, to hold such check on the indiscriminate and unreasonable demand for reductions if the process were too easy. This matter demands early attention, and I know of no more ready and easy solution than by confiding this to the care of local boards. When the need of such reduction is obvious to say two-thirds or three-fourths of the members of a local board, then upon such recommendation it might be submitted to the association, when, if approved by both committees, the reduced rate might be adopted. This method would meet the difficulty of dealing with a rigid tariff, and at the same time would be too difficult to set in motion on a mere pretext or simple application.

Without local boards, although all the members may be individually acting under similar instructions, there is a lack of united action, and the advantages of consultation and co-operation are lost. The agents are not drawn together at stated periods, and errors and misunderstandings which now arise would usually be avoided.

The trifling expense should not be urged against so valuable a co-operative force, as, while the functions of local boards would be confined to the subject of rating, a semi-monthly meeting would be frequent enough in most towns, and generally these could be held in the office of one or other of the agents, while a report of each meeting to the proper secretary of the Association would be the only correspondence required, and the small expense incurred would be more than made up by a reduction of the secretaries' labor.

With a uniform set of by-laws drawn up by the association for the conduct of local boards, and the notification to all local agents of companies forming the association requiring them to attend the meetings of the local board in their agency, I believe a more hearty and effective co-operation with the association would be maintained, alike conducive to the interests of the local agents and the several companies they represent, and the consideration of this subject applying to towns with a population of five thousand and upwards; I respectfully suggest would not be inopportune at the forthcoming meeting of the association.

Winnipeg Rates—Under this heading an item appeared in our last issue, in which we said "it has been stated to us that the Winnipeg Board, who are said to be guided more or less by local influence, are cutting down rates too much." Exception has been taken by the Winnipeg agents to said paragraph, who say "that at the late civic elections there was no statement made, more vigorously cheered than that the people were suffering from exorbitant rates, and also that there is almost an undercurrent of personal feeling against the agents themselves. They add: we reduce rates when the people get their streets planked; and quote the lowest possible figures to those who put up solid brick buildings. The companies are probably making some money in Winnipeg just now, but the conflagration hazard must not be lost sight of. At the same time those who put up good solid brick buildings, or in any other way improve the physical hazard of Winnipeg, should receive every encouragement. The Winnipeg Board is composed of agents of well-known repute, second to none probably in the Dominion, and we are sure that they can be depended on to act in the best interests of their companies.

ROYAL CANADIAN INSURANCE COMPANY.

On another page we have the pleasure to present the annual statement of this Company for the year ending December 31st, 1884. The meeting was quite a contrast to that held a year ago, which, as we then stated, was one of the most stormy ever held in this city. Our readers will no doubt remember the cause. It was simply, that a lawyer named Mr. F. E. Gilman aided by Thomas Craig of the Exchange Bank notoriety, thought he saw a good opportunity of making a small fortune at the expense of wrecking the Company. The Directors, however, took a determined and praiseworthy stand, and let the Gilman-Craig clique understand that they were not going to have it all their own way. We hope the lesson taught to Mr. Gilman will have a salutary effect.

It is very pleasing to note the progress made by the Royal Canadian during the past year. The revenue has increased by \$65,000; the assets show an increase of \$78,000; and the surplus over all liabilities is \$65,000. A dividend at the rate of \$1 per share has been declared.

A Bill has been introduced in Parliament to reduce the capital stock of the Company to \$500,000, being 20,000 shares at \$25 per share, of which \$20 per share is paid up; to reduce the number of directors from nine to any equal number not less than seven; to change the day of Annual Meeting; and to empower the directors to invest the funds in any British, Canadian or United States securities, public or private, with respect to which no liability does or can attach to the holder or owner thereof. These are all very desirable changes.

We venture to predict a bright future for this solid Canadian Company under the management of that able and conservative underwriter, George H. McHenry. We do not want to be too personal, but we believe that the directors could not possibly have made a better or more suitable selection when they appointed Manager McHenry, and we heartily wish both him and the Company every success.

THE MERCANTILE FIRE INSURANCE COMPANY OF WATERLOO.

The Ninth Annual Report of this growing Canadian Company will be found in this number, and as the President remarked to the annual meeting, held on 5th February, it is "very satisfactory." The income for the year, premiums and interest, was \$81,691.32. Total expenditure, \$67,916.12, leaving a balance of profit on transactions of 1884 of \$13,775.20. Of this sum, after providing for claims under adjustment, and dividend, they carry to their reserve fund \$11,043.20. Comparing results of '84 with '83 we find an increase of premium income of \$12,834 for '84, whilst the losses are \$600 less than for '83.

The Company has ample assets, in our opinion, to meet its careful contracts. The management is cautious and economical, and believe in the policy of making haste slowly. Like a prudent farmer they do not seek to hold more ground than they can successfully cultivate. A noticeable feature in the Mercantile report is the excellent stock list. The holders of these shares are all well known gentlemen. The amounts for which they are liable being small they are not likely to be repudiated in any possible emergency. We alluded to this at length last year.

As our "good wishes" for 1884, seem to have been realized we most cordially reiterate them for 1885.

PRINCE EDWARD ISLAND BOARD OF FIRE UNDERWRITERS.

(UNITY IS STRENGTH.)

From Charlottetown Examiner, Feb. 6, 1885.

It is pleasing to learn that half the extraordinary rate levied by the Board of Fire Underwriters is, as a result of the late civic elections and the good offices of the Mayor, to be remitted forthwith. The other half of the extra rate will be taken off when a Bill to Incorporate a waterworks company has passed the Legislature:—

CITY OF CHARLOTTETOWN, Mayor's Office, Feb. 2, 1885.

To the Prince Edward Island Board of "Fire Underwriters."

GENTLEMEN,—Referring to a resolution passed by your Board on the 3rd March last, in which you stated that, should no action be taken by the authorities within three months from date ("towards getting a larger water supply for fire purposes"), you would have to increase the rate 20 per cent. and, in consequence of no action being taken, said rates were increased fully 20 per cent. I would ask on behalf of the citizens that, as the result of the Civic Election on Wednesday last unmistakably proves that the citizens are prepared to support a measure for the introduction of a suitable supply of water for fire purposes, you would therefore reduce your rate of premium from this date 20 per cent., and thereby strengthen the hands of the advocates of water-works, and also show that the Insurance Companies are ready to second their endeavors.

I have the honor to be, Gentlemen,

Your obedient servant,

(Signed), HENRY BEER, *Mayor.*P. E. I. BOARD OF FIRE UNDERWRITERS, Feb. 4, 1885.
To His Worship the Mayor, City of Charlottetown.

SIR,—I have the honor to acknowledge receipt of your favor of 2nd inst., and in reply thereto am authorised, and beg now to enclose herein a copy of a resolution passed at a meeting of the Board, held yesterday.

Your obedient servant,

(Signed), A. S. URQUHART, *Secretary.*

"Whereas, the Corporation have, during the past year, made improvements in the equipment of the fire department, by adding a heater to the Rollo engine, putting a new boiler in the Silsby engine, and procured a supply of new rubber hose; and in view of the fact that the citizens of Charlottetown, at the recent civic election, have returned a Mayor and Council pledged to the introduction, without delay, of a sufficient supply of water, for fire purposes,—

"Resolved, That in consideration thereof, the extra rate of 20 per cent. added to the tariff 3rd June, 1884, on property within the limits of the city of Charlottetown, be reduced to 10 per cent., to take effect from this date.

"And, further, that the secretary be empowered to notify the Mayor and Council that this Board will be prepared to remove the remaining 10 per cent. as soon as a Bill is passed by the Legislature, authorizing the construction of suitable waterworks."

(Signed), A. S. URQUHART, *Secretary.*

CHARLOTTETOWN, P. E. I., Feb. 7, 1885.

SIR,—From the remarks and correspondence in your issue of yesterday, on the resolution recently passed by Board of Fire Underwriters, reducing the rates of insurance in the city, added in June last, it might be inferred that the action of the Board was instigated by the Mayor's communication on the subject. Such was not the case, and I wish to correct any such impression. The Board moved in the matter, and passed the resolution referred to before the Mayor's letter came before it.

(Signed) A. S. URQUHART, *Secretary.*

FIRE INSURANCE IN CANADA FOR THE YEAR 1884.

STATEMENT SHOWING NET PREMIUMS RECEIVED, LOSSES INCURRED, AND THE RATIO TO NET PREMIUM INCOME.
Compiled by INSURANCE SOCIETY from figures supplied by the Companies.

COMPANY.	Net premium income.	Net losses incurred.	Ratio of losses to prem. income 1884.	Loss Ratio 1883.
Aetna	\$ 114,884 98	\$ 52,701 33	45.87	50
British America	156,035 19	85,225 57	54.62	69
Caledonian	91,033 50	59,306 08	65.15	42
Citizens	228,497 02	147,622 50	64.60	72
City of London	183,036 65	87,749 07	47.78	59
Commercial Union	306,475 90	226,954 98	74.05	84
Fire Insurance Association	130,620 31	83,968 91	64.28	74
Glasgow and London	265,629 87	109,608 86	41.26	..
Guardian	143,517 89	68,561 51	47.77	39
Hartford	135,369 34	78,542 23	58.02	62
Imperial	205,141 57	98,686 28	48.10	63
†Lancashire .....	.....	.....	.....	64
Liverpool and London and Globe	213,133 00	122,218 00	57.35	60
London	63,415 12	35,458 27	55.91	70
London and Lancashire	93,115 32	55,356 91	59.45	75
London Mutual	118,245 63	81,005 65	68.50	..
Mercantile of Waterloo	74,451 13	38,790 85	52.10	73
National of Ireland	45,969 16	27,125 32	59.00	33
Northern	193,746 81	167,238 53	86.31	58
North British and Mercantile	323,153 29	209,727 77	64.90	53
Norwich Union	92,450 85	51,507 48	55.71	58
Phenix of Brooklyn	42,487 02	18,697 35	44.00	..
Phoenix of London	225,510 45	159,709 11	70.82	67
Quebec	69,204 70	34,829 40	50.33	74
Queen	226,931 50	138,321 64	61.00	65
Royal	531,307 31	317,685 01	59.79	69
Royal Canadian	243,220 81	158,906 77	65.33	67
Scottish Union and National	51,033 29	17,844 61	34.97	32
Western	338,565 95	237,072 42	70.00	75

† Lancashire returns not ready.

BRITISH AND CANADIAN COMPANIES IN THE UNITED STATES, 1884.

	Fire Prems.	Losses Incurred.	Expenses of Managm't.	Loss ratio.	Expense ratio.	Result.
British America	*591,981	*400,532	161,575	71.9	28.9	100.8
City of London	563,221	364,745	184,116	67.5	33.2	100.7
Commercial Union	1,897,997	1,129,499	590,391	59.5	31.1	90.6
Fire Insurance Association	782,262	582,407	276,319	74.4	34.8	109.2
Guardian Assurance	635,708	439,841	233,639	69.1	36.7	105.8
Hamburg, Bremen	774,965	574,180	227,810	74.0	34.5	108.5
Imperial	1,014,170	707,860	338,040	69.8	33.3	103.1
Lancashire	1,074,504	735,413	344,071	68.4	32.0	100.4
Lion	362,454	218,569	117,119	60.3	32.3	92.6
Liverpool and London & Globe	3,611,625	2,195,412	1,067,826	60.8	29.2	90.0
London Assurance	664,036	482,000	235,904	72.6	35.5	108.1
London and Lancashire	1,004,701	748,651	335,533	74.5	33.4	107.9
London and Provincial	337,163	289,316	117,712	85.8	34.9	120.7
North British and Mercantile	1,529,181	1,072,011	495,208	69.0	33.9	102.9
Northern Assurance Co.	801,190	519,858	286,013	64.9	35.7	100.6
Norwich Union	727,593	491,806	244,091	67.4	33.5	100.9
Phoenix Assurance Co.	1,227,811	834,567	391,583	67.9	31.9	99.8
Queen, Liverpool	1,174,139	888,303	352,927	75.6	30.0	105.6
Royal	2,524,885	1,693,187	783,326	67.0	34.9	101.9
Scottish Union	1,277,773	833,249	459,874	60.5	31.0	91.5
Sun Fire Office	1,219,960	833,249	459,874	68.3	36.7	105.0
Transatlantic	257,149	145,393	88,929	50.6	34.5	85.1
United Fire Re-Insurance	874,430	855,634	308,816	99.9	34.0	133.9
Western Assurance Co.	*956,649	*729,454	289,017	73.9	30.1	104.0

*Including Marine and Inland business.

THE AGRICULTURAL INSURANCE COMPANY OF WATERTOWN, N.Y.

From the annual statement of the Agricultural for the year 1884 we find that the result of the year's transactions has been highly satisfactory, and displays the usual care, ability and energy in the conduct of its affairs.

The net assets of this sound company now amount to \$1,722,589; its capital is half-a-million, \$500,000. The total income for 1884 was \$846,272; while its total expenditures were \$738,772; leaving a net profit on the year's transactions of \$107,500, besides having paid in dividends to stockholders the sum of \$49,975. The premium income in 1884 amounted to \$762,215; the losses amounted to \$332,475, or 43½ per cent. of premium income. So that, notwithstanding the disastrous year it has been for fire companies generally, the Agricultural comes out with a good profit, which is largely due to the care exercised in the selection of its risks.

The Canadian branch has also made a good showing. We have not the exact figures before us now, but we understand they are such as reflect credit on the well-known representatives of the company in the Dominion, namely, Mr. J. Flynn of Cobourg, and Messrs. Dewey and Buckman of Brockville.

The Agricultural Insurance Company of Watertown is in every respect deserving of the confidence of the public, affording, as it does, the most ample security to policyholders, added to an honorable career of thirty-two years, and its affairs are ably and conservatively administered.

NORTH AMERICAN LIFE ASSURANCE COMPANY.

We are pleased to note that this company has had another prosperous year's business. It is certainly making wonderfully rapid progress. During the year applications for life assurance, amounting to \$2,037,550, were received, and of this amount policies were issued for \$1,905,800, being an increase of thirty-seven and one-half per cent. over the business of the previous year. No better evidence could be shown of the energy and success with which the company's business is managed and its increasing popularity with the public.

The assets increased by nearly \$85,000 during the year, and now amount to \$277,292.82. The income has also increased largely, and now amounts to over \$150,000. The death claims for the year were remarkably light, being less than \$9,000 against \$21,362 last year.

It will be noticed that particular attention is drawn in most of the speeches made at the annual meeting to the distinction between home and foreign institutions. This is a matter in the agitation of which the North American Life has always taken a prominent part.

The company is well represented in this Province by Dr. Ault, who is building up a large business here for it by his energy, and at the same time winning many friends and disarming enemies by his courteous and honorable dealing.

Mr. George D. Eldridge, of the *Guardian*, an assessment insurance organ, has been elected Vice-president of the Ohio Valley Protective Union, a co-operative concern with head-quarters at Wheeling, W. Va.—*U. S. Review*.

THE ACCIDENT INSURANCE COMPANY OF NORTH AMERICA.

The tenth annual statement of this company will be found on another page. As usual, steady and satisfactory progress has been made during the past year. The total number of losses paid during the past ten years is 8,184, amounting to \$316,546, and the company has the enviable reputation of never having contested a claim at law. The gross premium receipts show an increase of \$84,118 over those of 1883. The net surplus, as regards policy-holders, over and above uncalled capital, amounts to \$278,756; while that as regards shareholders, after providing reserve funds for all outstanding claims and paying a dividend of 6 per cent., amounts to 21,056.

To the usual sound judgment and tact which characterize the business transactions of Managing-Director Rawlings the success of the Accident Company of North America is attributable.

THE GUARANTEE COMPANY OF NORTH AMERICA.

In the January issue of *INSURANCE SOCIETY* we referred to the progress made by this company, and also to the cool suggestion made by some of the U. S. shareholders to transfer the business of this Canadian institution to the American Surety Company, and, as we then anticipated, the proposition was not entertained.

Twelve years ago the amount of guarantees in force was about \$1,000,000, yielding a premium income of about \$20,000. At the end of last year the amount in force was \$23,000,000 and the total income of the company was \$237,950, which shows clearly the popularity of this class of Suretyship as well as the rapid strides made by the Guarantee Co. of N. A. The total assets of the company on the 31st December 1884, amounted to \$449,300, and total resources for the security of the insured to \$800,806.

We would ask our readers to give careful attention to the sound remarks of the Managing-Director under the heading "Causes of Loss," which will be found in the report, and are applicable in a large degree, not only to this special class of business, but equally so to other branches.

Great credit is due to Mr. Edward Rawlings for the success achieved by the Guarantee Company and for the energy and vigor with which its business is conducted.

The Scottish Union and National and Lion Fire Offices, under the able and conservative management of Mr. M. Bennett, jun., show highly satisfactory results for the year, 1884. The premium income of the American branch of the Scottish Union shows a gain of about \$70,000, and that of the Lion about \$52,000; a total increase for the two companies of \$122,000. After remitting to the home office of the Scottish Union \$25,000, and marking down government bonds \$8,100, the assets of the two companies show an increase of \$35,000, and their net surplus of \$23,000. Manager Bennett arranged somehow that the profits realized by each company should be about equal, namely, about \$30,000 each, so that there would be no jealousy at the home offices. The net fire premium income of the Scottish Union and National in Canada in 1884 amounted to \$51,033.29 and the net losses incurred to \$17,844.61, or 35 per cent. of the premium income. The amount of premium income contributed by the Montreal agency under the energetic management of Mr. Walter Kavanagh was \$29,887.32—considerably more than one-half of the Canadian premiums—while the loss ratio was only about 25 per cent. We congratulate Mr. Kavanagh on the result of the third year's business in Canada.

SOCIETY NOTES AND ITEMS.

Eleven Insurance men, according to the *U. S. Review*, committed suicide in 1884.

Mr. J. C. Smith has been appointed agent at Lindsay for the London and Lancashire Life.

The Losses by fire in the United States for January are estimated at \$8,500,000. This is an increase over January, 1884.

It is rumored that the London Assurance Corporation contemplate establishing an agency at St. John, N.B. Here is a chance for a good man.

Mr. J. B. Lawlor of Vankleek Hill, has been appointed general agent for the London and Lancashire Life for Vankleek Hill and District.

Mr. Joseph S. Belcher, of Halifax, N. S., was re-elected president of the Merchants Marine Insurance Co. of Halifax, at the annual meeting held on the 27th ult.

Paper Mill Risks.—The losses paid by insurance companies upon paper mills in the United States are said to exceed the premiums received by about 60 per cent.

We have to express our thanks to J. Howard Hunter, Esq., Inspector of Insurance for Ontario, for a bound volume of Ontario Report for the year 1883.

Mr. B. Hal. Brown, Inspector for the London and Lancashire Life Insurance Co. is to have his head-quarters at Montreal in future, instead of at Toronto as heretofore.

The Insurance on the Life of the Late Earl of Aylesford is likely to cause some litigation. The companies concerned will likely decline to pay any portion of it.

New Fire Office.—It is rumored that Mr. D. Marshall Lang, late general manager of the Commercial Union, is about to organize a new fire office, to be called the "Victor."

There are anxious enquiries after the People's Mutual Benefit Association of Boston. The *Standard* says: "Sundry persons now mourn and refuse to be comforted because it is not."

The Mutual Provident Association, another assessment concern has been merged into the United States Benefit Association. "This step," according to a "circular issued, has been taken after mature deliberation by the officers."

The Liverpool and London & Globe—The income of this company in the United States for the year 1884 was \$3,814,347.92; the losses and expenses amounted to \$3,240,962.44. The profit on the year's business was \$573,962.44.

Mr. R. J. Halle, of the firm of Harper & Halle, the well-known insurance agents of Chatham, Ont., left per White Star Line for England on the 21st inst. He will return some time in May with, we trust, renewed health and vigor.

The Post Magazine Almanac—We have received a copy of this publication for the current year, which contains a directory of all insurance companies, a summary of new life business of British companies for several years, as well as other valuable statistics and information.

The Mercantile Mutual Accident Association of Boston, Mass.—A correspondent wants some information with reference to this institution. Beyond the fact that it is not licensed to transact business in Canada we know nothing of it. Perhaps some of our exchanges would enlighten us?

A Denial.—We have seen a letter in which Mr. McCall, the New York Superintendent of Insurance, denies that he told the Canadian deputation which waited on him that the Mutual Reserve Fund Association of New York was "sure to succeed." He says: "I did not so state."

Ten years ago, says the Insurance Critic, the average premiums in this country on all classes of risks was 98 cents per \$100. At the present time the average reaches but 83 cents per \$100. If the fire losses had diminished in equal proportion with the rates the condition would be highly satisfactory.

London, Ont.—The losses by fire in London, Ont., during 1884 amounted to \$25,895, the amount of insurance involved was \$371,375, the number of alarms was 74. The losses in 1883 amounted to \$23,603, the number of alarms being 77. Mr. C. C. Roe, the excellent chief of the fire brigade, recommends the purchase of another hose carriage.

Then and now.—Formerly it used to be the railroads that were made the target of legislators, but as these corporations grew stronger and stronger they finally reached a point when they owned legislatures, and they have never lost their grip. As insurance companies are not in the business of buying up legislatures, they are made the butt for legislative attacks.—*The Item*.

A Comparison.—On February, 12th inst., we received the annual report of the Ontario Inspector of Insurance for the year ending Dec. 31st, 1883. On Feb., 23rd inst., we received the annual report of New York State, (containing at least five times as much as the Ontario Report) for the year ending December 31st, 1884.

Mutual Life Insurance Company, N.Y.—During the year 1884 the Mutual Life issued 11,194 policies, insuring \$34,675,989. The total amount in force at the end of the year was \$357,789,285. The premium income was \$13,850,258; the total assets amount to \$103,876,278; and the surplus over liabilities is over \$12,000,000. It is a grand institution.

The Hon. Alexander McKenzie, in a recent speech, very aptly said: "A class of co-operative life insurance companies has recently sprung up, in which we have no confidence ourselves, and in which the public should have but little confidence, for no cheapness can make up for the false principles upon which these associations are generally formed and conducted."

It gives us much pleasure to state that the Directors of the Citizens Insurance Company have declared a dividend at the rate of six per cent. per annum on its paid-up capital for the year 1884. General Manager Hart is to be congratulated on achieving this result. The Citizens has honorably met and paid all its claims, including those serious conflagrations of St. John, etc., and is deserving of the patronage of the Canadian public.

St. Jean Baptiste Village and Cote St. Louis—On the twenty-third inst. a fifteen thousand dollar blaze took place in St. Jean Baptiste Village. According to the *Montreal Herald*, "the fire engines of Cote St. Louis and St. Jean Baptiste Village were not in working order, whilst the water supply was execrable." The Underwriters Association should take cognizance of this fact, and increase the rates accordingly.

New York Insurance Report.—We have to express our thanks to Superintendent McCall for his courtesy in sending us a bound Volume of the twenty-sixth annual report—Fire and Marine—of the New York Insurance Department, for the year 1884, which we received on February, 23rd inst. Considering the mass of statistics and detail contained in this report too much praise cannot be accorded to Superintendent John A. McCall, jr., for the promptness with which it is issued.

Extra Edition.—Owing to the importance of the "Co-operative Bill" which our legislators in their wisdom have seen fit to bring before Parliament, we published a special edition of INSURANCE SOCIETY on the 16th inst., giving the replies received by us from the Insurance Commissioners of the United States in response to a circular letter sent to them on the subject of co-operative legislation. We beg to thank these gentlemen for their courtesy in sending us replies.

The Directors of the Lancashire Insurance Company have declared a dividend for the half year ending December 31st, 1884, at the rate of ten per cent. per annum, free of income tax. The directors at the same time added \$50,000 to the general reserve funds and carried forward a handsome balance to next year. Messrs. S. C. Duncan Clark & Company are the general agents for the Dominion of this sterling British company.

When before in the world's history was \$763,124,793 paid, within sixteen years, mainly to the relief and support of the widowed and fatherless? This, according to a chart published by *The Spectator*, has been done by our twenty-six prominent life insurance companies since 1868. How can our legislators and government officers, our ministers of the Gospel and other public speakers, do or say too much to promote the growth and prosperity of such beneficent institutions?—*The Insurance Times*.

Hand Grenades.—Our contemporary *Insurance* says: The hand grenade agents ought to lose no time in procuring a certificate from the Major and Knapp Engraving and Lithographing Company (N.Y.), attesting to the quality of the grenades for fire-extinguishing purposes. A fire occurred in the building occupied in part by that company, on Wednesday evening last, and though attacked at once in its incipency with the grenades, it paid no attention to the assault, but went on burning. We believe these grenades are a delusion.

The Average Loss Ratio of all fire companies reporting to the New York Insurance Department, according to our contemporary the *Chronicle*, for the year 1884, is 64 per cent., and the average expense ratio 36.8 per cent., making a total of 100.8 per cent. Divided by groups, the New York companies lost 57.9 per cent. of their fire premiums, the other State companies 65.4 per cent., and the United States branches of the foreign companies 68.8 per cent.; the expense ratio of the New York companies was 40.7 per cent., of the other State Companies 37.2 per cent., and of the foreign companies 32.5 per cent.

Mr.—was caught in a heavy rain storm last summer while walking out in the country, and took shelter inside the trunk of an old tree, and waited patiently until the clouds rolled by. He then attempted an exit from his shelter, but the heavy fall of rain had so swollen the wood that the hole which had let him in by a scrape, was now too small to allow him to get out. Mr. — thereupon sat him down and began to think of all the mean things he had done in his life, and he remembered he had long been in the habit of borrowing his INSURANCE SOCIETY from a neighbor, instead of paying his subscription like a man. At this thought he felt so "small" that he slipped out of the tree quite easily.

Our Society Journal, an assessment sheet hailing from the United States, makes the following rather peculiar remarks in its last issue, with reference to the exposures made by us as to the utter fallacy of the promises of the Mutual Reserve Fund Life Association of N.Y.: "We will not answer it—there is nothing in it to answer." There is only a trifle of a deficiency of \$6,900,000, as shown by us in the last issue of INSURANCE SOCIETY, but then this is nothing to a co-operative concern or its organ. This vile sheet then enters into a tissue of abuse more suitable to a Billingsgate fishwoman than respectable journalism. We shall not in future take the slightest notice of its utterances.

British Empire Life.—It appears that during the month of December last, Mr. Peter Ranicar, of Crewe, an officer of the School Board, made a proposal to the British Empire Mutual Life Assurance Company through their local agent, Mr. A. P. Newman. The proposal was accepted, but the premium has not been paid. On January 8th, Mr. Ranicar was skating on a piece of water near Crewe, when the ice broke and he was drowned. Since this sad event it came to the knowledge of the directors that Mr. Ranicar had made some arrangement with the company's agent for the payment of the first premium out of certain monies due from the latter to Mr. Ranicar; and the company at once decided to consider the assurance as effected, and they have drawn a cheque for the amount for which the deceased intended to assure.—*The Insurance Agent*, London, Eng.

The Amicable Fire was registered on 6th Nov., 1883, with £3,000 of nominal capital in £1 shares, but this capital was increased to £50,000 by special resolution passed on the 14th November, 1883, and subsequently confirmed. According to the last return, the amount of capital subscribed is £224, and of this £168 10s. is paid up. Mr. John Stedwell Drage, the manager, holds 150 shares, which are stated to be fully paid up, and thus all the other shareholders have paid up exactly £18 10s. amongst them. Here again we have almost the whole of the capital held by the manager, and we should like to know whether he paid actual cash for his shares, or whether they were allotted to him in consideration of services. The *Amicable* is a company regarding which we have been often asked of late, and we therefore presume that it is pushing actively for business. It is evident from the nature of the enquiries made to us that it is prepared to accept considerable lines on hazardous risks, from which it appears that the *Amicable* is quite capable of receiving premiums.—*London Post Magazine*.

Chief Clerk Wanted.

A British Fire Insurance Company require a Chief Clerk for their Office in British Columbia. Salary to commence with \$75 per month. Only those having an outside experience of the business, as well as an Office experience, and writing a good hand, need apply.

Address, Managers. P.O. Box 166, Montreal.

NOW VOLUME IV. READY

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— OF —

"INSURANCE SOCIETY"

PRICE, - - \$3.00.

OBITUARY RECORD.

Frederick Augustus Ball,—By the death of Mr. Frederick A. Ball, at the age of sixty-one, at his residence Queen's Park, Toronto, on February 7th, the insurance profession in Canada loses one of its oldest and most experienced members. Mr. Ball was always a busy man, and one who never spared himself in the matter of work. As a result, about two years ago his health began to show signs of impairment. He took a trip to Europe in the summer of 1884, but seemed to receive little benefit, and on his return continued to gradually sink until his last illness set in.

Mr. Ball was born at Locust Grove, Niagara, in 1824, and came of an old United Empire Loyalist family. He married a daughter of the Hon. Col. Smith, administrator of Sir John Colborne's Government. In his earlier years he was engaged in mercantile pursuits, and it was not until 1855 that he became identified with insurance business. He then entered the agency of the Liverpool and London and Globe at Hamilton, where he remained for some years, and only relinquished his appointment to become inspector of the same Company. As inspector he was as highly successful as he had been in the local field, and this led to his being offered in the latter part of 1873 the management of the British America Assurance Co. of Toronto. This he finally accepted, and under his charge the company took a new lease of life. When he assumed control its stock had almost ceased to be quoted in the markets, and its capital was impaired to the extent of more than fifty thousand dollars. In the seven years of his management (ending early in 1881) he not only replaced this impairment, but created for the proprietors a net surplus of over \$333,000 (or a sum larger than the entire income of the Co. at the time he joined it), a gross surplus of \$710,803.04, and worked up an annual income of over one million one hundred thousand dollars. In 1881 the book value of the stock had appreciated to \$1.67 in the dollar. It was by Mr. Ball that the business of the Co. was extended to the United States, and it was by him, too, that the erection of the handsome building of the British America on Front street, was resolved upon and carried out. It will form a lasting ornament to Toronto.

The extent of his company's operations in the United States, and the close personal inspection which Mr. Ball gave them, caused him to become widely known all over the neighboring republic, in insurance circles. He was for some years a member of the old National Board, and of the American Association of Lake Underwriters, where his sound judgment and business experience were generally respected.

In 1881 he resigned his appointment with the British America to take charge of the London and Lancashire Fire Ins. Co.'s business, that institution being then making arrangements to enter the Canadian field, which appointment he held at the time of his death. He also had charge of the Sovereign Insurance Co.'s operations for the two years preceding that Co.'s withdrawal from business.

Mr. Ball was a director of the Canada Permanent L. & S. Co., and of the Confederation Life Association, and a provisional director of the Traders Bank now in course of formation. He was also identified with the leading benevolent and charitable organizations of the diocesan synod of Toronto, of which latter he had been a member from its organization. Indeed, in summing up the late Mr. Ball's public and private life we cannot do better than quote from the resolution passed by the United Committees of the Toronto Board and the Canadian Fire Underwriters' Association, at the first meeting after his demise, where they say, "that while recognizing the undoubted business abilities of the deceased it is also their desire to bear testimony to his unvarying kindly disposition, and to the many virtues which marked his career in private life."

COMMUNICATIONS.

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

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

TORONTO LETTER.

Excuses—Sickness and death—Number of Insurance Agents in Toronto—Captivated in Wilmington, N. C.—What of the business done in 1884?—Co-insurance clause—The unfortunate Toronto Water Works again—The Non-Mutual Reserve—What are the "Old Liners" going to do about it?—An interesting Insurance case.

DEAR EDITOR,—I was sorry I could not send you my usual letter last month, let us say it was on account of the exceeding cold weather. The excuse you kindly made for me on the occasion of a former default was the excessive heat. The true reason however, I think, was a tendency to get sick, which caused a feeling of laziness to permeate my usually active body and disinclined me to write letters or anything else. Then we had our water pipes frozen, and the hired girl (an old girl) under the influence of whiskey, proposed to clear the whole family out, and paint things red generally, and, lastly, our mother-in-law came in from the country to spend "a few days" with us. Perhaps these incidents had some effect on me.

There has been a great deal of sickness in the city this winter, and more than one of our insurance friends have been laid up. I think Mr. Reed of the Liverpool and London has been the greatest sufferer in this way, having been confined to his bed for some weeks, although now, I am glad to say, convalescent. It would seem that the shaking-up Mr. Reed got by the turning over of the Pullman car in which last fall, he was proceeding to Montreal has affected his health to some extent. I think, however, if Mr. Reed has made up his mind to get well again, such is his native energy and force of will, that he will do so. The sad news of the death of Mr. F. A. Ball of the London and Lancashire would be somewhat of a surprise to many, as the deceased gentleman, though in ill-health for some time past, certainly was yet able to attend to business up to within three weeks of his death. His death following so closely on that of Mr. Mitchell of the Commercial Union bids us pause, in the hurry of business, and remember that we are mortal.

I was amused to read in a daily paper under the caption "Toronto Business Men," a List of Trades said to have been compiled from the December returns of Dun, Wiman & Co., because it is there stated the Insurance Agents of this city are eight in number! I should think 800 nearer the mark.

I suppose you have seen in the papers allusion to the late romantic experience of Mr. A. W. Dodd, the well-known Superintendent of Agencies for the Western Assurance Co. Travelling south a few weeks ago on business of his Company, it so happened that a "skipper" of the name of Wingate, with whom Dodd had some slight acquaintance, was on same train. Wingate, it now appears, was taking some trust funds further south than law or morality warranted. Receiving a friendly telegram at Wilmington, N. C., warning him that detectives were on his track, Wingate passed over to Mexico for safety. Mr. Dodd, meanwhile, unaware of this phase of matters, and of the sharp eyes bent on him, pursued his accustomed way, when, to his astonishment, he was arrested, under the idea that he was the wanted Wingate. In vain, in his cool and collected manner, did friend Dodd protest, and assert his innocence and identity. The more cool and collected his bearing, the greater and more hardened villain the detectives thought him, so, being a stranger, and no present help available, they actually marched the Superintendent of Agencies of our leading Canadian Fire Assurance Co. to the Bastille! Thither he went, was interred, and there stayed until, his identity being established, he was released. In the seclusion of his "apartments," away from the hum and bustle of life, and the distractions of the "madding crowd," our martyr says he indulged

in salutary ponderings on the uncertainty of things of this present life. Amongst his reflections it occurred to him that if it were so irksome and unpleasant for an innocent man to be immured, how must a bad man feel.—In the solitude and enforced idleness of his position, like others in similar predicament, trifles and trifling things became of interest to Mr. Dodd. Thus, for instance, the singing of the canary bird (an innocent prisoner also) belonging to the wife of the Governor of the Bastille, the sweet ballad-singing of the Governor's young daughter (a pretty brunette), the chatter of a caged blue jay, even the whirr of a noiseless sewing machine, all seemed to stand out more prominently, and to obtrude themselves on his notice more than in ordinary free life. Of course the captive's stay in durance was fortunately short, so he had no time to tame a spider like Robert Bruce (or Wallace was it?) nor to educate a pet mouse, nor write a history of his life, nor do any of those things to pass time away which history tells us so many distinguished prisoners have done. I am told that Mr. Dodd received much kind treatment and attention from the Governor's lady and daughter, so that he has no complaints to make of the prison fair. Seriously, it was a most unpleasant experience, and an awkward one, for Mr. Dodd to be pounced upon and incarcerated for no fault of his, through the blundering of officials. We can laugh at it now and make light of it, but it was no joke to our friend at the time.

We look anxiously for Companies' Reports, or Summaries of Insurance Transactions for 1884. Some have made money, like our friends, the "Royal Canadian," but has the general business of the year been done at a profit or loss? If, as I expect, a small profit can be shown I suppose we must give the C. F. U. A. credit for it. It will be well to enquire, if any profit is shown, whether it is due to the volume of business done being less, while the average amount of premiums was larger; or, a smaller number of claims for loss during '84, as compared with last year. There is undoubtedly a less amount of insurance called for now than under the former low rates. So far as I can ascertain the tendency to insure smaller sums is very marked for 1885 up to date.

The public seem to rely to a larger extent than formerly on fire protection, well-constructed buildings, and careful personal supervision. This is, of course, all as it should be, but a small amount of insurance on a risk, in a town with a liberal water supply means too often a total loss for the Companies, and this is an important matter for them. Whether a result of the approaching Annual Meeting of the C. F. U. A. will be the adoption, as is suggested, of a clause compelling the insured in case of a partial loss to contribute his proportion of the loss sustained as a co-insurer, I cannot say, but it will meet opposition in certain quarters—opposition sufficiently strong, perhaps, to defeat, or at least defer the adoption of the clause. It will be a strong measure no doubt, and the public will not like it forced on them, but if the Association says it must be passed, and acted on, how can the dear public avoid submission?

A strong letter has appeared in a daily paper, taking to task and roundly drubbing the Toronto Corporation for allowing such a state of things as exist in the Water Works Department. By the breaking down of the engine the other night the water was, *without warning*, turned off the northern part of the city. Each householder of course fancied his water-pipes had frozen, as the weather was intensely cold; and the consequent trouble and inconvenience each one was put to you can well imagine. Fancy a man prowling round for two hours, as the correspondent says he did, about midnight, making "hot applications" to his water-pipes in the cellar under the idea they were frozen. People with steam-heating apparatus and ranges were fearful lest the sudden in-flow of cold water to the apparatus would blow the concern to smithereens. That night some one tried to touch off the esplanade by

starting a fire in Beard's unoccupied Foundry, but fortunately, as the fire alarm only rung out two different numbers, instead of the usual medley, the Fire Brigade were able to locate and extinguish the fire before much harm was done.

I see the "Mutual Reserve" people are going to treat INSURANCE SOCIETY'S articles, in future with "silent contempt." I note you do not propose to treat them in a similar way, so the *Reserve* will not be Mutual in this instance. By the way will not the Life Cos. have to meet that demand for cheaper Life Assurance which is shown by the support undoubtedly given to the "new plans"?

For once Insurance Companies have secured a favorable verdict from a jury (all owing to the articles published in a Commercial Journal). I refer to the case tried last week before Judge Rose in this city, Powell vs. the "City of London" and "Quebec." The evidence in the case could not have been listened to by any honest juryman without his being convinced that the written statements of an applicant for insurance over his own signature ought to be held as binding him, seeing that upon such statements the Insurance Cos. base their contract. The result of this case, and the lesson it teaches, will be beneficial, I think, both to the insuring public and the Cos. generally.

I think I have written you a sufficient long letter to make amends for the lapse of last month.

Truly yours,
ARIEL.

TORONTO, 14th February, 1885.

PORT HOPE, Jan. 24, 1885.

To the Editor INSURANCE SOCIETY.

DEAR SIR,—I send you a copy of Port Hope *Times* paper giving an editorial on the defunct Standard Insurance Company that you so kindly exposed over a year ago, and if you could kindly give us poor unfortunate shareholders some light on what we are now paying up our 50 per cent. collection, as we have never as yet seen any statement of its affairs, there was about \$52,000 stock held in Port Hope; any information you can give us will be thankfully received.

Yours truly,
STOCKHOLDER.

[The article in the Port Hope *Times* referred to in the above gives a history of the Standard Fire Insurance Co., and of the dishonest representations on which its promoters succeeded in inducing persons to become stockholders. It winds up by demanding the dismissal of the Ontario Inspector of Insurance, on account of his allowing such a manifest fraud to prey on the public, "to prevent such another disgraceful swindle being played off on innocent people." Our readers will remember that we exposed the rottenness and fraud of this concern again and again, but the Inspector of Insurance allowed it to continue victimizing the public until the shell collapsed of itself. Like the Port Hope *Times* we held then, and we hold now, that the Ontario Inspector of Insurance had disgraced his office, and should be removed as worse than useless. We can at present give our correspondent no new facts regarding the present position of the estate, but it will make but little difference, for we are convinced that all the subscribed capital will have to be called in, and that even then creditors will receive but a small fraction of their claims. The estate is one of the worst ever brought before the public. The Exchange Bank was nothing to it.]

EDITOR.

FEDERAL LIFE ASSURANCE COMPANY.

HEAD OFFICE, HAMILTON, ONTARIO.

GUARANTEE CAPITAL, - - - \$700,000.00

DEPOSIT WITH DOMINION GOVERNMENT, \$51,100.00

The only Company in Canada offering the HOMANS PLAN of Insurance by MORTUARY PREMIUMS.

DAVID DEXTER, Managing-Director.

COMPANIES ANNUAL REPORTS.

THE ACCIDENT INSURANCE COMPANY OF NORTH AMERICA.

The tenth annual general meeting of the Accident Insurance Company of North America was held on the 7th inst., at the Company's office, 260 St. James street, Montreal. Sir A. T. Galt occupied the chair, and Mr. Edward Rawlings acted as secretary. The following report was submitted:—

The Directors have pleasure in reporting to the stockholders the operations of this Company for the past year, and to point to a satisfactory progress, and gratifying increase in its business:—

During the year 24,802 Policies have been applied for, for sums amounting to.....	\$39,677,400 00
Of these 4,094 were declined and cancelled for.....	4,360,650 00
Leaving 20,708 Policies issued and renewed for.....	35,316,750 00
The gross Premiums thereon, (including Annual and Short term Policies and Time Tickets) being.....	366,703 98
The net amount of Business remaining in force on 31st Dec., 1884, was 16,667 Risks, insuring \$28,869,000, the premiums thereon being.....	\$200,281 19

FINANCIAL POSITION.

The Balance of Receipts and Expenditure Account carried forward to next year amounts to.....	\$301,785 26
The Liabilities (exclusive of Paid-up Capital) including cost of collecting outstanding Premiums.....	23,028 91
Net Surplus in hand as regards Policyholders, over and above uncalled Capital.....	\$278,756 35
Add—Reserve Capital at call.....	103,440 00
Resources for Security of Policyholders.....	\$382,196 35
The Reserve for unearned Premiums on all the Policies remaining in force 31st December, 1884.....	\$100,140 60
After making this reserve and provision for all other Outstandings, allowing for depreciation in value of Investments, and paying 6 per cent, dividend on the Paid-up Capital, the Surplus to Shareholders, amounts to..	\$21,055 75

The losses during the year shew a larger proportion to income over previous years, the amount paid being \$147,034.65.

Against this the expenses have been very materially reduced. The total number of losses paid and provided for to date, is 8,184 amounting to \$316,546.63.

All claims have been settled without contest. The Company still retains the prestige of not having, since the commencement of its business, contested a claim at law.

The following shows the progress of the Company from the commencement:—

Date.	Gross Prems.	Date.	Gross Prems.
1874—5.....	\$21,015.30	1879.....	\$24,946.76
1876.....	29,096.13	1880.....	31,249.51
1877.....	30,118.05	1881.....	52,213.54
1878.....	31,791.42	1882.....	150,413.56
1883.....	\$282,585.55		
1884.....	366,703.98		

The thanks of the Shareholders are due to the various Local Directors and Agents for their co-operation in the Company's interest during the past year.

The following Directors retire, John Paton, Col. C. S. Gzowski, A.D.C., and W. J. Buchanan, but are eligible for re-election.

The Certified Balance Sheet and Auditor's Report are on the table for the inspection of the Shareholders.

A. T. GALT, *President.*
EDWARD RAWLINGS, *Managing Director.*

MONTREAL, February 7th, 1885.

The President moved the adoption of the report, which was seconded by Mr. W. J. Buchanan and carried.

The balloting for Directors resulted in the election of Mr. John Paton, Col. C. S. Gzowski, A.D.C., and Mr. W. J. Buchanan, general manager of the Bank of Montreal.

At a subsequent meeting of the board Sir Alex. T. Galt, was elected President, Hon. James Ferrier, Vice-President; and Mr. Edward Rawlings, Managing Director.

GUARANTEE COMPANY OF NORTH AMERICA.

The twelfth annual meeting of the Guarantee Company of North America was held in this City on January 31st ult. Sir Alexander T. Galt, the President, occupied the chair. A large number of shareholders were present, including representatives from New York, Boston and Philadelphia. Mr. Edward Rawlings, the Managing-Director, read the following report:—

The Directors beg to present their Report of the operations of the Company during the past year, and its position at the close of the twelfth year of its existence:

During the year there have been 15,562 new applications for.....	\$18,557,913 00
Of which there were 1,320 declined and not completed, amounting to.....	2,121,350 00
14,242 New Bonds issued in the year for.....	16,536,563 00
2,987 of which are Bonds issued for Transferees of prior Bonds which do not produce new Revenue	2,784,350 00
Making 11,255 Bonds issued for new business, amounting to.....	13,752,213 00
Producing a new annual premium of.....	114,493 66
The total business in force is 16,120 Bonds covering,	\$22,884,180 00
The annual premiums on which are.....	\$182,268 76

THE FINANCIAL POSITION OF THE COMPANY IS AS FOLLOWS:

Balance from last year.....	\$419,068 03
Income:	
Premiums (annual and short term)....	\$209,681 09
Interest.....	11,320 40
Claims recovered, &c.....	16,948 95
Total Income during year.....	237,950 44
	\$657,018 47

Expenditure:—

Working expenses, including Commissions, Advertising, Travelling, Inspector's expenses, Salaries, Law Charges, Special Correspondents, Telegrams, Postage, Printing, Stationery, Rent, Taxes, &c.....	\$91,579 31
Depreciation in value of Investments, &c.....	5,285 49
Losses Paid.....	92,852 76
	\$189,717 56
Dividend to Stockholders (two half-years at 3 per cent).....	18,000 00
Total Expenditure.....	\$207,717 56

Balance carried forward—Gross Assets.....	\$449,300 91
Deduct from this Reserves—which will probably have to be paid—	
Claims fyled and under consideration.	\$11,594 61
Sundries, including cost of collecting Outstanding Premiums.....	5,500 00
	\$17,094 61
Net Assets.....	\$432,206 30

RESERVES REMAINING IN HAND—

For Premiums on Unexpired Risks, being 50 per cent. of Annual Premiums on all Guarantees in force, 31st December, 1884..... 91,134 38

Surplus as regards Policy holders \$341,071 92

Capital paid up..... 300,000 00

Surplus as regards Shareholders, over and above reserve for Premiums on Unexpired Risks, Capital, and all Liabilities..... \$41,071 92

RESOURCES FOR SECURITY OF POLICY-HOLDERS—

Net Assets as above \$432,206 30

Capital subscribed and subject to call. 368,600 00

Total Resources..... \$800,808 30

The following shows the progress of the Company since its commencement in April, 1872.

	Income.	Amount of Guarantee in force.	% of Income to Risk.
1873 } 20 months {	\$ 25,841	\$ 1,340,000	1 $\frac{1}{8}$
1874	26,739	2,297,700	1 $\frac{1}{5}$
1875	34,061	3,160,000	1 $\frac{1}{10}$
1876	46,373	4,079,000	1 $\frac{1}{8}$
1877	50,590	4,710,800	1 $\frac{1}{20}$
1878	58,143	5,222,900	1 $\frac{1}{10}$
1879	53,272	4,663,000	1 $\frac{1}{8}$
1880	69,497	5,285,000	1 $\frac{1}{3}$
1881	93,769	8,406,000	1 $\frac{1}{10}$
1882	147,360	13,623,000	1 $\frac{1}{10}$
1883	191,267	17,622,000	1 $\frac{1}{10}$
1884	237,950	22,884,000	1 $\frac{1}{8}$

The following shows the relative New Business for the month of January, 1885, as compared with that of January, 1884.

January, 1885.....	795 Cases for.....	\$1,772,650
January, 1884.....	638 Cases for.....	915,050

Increase, Jan. 1885 over Jan. 1884 157 Cases for..... \$ 857,600

Losses.—In presenting their report of the progress of the Company during the past year, and its present condition, the Directors are pleased to record that notwithstanding the disastrous year just passed through, the results attained by this Company are such that they have been able to pay the usual 6 per cent. dividend and materially increase the Reserves and Surplus. The fact of having paid, and provided for over \$100,000 in losses, yet added over \$25,000 to Reserves and Surplus speaks sufficiently to this effect, and they look to their prompt response to the legitimate demands made upon the Company's funds, as well as the necessity made evident to Corporations by the events of the year to consider the virtues of Corporate Suretyship and the *bona fides* of this Company as its chief exponent on this continent, to reap in the ensuing and future years the benefit of the severe experiences of the one now past.

The amounts of losses provided for includes every claim filed, the greater part of them were received during the last fifteen days, and as there are some which are susceptible of revision, while others are likely to be made good without recourse to this Company, the Directors believe that the provision is considerably in excess of the requisite sum. It has been thought best, however, to debit them without contingent reservations.

Whether or not this Company has experienced more than its share of losses is not known, but, when it is considered that out of some 16,000 persons bonded for \$23,000,000, the losses have only footed up \$100,000, whilst the defalcations in the United States and Canada have in this year exceeded \$18,000,000 it speaks well for the care used in the selection of this Company's risks. During the year this Company has declined to entertain 1,320 new applications amounting to over two

millions, besides having withdrawn from an almost equally large amount, as undesirable for continuance of endorsement, whereby much additional loss has probably been averted.

Causes of Loss.—Many of the losses are owing in a great degree to looseness of management and defective system of supervision by employers over their employees, resulting too frequently from the dangerous element of *implicit confidence*, whereby undue opportunities to default have been afforded. In others the employers seem to have had the impression that so long as they have a Guarantee Company's bond there is no necessity to do more than rely on its payment, and let the employe take his own course, so long as the amount of the Bond is not exceeded.

Another and very frequent one is putting inexperienced youths into responsible positions, such as bank tellers, assistant cashiers, collectors, etc.—or else underpaying men with families to support, and placing them in charge of almost unlimited funds.

This Company has not hesitated to decline further transactions with such employers, and, by thus foregoing this class of patron, it is hoped the ratio of losses will bear a more favorable proportion in the coming years.

Some of the most prevalent sources of loss are speculation, gambling at cards, fast living, etc. In the first respect the *Broker* plays an important part, and it is to be hoped that before long the laws may be so amended as to render brokers who are proved to be the agents of persons in positions of trust for speculating purposes, amenable to indictment, as well as to be liable to refund the money they have received, in event of the speculator turning out to be a defaulter. It would seem only equitable that the broker should be held responsible as an accessory in such cases. In most of the losses arising from gambling they have been in the cases of the younger employees, and it has too frequently transpired that they have been countenanced if not encouraged in their downward course by residents who must have been aware that the monies risked could not have been afforded by their incomes.

Another element is the too frequent occurrence of obstructions to prevent the punishment of defaulters, as well as the repression of crime by force of example, in the leniency with which some "Justices" and most juries, look upon defaulters. Local friendships and sympathies are excited; the criminal is made a hero, and escapes on a technicality, thus an encouraging example is set to others that they may do likewise with impunity.

The general impression seems to prevail that "Corporations" must give way to private sympathies and prejudices, they are looked upon as fair game for plunder, but they are regarded as persecutors if they endeavor to apply the rightful remedy to their defrauders.

Again, in some cases, so long as the default is not in excess of the Company's Bond, the Employer himself not infrequently sympathises with the criminal, and permits him to get well out of the way before notifying the Company, and then makes claim and advises the Company of the delinquent's *absconding*.

There have, however, been not a few cases wherein the employer has readily co-operated with the Company, whereby convictions have been secured, and the penalties meted out will doubtless have had a beneficial effect. The legal department of this Company has now been so amplified and its ramifications so greatly extended that, with the prompt co-operation of employers, and an impartial administration of the law, the defaulter has but little opportunity to escape, and ply his vocation elsewhere.

Extradition.—The number of defaulters from the United States who have taken refuge in Canada and vice versa, whereby many millions of dollars have been irretrievably lost to employers, would seem to suggest some more active and effectual attention towards the speedy remodelling of the Extradition Treaty between the two countries than has hitherto been given to it. In the meantime it is an important feature of this Company, as regards American Corporations, that defaulters who are bonded by it in the United States, and who seek refuge in Canada, are subject to jurisdiction as offenders against a British Corporation, immediately they cross the line.

Competition.—During the past year a new competitor has entered the field and, as on the accession of its predecessor, a system of visiting

our patrons and offering lower rates has been resorted to. Since the efforts of such predecessor in this regard, however, our patrons have realized that the business cannot be effectively conducted at less than our standard rates, and the majority of them regard the offer of a "cut" as simply indicative of speculation or inexperience on the part of those who offer it, hence the effect upon this Company has been trifling.

This will be apparent from the fact that notwithstanding our having retired during the year from transactions with undesirable patrons, involving a reduction of income of over \$26,000 a year, apart from ordinary cancellations and lapses, our net Revenue shews that we have not only made that up, but have increased our income over that of last year by \$46,000.

It is to be regretted, however, that this element of conflict exists, as by it no desirable end is served, those of the clients least of all, as it must be evident to them that unless the Guarantee Company receives sufficient for the service performed, it must necessarily be inefficient and therefore unreliable.

Were, on the contrary, the Companies to combine for each others protection and the protection of their clients, there is no doubt that a most beneficial result would ensue to all concerned, and a fair and remunerative rate would be acquiesced in by all prudent Corporations. This Company does not aspire to monopolize the business—and it is believed that a fair and business-like understanding between the three Companies would tend very greatly to each other's success and the policyholders' security.

During the year advances have been made from time to time by the new competitor with a view to inducing this Company to transfer its business to it, and certain Shareholders in the United States have supported the project.

Recently a definite proposition was made by that Company, and the papers and documents in connection therewith setting forth the proposition and the action taken by the Board thereon, will be on the table for reference at the meeting.

Expenses.—The working expenses have been materially reduced during the year, and had it not been for exceptionally heavy losses, the anticipations of the Directors in regard to an early return to the 8 per cent. dividend would doubtless have been realized this year.

Dividend.—The Dividend at the rate of 6 per cent. has been continued this year. This, as usual, is more than provided for by the interest on investments and claims recovered. It has not been considered desirable to make any increase, but to further add to the strength of the Reserves.

Results of the Year.—Over and above the payment of the Dividend, and after adding a sum of nearly \$20,000 to the Re-Insurance reserve, paying and providing for \$104,447 losses, and writing off \$5,285 for depreciation in value of investments, the surplus to shareholders has been increased by \$5,555.

The total Assets of the Company now amount to \$449,300, and the resources for the security of the Insured are \$800,806.

The Directors have reason to believe that the future prosperity of this Company is now assured, and that competition notwithstanding, such is the record it has acquired, and the confidence in which it is held by the public, that it will continue to hold the position as the largest as well as oldest Guarantee Company on the Continent, with corresponding benefits to shareholders.

During the year branches have been established at St. Louis and Nashville, at each point a Board of influential gentlemen has been formed.

The thanks of the shareholders are due to the several Branch Directors, Secretaries and Agents throughout the Continent, for their valuable and energetic efforts in the interests of the Company.

The whole of the Directors retire, but are eligible for re-election.

A. T. GALT,
President.

EDWARD RAWLINGS,
Managing-Director.

MONTREAL, 31st January, 1885.

The adoption of the Report was moved by the President, Sir A. T. Galt, and seconded by Mr. A. F. Sabine, of Philadelphia, and carried.

The following gentlemen were elected directors for the ensuing year—Sir Alexander T. Galt, Hon. James Ferrier, W. J. Buchanan, Hon. J. Gregory Smith, (St. Albans, Vt.), D. Lorn Macdougall, John L. Blaikie (Toronto), Edward Rawlings, William Withall (Quebec), and William Wainwright.

MERCANTILE FIRE INSURANCE COMPANY OF WATERLOO.

NINTH ANNUAL REPORT.

For the year ending 31st December, 1884.

DIRECTORS' REPORT.

To the Stockholders of the Mercantile Fire Insurance Company:

GENTLEMEN,—It affords your Directors great pleasure to be able to report to you that the business of your Company for the year ending December 31st, 1884, was very satisfactory, the total amount of the policies in force and the amount added to the Cash reserve being both considerably in excess of any previous year.

During the past year 5008 policies and renewals were issued for insurances, amounting to \$5,146,986, on which we received the sum of \$79,032.34.

We also received the sum of \$2,658.98 for interest on our investments, which makes our total receipts for the year \$81,691.32.

Our expenditures for the year are as follows:

Paid for Losses for the year	\$38,790.85
Agents' Commissions and Bonuses	11,708.61
Salaries and Directors' Fees	3,689.49
Adjusting Losses and Inspecting Risks	874.93
Re-insurance and Cancelled Premiums	10,410.50
Books, Stationery, Postage and Printing	1,639.53
Government Charges	218.56
All other Charges	583.65

Total \$67,916.12

This shows a balance of \$13,775.20 in the Company's favor, which is disposed of as follows:—

Dividend No. 9, for 1884	\$ 2,000.00
Claims under adjustment	732.00
Carried to Reserve	11,043.20

\$13,775.20

Our total assets have increased from \$54,878.62 to \$65,881.39, which is the amount now available for the payment of losses.

The total insurance in force on 31st December last was \$5,911,254, and the re-insurance liability on these risks is \$32,710.60.

As the Dividend paid to the Stockholders for 1883 was only six per cent. we declared a dividend of ten per cent. for 1884, so as to keep the average at eight per cent.

The Secretary's Statements of receipts and disbursements, assets and liabilities, the certified report of your Auditors and list of the Stockholders of the Company with the amount of Stock held by each are herewith submitted for your information.

There are no calls on any of the shares in default.

By Order of the Board,
ISAAC E. BOWMAN,
President.

Waterloo, 5th February, 1885.

AUDITORS' REPORT.

GENTLEMEN,—We beg to report that we have made a careful examination of your Secretary's Books of Account, including the Application Register, and have compared the various items of expenditure, with the Vouchers therefor, and have likewise examined the securities held and computed their value with Accrued Interest.

We have much pleasure in reporting that the Secretary's Balance Sheets and Statements of Assets and Liabilities herewith submitted are correct, and it is but just to add that the Secretary and his Assistants keep their Books and Accounts in a very clear, intelligible, neat and orderly manner, and that throughout the progress of our Audit we have been greatly indebted to them for their uniform courtesy and assistance.

ISRAEL D. BOWMAN, } *Auditors.*
THOS. HILLIARD, }

Waterloo, January 20th, 1885.

FINANCIAL STATEMENT.

<i>Receipts.</i>		<i>Disbursements.</i>	
<i>December 31st, 1884.</i>		<i>December 31st, 1884.</i>	
Balance per last statement	\$37,225.76	Losses for 1883	\$ 2,440.00
Premiums	79,032.34	Dividend No. 8 for 1883.....	1,200.00
Interest	2,658.98	Losses for 1884.....	38,790.85
		Re-insurance and cancelled Premiums	10,410.50
		Agents' Commissions and Bonuses	11,708.61
		Salaries and Directors' Fees.....	3,689.49
		Postage, Printing and Advertising	1,217.11
		Adjusting Losses and Inspecting Risks.....	874.93
		Books and Stationery.....	422.42
		Rent and Taxes	136.72
		Government Charges.....	218.56
		Sundry Expenses.....	446.93
		Balance.....	47,360.96
			<u>\$118,917.08</u>
Balance.....	<u>\$47,360.96</u>		<u>\$118,917.08</u>
<i>Assets.</i>		<i>Liabilities.</i>	
Cash (in transmission from Agents), at Head Offices....	\$ 4,367.90	Capital Stock paid up.....	\$20,000.00
Cash account Molsons Bank.....	2,850.75	Claims under Adjustment.....	732.00
Cash on Deposit.....	15,000.00	Dividend No. 9 for 1884.....	2,000.00
First Mortgages on Farms.....	30,725.00	Balance.....	45,881.39
Debentures	8,500.00		
Office Furniture and Goad's Plans	201.05		
Bills Receivable.....	2,944.36		
Agents' Balances	2,771.90		
Interest Accrued.....	1,252.43		
	<u>\$68,613.39</u>		<u>\$68,613.39</u>
Balance.....	45,881.39		
Stock paid up.....	20,000.00		
Total Assets	<u>\$65,881.39</u>		

The amount deposited with the Treasurer of Ontario is \$20,100.00.

Audited and found correct.

ISRAEL D. BOWMAN, }
THOMAS HILLIARD, } *Auditors.*

Waterloo, 20th January, 1885.

MINUTES OF ANNUAL MEETING.

Stockholders representing \$86,500 of the subscribed capital were present.

The President, I. E. Bowman, occupied the chair, and P. H. Sims, Secretary of the Company, acted as Secretary of the meeting.

The minutes of the previous Annual Meeting were read and approved.

The President, in moving the adoption of the Reports, said that on the present occasion it was not necessary for him to make any lengthy remarks, as the reports fully show the progress of the Company's business for the past year and its present good financial position.

The losses of the past year were below the average, being only 55 p. c. of the net premiums, and after paying a Dividend of 10 p. c. on the paid-up capital for the past year to maintain the average annual dividend at 8 p. c. There is on hand over and above the paid up stock an amount at least 65 p. c. greater than would be required to re-insure all our risks.

The large increase in our business during the past year is the best evidence we could have that the sound financial position of the Mercantile and the fair dealings of the Directors in the settlements of claims are appreciated by the public.

Though our large cash assets in proportion to the amount at risk are sufficient to secure the prompt payment of losses, those who insure with the Mercantile have a still further substantial security in the strong list of Stockholders whose names are appended to the report, representing \$180,000 of uncalled-for capital, almost everyone of whom is quite able to pay up the full amount of stock if called for by the Board.

Charles Hendry, Esq., seconded the adoption of the reports, which was carried unanimously.

Moved by J. Shuh, Esq., seconded by R. Melvin, Esq., and carried, that Messrs. Geo. Moore and Wm. Snider be appointed Scrutineers for receiving and reporting the result of the ballot for the election of Directors for the current year.

The Scrutineers reported as follows:

We, the undersigned Scrutineers, hereby certify that we have carefully counted the ballots for the election of Directors and find that Messrs I. E. Bowman, J. B. Snyder, D. S. Bowlby, Cyrus Bowers, J. W. Walden, J. B. Hughes, John Shuh and Robert Melvin are almost unanimously elected Directors for the year 1885.

GEORGE MOORE, }
WM. SNIDER, } *Scrutineers.*

Moved by A. Millar, Esq., seconded by R. W. Sawtell, Esq., and carried, that Messrs. I. D. Bowman and Thomas Hilliard be re-appointed Auditors for the current year.

Moved by Dr. Bowlby, seconded by C. Hendry, Esq., and carried, that a vote of thanks be tendered to the Officers and Agents of the Company for their efficient services for the past year.

This vote was cordially replied to by Mr. Lockie, Inspector, and by Messrs. R. W. Sawtell, J. W. Kilgour and Chas. Packert, Agents of the Company. In their remarks they expressed themselves gratified with the success of the Mercantile, and in placing it before the public, they could with confidence recommend the Company, believing that from its position and management every contract would be faithfully and honorably carried out.

Moved by C. Hendry, Esq., seconded by Dr. Webb, and carried, that a vote of thanks be tendered to the President and Directors of the Company for their valuable services for the past year.

Mr. Melvin very ably replied on behalf of the Board, remarking that no doubt the steady progress of the Company was a great deal owing

to the integrity and business ability of the Directors. In the payment of losses their aim had always been to do what was right, and in the selection of Officers and Agents, honesty, merit and ability were the qualifications insisted upon, and he believed these aims and motives would ultimately secure success in any sphere of life.

The Board of Directors met at the close of the Annual Meeting and re-elected I. E. Bowman, President, and J. W. Walden, M.D., Vice-President.

P. H. SIMS,
Secretary.

I. E. BOWMAN,
President.

NORTH AMERICAN LIFE ASSURANCE COMPANY.

The Annual Meeting of the above Company was held at the Company's Head Office, Toronto, on the 19th inst. The President occupied the chair. The meeting was a very large and influential one. The annual Report, Revenue Account, and Balance Sheet were read, as follows:

In presenting the report of the business of the Company for the year ending December 31st, 1884, and of its present financial standing, the Directors of the North American Life Assurance Company are again enabled to congratulate the members of the institution upon its continued success and prosperity.

During the year, applications for \$2,037,550 have been received, upon which were issued 931 policies for \$1,905,800 and 6 policies were revived for \$22,500, making a total of 937 policies for \$1,928,300, being an increase of 37½ per cent. upon the business of the previous year. This large increase in the Company's business is specially gratifying, and speaks volumes for the popularity of the Company with the insuring public.

A very large addition has been made in every department, tending to increase the prosperity and high standing the Company had already attained. Out of the revenue for the year, the large sum of \$84,688.35 or 54½ per cent. has been added to the assets to increase the reserve and surplus. The Premium and Interest incomes have very largely increased, a noticeable feature in the latter being that it more than exceeded the death losses of the year.

From the outset the Directors have recognized the importance of building up the Company on a solid foundation. This can be done only by holding a large and increasing reserve fund and surplus, so that when policies mature by death, endowment, or termination of tontine period they will be enabled to fully meet the contracts held by policy-holders. A reference to the revenue account and balance sheet will fully demonstrate how very successful the Company has been in this respect.

The large amount held in reserve by the Company, added to its Guarantee Fund, held by prominent gentlemen in all the older Provinces of the Dominion, furnishes a security to its policy-holders unsurpassed in this country.

The very large number of Semi-Tontine Policies issued during the past year is evidence that this plan is specially acceptable to insurers, combining as it does the privilege of the paid-up surrender value given to the holders of ordinary policies, with all the options given to holders of its favorite Tontine Investment Policies.

No extra charge is made by this Company on the premiums on its Tontine or Semi-Tontine Policies, but the premiums are the same as on its like ordinary policies.

It is very gratifying to notice the great progress being made by our Home Companies. The Government reports show that the life insurance business of Canada is being very largely done by these companies. By the success of such home institutions the money which would otherwise have gone abroad is retained in Canada, and thus used in building up and extending Canadian interests. The directors consider this an important element tending to increase the prosperity of Canada and one that intending insurers should carefully consider when contemplating insuring.

The Government reports also show that the entire and rapidly increasing resources of our Home Companies are invested in this country. On the other hand, of the reserve of \$7,200,756.45 required for the security of Canadian policy-holders, only \$1,708,051.18 is held by the United States companies in this country, and of this only \$88,051.11 is in Canadian securities. It is manifest also that the advantages and convenience to policy-holders are largely in favor of dealing with well-managed Home Companies.

Without disparaging any of our home competitors, it is interesting to notice that this company has secured a much larger amount of income, new insurances, and business in force, and more especially laid by a much larger sum in reserve than any of them accomplished during the corresponding period of their history.

This result is largely due to the efforts of the directors to place the great advantages which life insurance affords within the means of the largest number of persons possible. Whilst recognizing the importance of keeping within the lines of safety, the Directors have from time to time endeavored to make their policy contract a very liberal one. Objectionable and technical clauses to be found in many policies have been omitted. The policy is also made indisputable after being three years in force. It is also made payable immediately after satisfactory proof of claim has been furnished, instead of compelling the beneficiary to wait 60 or 90 days without payment.

The directors recommend that a dividend, at the rate of 8 per cent. per annum to June 30th next, payable on July 2nd, be paid to the Guarantors as interest for the use of the Guarantee Fund, paid in cash by them. Of the dividend, over six per cent. has been earned by the Guarantee Fund, which, with the profits from non-participating policies gives the policy-holders the benefit of the securities of that Fund at a trifling cost.

The efficient services of the inspectors, agents, medical and office staff again deserve special recognition.

In resigning the trust confided to them the directors have every confidence that the same prudence and watchfulness which have placed the company in its present satisfactory position, will be maintained and perpetuated in the future.

The Directors all retire, but are eligible for re-election.

ALEXANDER MACKENZIE,
President.

TORONTO, Jan. 19th, 1884.

FIRST SCHEDULE.

Revenue Account of the North American Life Assurance Company for year ending Dec. 31, 1884.

1883.		1884.	
	\$ c.		\$ c.
Dec. 31, To Balance	192,486 69	Dec. 31. By Expenses	22,068 31
1884.		“ “ Commissions and Salaries	20,521 63
Dec. 31. To Premiums and Annuity Considerations....	142,986 57	“ “ Re-insurances.	9,532 73
“ “ Interest	12,342 59	“ “ Claims paid under policies	8,991 01
“ “ Amount paid in Advance.....	117 78	“ “ Surrender policies	1,054 83
		“ “ Annuities	212 00
		“ “ Interest on Guarantee Fund at 8 per cent. from dates of cash Payments by Guarantors	8,260 30
		“ “ Balance as in 2nd schedule	277,292 82
	<u>\$347,933 63</u>		<u>\$347,933 63</u>

SECOND SCHEDULE.—BALANCE SHEET.

1884.	Liabilities.	\$	c.	1884.	Assets.	\$	c.
Dec. 31.	To Guarantee Fund	60,000	00	Dec. 31.	By Dominion Government deposit		
"	" Assurance and Annuity Funds. \$200,000				Debentures	\$48,000	
"	" Loss for Re-insurances and Re-insurance Policy..... 20,150			"	" Dominion Government deposit		
			179,850	"	Cash	6,440	54,840
				"	" First Mortgage on Real Estate.....		78,950
			\$239,850	"	" Loans on Stocks nearly all on call.....		46,640
"	" Contingent Fund to provide for the collection of outstanding and deferred premiums, and other charges accruing on year's business.....	7,500	00	"	" Reversions.....	7,500	47
"	" Amount paid in advance.....		117	"	" Preliminary expenses.....		1,000
"	" Surplus.....	29,825	04	"	" Furniture		915
				"	" Short date notes for Premiums.....		25,671
				"	" Premiums on existing Policies in Agents hands and in due course of transmission.		10,130
				"	" Premiums on existing Policies due subsequent to Dec. 31, 1884		12,932
					(Reserve on this and preceding items included in liabilities).		28
				"	" Loans on Policies.....		306
				"	" Special deposits		875
				"	" Commuted commissions.....	7,500	00
				"	" Interest due, \$14.60 ; accrued, \$3,462.22		3,476
				"	" Agents' balances.....		324
				"	" Cash in Head and Branch Offices.....		3,406
				"	" Cash in Banks.....		22,822
			\$277,292				82
							\$277,292

WILLIAM McCABE,
Managing Director and Actuary.

We have examined the books, documents and vouchers representing the foregoing Revenue Account, and also each of the securities for the property in the above Balance Sheet, and certify to their correctness.

JAMES CARLYLE, M.D., } Auditors.
W. G. CASSELS.

TORONTO, January 2, 1885.

We concur in the foregoing Certificate, and have personally made an independent examination of said Books, and also of each of the Securities representing said Property.

E. A. MEREDITH, LL.D., } Auditing Committee of the Board.
WILLIAM GORDON,

The Hon. Alex. Mackenzie, M.P., president, in moving their adoption said :

" Nothing, could be more satisfactory than the Company's last year's business. This is largely due to the strong and influential names of those who are guarantors, to its energetic and careful management, to the zealous work of its agents, and to the popular plans of the company.

In proportion to our business, this Company's security to policy-holders is more than equal to that of the best of the older companies, and we consider it is absolutely good as that of any of them.

Recently a class of co-operative societies has sprung up in which we have no confidence ourselves, and in which the public should have little confidence, for no cheapness can make up for the false principles upon which these Associations are generally founded and conducted.

From time to time our agents have complained of the unfair comparisons made by some of the older companies as to the ratio of expenses to income. As the income of life companies includes both premiums and interest, I need not tell you that the comparisons so made are most fallacious and misleading. Prof. Cherriman, the Superintendent of Insurance, has repeatedly stated that "such percentages ought not to be taken as a proper gauge of the economy of management of a company," and although he has omitted such ratios from his recent reports still these unfair statements are continued. Manifestly, the expense of collecting interest and investing the funds of a life company bears a very small proportion to securing new business and collecting premiums. We have investigated the cost of new business, which is, after all, one of the best tests of the economy of a company, and believe that ours is as economically conducted in that respect as any of our competitors.

I am sure it will be of great interest to all of you to learn the splendid progress our Company has made. When compared with the most progressive of our home companies, at the end of their fourth year, I find that in assets, premium income, volume of new insurances, amount at risk, and reserve held, we largely exceed any of them.

Our position at the end of the fourth year is superior to that of some of the best of them in their eleventh and twentieth years respectively, in amount of business and premium income. In 1867, being

20th year of our oldest home company, it had secured a total premium income of \$123,116.86, while that of this Company in its fourth year is considerably larger. Were it not for the depression in business that has existed during a large part of the year, no doubt we would have secured a much larger business. If with this element against us our business in the past year has been so satisfactory we may fairly look forward to a large increase during the coming year,—when we all hope, irrespective of party—that every cause of depression may be removed. But a young country like ours has a vast recuperative power, and notwithstanding business depression our farmers hold a large amount of wealth, and so, while suffering depression to a large extent, ours is still a rich and noble country, and one that will afford abundant business for home companies properly conducted.

The last Government report shows that the liabilities of United States companies to Canadian policy-holders amount to \$7,200,756.45, while their assets in this country amount to only \$1,708,051.18; and of such assets only \$88,051.18 are in Canadian securities. If any of our companies wish to do business in the United States, they must deposit with the State Governments United States securities; and the U. S. companies coming here should be required to invest the reserves on their Canadian policies in Canadian securities. In justice Canadian companies should not be subject to such unequal competition. I am quite sure my friend, the Hon. Mr. Morris, vice-president, agrees with me in this, which can be done without in the slightest degree interfering with the freedom of control which no legislation should infringe upon.

It again gives me pleasure to advert to the tact of our managing director, his method of giving instructions to agents, and his arrangements made with them, and, altogether, his absolutely correct supervision of the officer is one of the great elements of our success. Nothing could exceed the ability and the far-seeing business capacity of Mr. McCabe, as I have myself witnessed it day by day, and I venture to say that everyone who has come into business connections with him in any way especially in regard to the affairs of life insurance, would say that he is one above all other men in the right place.

Hon. A. Morris, M.P., in congratulating the Company upon the fine position it had already attained, said that his friend, the President, had

entered so fully into the details that there was really very little for him to say. He observed with great satisfaction the evident growth of confidence throughout the Dominion in life insurance. Early difficulties and prejudices have been largely removed, and it is now recognized as a safe and easy manner of making provision for families. The Company's progress during the year has been due also to the growing feeling towards the support of Canadian institutions by Canadians. It is felt that it is better for them to deal with a company of their own, controlled by their own men, having their own funds invested in it, than to have to deal with a foreign corporation. The roots of this Company are striking down deeply into the soil of the Dominion. In every province, and even in Newfoundland, the Company has already established agencies with a satisfactory degree of success. Notwithstanding the depression that has been alluded to, and which has been felt so severely in Manitoba and the North-West Territories, he believed that the silver lining of the cloud is seen, and that the severest of that depression is passed from the rising country, which is part of the heritage of the Dominion—a country of whose native wealth he felt competent to speak with the greatest confidence. He had to add his testimony to what has been said with regard to the efficiency of the managing director, Mr. McCabe, the great care and diligence exercised by the chief medical officer, and he was also gratified to acknowledge the great pleasure he enjoyed from his co-operation with the vice-president, Mr. Blaikie, who had exercised constant and careful supervision over the Company's affairs. He (Mr. M.) had had twelve years' active experience as chairman of a life company doing a large business in this country some years ago, and he had had opportunities of judging of Mr. McCabe's capacity for the special line of business with which he is at present entrusted; and he would say that he is the right man for the place; he thoroughly understands the principles of life insurance, and it is a satisfaction to find that we have such an officer to guide and assist the directors in the discharge of their duties. Then the secretary, Mr. Goldman, is most faithful in the discharge of his duties, and we have a staff of agents and medical men that must contribute to the success of such an institution as ours. He hoped next year's business would be as prosperous as that of this year. Our policy has been to conduct our business on strictly business principles, to avoid conflict with other companies, but to put our claims plainly before the people of the country, to rest upon the excellence of those claims, and to compete with other Companies by fair and honorable means for the large business of our country that is developing so fast, and that bids so fair to be one of the powers on this continent.

The report was then unanimously adopted. Hon. Oliver Mowat, premier of Ontario, on rising to move the thanks of the policyholders and guarantors to the president, vice-presidents, directors, and members of the Provincial and local boards, said that it afforded him much pleasure to see that he and his friend, Mr. Morris, were agreed in their views on this subject, and in the support of our home institutions. It appears from the statements submitted to-day that the Company is in a most excellent and hopeful condition. From the invariable accuracy which characterizes everything that falls from the President he knew how perfectly we could rely upon every figure he gave us and every word he spoke. He had no doubt that Mr. Morris was equally accurate in his statements, and the Company being in that condition, uniting so much that is good in both political parties in its management, the result has been very satisfactory. The success of the Company of course we all know is largely due to its excellent management. It is well, therefore, that we should pass this resolution, which he moved most heartily.

Rev. Dr. Nelles, principal of Victoria University, in seconding the motion, said he had a great deal more faith in some of the gentlemen having charge of this Company than he would have in himself if he undertook to examine into a question founded on such exact and well-settled principles as that of Life Insurance: and when he saw the names of the president and the Hon. Mr. Morris and Attorney-General Mowat, who represented such very opposite views sometimes on public matters, but who are so heartily united in this, he felt convinced that what they all agreed upon must be sound. The President's own name in any matter that would require us to repose confidence in strict business integrity and business competency would be a tower of strength. He had also such thorough personal knowledge of the managing director that he did not hesitate to say that his name also being connected with the Company as manager had greatly influenced his mind in becoming a Tontine policyholder in the Company. He hoped, in conclusion, that the Company would continue to enjoy the prosperity shown in the report read to-day.

The resolution was carried unanimously. The meeting then adjourned, whereupon the Board met and re-elected the officers of last year.

THE ROYAL CANADIAN INSURANCE COMPANY.

REPORT OF THE DIRECTORS.

For the year ending 31st December, 1884.

The Directors have the pleasure to present the Twelfth Annual Report of the Company's affairs for the year ending the 31st December, 1884, and the Auditor's Report thereon.

REVENUE.

Fire and Marine Premiums.....	\$453,096 27	
Interest Account and Other Sources....	23,542 32	
		\$476,638 59

EXPENDITURE.

Losses, Fire and Marine, including an appropriation for all claims to 31st December.....	\$238,763 32	
Re-Assurances and Return Premiums...	65,155 28	
Expense of conducting the Business, including Commissions, &c.....	92,515 29	
Balance at Credit of Profit and Loss Account.....	80,204 70	
		\$476,638 59

ASSETS.

Cash on hand and in Bank to Current Account.....	\$41,836 30	
Cash deposits in Bank at Interest.....	155,764 04	
Loans on Collaterals.....	72,000 00	
Canada Central Railroad Bonds.....	104,979 18	
Canadian Pacific Railway Land Grant Bonds.....	152,880 00	
Mortgages.....	28,000 00	
Bills Receivable—Marine Premiums....	34,479 77	
Due from other Companies for Re-Insurance.....	27,729 89	
Premiums in course of Collection.....	9,301 67	
Agents' Balances and Sundry Debtors..	13,328 88	
		\$643,299 73

LIABILITIES.

Capital Stock Paid-up.....	\$343,255 00	
Losses under Adjustment.....	37,758 61	
Re-Insurance Reserve.....	197,274 95	
Dividend No. 8 declared the 16th December, 1884.....	17,236 00	
Surplus.....	47,775 17	
		\$643,299 73

The Directors feel gratified that, notwithstanding the numerous fires in the year 1884, the Company is enabled to present a fair balance sheet as the result of its operations.

The Revenue account shows an increase of \$65,000. The Assets have likewise increased \$78,000 and the surplus over all Liabilities is \$65,000, from which a dividend of \$1.00 per share has been declared, payable on the 10th inst., leaving net surplus \$48,000.

The Directors have petitioned Parliament for a Bill to amend the Charter—1st. To empower them to reduce the Capital Stock of the Company to \$500,000, being 20,000 Shares at \$25 per Share, of which \$20 is paid up, leaving a liability of \$5 per share. 2nd. To reduce the number of Directors from nine to any number not less than seven. 3rd. To change the day of Annual Meeting from the first to last Thursday in February in each year. 4th. To invest the funds in any British, Canadian or United States of America Securities, public or private, with respect to which no liability does or can attach to the holder or owner thereof.

The Directors very much regret to have to announce the loss, by death, during the year of their late respected Co-Director Mr. Wm. O'Brien, whose position on the Board has remained vacant since his demise.

All of the Directors retire this year but are eligible for re-election.

Respectfully submitted,

ANDREW ROBERTSON,
President.

The chairman said that the annual report which the meeting had just heard read was a most satisfactory one—satisfactory as any for the past few years, and it was a source of great pleasure to the directors to be able to place such a favorable statement before the shareholders at the end of the year. (Hear, hear.) The first change the directors asked the shareholders to approve of was to reduce the capital stock of the company to \$500,000, being 20,000 shares at \$25 per share, of which \$20 was paid up, leaving a liability of \$5 per share. This arrangement he had reason to believe would be welcomed by the shareholders, and the directors would have no difficulty in getting their approval of it. (Hear, hear.) The next point in the report was a petition to have the number of directors reduced from the present statutory number of nine, to seven, so that in case of the death of one or two of the

directors the board would still be able to carry on the business of the company. With regard to changing the date of the annual meeting from the first to the last Thursday of February in each year, he believed the change would be acceptable, and it would facilitate the business of the company. The directors were anxious to have the report and statement of accounts in the hands of the shareholders before the annual meeting. At present it was very difficult to have them made out so early in the year, and if the date were changed the work could be done much more conveniently. (Hear.) The directors also asked to be empowered "to invest the funds in any British Canadian or United States of America securities, public or private, with respect to which

no liability does or can attach to the holder or owner thereof." He was obliged to say that the directors had experienced great trouble in regard to investing the funds, and the new privilege would give them better opportunities in this respect. The shareholders would confide in the directors, and they, of course, would be very careful as they had large sums invested themselves, and they would take care to get the best returns possible. Their chief object was to secure a dividend for the shareholders. (Hear, hear.) In conclusion, he moved the adoption of the annual report and statement of accounts.

Mr. White seconded the motion, which was unanimously approved of by the meeting and carried.

UNCONDITIONAL
—LIFE—



INCONTESTABLE
—POLICE

LIFE

ASSURANCE



COMPANY
Of Canada.

ASSETS, about \$1,200,000.

ASSETS, about \$1,200,000.

THE objection is very often made to Life Assurance that the Companies may take advantage of some of the numerous and complicated conditions on the policies, and thus either avoid entirely the payment of claims, or compromise with the widow for a small sum. There is considerable force in this argument, but it cannot be urged indiscriminately against all Companies. The SUN LIFE ASSURANCE COMPANY, OF CANADA, issues absolutely unconditional policies. There is not one restriction of any kind on them. The assured may reside in any part of the world without giving notice or paying one cent of extra premium. He may change his occupation at will; he may travel, hunt or do anything else without any extra of any kind. The contrast is remarkable with other policies. Ask an Agent to show you one; it speaks for itself. Remember THE SUN is the only Company in America which issues an unconditional policy

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A. F. GAULT, Esq. Vice-President. | HON. A. W. O'HILVIE. | S. H. EWING, Esq.
J. S. McLACHLAN, Esq. | W. J. WITTHALL, Esq.

R. MACAULAY, Managing Director.

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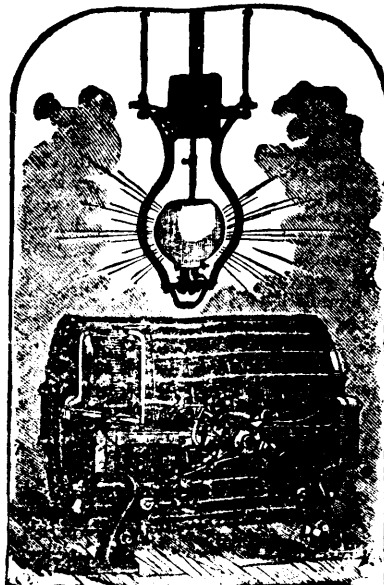
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JOSEPH S. BELGHER,

Commission and Insurance Agent,

Agent for Life Association of Canada, Glasgow & London Insurance Company, and for Albert Manufacturing Co., of Hillsboro, N. B.

OFFICE, 22 BEDFORD ROW, HALIFAX, N. S.

JACKSON RAE,

GENERAL FINANCIAL, INVESTMENT AND COMMISSION AGENT,

Office: Royal Insurance Chambers, Notre Dame St., MONTREAL.

GEORGE J. PYKE,

GENERAL AGENT FOR ONTARIO OF THE

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References:—All the Banks and the principal Merchants and professional men of Montreal.

THE
GLASGOW & LONDON

INSURANCE COMPANY

OF GREAT BRITAIN.

CANADIAN BRANCH STATEMENT

FOR THE YEAR ENDING DECEMBER 31ST, 1884.

INCOME.		EXPENDITURES.	
Premium Income	- - - \$309,542,77	Losses	- - - - - \$120,271,92
Interest	- - - 3,845,50	Expenses	- - - - - 82,758,50
Total Income	- - - <u>\$313,388,27</u>	Surplus	- - - - - 110,357,85
			<u>\$313,388,27</u>
ASSETS		- - -	\$165,420.18

HEAD-OFFICE FOR CANADA,

GLASGOW AND LONDON BUILDING,

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Government Deposit at Ottawa - - - - - \$170,000
Assets - - - - - \$6,271,351.52
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Dividend to policy holders to Dec. 31, 1883. - \$4,110,635.16
Total payments to policy holders - - - \$20,164,601.76

Policies of this old and reliable company indisputable after three annual payments. Matured policies are payable at once without rebate of interest on receipt of satisfactory proofs of death, together with a valid discharge from proper parties interested.

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Total Net Assets - \$525,939.42. | Net reserve to credit of policy-holders \$482,177.47. | Surplus, \$43,761.95.

The Company's Reserves are based on the Actuaries' "Table of Mortality," and four per cent. interest—the HIGHEST standard adopted by any life company in Canada, and one-half per cent. higher than the standard used by the Dominion Insurance Department.

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Comparison of Business.

Payments to Policy-holders or Death Claims, Endowments, Annuities, Surrenders and Dividends.....	1883. \$475,923.98.	1884. \$636,149.13.
New Insurance Written.....	1881 and 1882. \$5,664,211.00.	1883 and 1884. \$9,111,488.00.
Insurance in Force.....	Dec. 31, 1882. \$17,167,105.00.	Dec. 31, 1884. \$19,769,864.00.
Interest due and unpaid on Total Assets, December 31, 1884, NONE.		

EXTRA EDITION.

FEBRUARY,

1885.



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102 St. Francois Xavier St. }

MONTREAL, FEBRUARY 16, 1885.

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THE CO-OPERATIVE INSURANCE BILL.

We notice that the Government has again introduced the Co-operative Insurance Bill in precisely the same form as it was presented last year. We then protested strongly, and we now protest again, against the glaring injustice of the Bill to the regular life assurance companies. There is keen and active competition between the co-operatives (we do not refer to the benevolent societies) and the life assurance companies, and we ask, in the name of simple justice, why the Government should impose numerous restrictions on one class of competitors and let the other go scot free. If it is necessary as an evidence of good faith and for the protection of the public against fraud that every regular life assurance company should deposit with the Government a large sum of money and submit to a strict examination every year by the Superintendent of Insurance it is equally necessary that every co-operative should do so. If it is not necessary for the co-operatives it is not necessary for the regular companies. This view we strongly enunciated last year, and it is undeniably the only true one. There should certainly be only one rule for all.

As we have stated, in these remarks we refer exclusively to the ordinary co-operative life associations. We do not in any way desire that any restrictions should be placed on fraternal, religious and benevolent societies, which are doing a good work in the community and deserve to be encouraged as much as possible. There is no competition between them and the life companies, and in fact they promote the practice of life assurance by encouraging thrift in the community. With the co-operatives the case is entirely different however. They exist simply and solely as life assurance companies and appeal to the same class of the public, claiming to offer the same article at a cheaper rate. Is there any good reason why the regular companies should be handicapped with restrictions of all kinds, while their rivals are not? One would suppose from the way they are treated that the system of regular life assurance was an untested and doubtful experiment, while the co-operative system was an unmingled blessing, instead of the facts being exactly the opposite.

There is, however, another view of the question which circumstances have pressed more and more on the attention of the life companies, especially during the past year. The fact has to be recognized that the co-operatives are here

and are doing a large business. It is, moreover, evident that they have sufficient influence in Parliament to induce the Government to bring in some measure exempting them from at least the most stringent of the regulations referring to life companies. It is also urged, and with considerable force, that it is exceedingly difficult to make a legal distinction between the co-operative and the benevolent society which will hold good in all cases, and that, consequently, the same legislation must be made to apply to both. At all events, since it is very evident that a strong, and probably successful, effort will be made this Session to pass some such Bill as that now before Parliament, the best course to take is to pocket the general objections to it, and see what amendments are practically possible. The Bill in its present condition is decidedly objectionable, but with a few amendments could be so improved as to make perhaps the best that could be obtained at present under all the circumstances. We have taken the liberty of suggesting the changes which are most desirable.

To begin with, one of the strongest objections to the present Bill, is its title. It is called "An Act to amend the Consolidated Insurance Act, 1877." Since the only object of the Bill is to exempt these societies from the operation of this Act it is certainly much more appropriate that it should be called a separate Act rather than a mere amendment to the Insurance Act. This may at first seem an unimportant matter, but it is not so. It is very important that the public should understand clearly the exact position which the Government and the Insurance Department occupy with regard to the co-operatives. If the Act retains its present title they will advertise that they are licensed or registered as life assurance companies under the "Consolidated Insurance Act, 1877," which is exactly what the regular companies are. The public cannot be supposed to know what distinctions that law makes with regard to the two classes of companies. If, however, the name of the Act were altered, so that they can only advertise that they are registered under the "Act regarding Co-operative Life Insurance Companies and Mutual Benefit Associations," it would be a great improvement. This is an important change, and one which can very easily be made. We are only asking that since the Government have decided to not impose the same restrictions on co-operatives as on life companies, or to assume the same responsibility to the public

for their condition and prospects, they take every reasonable means to let this be known and to prevent any misunderstanding in the public mind.

We also think that the Act should clearly give the Superintendent of Insurance full power to investigate the affairs of any company personally at its head office, and we are convinced that full and reliable returns cannot be secured from many companies of this class but by such personal inspection. We understand however that it is not the intention to do this on account of the great extra work it would involve, but it is certainly only wise that the power should be there, whether it be often used or not. Cases may arise in which it may be very desirable to have such a right definitely laid down.

The Bill provides that the returns of these societies shall be published in the report of the Superintendent of Insurance. This is a very desirable feature. It is in fact undoubtedly the best part of the Bill. The public should have as full information as possible regarding the standing and business of each society. We publish herewith a copy of the returns which the Convention of Insurance Commissioners of the United States adopted last year. If our Superintendent of Insurance asks for similar returns from Canadian co-operatives, it will be of immense benefit to the public. The question arises, however, as to whether these societies should not pay for the additional expense which they will bring on the Insurance Department. The annual blue book will need to be considerably enlarged to include their reports, and this printing and other necessary expenses will involve a largely increased outlay. As the Act stands all this must be paid by the life assurance companies, and *the co-operatives will not pay one cent.* As the expenses of the Department are covered by a yearly assessment on the companies for whatever the amount of the past year has been, this means that the assessment on each company shall be increased to cover the expense incurred by the printing of the reports of the co-operatives. Can anything more unfair be imagined? It would be only going a step further to ask that one of the companies pay for the whole expense. It is hardly more unreasonable than to ask one set of companies to pay for the expenses of others, who are, moreover, their rivals in business. We would suggest as a remedy that the co-operatives be required to pay a moderate fee, such for instance as they pay in New York. This is simply just.

Sir Leonard Tilley well remarked, when speaking of this Bill last session, that the co-operative system was one which opened the way for an immense amount of fraud, and that there was no way of protecting the public but by having a directorate and management known to the Canadian public. This was sound argument, and should, we think, be carried out in the Bill. It will be noticed that we would propose to allow only Canadian co-operatives and such branches of foreign institutions as become incorporated here to do business in Canada. If any foreign society is unwilling or unable to comply with this reasonable requirement, it should only be allowed to enter the Dominion on putting up the full deposit, full reserves, and guaranteeing the amount of its certificates in the same way as regular companies. Unless a society is willing and able to come under all the requirements of the insurance law,

and is doing business on a plan which the Superintendent of Insurance can endorse, it should not be licensed under the Insurance Act or allowed to make a deposit. It is certainly very undesirable, moreover, that any co-operative which registers under the proposed new Act should be allowed to make a deposit, for by so doing the Government assumes a responsibility to the public with regard to it which it is anxious to avoid, and is almost certain to make the public believe that it is as much licensed and approved of by the Insurance Department as the regular companies. Let each co-operative appeal to the public on its individual merits without any Government support, since they are exempted from the supervision and endorsement which apply to the regular companies.

In the last place we would have it distinctly understood that this Act does not affect the fraternal and benevolent societies to which we have already referred. The clause proposed by us is somewhat similar to one in the New York law and should commend itself to all.

The views herein expressed are our own, and, although we hope and believe they will meet with the hearty approval of the life assurance companies; we are not acting as their mouth-piece in this in any way. We have however, taken much trouble to learn the views of most of the leading life assurance men of the Dominion on the subject, and have also got an expression of opinion from most of the Insurance Commissioners in the United States, as will be seen by another column. Surely the opinion of men of such experience should have weight with our own legislators. The Government have undertaken to deal with an exceedingly difficult matter, and will, we hope, give it the attention it deserves. We are firmly convinced that in the vast majority of cases at all events, co-operative associations can only last a few years, and Parliament should be extremely careful about endorsing the system to the public in anyway. They owe it to themselves, to the regular life companies, and to the public, that they make as wide a distinction as possible between such short-lived concerns and the permanent life companies. If the Insurance Department of Pennsylvania had endorsed in even a very mild way the United Brethren Mutual Aid of that State, in what an unenviable position would it now be placed! And yet that society did an enormous business, and was honestly and economically conducted. It was the system which was wrong, and no good management could make it succeed.

AN ACT REGARDING CO-OPERATIVE LIFE INSURANCE SOCIETIES AND MUTUAL BENEFIT ASSOCIATIONS.

WHEREAS it is expedient to *supplement and amend* "The Consolidated Insurance Act, 1877," with regard to associations or companies doing business under the title of "Co-operative Life Insurance Societies, "Mutual Benefit Associations" and the like,—

Therefore, Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. The word "company" in this Act shall be construed and interpreted in the same manner as in the Act cited in the preamble; and a penalty imposed for contravention of this Act, the amount whereof is fixed by reference to any section of the Act aforesaid, shall be recoverable and applicable in like manner as that imposed by such section, all the provisions whereof shall apply to it and to the offence for which it is imposed.

2. Any company incorporated within Canada, which transacts business of life insurance by covenanting to pay, on the death of a member of such company, a sum of money solely from the proceeds of assessments or dues collected or to be collected from the members thereof for that purpose may, at the discretion of the Minister of Finance, on report of the Superintendent of Insurance, approved by the Treasury Board, be exempted from the operation of "The Consolidated Insurance Act, 1877," on the conditions herein-after specified.

3. Companies to be thus exempted shall register their titles or corporate names in the office of the Superintendent of Insurance. They shall also make attested returns of their condition and affairs at such times and in such form, and attested in such manner as is prescribed by the Minister of Finance; and the Superintendent of Insurance shall include such returns in his annual report. *Such statements shall be made in the form and manner shown in Schedule A. hereto annexed subject to alteration by the Minister of Finance.* Any failure to make such returns when called for by the Superintendent of Insurance shall subject such company and any officer thereof to the penalty mentioned in the twenty-second section of the Act hereinafter cited.

4. *All such companies shall be subject to the visitation and inspection of the Superintendent of Insurance who shall have access to their books and papers.*

5. The registration of a company shall cease to be valid on the 31st day of March in each year, but shall be renewable, from year to year, at the discretion of the Minister of Finance.

6. *The following fees shall be paid by each company to the Superintendent of Insurance towards the expenses of executing this Act: for filing and publishing the annual statement the sum of one dollar for each one hundred members or fraction thereof, not exceeding twenty-five dollars from any one company and for each renewal of license or copy thereof five dollars.*

7. *No deposit with the Receiver General shall be required from or made by any company incorporated within Canada and registered under this Act.*

8. *No company can be registered under this Act which has not been incorporated in Canada; and any foreign company the Canadian branch of which has been or may be incorporated in Canada must invest all the earnings or assets arising out of their Canadian business in Canadian securities in the names of trustees approved of by the Superintendent of Insurance, for the exclusive benefit of its Canadian members.*

9. No company shall carry on, within Canada, any business of the nature described in the second section of this Act, without being licensed under the Act above cited or being registered under this Act; and any director, manager agent or other officer of a company so doing business, and any person who transacts any business on behalf of such company, shall be liable to the penalty mentioned in the thirteenth section of the Act hereinbefore cited.

10. In the case of any contract of insurance entered into or any certificate of membership or policy of insurance issued by any company, before the passing of this Act, assessments may be made and collected and claims paid, and all business connected therewith transacted without any penalty being incurred.

11. *Any benevolent society or any subordinate lodge of any secret or fraternal or industrial society paying not more than three hundred and fifty dollars on the death of any one of its members, shall be exempt from the operation both of the "Consolidated Insurance Act, 1877," and of this Act.*

CO-OPERATIVE LEGISLATION.

VIEWS OF THE SUPERINTENDENTS OF THE INSURANCE DEPARTMENTS OF THE DIFFERENT STATES.

The following circular letter was sent by us to the Insurance Commissioners in all the principal States of the Union, with the object of ascertaining what their views are on the subject of legislation regarding co-operatives. The opinions of persons of so much experience in dealing with such matters should certainly have much weight with our legislators in deciding them as to what action is best for them to take in dealing with the subject.

We take this opportunity to most heartily thank the gentlemen who have so courteously and fully favored us with answers at a season when we know they are all exceedingly pressed for time.

OFFICE OF INSURANCE SOCIETY,

Montreal, January 20th, 1885.

DEAR SIR:—It is expected that our Parliament will this session deal with the question of co-operative assurance, and will pass some law defining exactly the position of the societies which transact this business, and the supervision and restrictions, if any, to which they shall be subject. You can easily understand that it is of great importance not only to the life companies, but to the whole Canadian public, that any legislation of this kind shall be as equitable and as nearly perfect as possible. I have therefore, in the public interest, taken the liberty of asking you a few questions regarding the legal status of co-operative societies in your State, and your own views on the general question.

I will be much obliged if you can very kindly find time to answer them as fully as convenient. The action of other countries with regard to such a matter, and the opinion of persons who have had a large experience, should have much weight in determining the character of our legislation. I have put the subject before you in a categorical form, merely to direct your attention particularly to certain points:

1. Has the Legislature of your State passed any Act for the purpose of regulating the business of co-operative life associations?

2. Are such associations subject to the control of the Insurance Department?

3. Do you think it desirable that they should be subject to as careful and full supervision as the regular life companies, and be compelled to furnish as detailed and exhaustive returns?

4. What is the nature of the license or certificate of authority granted to co-operative societies in your State? In what does it differ from the license of regular companies?

5. Has any distinction been made in the legislation of your State between co-operative associations organised in the State and those that are not? If so, what?

6. Do you think that it is necessary or desirable that a striking distinction should exist between the licenses granted

to life companies and co-operatives, in order to let the public understand that there is a radical difference between the two systems?

7. Has any distinction been made in the legislation of your State between benevolent and fraternal societies and those that are conducted solely as business enterprises?

8. What, in your opinion, is the simplest and best way of making such a distinction? (While there is no desire to impose restrictions on purely benevolent societies, it is thought necessary to act differently towards those which are purely speculative, and some principles must be laid down which will hold good at law, in order to distinguish between the two classes of societies.)

9. What are your views as to requiring a deposit from co-operatives which are not benevolent societies?

10. Should speculative assessment societies be required to set aside any reserve whatever, and, if so, on what basis would you calculate the amount?

11. What are your views in general on the subject of legislation regarding co-operatives?

I am extremely sorry to trouble you with such a list of questions, and my only excuse is the importance of the matter to the whole Canadian public; and your answer will confer a favor on, and be duly appreciated not only by me, but by them.

Yours truly,
R. WILSON SMITH.

ANSWERS.
NEW YORK.

INSURANCE DEPARTMENT, Albany, January 21, 1885.

In Re Organization and Business of Assessment Insurance Associations.

DEAR SIR:—I have yours of the 19th instant, covering eleven interrogatories touching the organization and business of Assessment Life Insurance Associations transacting business in this State.

I answer your questions in their order:

1. Yes.—See copies of Chapter 256, Laws of 1881; 175, Laws of 1883; 116, Laws of 1884; and 353, Laws of 1884, herewith enclosed.

2. They are.

3. I do.

4. In answer to this I enclose herewith copies of certificates of compliance and authority granted to assessment societies and regular life insurance companies respectively.

5. There is no distinction between associations of this and other States.

6. I do.

7. No.

8. I would classify them more for the guidance of those who have a choice between them than for any real difference in their stability or future prospects. There are features in some of the business enterprises which, if adopted by certain of the fraternal organizations, would prevent what threatens to be their early demise.

9. When the State in its wisdom permits such associations to transact business within its domain it is to be assumed that the character and nature of the contracts authorized are fully understood. To require a deposit from co-operative associations, therefore, to my mind, would be as ridiculous as asking a borrower to deposit the proceeds of his note as a security for its payment.

10. A specific reserve fund based on a percentage of graded assessments to provide for excessive mortality is both admissible and commendable. An accumulation for any other purpose is not compatible with the theory of the system.

11. The laws heretofore referred to in my answer to your first question are excellent and can be improved upon, so far as I have had

occasion to realize, in one respect only, namely: that any institution using Death Assessments for the payment of its expenses should be obliged to forfeit its charter.

Respectfully yours,
JOHN A. McCALL, JR.,
Superintendent.

MISSOURI.

INSURANCE DEPARTMENT, St. Louis, January 23, 1885.

DEAR SIR:—In answer to your enquiries, will state briefly—That our State has never licensed or recognized co-operative or assessment insurance companies.

We only license companies that deposit \$100,000. Purely benevolent and charitable societies, that make insurance an incident and not the object of their organization, are exempt by law from the supervision of this Department.

We have no law regulating purely co-operative life companies.

The Legislature has so far refused to enact any such law.

My opinion is, that whenever co-operatives are recognized by law they should be made amenable to the control of the Insurance Department and compelled to act honestly, or cease to exist.

It is yet problematical whether they should be permitted to exist at all. They open so many avenues for fraud that it is difficult to keep them in line of honest duty.

Assessment Insurance is now popular in our country, notwithstanding the many frauds it has cloaked.

It might be well for the Legislature to act upon the subject, but, if so, they should be subjected to the strictest watch and surveillance of the Insurance Department.

Very truly yours,
JOHN J. WILLIAMS,
Superintendent Insurance Department Missouri.

SOUTH CAROLINA.

EXECUTIVE DEPARTMENT, Columbia, S. C., January 24, 1885.

DEAR SIR,—I have the honor to acknowledge receipt of your favor of 20th instant. I am afraid that I will be able to give you very little information as to Co-operative Insurance Companies, as, until the last year, they have not been required to comply with the insurance laws of the State. I will, however, take great pleasure in answering your questions as fully as I am able.

At the Session of 1883, the Legislature passed an "Act to require foreign Co-operative Assessment Companies to comply with the Insurance laws of the State," which Act I send you by this mail, as also a copy of the statement required to be filed by the companies. This form of annual statement was the one adopted by the Convention of Insurance Companies, held in the fall of 1883. The license which I issue to agents of co-operative companies is the same as is issued to agents of other companies, and I see no good reason why there should be any difference; the license simply designates the territory in which the agent is authorized to work. I should have stated that we give no license to the *companies*, but only to the agents whom they appoint after their papers have been approved at this office.

Insurance companies incorporated by this State are not required to report to, or to take out license from, the Comptroller General, only companies of other States comply with this law. As you will see by the Act sent you, a distinction is made in favor of fraternal benevolent associations and all societies under supervision of a Grand or Supreme Lodge, and which insure membership through the Lodge system exclusively. All associations which employ paid or commissioned agents to procure members I regard as coming under the law, and I require all such to comply with the provisions of the law.

I beg that if there is anything in which I can give you further information, you will call on me without hesitation.

Very truly,
W. E. STONEY,
Comptroller General of South Carolina.

COLORADO.

INSURANCE DEPARTMENT, Denver, Col., January 27, 1885.

DEAR SIR:—Your communication of January 20th was duly received.

ed, and I should have replied before but for pressing business. In answer to your questions I begin with—

No. 1. Our Legislature has passed no Act for the purpose of regulating the business of co-operative life associations, but is now considering a bill containing this subject.

2. Such associations are held subject to the control of this Department in part if admitted at all into the State.

3. I am fully convinced that they should be subject to as careful and full supervision as regular life companies, and be compelled to furnish full and detailed returns of their business.

4. The same certificate has been granted to co-operatives as to regular companies.

5. Assessment companies organized in this State previous to the establishment of this Department are exempt from all requirements of our law, except to render an annual statement of their business. Those organized since are held to the full requirements.

6. I believe there cannot be too much pains taken to give the public notice of the kind and quality of insurance they are purchasing, whether it be embodied in the license or any other manner.

7. Our Legislature has seen fit to place all benevolent and fraternal societies on an equal footing with home companies organized previous to this Department.

8. My opinion is, that no co-operative companies, other than *benevolent and fraternal*, should be allowed to transact business without establishing a fund or deposit as a guarantee of its faith and ability towards its policy-holders.

9. Answered above.

10. I believe that assessment companies should be required to set aside a permanent reserve.

11. I am convinced too much care cannot be evinced on the part of our General Assemblies upon this subject. It is a subject of vital importance to the widows and orphans of America, whose protection is virtually guaranteed by the Insurance Department of the different States, and should our Assemblies now convened fail to handle this branch of Insurance on what may be deemed a safe basis I believe it the duty of the Insurance Commissioners to do so, that the public may have full knowledge of the class of insurance represented.

Very truly
B. S. TEDMON,
Deputy Supt of Insurance.

CONNECTICUT.

OFFICE OF THE INSURANCE COMMISSIONER, Hartford, Jan. 28, 1885.

DEAR SIR:—In reply to yours of the 20th inst. The general insurance laws of this State do not recognize co-operative insurance or assessment companies, and they are not admitted to do business therein. There are two Connecticut companies that do business on this plan by a special Act or charter from the General Assembly, and they make returns and are under the supervision of this Department.

In answer to 3rd question—Most undoubtedly they should.

4th—As none are admitted, no licences are issued.

5th—Is answered as above.

6th—Yes.

7th—There are such societies in the State, and probably a strict construction of the law would declare them illegal, but they are managed under the Masonic and similar fraternities. No complaint is made against them, and no official notice is taken of them. I would refer you to the New York laws on this point, and there can be no question that a broad distinction should be made between benevolent and speculative societies or associations.

9th—If a deposit be required from the old line or regular companies for the protection of the assured why should assessment companies be exempted?

10th—Assessment companies should have a reserve fund, in fact there is no certain insurance without it, since the amount to be raised by simply an assessment to pay a death loss is dependent on the number of surviving certificate holders, and while it may be difficult to fix the proportion that a reserve fund should be to the liabilities, it certainly should be large enough to meet any possible deficiency that might arise from the diminution of members liable to assessment, and the consequent failure of such assessment to pay death claims in full.

The assessment business is an experiment, and has not been tested by time, like other insurances, and should be guarded by laws so as to give to its members as complete protection as the old line companies are compelled and supposed to do by the reserve required on the valuation of their policies. Hoping that these views may be of some assistance in determining action to secure sound insurance.

I am, very respectfully yours,
EPHIM. WILLIAMS,
Insurance Commissioner.

DELAWARE.

INSURANCE DEPARTMENT, Smyrna, January 26, 1885.

DEAR SIR:—Your circular letter is received, and is herewith returned—with such answers written upon it, opposite to the several queries as occur to me in the very hurried attention I have been able to give to them:

1. Yes.

2. Yes.

3. Yes.

4. Same in both cases.

5. None.

6. Cannot see an advantage in such a distinction—but think policies should be so worded as to show their entire dependence upon the success of assessment collections.

7. Benevolent and fraternal societies are exempt from insurance laws.

9. Think it should be required from those out of the State at least.

10. Think those out of the State should.

11. That they have not been governed with sufficient strictness generally.

Yours respectfully,
H. C. DOUGLAS,
Insurance Commissioner.

MINNESOTA.

INSURANCE DEPARTMENT, St. Paul, January 28, 1885.

DEAR SIR:—I can only briefly reply to your favor of 20th inst., as this is a very busy time with me.

We have no supervisory law governing co-operatives here, but I think the Legislature now in session will pass a law on the subject. I think it desirable that these societies be restricted by law, and have recommended its enactment here of the N. Y. law in substance. The suggestion that there should be a "striking distinction" in the licenses granted "old line Cos" and co-operatives, strikes me favorably. There should, of course, be no opportunity for deception in the matter, if it can be avoided. Undoubtedly, speculative assessment societies would be much improved by it, and should be required to maintain a reserve, but I am not just now prepared to suggest the basis of it. I do not favor a deposit law.

Respectfully yours,
A. R. MCGILL,
Ins. Commr.

MAINE.

OFFICE OF INSURANCE COMMISSIONER, Augusta, Jan. 22, 1885.

DEAR SIR:—The laws of this State make no provision for Co-operative Insurance Societies. The matter is being agitated before the present Legislature.

Very truly yours,
JOSEPH O. SMITH,
Commissioner.

MASSACHUSETTS.

INSURANCE DEPARTMENT, Boston, Jany. 21, 1885.

MY DEAR SIR:—I have your favor of yesterday's date. A pressure of immediate duties forbids me the careful reply to your several questions I would otherwise gladly attempt. But I mail you two communications I have hitherto addressed to our Legislature on the subject of assessment insurance which cover the principal queries you

put. Our Legislature has the matter under advisement, and I appear before its committee to-morrow. We have to deal with the same problem as our neighbors of the Dominion, and with like crude materials.

I am very truly yours,
JOHN K. TARBOX,
Insurance Commr.

ARKANSAS.

OFFICE OF AUDITOR OF STATE, Little Rock, Ark., Jany. 26, 1885.

DEAR SIR:—I humbly submit hurried answers to your several questions:

To 1. I answer No. But our Legislature is now in session, and I trust it will act on this subject.

2. No.

3. Yes.

4. State grants none. Collectors issue licenses to travelling agents.

5. No.

6. I do.

7. No.

8. Let each Company set forth in an unmistakable manner the character, scope, and responsibility, and let the authority granted show character in its face.

9. Think it would be a good plan. They should have something tangible with which to protect members.

10. I certainly think so. Have given the mode of calculating reserve no thought.

11. To give my views would require considerable space and time. But must say I favor legislation on the subject.

Very respectfully,
A. W. FILES,
Auditor of State and Ins. Commr.

OHIO.

INSURANCE DEPARTMENT, Columbus, O., Jan. 23, 1885.

DEAR SIR:—Your favor of Jan. 20 received. We can better answer your questions by sending you a copy of our Mutual Aid Statement and a copy of the law of this State. Mutual Aid Associations of this State do not receive a license from the Superintendent of Insurance, but are only compelled to report. Secret Societies, and Benevolent Societies are exempt from the supervision of the Insurance Department. If this was not our busy season, I would like to answer your questions more in detail.

Very truly yours,
HENRY J. REINMUND,
Superintendent.

ILLINOIS.

AUDITOR'S OFFICE, Springfield, Jany. 24, 1885.

DEAR SIR:—Your favor of 19th inst. is at hand. Under separate cover I send you copy of the law of this State governing Mutual Assessment Societies and also copy of latest life insurance report of this office containing reference to this subject, which will doubtless give you the information you desire regarding the policy of the laws of this State on this subject.

Yours truly,
CHAS. P. SWIGERT,
Auditor Public Accounts.

MICHIGAN.

INSURANCE BUREAU, Lansing, Jany. 22, 1885.

DEAR SIR:—As the best I can do this morning, I mail you copies of the two reports made by me in regard to life insurance in which some of the questions put by you are discussed.

Respectfully yours,
EUGENE PRINGLE,
Commissioner.

MARYLAND.

INSURANCE DEPARTMENT, Baltimore, 5th February, 1885.

DEAR SIR:—I duly receive your favor of the 20th ulto. in reference to Assessment Life Insurance Companies, and as this is my busy season I send you my last Annual Report, together with other documents which will fully answer your inquiries. I refer you to page XII of Report of 1884. by mail, Extract from Report of 1883 inclosed. Copies of licenses to both kinds of Life Companies, Marked Copy of present law of Maryland.

Yours truly,
JESSE K. HINES,
Insurance Commissioner.

SUMMARY OF NEW YORK LAW.

Sec. 1. Any number of persons not less than nine may form an association.

2. They must file a declaration of their intention, mentioning the proposed name of the society, its head office, objects, mode of doing business, etc.

3. A declaration must also be furnished that at least fifty eligible persons have applied in writing for membership. The Attorney General shall then report on the declaration mentioned in sec. 2, and, if satisfactory, the Superintendent of Insurance will issue a license.

4. Power to make by-laws.

5. Defines what constitutes assessment life assurance. Associations engaged in it are subject only to this Act.

6. Defines assessment accident insurance.

7 and 8. Associations must give full statements of their business every year. Questions to be answered. No deposit required. An society neglecting to give reports or to pay fees required may be enjoined from doing business.

9. Attorney to receive process must be appointed.

10. The Superintendent must renew licenses only on being satisfied that the society is in good standing.

If any state imposes restrictions on New York co-operatives, all the same restrictions are *ipso facto* made to apply to societies from that State doing business in New York.

11. Charters continue unless revoked by court.

12. Existing societies may be re-incorporated under this Act.

13. Books, etc., of associations are subject to inspection of Insurance Department. If Superintendent is not satisfied with the condition of the society, he shall apply for an order of court restraining it from doing business.

14. Societies must answer any questions put by the Superintendent regarding its business.

15. The following fees must be paid by societies:—

For filing declaration \$10; for filing annual statement, \$1 for each hundred members or fraction thereof, not to exceed in all \$25; for each certificate of authority \$5; also necessary expenses while examining books.

16. Societies must hold an annual meeting, and allow their members to examine their books at all reasonable times.

17. Each notice of assessment must truly state the cause and purpose of such assessment.

18. Members may change the beneficiary under a certificate at any time, without requiring consent of previous beneficiary.

19. Money due to a beneficiary under a certificate shall be exempt from attachment.

20. Any officer or agent who refuses to furnish returns, or furnishes false returns, or who acts for an unlicensed society, shall be subject to a fine of not less than \$100 nor more than \$500, or imprisonment for not less than ten days nor more than a year, or both.

21. No society which does not pay over \$250 in all of sick benefit to any one person in any one year, or \$350 in all, of benefit on the death of a member, shall be compelled to make a report. Nor shall any society be prevented from setting aside a reserve fund. Nothing in the Act shall be construed as affecting the lodges of Oddfellows or Masons.

22. Punishment of a dishonest agent or medical examiner.

SUMMARY OF OHIO LAW.

Sec. 3630 *a* and *b*. Associations must, in January each year, furnish the Superintendent of Insurance with a full statement of its business, according to prescribed forms.

c. Failure to do so, or failure on the part of the treasurer to furnish a satisfactory bond forfeits the right to do business.

d. If the Superintendent finds that an association is not legally and honestly conducted, or is exceeding its franchise, he to take proceedings against it.

e. Definition of the nature of assessment assurance.

f. Association may be sued.

g. No certificate to be issued by any association to any person over 65 or under 15 years of age, or to any one who has not passed a satisfactory medical examination. Any officer who violates this or any other clause of the Act shall be fined not less than \$100 nor more than \$1,000, or imprisonment not more than six months, or both.

h. Expenses must be met by fixed annual contributions, and in no case can any part of a mortuary assessment be used for expenses.

3631. Agents and officers must give bonds.

This Act shall not apply to any association of religious or secret societies, or to any class of mechanics, express, telegraph, or railroad employees, formed for the mutual benefit of the members thereof and their families exclusively.

SUMMARY OF MISSOURI LAW.

Sec. 2. No benevolent or charitable association or society now incorporated or that may be hereafter incorporated under the laws of any other state or territory, whose main object is the issuing of life insurance certificates and collections of dues and assessments from its members, shall not do business in this State unless subject to the general insurance laws of this State.

(Assessment and Co-operative Blank.)

ANNUAL STATEMENT.

FOR THE YEAR ENDING DECEMBER 31st, A. D. 188.....

Of the condition of the.....organized under the Laws of the State of.....made to the Superintendent of the Insurance Department of the State of....., pursuant to the Laws of said State.

President,..... Secretary,.....
Incorporated under Chap. , Laws of 188 . Commenced business.....188
Attorney for service of process in.....(Give Address by Street and number)
Principal office (Give Street and Number).....

I. BALANCE SHEET.

Dollars. Cents

(a) Amount of Net or Invested Assets December 31st of previous year.....

II. INCOME DURING YEAR 188....

Dollars. Cents.

Gross amount paid by members to the Association or its Agents without deductions for commissions or other expenses, as follows :

- 1. Membership fees
2. Annual dues
3. Assessments
4. For medical examiners' fees
Total paid by members
5. Interest
6. Rents
7. Cash received from all other sources, viz. : Total

Total income Total.

III. DISBURSEMENTS DURING YEAR 188....

Dollars. Cents.

- 1. Losses and Claims (Detailed Schedule filed)
2. Annual Payments and Assessments returned to members
Total paid to members
3. Commissions and Fees retained by or paid to Agents
4. Commissions and Fees retained by or paid to Officers and Directors
5. Salaries and Travelling Expenses of Managers of Agencies, and General, Special, and Local Agents
6. Medical Examiners' Fees, whether paid direct by members or otherwise
7. Salaries and other compensation of Officers and other office employees
8. Rent, \$; Taxes, \$; Commuted Commissions, \$
9. Advanced to Officers and Agents to be repaid out of future Salaries or commissions
10. Advertising, \$; Blanks and Printing, \$
11. All other items, viz. : Total.
(Total expenses, footings of items 3 to 11, \$)

Total Disbursements.....

BALANCE.....

Invested as follows. See page 2.

(a) Comprising balance of all Invested accounts counted as assets.

IV. INVESTED ASSETS.

(Where held as a Reserve Fund, state the fact specifically.)

Dollars. Cents. Dollars Cents

- 1. (a) Cost value of Real Estate in Cash, exclusive of all incumbrances, as per Schedule C
2. Loans on Bond and Mortgage (first liens) on Real Estate, as per Schedule A
3. Loans secured by pledge of Bonds, Stocks, or other marketable collaterals, as per Schedule B
4. Loans made in Cash to Members on this Company's Certificates assigned as collateral
5. b) Cost value of Bonds and Stocks owned absolutely as per Schedule D
6. Cash in Office
7. Cash deposited in Bank on Reserve Fund Account. (Name Banks and Amounts.)
All other deposits. (Name Banks and Amounts.) Total.
8. Agents' Ledger Balances
9. All other invested Assets, viz. : Total.
10. Total Net or Invested Assets (as per balance on page 1)
11. Deduct depreciation from cost of Assets, to bring same to market value
Total Net or Invested Assets less Depreciation

V. CONTINGENT ASSETS.

- 12. Interest due, \$ and accrued, \$
13. Rents due \$ and accrued, \$
14. Market value of Real Estate over cost, as per Schedule C
15. Market value of Bonds and Stocks over cost, as per Schedule D
16. Due from members for claims not yet assessed \$
17. Mortuary assessments due and unpaid on memberships in force.....

18.	Mortuary assessments not due yet	\$.....	Dollars Cents.
19.	Annual payments or premiums due and unpaid on memberships in force .....	.....
20.	Annual payments or premiums in process of collection not yet due .....	.....
22.	Total due from members	\$.....	
22.	Deduct estimated cost of collection .....	.....
23.	Net amount due from members .....	.....
24.	All other Assets, viz:	Total	
	Total Assets .....	.....

VI. LIABILITIES.

1.	Losses due and unpaid. (Number of Claims.....)	.....
2.	Losses in process of adjustment, or adjusted and not due (Number of Claims.....)	.....
3.	Losses reported for which assessments have not been made. (Number of Claims.....)	.....
4.	Losses resisted by the Company. (Number of Claims.....)	.....
5.	National, State, or other Taxes due .....	.....
6.	For Salaries, Rents, and Office Expenses .....	.....
7.	Borrowed money, including (\$) interest due or accrued .....	.....
8.	To Officers or others for advances on account of expenses of organization .....	.....
9.	Amount of any other Liability, viz:	Total
	Total Liabilities .....	.....

- (a) If the cash value of Real Estate is less than cost, the amount of the depreciation should be deducted *after* the balance of " (10) Total Net Invested Assets" is given, and should also be shown on Schedule C.
- (b) If the cash value of Bonds and Stocks is less than cost the amount of the depreciation should be deducted *after* the balance " (10) Total Net or Invested Assets" is given, and should also be shown on Schedule D.

VII. EXHIBIT OF CERTIFICATES OR POLICIES—Number and Amount.

TOTAL BUSINESS OF 188

	Number.	Amount. \$ c.
Policies or Certificates in force December 31, 188.....		
Policies or Certificates written during the year 188.....		
Total.....		
Deduct number and amount which have ceased to be in force during 188.....		
Total Policies or Certificates in force December 31, 188.....		
Losses and claims on policies or Certificates unpaid, December 31, 188.....		
Losses and claims on policies or Certificates incurred during the year 188.....		
Total.....		
Losses and claims on policies or Certificates paid during the year 188.....		
Policies or Certificates in force December 31, 188.....		
Policies or Certificates written during the year 188.....		
Total.....		
Deduct number and amount which have ceased to be in force during 188.....		
Total policies in force December 31, 188.....		
Losses and claims on policies or Certificates unpaid, December 31, 188.....		
Losses and claims on policies or Certificates incurred during the year 188.....		
Total.....		
Losses and claims on policies or Certificates paid during the year 188.....		

VIII. MISCELLANEOUS QUESTIONS.

- Does the Association or Company charge quarterly, semi-annual or annual dues? If so, how much for each \$1,000 named in Certificate?
- What is the number of persons insured? What is the maximum amount of the Certificate or Certificates issued on any one life?
- Do the Certificates or policies issued by the Association guarantee a fixed amount to be paid, regardless of amount realized from assessments to meet the same? If so, state how the amount is guaranteed.
- Was any part of the mortuary assessments used for any purpose except to pay claims? If so, what amount, and for what purpose?
- Does the Association or Company issue endowment Certificates or policies, or undertake and promise to pay to members during life, without regard to physical condition, any sum of money or thing of value?
- If so, how are these payments or promises provided for?
- In what States is the Association or Company doing business? Give number of agents in each State, including South Carolina.
- In levying mortuary assessments are they graded on any table of mortality, or are fixed sums charged without regard to age? If mortality tables are used please name them?
- Number of classes of members of the Company. Maximum, minimum and average age of the members of each class. Maximum amount of Certificates in each class.
- Number in each class at the beginning and end of the year.....
- Number of each class who died during the year.....
- Is a medical examination required before issuing a Certificate to applicants?..... Are Certificates issued to persons other than the families or heirs of the members?..... Are assignments of Certificates to other than such persons allowed.....
- Number of death claims compromised or resisted, and brief statement of reason.
- Has the Society a reserve fund?..... What is the amount thereof? \$..... For what purpose and how is it created?
- Are the officers and directors elected at an annual meeting of members?..... If not, how are they selected?

SCHEDULE A.

Containing a description of all the Bonds and Mortgages owned by the on the thirty-first day of December, A.D. 188, with the amount of Principal unpaid, Interest due and accrued thereon, and Rate of Interest, Valuation of the Mortgaged Premises, the amount of Fire Insurance Policies held as Collateral, Location and Dimensions of Land.

No.	Date of Mortgage.				Record of Mortgage.			Amount of Principal Unpaid. \$ c.	Interest.			Value of Lands Mortgaged. Dollars.	Value of Buildings. Dollars.	Amount of Insurance held by the Company on the buildings Dollars.	LOCATION. Street, Number or Description.
	When Given.			Year when due.	County.	Book.	Page.		Due.	Accrued.	Rate of (a)				
	Year.	Month.	Day.												
Total								\$							

(a) If Interest is payable semi-annually, so indicate in this column by the letters "S.A." in red ink, above the figure indicating the rate.

SCHEDULE B.

Account of Stocks, Bonds, and all other Securities (except Mortgages) hypothecated as Collateral Security for Cash actually loaned by the with the Par and Market Value of the same, and the amount loaned on each.

DESCRIPTION.	Total Par Value.		Total Market Value.		Amount Loaned Thereon	
	Dollars.	Cents.	Dollars.	Cents.	Dollars.	Cents.
Totals						

SCHEDULE C.

Containing a Brief Description of all the Real Estate owned, with the Cost and Market Value thereof, and also the value on the Books, with a correct Statement of the Nature and Amount of all Liens and Incumbrances thereon, Including Principal and Interest.

No.	Quantity or Dimensions and Location of Land; Size and Description of Buildings, with Book and Page of Record of Deed.	Valuation of Premises.		Cost Value of Premises.		Description and Nature of Incumbrances.	Amount of Incumbrances.	
		Dollars.	Cents.	Dollars.	Cents.		Dollars.	Cents.
Total Value of Real Estate over and above Incumbrances.								

SCHEDULE D.

Account of Stocks, Bonds and Treasury Notes of the United States and of this State and of other States, and also of all other Stocks and Bonds absolutely owned by the

No.	DESCRIPTION.	Actual Cost to Company.		Total Par Value.		Total Market Value.	
		Dollars.	Cents.	Dollars.	Cents.	Dollars.	Cents.
Totals							