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Continuous pagination.

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, about - - \$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, General Agent, Manitoba Branch, Winnipeg.

The Ontario Mutual Life Assurance Co's
 HEAD OFFICE, WATERLOO, ONTARIO.

DOMINION DEPOSIT - - - \$100,000.

The only purely Mutual Life Company in Canada.

Total number of Policies in force, Dec. 31, 1883, 5,241. | Covering Assurance to the Amount of - \$6,572,719.71.
Total Net Assets - \$525,939.42. | Net reserve to credit of policy-holders \$482,177.47. | Surplus, \$43,761.98.

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.
 The rapid growth of the Company may be seen from the fact, that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of **\$533,705.55!**

I. E. BOWMAN, President. **W. HENDRY, Manager.** **W. H. RIDDELL, Secretary.**

CONFEDERATION LIFE ASSOCIATION.

HEAD OFFICE, TORONTO, ONT.

A HOME COMPANY.

GUARANTEE CAPITAL, **\$1,000,000.**

GOVERNMENT DEPOSIT, **\$86,300.**

CAPITAL AND ASSETS, 31st December, 1883, **\$2,153,728.58**

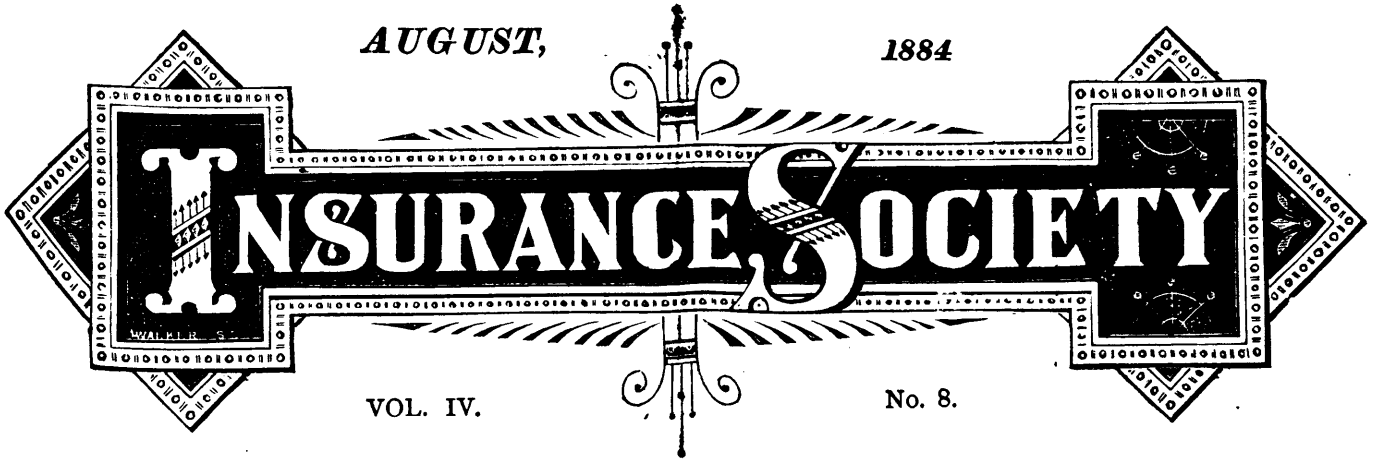
Confines itself to Legitimate Life Insurance. Affords Security to Policy Holders, unsurpassed by any other Company.
 The system of Distribution of surplus employed by this Association secures, with other advantages, the following:
 1st. It avoids the weakening effect of paying too large profits in the early years of the policy, and the consequent inability to do justice, as the policy becomes older.
 2nd. It strengthens the position of the Association, and consequently the security to the policy-holders.
 3rd. It secures an increase in profits from year to year, and an equal share to each kind of policy.
 4th. It does away with the objection, "that endowment and limited payment policies are taxed for the special benefit of ordinary life policies."

Policies Non-Forfeitable after Two Years, and Indisputable after Three Years.

Hon. Sir **W. P. HOWLAND, C.B., K.C., M.G., President.** **J. K. MAGDONALD, Managing Director**
MAJOR J. MAUGREGOR GRANT, St. John, Manager for New Brunswick. **AUGUSTUS ALLISON, Halifax, Manager for Nova Scotia.**
H. J. JOHNSTON, Montreal, Manager for the Province of Quebec.

AUGUST,

1884



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OUR INSURANCE DEPARTMENT.

Nearly a year ago we expressed a hope that the law maxim "*quod fieri non debuit factum valet*" —which reads like a satire—would find no echo in our Canadian Insurance Department, but after long and patient waiting we are reluctantly compelled to admit that such hope has proved so far entirely delusive, for not only is underground insurance still carried on in the Dominion with impunity, but from what we can learn it is increasing in quantity, while an instance which has lately come under our notice goes to show that it is deteriorating in quality.

The fact that the "Standard of Hamilton" now happily deceased, could at one time transact business unchecked in Provinces where it was not licensed was disgraceful enough, but what can be said of a so-called Insurance Department which either openly permits or is powerless to prevent an agent issuing receipts for a company which has absolutely no existence whatever! The City and Provincial Insurance Company of Manchester, England, sounds well, but in stating that we have stated all, for there are no directors, no shareholders, no funds, in short no such company extant, and those who fondly imagine they are insured because a self-constituted agent or attorney has given them a pretty piece of paper bearing the above name will live to learn the truth of the Latin saying "*ex nihil nihil fit*;" yet our Insurance Department sits smiling with folded hands and declines to take any steps to correct the evil, knowing well that there are enough solvent companies to support handsomely an office which daily exhibits itself as a monstrous and useless farce. We do not wish to be unnecessarily severe, but we use the above language advisedly, for we presume it will be admitted that the two-fold intention for which the department was inaugurated was, firstly, to obtain, by means of the

deposit law, a certain amount of cash of which the Government at that time stood in much need, and, secondly, by the same means to exclude weak wild-cat companies from preying upon the public. Now no one will pretend to maintain that the few hundred thousand dollars deposited by the licensed companies are any longer required by the Dominion Exchequer, and, as regards the second object of the Act, we have had conclusive evidence of the utter and contemptible failure of the department in such direction.

There may be arguments for and against having any Insurance Department, but certainly there can be no question that one which either cannot or will not carry out the Act by which and for which it was created is worse than useless, being a positive injustice to the honest Companies without serving any purpose regarding dishonest ones, and if the department cannot keep companies, both those having an existence and those having none, from transacting business in the Dominion without taking out a license or making the legal deposit, then, in the name of fair play and common sense, let it acknowledge its incompetency and have the justice to refund the deposits it holds already, such, very apparently, having been obtained under false pretences.

We understand that the department has been duly informed of some flagrant breaches of the Insurance Act by an agent or attorney of more than one unlicensed United States Company openly doing business in Quebec City, besides which we have reason to believe that at Sarnia and other points on the Ontario boundary similar evasions of the law are regularly practiced. We venture to assert that, as regards the Insurance Department of New York State, the superintendent has full powers to proceed against any delinquent who violates the law without waiting for information to be furnished him by third parties, but here it seems easy for the law to be "more honored in the breach than the observance."

In conclusion, while we do not hold state supervision in Insurance to be an unmixed blessing, believing it has the tendency with respect to that business of preventing the public from thinking for themselves, or using that discrimination which every one exercises in other branches of commerce, still if we are to have such supervision, surely we have a right to exact the real article and not the spurious imitation our paternal government humbugs us with.

"*Maxima debetur pueris reverentia,*" and if we are to be treated as children let us at least have that reverence due to those in leading strings and not have our innocence insulted by being presented with a counterfeit coin in place of the real metal—or is the department when we ask for bread to give us a stone?

Since writing the above we learn that an agent in Hamilton, is canvassing the public to give him insurance in the "Anglo American," another Company whose existence is only in the realms of imagination.

OVER-INSURANCE AN ELEMENT OF MORAL HAZARD.

Just at this moment our fire under-writers are on the *qui vive* to learn, if possible, the why and the wherefore of the constantly increasing volume of losses occurring throughout the land; and then, what can be done to prevent this constant drain upon the funds of their several companies. Among the more prolific of many recognised causes of these growing losses, general opinion seems to have fixed upon what is called fraudulent over-insurance as one of the chief, thus casting the entire onus upon the insured, and excusing themselves, as Adam did with Eve, when accused of eating of the forbidden fruit: "The woman whom thou gavest to be with me, she gave me of the tree, and I did eat."—The insured gave them of the over-valued risks and they devoured them unquestioned, and, like Oliver, they still cry for more! The question of the underwriters, having exonerated themselves from all blame in the matter, then resolves itself into what is known familiarly under the somewhat paradoxical designation of "moral hazard," which seems to be an incongruous coupling of the substantive *chance*, or hazard, and the adjective *moral*, to indicate the class of risks appertaining entirely to the insured himself, in contra-distinction to the risks inherent in the merely physical hazard of the subject of insurance itself; including, in fine, what may be designated the "criminal side" of the hazard; and, unfortunately, this moral hazard,—this criminal side of the human conscience—this heritage from the Garden of Eden to the sons of man, still continues to crop out as occasions offer, and they are by no means wanting either in number or opportunity, in the daily life and practice of the descendants of our common mother Eve, and, quite as unfortunately, in all of the numerous branches of commercial enterprise carried on throughout the world, we fail to call to mind an exceptional one that offers so many and such tempting opportunities for the successful manifestation of this "criminal side" of human nature as the fitly named "unequal contract" of insurance. This "old Adam" of human nature forms the ever-present unknown quantity in the insurance equation; it is the larger moiety of the risk, and confronts and staggers the underwriter in his efforts to adjust a price to the hazard offered. The material hazard can be estimated or approximated with sufficient accuracy but the moral hazard—the criminal side of mankind—has never yet been priced. But, bad as human nature may be, it does not necessarily follow that all men seeking insurance are dis-

honest, any more than it follows that because we have laws against murder that all men are murderers, or would be such but for the terrors of the law. This exception is the salvation of underwriting; if all insurers were honest insurance could be had at very low figures; but, so long as human nature remains human nature, this criminal side will turn up on every opportunity, despite the best exertions of the more honest portion of the community, whether underwriters or others; but we are free to say that it will not be found as freely developed in any of the branches of ordinary business as in insurance, for reasons before stated.

Fraudulent over-valuation, as an element of the moral hazard, however, is but one, and by no means the most serious or most effective, of the many schemes planned by rogues to victimize the insurers; and is at all times more or less under the control of the underwriter, if the same means of security against fraud on the part of the applicant be adopted that would be resorted to by any ordinarily careful merchant in disposing of a lot of merchandize on credit to a comparative stranger—both might fail at times, but the general result would be largely on the side of safety. It has its origin, then, in the greed or carelessness of the underwriter;—the larger the amount of the insurance the larger the sum of the premium therefore and the greater the resulting salvage in the event of loss, as the insured can, under the sharp manipulations of a good adjuster, recover nothing beyond his actual loss, and all of the extra premium paid for property that never existed is so much gain to the company and loss to the insured, and, with the agent, the larger the premium the greater his commission thereon. Hence it follows that a game of fraudulent over-insurance is one that two can play at; and one where the longest head and the best trumps usually win.

CONTRIBUTION IN FIRE UNDERWRITING.

PART V.

In our last issue we closed with the remark: "But within the last five years the Miller-Griswold rule, of the Fire Underwriters Text-book has been quite generally adopted among adjusters there, and in the Dominion; and the practice has consequently become more uniform. Of the why and the wherefore of this rule we shall speak in our next issue."

We now propose, as then suggested, to show the why and the wherefore that gave rise to the "Miller-Griswold rule," and its applicability to the purposes for which it was intended, which was to offer a pertinent, equitable and common-sense method for the apportionment of insurances among non-concurrent co-insurers, that is, where several policies cover the same subjects in whole or in part, with co-insurers upon some, if not upon all, of the items, either specifically or generally, a subject that has been discussed by fire underwriters longer, and heretofore with less practical results than any other that we call to mind among fire insurance topics.

In England, as we have already said, there are rules and rules adnauseam, changeable and never fixed. In the early days of the present century some of these rules were

transported, without reference to their fitness, into the United States, where, from want of applicability to the business as there and then practised, after many attempts to utilize them, they became dead letters and were soon forgotten; so, also, in the Dominion, where fire insurance practice assimilates more nearly to that of the States than to the mother country, the adjusters give the English, so-called, rules a wide berth, applying them only where the interest of their companies may seem to call for them.

With a view to a more complete elucidation of the subject we propose to pass in review briefly the points involved in the various rules existing or discarded in England and America, thus portraying their shortcomings as "the why and the wherefore," that something more suitable to, and more in harmony with, the principles of fire insurance should be diligently sought for, and, when found, made a note of for the guidance of all concerned; and in this process a further reference will be necessary to the compound policy, the rock of offence upon which so much fire insurance wisdom has been so frequently wrecked, with so small an amount of valuable salvage remaining.

The compound or collective policy is a loose, floating insurance, covering several subjects in one or several localities at the same time, under a single sum for the whole. In England, when covering in more than one locality the policy is, by law, made "subject to average," and is hence indifferently designated as an "average" or "floating" insurance. But when covering on one or more subjects, in one sum, in a *single locality*, the insurance is termed "specific" or "specified," and may thus represent, in American practice, either the "specific" policy, covering but one subject, or the "general" policy which covers several subjects in a single sum, but in a single locality. And this is why the attempts made during the first quarter of the present century to apply English rules to American practice could not be made to succeed. Hence it follows that when "specific" insurances are spoken of the essential difference between American and English practice must be borne in mind.

While the issuing of "floating" policies has ever been the *rule* in England, but the *exception* in America, the nature of collective insurances and their reciprocal effect as between non-concurrent co-insurers, especially when some of the policies may be further complicated by the operation of the average clause,—seems to have been, with one or two notable modern exceptions, but partially comprehended. And as with much other valuable knowledge, insurance-wise fire underwriters of to-day are indebted to C. C. Hine, Esq., of the *Insurance Monitor*, for the first really pertinent suggestions as to collective insurances and the classifying of them in such form as would bring them into contributive relations with co-insurers under non-concurrent policies, whether compound or specific. In an interesting contribution to the columns of the *Commercial and Insurance Journal*, Philadelphia, 1862, upon "The settlement of losses by fire under compound and specific policies" he says: "The complications and perplexities which surround this vexed question have arisen mainly from three

sources, to wit: 1. A singular and persistent misconstruction of the chief ends and aims of insurance, 2nd. A failure to classify the *different sorts* of non-concurrent policies and construct rules fitted to each class: and, 3rd. A confounding of English average and specified policies with our practice in America, where nothing of the sort prevails."

In discussing Part 2 of his Paper, Mr. Hine divides compound insurances into *five* separate classes, with examples and rules for the treatment of each; of these, examples one and two are the key to the whole, examples three, four and five being but modifications of either one or two. The author of the Fire-Underwriters Text-Book availed himself of Mr. Hine's labors, the class *two* and *one* of the Text-Book being the *one* and *two* of Mr. Hine's paper, and the illustrative examples of the two classes are largely taken from the same valuable source. We note however, that Mr. Hine holds to the views already expressed by us, that the "compound policy floats with the loss;" that in class 1 of the Text-Book the apportionment of insurances is in the ratio of the loss upon the several subjects; but in class 2 (Text-Book) the compound insurance having a specific item, must first pay the amount of loss thereon, "being in the nature of a specific insurance and contribute with co-insurers in the balance only." And this was in 1862!

To battle with these constantly recurring "complications and perplexities," resort was had from time to time to various rules or systems of adjustments of losses, some of the more prominent of which we briefly rehearse, bearing in mind that the average or floating policy forms much the larger portion of the mercantile insurance of the mother country, and that the majority of their rules have reference to this class, and whatever may be the effect of any of the rules upon the companies themselves, they all aim at giving the assured full indemnity within his insurance.

The following applies to concurrent specified insurances alone:

1. The policy with the widest range—covering the greatest number of subjects—included in one amount, is held to be liable for the whole sum upon any subject.
2. The policy with a more limited range—lesser numbers of subjects—is equally liable for its whole sum upon each of its items.
3. Each policy is held liable for a partial loss upon one of its items, in the ratio of its amount.

When average and non-average or specified policies are combined upon the same risk, the specified insurance is, usually by agreement, first exhausted before the average policies are to be called upon to contribute, as by their terms the latter are held to cover only any excess over and above the specified insurance. But when the loss may be upon subjects not included in the specified insurance, the amount of such specified items is to be deducted from the sum of the average insurances, and the apportionment will be made upon remainder. This is founded upon the consideration that the specified property by the operation of the second clause of the average policy was *not* at any time under the

protection of the floater, and hence should be deducted from the adjustment, thereby increasing to that extent, the liability of the floater by relieving that amount of specified insurance. Another Rule was:

"In cases of concurrent average insurances the policies of the most limited range are to be treated as specified policies, in the order of their extent, and are to be called on in that order to make settlement; while those of greater extent are only brought forward in the same order to cover any excess of loss remaining after the exhausting of all of the lesser ranged policies."

One other mode of settlement known as the "Limited Liability Clause," was adopted in the City of Liverpool in 1842-1843, by which the liability of each office was first separately ascertained as if it stood alone, and the joint liability was thence obtained. This system was confined to the City of Liverpool, while it continued in vogue, but, for some cause, it was subsequently abandoned.

(To be continued.)

THE VICTORIA MUTUAL FIRE INSURANCE COMPANY.

The business of this Company was, a few years after its organization, separated into three branches, severally designated "General" "Waterworks" and "Hamilton."

GENERAL BRANCH.

On the 31st December, 1881, the liabilities of this branch exceeded its assets by \$5,131.31; on the 31st December 1882, a balance of \$11,025.84 was shown against its assets, and on the 31st December 1883, this balance was increased to \$12,883.09. It had, therefore, been in an insolvent state for nearly three years.

WATERWORKS BRANCH.

This branch was closed on 27th December 1880, when its *cash system* policies were reinsured and its *premium note* policies cancelled. It was, evidently, in a state of insolvency at the time.

HAMILTON BRANCH.

This branch has, since its commencement, done a successful business in a small way. On the 31st December, 1883, its *assets* exceeded its *liabilities* by \$29,850.37. But it is and always has been conducted on *purely mutual* principles. The two other branches were established on a *MIXED mutual and cash system* basis.

It seems strange that, in the "Abstract Reports" of the Inspector of Insurance and in the "Recapitulations" which accompany his "Detailed Reports," the business results of companies which have separate branches, should be *lumped* instead of shown separately. Thus the surplus of the general assets of the Victoria Mutual over its liabilities is represented as having been, on the 31st December 1883, \$16,966.88. To say the least of it, this showing, although it presents the appearance of a shadowy stability is apt to mislead; one of its branches being hopelessly insolvent, its "Borrowed Money" alone, \$14,331.03, exceeding the total amount of its assets by \$5,177.23!

Each branch of a Mutual Insurance Company seems, to be a separate and distinct organization, only connected with the parent company for the sake of economy in management; for, according to the Statute—36 Vic. cap. 44, Sections 64, 65, 66, 67, Ont.—members of such a Company in one branch "shall not be liable for claims in any other branch," and each branch shall be assessable for its proportion of all necessary expenses.

But the same statute, 36 Vic. cap. 44, at section 75 also enacts that "all the property and assets of the Company, including premium notes, or undertakings, shall be liable for all losses which may arise, under insurances for cash "premiums" and it may be that this will account for the *lumping* process. However, to lump in the case of the Victoria only, when there are other Companies which have branches, might appear invidious and have the effect of drawing special attention to its affairs; therefore it is quite likely that to prevent, as far as possible, any such singularity, the lumping process has been made to include all *branching* Companies in the "abstract reports" and "recapitulations" aforesaid.

But, if it be true that sect. 75 of the act above referred to, over-rides sections 64, 65, 66 and 67, how monstrously unjust to the members of the Hamilton Branch of the Company, that they should be, without their knowledge, saddled with debts on a system which had evidently been repudiated by them when their Branch was formed. It was surely to prevent such a contingency that they preferred *pure mutuality* to the *mixed system*.

The question might be asked—why not close the General Branch, as the Waterworks Branch was closed on 27th December, 1880? Not a difficult question to answer. The General Branch cannot pay, from its own resources, the cost of the reinsurance of its *cash system* policies.

But, and we now approach one of the most singular incidents that have ever occurred even in the experience of a Mutual Fire Insurance Company:—the Victoria Mutual has been relieved of its ancient indebtedness. In some respects this may seem a boon to the Company, because its *lumped* assets may now possibly approximate \$32,000. Still, how painful to the feelings of a twenty-year-old management to have to write off a debt-money borrowed in good faith from trusting people ever so many years ago,—and not to know, to be puzzled, worried and tortured, how to make a proper entry of the matter in the Company's books. The history of the affair will doubtless prove an excellent advertisement of the Company.

On the 31st December, 1878, the amount of "money borrowed" by the Victoria Mutual Fire Insurance Company on securities given and still unpaid was \$30,000.

During the year 1879, this indebtedness was divided between its *General* and *Water Works* Branches each taking \$15,000.

On 30th December, 1880, the amount of money borrowed on debentures or other securities and *still unpaid*, with accrued interest, by the *General Branch* had been \$15,378.30 and by the *Waterworks branch* \$15,163.33, and so this indebtedness,—"*money borrowed*,"—has apparently gone on ever since, "*still unpaid*." Year after year the same expression occurs "*still unpaid*."

We cannot tell what it amounted to in the *closed Water Works Branch* on the 30th December, 1883, but in the *General Branch* it had been reduced to \$14,313.03.

The Company not a long time ago, made an assessment of 25 per cent on all premium notes in the *Waterworks Branch* in force on 22nd September, 1880, for the purpose of paying the promissory notes of the Company issued, in respect of that branch. It was a sort of test question and would apply to the *General Branch* also. But the assessment was disputed, and the dispute came finally before the Ontario Court of Appeal,—*Victoria Mutual Insurance Company vs. Thompson*, when judgment was given for the defendant with costs.

The statute relating to Mutual Fire Insurance Companies gives power to assess premium notes for sums necessary to meet the losses and expenses of the Company during the currency of the policies for which they were given, and also to provide in a *very limited degree* for a reserve fund; but it certainly does not empower a Company to assess its new

members for the purpose of enabling it to pay notes given for losses incurred previous to their joining the Company. This attempt to assess having proved futile, and the Company possessing no *available* assets besides its premium notes—for its Government *Deposit* can only be applied *pro rata* towards payment of authenticated claims against it and unearned cash premiums—the ancient promissory notes of the Company—the “money borrowed” by it in days of yore—virtually cease to figure among its liabilities.

THE ROYAL INSURANCE COMPANY.

The full report of the annual meeting of the Royal, held at Liverpool on the first inst., will be found on page 195. This report contains some features of more than ordinary interest, and some of the remarks made by the Chairman are well worthy of perusal. A cursory glance at the statement will suffice to show that the Royal has passed through the fiery elements of 1883, not only holding its own, but also presenting remarkably favorable results on the year's operations.

The Royal was established in 1845, and has within comparatively few years become an institution, which, for progressiveness, stability, resources and extent of operations has not been excelled in the history of fire insurance. Its income derived from fire premiums alone has almost reached five million dollars per annum, whilst its total funds, fire and life, (including the increased or market value of its investments over their book valuation) amounted to the magnificent sum of about twenty-eight million dollars on the 31st of December, 1883. These are figures which the management may justly take some pride in displaying. We do not know of any institution in existence whose name is so universally familiar as that of the Royal Insurance Company of Liverpool.

A very pleasing feature in connection with the report for 1883, is that while the fire premiums have increased by a considerable sum the fire losses have been less than those of 1882; and also that its investments have increased in value by about two millions of dollars, which sum has been wisely transferred to a new fund styled the “Conflagration Fund,” specially meant to provide against the possibility of a large conflagration, such, for instance as the Chicago and Boston fires. We do not quite see the necessity for the nomenclature for this fund, but probably it is to be found in the fact that the shareholders, who are naturally fond of getting large dividends, might otherwise object to this large extra addition to the reserve funds.

The following extract from the Chairman's speech is worthy of special notice:—“When large profits were obtained, prudence dictated the necessity of piling up large reserves, which now amount to a magnificent total. And now that we meet under changed circumstances prudence is still in the ascendant in the management of your affairs.”

In the Fire department the net premiums received in 1883 amounted to \$4,913,685, as against \$4,721,325 in 1882, showing an *increase* of \$192,360 over 1882. The net losses were \$3,017,160, as against \$3,082,220 in 1882, being \$65,060 *less* than in 1882. The following is a comparison for the past three years:—

	Premiums	Net Losses.	Expenses and Com.	P. C. of prem. in. Losses.	Exp. & com.
1881....	\$4,416,625	\$2,958,740	\$1,274,165	67	29
1882....	4,721,325	3,082,220	1,324,850	65	28.1
1883....	4,913,685	3,017,160	1,395,820	61	28.4

The fire funds now stand as follows:—reserve fund \$4,750,000; fire fund \$2,750,000; conflagration fund \$1,000,000; balance of profit and loss \$1,202,700, giving a total of \$9,702,700, exclusive of a paid-up capital of \$1,447,725, which would give a grand total of over twelve million dollars, and this of course does not include the life funds.

In the Life Department the net premiums received amounted to \$1,264,395, and the interest derived from investments was \$571,265; the expenses and commission in this branch were only 10 per cent., which bears a very favorable comparison to that of other life offices. The life funds on December 31st, 1883, amounted to \$15,075,098. The quinquennial valuation will take place at the close of the present year.

The funds of the Royal, fire and life, not including the increased value of its investments, stood as follows on December 31st 1883:—

Paid-up Capital.....	\$1,447,725
General Reserve and Fire Fund..	8,500,000
Life Funds	15,075,098
Balance of Profit and Loss.....	1,867,405
and perpetual insurance account	

Being a grand total of..... **\$28,890,228**

These figures fully justify the confidence which has been extended to the Royal Insurance Company throughout the whole world. It is also worthy of note that the fire funds, independent of the capital, are equal to two years premium income, which is more than ample for all possible contingencies.

The Canadian branch of the Royal, under the able and energetic administration of Messrs. Gault & Tatley, chief agents, does the largest fire business in the Dominion, its income in 1883 being double that of any other fire office. The losses are settled promptly and with liberality. Great care has been exercised in the selection of the agents of the Royal, and consequently it has succeeded in procuring a staff of agents who would be a credit to any Company and who are distinguished for their zeal and *esprit de corps*.

The Halifax, N.S., City Council, has in its wisdom, thought it well to follow the example of Kingston and Ottawa, and impose a tax of \$200 on each fire insurance company doing business in that city. The Halifax Board is going to resist payment. We would recommend the Board not to go to the trouble of doing so, but simply follow the example of the Quebec and Ontario underwriters, and increase the rates, by say 10 per cent. Let the Halifax City Council, or any other City Council, understand that by a law as inevitable as that of gravity, the taxes imposed upon insurance companies, must be paid by the insuring public. We have in previous issues of INSURANCE SOCIETY devoted considerable space to show the absurdity of these special taxes.

THE INSURANCE TIMES OF NEW YORK AND ITS "LAW DEPARTMENT."

Our vigorous, and occasionally impulsive, American contemporary, the *Insurance Times*, of the City of New York, has recently opened up a "Law Department" column, edited by Zavaar Wilmshurst, *a nom de plume*, presumably, selected by some aspiring young lawyer as being *outré*, the invention of which must have taxed what brains he chanced to have very severely,—and with a heading of "bill-poster type" half an inch in height, intended, probably, to invite the attention of readers of the paper to what is usually considered a somewhat dry subject. The July issue of the *Insurance Times* treats upon the subject of "Contracts," but, in lieu of the *law* of contracts, as the heading of the "Law Department" column would lead us to look for, the Editor, evidently an undergraduate of some mediocre institution of learning, starts out boldly with a syllogism covering three truisms, which he designates as "Elementary Principles," and then proceeds as if arguing before a hay-seed jury, with a startling onslaught upon Federal and State legislatures, which he charges with disregarding the "elementary principles" of his syllogism by enacting laws which, he says, have been pronounced unconstitutional by the highest courts. So much the worse for the courts. In this connection he takes the recent legislature of New York severely to task for its action upon the bill in the matter of suicides in the following egotistical burst of grandiloquence and questionable grammar—the italics are ours:

"In relation to life insurance contracts, it is not too much to say that our law-givers have, in many instances, shown a wanton and imperious contempt for ethics. A signal instance was discussed in this department in the last number of *The Insurance Times*. A bill offering a premium to the broken-down and desperate to commit suicide for the sake of enriching his heirs with the proceeds of his life insurance policy, passed both houses of the New York Legislature, and, although the writer sent a most earnest petition to Governor Cleveland to prevail on him not to sign it, he is not so vain as to flatter himself that the Governor let it die for any other reason than his prompt and unaided perception of the iniquity it involved."

This is an exhibition of modesty rarely met with, for it cannot but be self-evident to the most casual reader, that Governor Cleveland let this iniquitous bill "die" for no other reason than that he was convinced of its iniquity by the "earnest petition" sent to him by this same Zavaar Wilmshurst.

He next lashes the Legislature of Massachusetts in the same grandiloquent strain for the passage of the "color line" law, forbidding Life Companies from discriminating between white and black lives,—a very ludicrous and harmless law, by the way, and one which carries its own antidote. All of which is very well in its way, and contains some very well made points, if they had not been presented in such a farcical and pompous manner, indicative of untrained but aspiring young genius, striving to make the great *ego* appear throughout the diatribe. Fortunately this Z. W. is evidently young in years and experience; and that, as he grows older, he may increase in wisdom, if not in retiring modesty, is our worst wish for him in the future.

LIFE ASSURANCE IN CANADA AND AUSTRALIA.

It will no doubt be interesting to our readers to compare the different details in the transactions of the Canadian and Australian life companies. The great similarity in many ways of the two fields makes such a comparison both interesting and instructive. The population in both countries is mainly of British descent, while the numbers are not very far apart, Canada having the advantage of from one to one and a half millions.

POSITION AT END OF 1882.

	Canadian Cos.	Australian Cos.
Number of Companies	9	10
Premium Income.....	\$1,562,085	\$5,815,645
Increase during year.....	271,059	664,340
Total income.....	1,949,303	7,462,545
Claims for year.....	435,330	1,810,360
Increase during year.....	46,522	519,075
Total expenditure.....	1,182,513	3,441,665
Assets.....	7,787,203	29,079,595
Gain in assets during year..	946,455	4,020,880
Assurances in force.....	53,901,577	about 200,000,000
Increase during year.....	7,859,986	about 23,000,000

The history of life assurance in Australia and Canada has been in many ways very much alike. The first company (the Australian Mutual Provident) was started there in 1848, while our first company began in 1847. In both countries this one continued until about 1870, as the only native company. About that time, however, both here and there, a number of new companies sprang into existence, and the number of companies in the two cases is now just about alike. There is, however, a great difference in the magnitude of their business. While we have good reason to be proud of our Canadian companies when viewed by themselves, we have to hang our heads a little when we compare them with those of our Australian brethren. The Australians have not however had to contend with American competition as have our companies. If the Canadian companies had had their field as much to themselves as the Australians have had, and the money which has been paid in premiums to American companies had gone to Canadian ones, we would almost certainly have had companies which would have at least equalled the Australian ones in size and volume of business.

As Mr. Elizur Wright has recently been busy giving the Mutual Reserve Fund Life Association something like a certificate of good character, it is just as well to remember what is his real opinion about assessment companies. He once said: "If the co-operative scheme is to be called insurance at all, it is merely temporary insurance on credit. Just as sure as the down-hill road of life grows steeper and steeper, and the demands on the living members become correspondingly heavier and heavier, this credit will prove a failure. The hale members will cease to pay. The moribund will be disappointed. They have been thus far apparently insured to the full value of the money they have paid. If the insurance had really been of a good quality, it might be said they enjoyed all they paid for. But the insurance has been miserably imperfect, because it all the while ran the risk of what now has happened. They have contributed largely to the indemnity of others, and are now, when health has failed and no sound company will admit them, left in the lurch as to their own."

QUINQUENNIAL DIVISIONS OF LIFE PROFITS.

The almost universal custom among English and Canadian life companies, is, as most of our readers know, to divide their surplus only every five years. The same was true of the business in the United States when it was yet young, but matters gradually changed, until now the system of yearly profit divisions has been adopted by almost all the American life offices. It has generally been considered that the tendency of the business was in that direction. It would almost appear however as if a slight reaction was setting in, for the Mutual Life, of New York, the largest American company, has just issued a prospectus of a new plan of assurance, one of the most prominent features of which is a quinquennial division of profits only. Surrender values also are only given at the end of every five years. It resembles very strikingly the five year dividend plan in use by the Life Association of Hamilton.

A decided reaction has moreover set in against the low rates which have in some instances been introduced in the States as well as here. The Mutual Life (of N. Y.) a few years ago reduced its premiums by fifteen per cent., but has since found it advisable to retrace that step. Its new premiums are in fact higher than those of other American companies, which in their turn are much higher than those of most Canadian companies. It will be remembered that the Connecticut Mutual also increased its rates a short time ago. In both cases the steady and progressive fall in the rate of interest is the cause assigned.

GLASGOW AND LONDON INSURANCE COMPANY.

From the report submitted to the general meeting of the Glasgow and London, held on the 25th ult., we learn that the total income for the year ending June 30th was \$1,095,230; the revenue from premiums amounted to \$1,080,430. The fire losses amounted to \$671,105: the sum of \$215,805 was carried forward, as against \$117,945 in the previous year. An interim dividend at the rate of 4 per cent. per annum for the last six months of the year was recommended and adopted.

BRITISH EMPIRE LIFE ASSURANCE COMPANY.

It is evident that the British Empire Life intends to take up its abode permanently in Canada, judging by the various investments made by it in the Dominion, the latest being the purchase of the Exchange Bank Building, at the corner of Notre Dame and St. Francois Xavier streets, in this City, for the sum of \$110,000, to be used as the head offices of the Company for Canada.

We recently referred to the class of offices used by foreign companies in this City, as not being at all in keeping with the character and standing of these companies, and we are sure that investments of this nature would be appreciated by Canadian policy-holders. The British Empire and Standard life offices have set a good example in this direction, and we should be glad to find other life offices making larger investments in Canadian securities. Mr. F. Stancliffe, manager for the Dominion, is to be congratulated in securing such a first-class building, situated in the best business centre of Montreal.

ONE OF THE "HEPTASOPHISTS."

(Communicated.)

We remember to have read of certain wise men who came from the EAST, journeying to the WEST upon a voyage of discovery. We have also since heard of the "seven wise men of Gotham," alias "*Heptasophists*," who are said to have "gone to sea in a bowl;" but as to the exact locality of "Gotham" or whether they sailed EAST or WEST in their new-fangled craft, the veracious historian has failed to inform us; but, judging from a communication appearing in the July ulto issue of a WESTERN contemporary, over the signature of a gentleman of hitherto peregrinatory tendencies—if we may be pardoned the expression—but now a temporary resident of one of our EASTERN provinces, but soon, as we are informed, to continue his peregrinations WESTWARDLY, to take up his temporary or permanent abode, as the case may be, in this goodly city in connection with one of our British offices; and from the way in which he manages therein to blow his own trumpet, as did the *Sophists* of old, we take it for granted that some of these same *Heptasophists*, despite their model mode of navigating, must have been cast upon our shores by the winds and the waves, either collectively or individually; and being a long-lived race they continue to turn up "promiscuous like," at unsuspected moments and in unlooked-for places, for, after the manner of these *Heptasophists*, from time immemorial, he boasts of his quarter of a century's experience and of the occasions offering and improved by himself to impress his own views upon the impliedly inexperienced members of the Halifax Board; and expresses the hope that the day may come when—presumably under his fostering care and experience—our contemporary's view as to rates, etc., which it seems, are harmonious with his own—will influence the Underwriters of Ontario and Quebec, after he settles in their midst.

Aside and apart from the merits of the question at issue, to which, as in most others, there are two sides, our *Heptasophist* manifests an evident want of good taste in thus reflecting, even by implication, upon the actions of Ontario and Quebec underwriters, among whom he intends soon to settle, and taking it for granted, in advance, that no theory or practice in fire underwriting can be of any value that will not fill the Procrustean-bed theory of his own reasoning.

It is to be hoped, however, that the junior members of the profession, *i.e.*, those of less than twenty-five years, experience in harness will be disposed to profit by the lessons of so wise a man; and that the veteran members, with half a century's experience at their backs, will not be so rude as to hint to the newly arrived *Heptasophist* that there is such a thing as being over-wise in one's own conceit.

QUEBEC.

PROMPT PAYMENTS OF PREMIUMS.

Any plan to secure prompt payment of premiums in this city (New York) would be a blessing to the companies. Even the best brokers, which by the way includes the companies themselves, handling brokerage risks, are slow pay and need urging. The plan of all is never to pay a premium until collected, and if a patron is slow, the broker gives him time until the companies exhaust all patience and seek to protect themselves by sending out cancellation notices. It has been suggested that the tariff companies may invoke penalties for slow payments by a sliding scale of commission, allowing the maximum only in cases of policies paid within ten days after the first of the month after the issue of policies and reducing the commission at the rate of two and a half per cent for every succeeding ten days. This will make it to the interest of the brokers to hurry up the delinquents and only by some more potent remedy than threats to cancel at the end of sixty days is necessary to arrest this growing evil.

Insurance Monitor.

MUTUAL FIRE INSURANCE COMPANIES.

SUITS AGAINST POLICY-HOLDERS.

During the last session of the Ontario Legislature an unsuccessful attempt was made to repeal section 71 of the Act respecting Mutual Fire Insurance companies being chap 161 of the Revised Statutes.

The objectionable section runs as follows:—

“Any suit cognizable in a Division Court upon or for any premium note or undertaking, or any sum assessed or to be assessed thereon, may be entered and tried and determined in the court for the Division wherein the Head Office or any agency of such company is situate.”

Now it does seem to be unfair to the assessed party, if he live at a distance from the Head Office, that, in order to defend his case, he must travel to a place may be one, or two, or three hundred miles away; *e. g.*, defendant, a resident at Ottawa; plaintiff, a company at Hamilton, and the amount sued for, with costs, less than ten dollars. Better by far, although conscious that his defence would win, to let the case go against him by default rather than incur travelling expenses and loss of valuable time.

It is urged that many suits have been gained by Mutual Fire Insurance companies in this way; and it is therefore claimed that assessments should be sued for at those Division Courts only which are nearest to the places of residence of the parties sued.

But say the Mutual Companies—production of their books might be ordered by the Court in order to prove their claims; and this, in a case like that just cited, would involve not only great expense, but great inconvenience. It might be necessary to subpoena more than one of the Company's officials, and during the absence of books and officials from the office the business of the company would be seriously interrupted and brought comparatively to a standstill.

Such are the main arguments *pro* and *con*; and from an outsider's point of view one seems as good as the other.

A suggestion presents itself, however—the difficulty could be compromised.

In regard to the assessment of premium notes—chapter 161, Revised Statutes of Ontario, respecting Mutual Fire Insurance Companies, at sections 47 and 49, explain what is necessary. They are as follows:

47. All premium notes or undertakings belonging to the Company shall be assessed under the direction of the Board of Directors, at such intervals from their respective dates, for such sums as the Directors determine, and for such further sums as they think necessary to meet the losses and other expenditures of the Company during the currency of the policies for which said notes or undertakings were given, and in respect to which they are liable to assessment; and every member of the Company or person who has given a premium note or undertaking, shall pay the sums from time to time payable by him to the Company during the continuance of his policy, in accordance with such assessment; and any such assessment shall become payable in thirty days after notice of such assessment has been mailed to such member, or person who has given the premium note or undertaking, directed to his post-office address, as given in his original application, or in writing to the Secretary of the Company. 36 V., c. 44, s. 43.

49. A notice of assessment upon any premium note or undertaking mailed as aforesaid shall be deemed sufficient if it embodies the number of the policy, the period over which the assessment extends, the amount of the assessment, the time when and the place where payable. 36 V., c. 44, s. 45.”

In the event of suit for payment of an assessment—if, with the writ, a statutory declaration were to be sent to the

clerk of the Division Court nearest to the residence of the party sued (the declaration being to the effect that the requirements of the law had been complied with and that the assessment had not been paid) surely the presence of the clerk of the company and of its books could be dispensed with.

To be satisfactory, however, the declaration should be made to show, in detail, how the requirements of the law had been complied with, both as regards the purposes for which the assessment had been levied and the mode in which it had been levied, and a copy of it should be served on the defendant.

A severe penalty might also be made to attach to an untrue declaration.

This plan we think should be satisfactory to the defendant who could not then complain of either the distance which he would have to travel, or the time which he would have to lose.

It would also be productive of satisfactory results in other respects. The Company would be compelled to exercise greater caution in its selection of risks at a distance than (it is quite possible) it previously had done, and it would never sue for an assessment unless it had a good case.

OVER-INSURANCE.

(Communicated by an outsider.)

In your June issue, I notice a reply by an “Insider” to my remarks on the above subject which appeared in your previous number. As the writer so strongly opposes both my basis of argument and conclusions, I suppose it is desirable that I should say something on the subject.

The greater part of “Insider's” article can be placed under one of three headings.—(1) the statement that I am charging the public with dishonesty; (2) remarks on the Wisconsin valued policy law; and (3) a discourse on the evils of *Under-Insurance*. These items can be disposed of without occupying much space. To the first I would say, I do not attack the business character of Montreal insurers, merchants and property owners, any more than “Insider” does. He has to admit that there is a dishonest element in the population. I merely claim that the course followed by the companies, encourages and assists this section to make money out of the companies by fraudulent claims, besides making those who are honest less careful, since they have not the same stake in their property that they would have if they were to lose even a small sum if a fire occurred. As to the second and third items, I quite agree that the valued policy law is an iniquitous measure, while I also acknowledge the evils arising from under-insurance. There is no difference of opinion between us on these points. “Insider” can show nothing in my communication advocating a valued policy law or under-insurance (that is under 75 or 80 per cent. of the value.) He has set up targets for himself both right and left of me, and then gone to great trouble to knock them down, which may of course be interesting work for him, but it in no way affects my arguments.

But now let us come to those portions of “Insider's” reply which do bear on the point at issue.

He first asks what my authority is for the statement that “there is no doubt that less care is taken by the proprietor, when he knows that a fire would benefit him financially, rather than injure him.” He calls the assertion preposterous, and says that like an overdose of poison it works out its own refutation. I confess I fail to see the force of his argument, and I doubt if your readers will. To those, who understand anything of human nature, the proposition is self-evident. As for my authority for my

statement of the ease with which persons can and do get insurance beyond the real value of their buildings, or stock. I do not think many "Insiders" who have looked carefully into their business will deny it. My own experience has been that when insuring, the question of value as a rule is very little, if at all touched upon. The aim of most companies seems to be to get the largest amount of insurance possible.

"Insiders" next argument is original. He says that over-insurance is an impossible thing, since *under-writing* and *over-insuring* are incompatible terms. This may be true in theory, but sad experience shows that it is not so in practice. Perhaps however he only wanted to make a little pun.

He next says that my views are not new, as persons were prohibited as far back as A.D. 1500 from insuring their property for more than seven-eighths of its value, and the three quarter value clause and others somewhat similar, all tend in the same direction. This may all be quite true and shows that even in the olden times, the necessity was felt and acknowledged for restrictions such as I have pointed out. This part of the article overthrows some of his other arguments, and proves that the evil does exist and has long existed. The question then narrows down to the best way of overcoming it. "Insider" claims that all efforts in this direction have failed, "because under-writing, to be profitable, requires that all insurances shall be as nearly to the full value of the property at risk as is possible to be obtained." He then discourses at some length on the evils of under-insurance. He claims that some people must be allowed to insure their properties for more than they are worth, because other people insure theirs for much less than they are worth. In other words, a company must continue one unprofitable kind of business, because it has another kind which is also unprofitable. The questions of under and over-insurance are entirely distinct and should both be stopped as far as possible. It is with the latter alone however, that I have to deal at present.

The next argument is a statement of the profits, derived from what are, I believe, called floating policies. This too is an entirely different class of insurance, from that to which I referred. I quite agree that such policies, must in many cases be necessary to merchants, and they may perhaps be profitable to the companies. Exceptions of this kind would have of course to be made to any rule such as I propose. This question is entirely a side issue.

There is one feature of the case, which is apparently over-looked entirely. An insurer naturally expects that if his building is burnt down, he will receive the full amount of his policy. If afterwards the amount is cut down by the adjusters, it makes but little difference. The fact remains that the bribe was held out to unscrupulous people to burn their properties, and after the deed is done, the paying or not paying of any sum beyond the cash value of the property, is of secondary importance to the company. An additional loss has been made, and its exact amount matters little.

I think it will be seen that "Insider's" arguments have hardly touched on the edges of my position. The companies allow the public to get insurance for all and more than all their property is worth, and by this means encourage incendiarism among dishonest people, and carelessness among even the honest. Their losses must thereby be enormously swelled, and I contend that in justice to themselves and their paying customers, they should appoint proper inspectors to prevent the continuance of this source of loss.

I cannot close better than by quoting a saying I saw the other day, attributed to Mr. T. S. Chard, of New York :

"In the market the best bid takes the property. Insurance companies must not be the best bidders. When property is insured up to its selling price, the agent need not be surprised if it is knocked down to his company."

"OUTSIDER."

FRAUDULENT CO-OPERATIVES.

In the first place, all organizations that promise to pay any definite amount to the member during his lifetime, without regard to his physical condition, are frauds. There is no other purpose behind such promises except to cheat the applicant and enrich the officials. No qualification of these statements can be made. Certain of them seek to evade the law by so wording their certificates that, upon a member arriving at the "expectancy of life," whatever that may be, they regard, or will regard, it as a physical disability. The transparency of such attempts to avoid the penalties of the act, is shown by the fact that the promises to pay are made to mature twenty-five, thirty-five or forty-five years after the issuance of the certificates, and no payment is made if the member should be physically disabled before these dates. The promoters of enterprises of this character do not wait until physical disability ensues before pocketing the commissions on the payments made by their victims, and, in fact, *their* "expectancy" is reached simultaneously with their percentages.

It is impossible to understand how intelligent people can be duped by these schemes, and yet there has frequently been stated to the Superintendent by people having a good business reputation, their implicit belief in a representation that, on the payment of a maximum amount of \$250, they will receive shortly after, \$2,500. They admit they were not induced to take their certificates and be preferred to their fellow members, still, when the impossibility of the fulfillment of the promises is shown to them, they continue in their delusion with the same feeling, it is presumed, that possesses a man who has a lottery mania. It is surprising the number of victims that are caught by these shams, and there is apparently no falling off in the membership, even with a lack of good character in the officials that manage the concerns.

In closing this subject, the Superintendent suggests that all plans that pretend to guarantee any amounts except the contributions of the members, are fraudulent. There is no insurance of any positive sum, nor can there be in the very nature of the business. Accumulations of reserve funds are proper and wise, when intended to aid the beneficiaries. Where they are composed of deductions from assessments that were not sufficient to pay the face of the certificates, it is a steal, and should be punished the same as any larceny. That a reserve fund will ever be sufficient, as some people state they believe and as some organizations pretend to show—to permanently relieve every one from assessments—is as fallacious as it is absurd. The proposition would not be dignified by a contradiction here if the Superintendent did not have personal knowledge that there are misguided people who believe it will be accomplished as promised. As it is, he apologizes for the seeming insult to intelligence in discussing it. It has been asserted that the American people like to be cheated, and it would appear to be true from the number that quickly offer themselves for the sacrifice of their wisdom in these matters. The greater the delusion, the more victims. The Superintendent is convinced that some of the associations must have in their employ the actuaries who, in the halcyon days of the Anglo-Bengalee Life Insurance Companies, could figure a surplus out of the contents of the office waste-paper basket, and who frequently demonstrated in letters mathematical to the Insurance Journals and at the directors' meetings, that the reserve re-

quired by law was unnecessary, because the policy-holders had agreed to pay more than the company was to return, which, unfortunately, was too true, as the reports of the several receivers show.

It is safe, then, for the people who cannot afford to pay the premiums demanded for guaranteed contracts—and they are a majority—in joining the assessment organizations to avoid those officered by men that promise profit to the members but keep it for themselves, and in whose schemes the only assurance found is in their advocacy of them.—*John A. McCall, jr., Superintendent of Insurance, State of New York.*

THE LIFE OF MAN.

Bob Burdett says, Man, born of woman, is of few days and no teeth. And, indeed, it would be money in his pocket sometimes if he had less of either. As for his days, he wasteth one-third of them, and for his teeth he has convulsions when he cuts them, and as the last one comes through, lo! the dentist is twisting the first one out, and the last end of that man's jaw is worse than the first, being full of porcelain and a roof-plate built to hold blackberry seeds.

Stone bruises line his pathway to manhood; his father boxes his ears at home, the big boys cuff him in the playground, and the teacher whips him in the schoolroom. He buyeth North-Western at 110, when he has sold short at 96, and his neighbour unloadeth upon him Iron Mountain at 63 $\frac{5}{8}$, and it straightway breaketh down to 42 $\frac{1}{4}$. He riseth early and sitteth up late that he may fill his barn and storehouses, and, lo! his children's lawyers divide the spoils among themselves, and say, "Ha, ha!" He growleth and is sore distressed because it raineth; and he beateth upon his breast, and sayeth, "My crop is lost!" because it raineth not. The late rains blight his wheat, and the frost biteth his peaches. If it be so that the sun shineth, even among the nineties, he sayeth, "Woe is me, for I perish"; and if the north wind sigheth down in forty-two below, he crieth, "Would I were dead!" If he wear sackcloth and blue jeans, men say, "He is a tramp;" and if he goeth forth shaven and clad in purple and fine linen, all the people cry, "Shoot the dude!"

He carrieth insurance for twenty-five years, until he has paid thrice over for all his goods, and then he letteth his policy lapse one day, and that same night fire destroyeth his store. He buildeth him an house in Jersey, and his first-born is devoured by mosquitoes; he pitcheth his tents in New York, and tramps devour his substance. He moveth to Kansas, and a cyclone carrieth his house away over into Missouri, while a prairie fire and ten million acres of grasshoppers fight for his crop. He settleth himself in Kentucky, and is shot the next day by a gentleman, a colonel, and a statesman, "because, sah, he resembles, sah, a man, sah, he did not like, sah." Verily, there is no rest for the sole of his foot, and if he had it to do over again he would not be born at all, for "the day of death is better than the day of one's birth."

A Token of Reconciliation.—The *Daily Indicator* says: "The annual statement of the Equitable Life Assurance Society presents a very gratifying appearance."

Oh!

It says: "A gratifying feature of the statement is the separation of the risks, which places the proportion of the surplus for policies in the general class at \$6,420,523.79, and those of the Tontine class at \$5,689,233."

Ah!

It says: "From the amount of new business it would appear that the assurance guaranteed by the policies of the company, and the principle the company has adopted of

prompt payment upon proof of death, are bearing their legitimate fruit, and that the year which has just passed, while being unprofitable to the general run of trade, shows marked improvement in the fiscal standing of this Association."

Hm!

And now from a far-off transmitter we hear Mr. Hyde reverently reading from the Psalms of David: "Mercy and truth are met together; righteousness and peace have kissed each other."

SUMMARY OF LIFE INSURANCE BUSINESS IN THE UNITED STATES.

The figures which represent the transactions of forty-four life insurance companies now doing business in the States are so large as to excite astonishment. The small and tentative beginnings of about forty years ago have grown into immense results. These results may be gathered into one view from the statements of the companies and the reports of the various State Commissioners. It appears that the gross premiums received by the companies from the beginning amount to \$1,262,176,373. There has been paid to policy holders \$900,333,829; adding to this sum the present assets, the amount is \$1,396,469,903. This sum represents the two particulars of the payments to policy holders and the amount held invested for them, and is \$134,293,530 more than the premiums received. Thus it is easy to perceive that for every \$1,000 paid to the companies, there has been returned, or is now held in trust to be ultimately returned to them, over \$1,106. In about two-fifths of a century from the beginning, these immense, and, in one sense, immeasurable results, have been attained. While the growth of this business has been comparatively rapid, and with fair prospects of still greater acceleration in this particular, yet the system combines the firmness and strength of the slowly growing oak.

OF INTEREST TO ACTUARIES.

A Parliamentary return has just been issued which is of considerable interest to life assurance companies and actuaries. It is a copy of a Treasury minute, dated September 7, 1883, and refers "to the preparation of new tables for the grant of savings bank life annuities and insurance, and to the revision of the tables now in force for the grant of life annuities." It also gives a report of the actuary of the National Debt Office, and the appendix thereto, on the same subject, and the report of Mr. Sprague, president of the Institute of Actuaries. The Lords of the Treasury, in commenting on the report of Mr. Finlaison, the actuary of the National Debt Office, which is, in substance, an investigation of the mortality of Government annuitants from 1808 to the end of 1875, observe truly that "such accurate observations of so large a number of lives, extending over so many years, have probably a scientific value beyond their immediate purpose." The general results of the inquiry are such as to necessitate some modifications in the tables now in use. It appears that "the charge for an annuity on a male life should be reduced below the present figure for lives under 50, and be raised for lives above that age; while the charge on female lives should be reduced throughout, that at the age of 60 by about 3 per cent." Mr. Sprague's report, which the Treasury asked for with the view of obtaining corroboration or modification for that of Mr. Finlaison, was of such a nature as to confirm its conclusions almost entirely. The tables given by Mr. Finlaison are fully given in the appendix already mentioned. Mr. Sprague's report is furnished with three very interesting examples of those "graphic" tables in the preparation and use of which Mr. Sprague is so skilled.—*The London, Eng., Review.*

ROYAL INSURANCE COMPANY.

The annual meeting of the Royal Insurance Company was held on August 1, at the company's offices, Royal Insurance buildings, North John street, Liverpool; Mr. Ralph Brocklebank, chairman of the board of directors, presiding. There were also present Messrs. George H. Horsfall, M. H. Maxwell, David Duncan, David Jardine, James Barró, William Cliff, E. W. Rayner, T. H. Ismay, Christopher Atkinson, C. J. Corbally, A. M. McCulloch, Edward Pierpoint, John Gordon, George H. Ball, John Finlay, John Haddock, Joseph Beausire, J. Wilson Jones, Lieut.-Col. Thomas Wilson, William Hobson, C. J. Crosfield, J. Goodman Bull, William McQuie, J. Corbett Lowe, Arthur Bald, Thomas Brocklebank (Molyneux, Taylor & Co.), and other shareholders.

The annual report submitted to the meeting read as follows:—

FIRE DEPARTMENT.—The fire premiums for the period, after deduction of re-insurances, amounted to \$4,913,685, and the net losses to \$3,017,160. These amounts show an increase for the year of \$192,360 in premium, and a reduction of \$65,062 in losses. Deducting agents' commission and all management expenses, the net profit, including interest on fire fund and current balances, amounted to \$636,733, being an improvement on the results of the previous year of \$181,731.

LIFE DEPARTMENT.—During the year new proposals were accepted for \$2,223,545, of which amount \$2,016,920 has been completed, and the corresponding annual premiums obtained to the closing of the accounts were \$70,133. The proposals declined during the period amounted to \$343,665. The total income from premiums, after deducting re-assurances, amounted to \$1,264,395, and the interest received from investments, exclusive of that on the annuity funds, was \$571,265. The claims during the year were:—By death—original sums assured, \$761,512; bonus additions thereon, \$98,866; by matured policies (including children's endowments)—original sums assured \$46,717; bonus additions thereon, \$6,302; making a total of \$913,398. In the annuity branch, the purchase money received for new annuities, together with the premiums on contingent annuities, amounted to \$60,250, and the interest to \$47,012. Forty-two annuities have expired during the year, the annual payments on which amounted to \$6,105. After payment of all claims, annuities, bonuses in cash, and expenses of every description, a balance of \$684,301 has been added to the life funds, making the total accumulations of the life and annuity branches of the company, \$15,075,098.

PROFIT AND LOSS.—The amount at the credit of the profit and loss account, after payment of the dividend and income-tax for the year 1882, was \$853,153, to which have been added fire profit for the year, \$636,733; interest, \$316,033; total, \$1,805,920. The directors now recommend, in addition to the interim dividend of 10s. per share paid in February last, a payment of 12s. further dividend from the fire branch, and 3s. per share from the balance of undivided life profits, all free of income-tax, which will absorb \$603,218, leaving a balance at the credit of the account of \$1,202,701. It has been customary for some years to intimate at the annual meeting of the shareholders what difference existed between the market value of the stocks and shares held by the company, and the value appearing in the books and annual balance-sheets. On December 31st last the market value of these stocks and shares was \$1,728,725 in excess of the book value, and since that date the excess value has still further considerably increased. It has been thought desirable to transfer \$1,000,000 of this increased value to a conflagration fund, to be specially held to meet great losses by fires of exceptional magnitude.

FUNDS.—After providing for payment of the dividend, the funds of the company will stand as follows:—Capital paid up, \$1,447,725; fire fund, \$2,750,000; conflagration fund, \$1,000,000; reserve fund, \$4,750,000; balance of profit and loss, \$1,202,701; life funds, \$15,075,098; total, \$26,225,525.

DIRECTORS.—The following directors now retire, and are eligible for re-election, viz.:—Charles John Bushell, Esq., T. D. Hornby, Esq., George H. Horsfall, Esq., and M. H. Maxwell, Esq.

The CHAIRMAN, in moving the adoption of the report and statement of accounts, said:—I think the shareholders will doubtless be gratified that, notwithstanding the many fires in the year 1883, the Royal is enabled to present a very fair balance sheet as the result of its operations during the past twelve months. A profit of \$500,000 from the fire business in such times as we have been passing through, and satisfactory progress in the different branches of the business, are distinct evidences of a continuance of public favor, of energy and care, and your directors may well express a hope that the shareholders will come to the same conclusion. You will notice from the report that we have made progress in every section of our business during the past year. The fire premiums have increased during the year by \$192,360, and the losses diminished by \$65,060, and the exact fire profits have been \$500,000, and the interest \$450,000, so that it leaves us \$185,000 better off than last year. When I turn to another page, I am sorry to say—and my co-directors join in thinking the same—that there is not such a good outlook as there was at the same period last year. Numerous fires took place in the early part of this year, many of them of a serious character, and, as a matter of course, our profits will be greatly diminished. I never looked upon the Royal Insurance Company in a desponding manner, because whatever our losses may prove to be in one year I am quite satisfied that they will be made up in subsequent years. The numerous fires that we have had particularly in Liverpool, and upon commercial risks, have tended in a considerable measure to reduce our profits. Our interest in Liverpool, as you are perfectly aware, is greater than any other office, and we may hardly expect to get a profit out of our fire business during the present year; at any rate, we can hardly suppose it would be as large as the sum we put before you for the past year. So far the severe experience of fire insurance offices has not been an unmixed evil. You are aware that the success of recent years caused many new companies to be started, with a result that there was immense competition for business, and a consequent reduction in the rates of premium. The natural consequences followed—reduced profits to the well-established offices and ruin to the new ones. The last time I had the honor to preside over you I told you that nineteen companies had been abolished. Now, however, that so many of these companies are swept from the field, rates of premium in this country are once more placed on a fairly remunerative footing, and we may therefore anticipate that after this year fire insurance in England may again be fairly remunerative. I now come to speak of the life business, which you are aware is an important part of the company's work; and as to that I can give you a satisfactory account. You are aware that at the end of the present year we shall have to make a revaluation of our life business. So far the prospect is so encouraging that we may anticipate that at the next meeting a highly prosperous condition of the life department will be announced. Since the last valuation the life funds have largely increased, revenue has been well maintained, and the mortality has been below the expectation. Therefore we may fairly anticipate that the profit to be announced will be satisfactory alike to the shareholders and the assured. The only point in the consideration of this question which is not altogether satisfactory is the rate of interest we have received for our investments. The average rate of interest we have received for the four years of the present quinquennium is a reduction on the rate of the corresponding four years of the last, and, therefore, as still lower rates may be expected, your directors have considered it advisable to make provision for such a contingency. Still I am not without hope that the difference will be almost infinitesimal, because many of our securities are permanent. You will remember that for several years your directors have had to announce the increased value of their securities. This year there is no exception for they have gone on increasing from year to year. You will observe from the report that the large increase in the market value of the stocks and shares held by the company above the cost price, which is what appears in the balance sheet, has induced your directors to carry into the accounts \$1,000,000 from this excess value, so as to bring the book value of these securities nearer to their market value. It has often been argued that the more exact mode of keeping the accounts would be to carry into them the market value,

which I believe is a system adopted by some other companies, but the principle on which the Royal has always been managed is safety first, and your directors feel that the book value ought to be kept at such an amount that under all contingencies your auditors will, as heretofore, be able to report every year that the market value of our securities is in excess of the book value. You will observe that this sum of \$1,000,000 has been carried to a new fund called the conflagration fund. Well, perhaps some of you may object to this nomenclature, as it might lead you to suppose that your directors were expecting that some such fire might arise. I need hardly say that there is no such fear. At the same time it is necessary in this as well as in other matters connected with the Royal Insurance Co. to exercise that degree of care and prudence which you have heretofore given us credit for. You must not forget, at least I do not forget, that in recent times we have had several great conflagrations, one in Tooley street, London, another in Chicago, and another in Boston, and although such fires do not frequently occur the risk is ever present, and with our largely increased business we may suffer more severely when they do occur. I do not overlook the fact that in America the appliances for fire prevention are greatly increased. We therefore consider it a real liability, and we feel that in providing for every contingency we are placing the Royal on a firm foundation. After payment of the ordinary dividend of 25s., we increase our funds by something like \$350,000, as the result of the year's working, which, we trust, you will look upon as fairly satisfactory. Adding the sum brought forward we shall have \$1,200,000 to carry forward to our next account. This is a larger sum than we usually carry forward, but we are living in exceptionally bad times. Bad commercial periods are usually accompanied with an increased number of fires, and a hot, dry summer is invariably responsible for numerous fires. We have also had low rates of premium, but this disadvantage is being removed, as I have previously remarked. It is desirable, therefore, to carry forward a balance large enough to meet all probable contingencies. In conclusion, I may say that in the midst of anxieties, if not trials, it is fortunate—this is the redeeming point—that the directors and shareholders of the Royal Insurance Company can look on with calm confidence to the return of more prosperous times. When large profits were obtained, prudence directed the necessity of piling up large reserves, which now amount to a magnificent total. And now that we meet under changed circumstances, prudence is still in the ascendant in the management of your affairs. In fact, I may say that we have energy at the prow and prudence at the helm. Your business has been, and is, carefully selected and controlled, not only here but elsewhere. I speak from experience; and I can say that wherever I look over the world I find that our business is carried on by our agents with energy and prudence. If there are any slips our excellent manager here, Mr. McLaren, is not slow to bring the parties to account. You will be glad to know that our reserves are not only untouched, but are larger than they have ever been before. Our prestige has steadily increased, and with improved times we may fairly look for an increased measure of success. Notwithstanding that we are under a cloud for a moment from the circumstances I have described to you, my confidence in the Royal is not in the slightest degree diminished. With these few remarks, I beg to move:—"That the report of the directors be approved and adopted, and that a dividend of 12s. per share from the fire department, out of the profits of the company to December 31, 1883, and of 3s. per share from the life department, be payable on or after Wednesday, the 6th of August instant; making with the interim dividend paid in February last, 25s. per share for the year 1883, free of income-tax.

Mr. HORSFALL said: My duty is a very simple one, and shall be briefly discharged. The report has already been in your hands for some days, and you have all had the advantage of hearing the comments of our chairman, which he made with so much ability and lucidity. Therefore it is quite unnecessary for me to follow him through the figures. But there is one item on which I should like to say a word, and that is the conflagration fund. I think, sir, you have been very happy in the nomenclature you have given to that fund. I think

it is a very suitable and a very noble word. It is a suitable word because it keeps steadily before you, gentlemen, the fact that you are liable to have conflagrations. It is one of those liabilities which, do what your directors may do, is sure to come to all insurance offices from time to time; and I think it is a noble word, because to my mind it seems to give an intimation of the interference of a higher power. I am not going to be sentimental, but an ordinary fire is the result of man's carelessness or man's rascality. But a conflagration, to my mind, is the interference of a higher power; it is something far in excess of anything covered by the word "fire." Whenever there is a conflagration you are sure to have a gale of wind, and that is entirely beyond the control of any man. I have no doubt there are present several intelligent and critical men who will ask where are you going to stop with this conflagration fund? The chairman has intimated the source from which this \$1,000,000 has come, but I am quite sure that if the question had been put to the chairman, he would have answered it very diplomatically. He would have told you that the matter had never been under the consideration of the board. If I may answer the question it would be in this way; the largest conflagration that has ever taken place—or the largest loss ever caused to a single company by a conflagration—was \$3,175,000. Now, I shall be perfectly content—you will understand I am speaking for myself without consultation with our worthy chairman or his colleagues—that we should get to that amount with the proviso that in the meantime there is no larger conflagration. So much for our accounts for 1883. In reference to the current year, the chairman has told you that it is a bad one; but I fancy we all, in our private capacity, have come to look upon 1884 as a bad one. There may be some exceptions in the room—some brokers who manage to pick up something. All I would say with regard to 1884 is that if it is a bad one and the result is unfavorable, don't set it down to want of care on the part of the managers and agents, for I believe they are fully entitled to what the chairman has said. I will now second the resolution.

Mr. J. BEAUSIRE regarded the report as very satisfactory, with one exception. This was, that the directors had deprived the shareholders of the pleasure of thanking them for an increased dividend. The chairman had referred to the large amount carried forward. This was a sum of \$350,000 in excess of the previous year, and the amount now to the credit of profit and loss was very little short of a quarter of a million sterling. With such large figures before them, it was not a matter for surprise that the shareholders should expect a more liberal distribution, even though the business of the past six months had not been profitable. On looking back to the accounts of recent years he found that since the last increase of their dividend they had added to the reserve, from fire profits, a sum of \$1,390,000. The interest on this sum would produce a welcome addition to their dividend. However, as some shareholders had remarked to him, they must wait. The increase could not be delayed much longer. The novelty in the report, which had been referred to more particularly by the deputy-chairman, was the conflagration fund. He did not think this was a very noble word. It was not a pleasant one for fire insurance shareholders. He presumed, however, that in creating this new fund they had calculated that the other reserves were sufficiently large. He would be glad to know how this conflagration fund was to be dealt with, and under what circumstances it would be called upon to meet a loss, and the minimum amount of a single loss it is intended to draw from it. The chairman had referred to the interest account as not likely to show such good results as hitherto. But he noticed in the balance-sheet a large increase in the investments for freehold buildings. He presumed some of the buildings were in course of construction, and were not paying any return, but that in a year or so there would be a large increase in the interest account from that source. In the chairman's remarks in previous years, he had generally given the increased value of the investments to date. They had written up \$1,000,000, but, recollecting what the amount was in previous years, he gathered that there must be a considerable amount beyond that \$1,000,000, and if it were quite agreeable

he would be glad to know what it was to date. With these remarks he begged to support the resolution.

Mr. GEORGE HENRY BALL presumed that the \$1,000,000 carried to the credit of the conflagration fund was not a sum realized by any sale of assets, but simply estimated increase in their value, and did not necessarily bring in any increased revenue to the company. Simply, so far as interest was concerned, it was just the same at present as it was before. It was simply an arrangement of account. As regarded the increase in the dividend, as suggested by Mr. Beausire, he made up a calculation, and he found he was right in expecting that, at any rate, the shareholders should be entitled to any increased revenue derived from the accumulation of funds—that is, by way of interest. But he quite agreed with the policy of the directors in carrying over as large a reserve as they possibly could, because there was one thing they had to consider in connection with a company of this kind—he was speaking now simply as an investor, calculating upon receiving an annual dividend on his investments—and that was the stability of these investments. And if they in one year gave a large dividend, and by some accident a year afterwards, say through conflagration, had to reduce that dividend, it would create a feeling of uncertainty as to their future income. He liked to feel he had something to depend upon in the way of income, and he thought this feeling actuated the minds of the body of shareholders. He quite agreed with the policy of Mr. Horsfall and the chairman that they should make their dividend certain. The present market value of the shares would yield something like $4\frac{1}{2}$ per cent., and if they could look upon this as certain in the future he considered it a very good investment.

The CHAIRMAN said the directors were always glad to hear remarks in connection with their figures from Mr. Beausire, because that gentleman had the interests of the Royal at heart. With respect to the dividend, prudence, he might say, had dictated to them that it should remain the same as last year, but the shareholders might rest satisfied that when the directors saw their way clear to give more dividend they would not be slow in doing so. The directors themselves were very largely interested in the Royal as well as the other shareholders, and they would be unlikely to withhold from themselves what they thought the shareholders should have. It was quite possible that when a revelation of the life business took place, and if it was, as he hoped, satisfactory, they might be able to give a little more. At any rate, whatever were the profits, the shareholders should get a portion of them. With respect to investment in buildings he might say that at present they had only one in course of construction. As regards the increased value of stocks and shares held by the company to date, this was nearly \$1,000,000 beyond the amount written up. If any gentleman wished to ask further questions he would be glad to answer them.

The resolution was then put and carried unanimously.

The chairman next moved the re-election of Messrs. C. J. Bushell, T. D. Hornby, George H. Horsfall, and M. H. Maxwell, the directors who retired by rotation, but were eligible for re-election.

Mr. DAVID DUNCAN seconded the motion, which was unanimously carried.

Mr. PIERPOINT said he had great pleasure in proposing that Mr. Christopher Atkinson and Mr. J. M. Calder be re-elected auditors for the ensuing year. He said they all knew these gentlemen, who, he felt, deserved the thanks of the shareholders.

Mr. M'ULLOCH seconded the motion, which was carried unanimously.

Mr. BEAUSIRE next moved:—"That the thanks of this meeting be presented to the chairman, deputy chairman, and directors of the company, to the directors and secretary of the London board, to the members of the various managing committees at the branches, and to the company's agents for their valuable services during the past year." He remarked that if the directors had a weakness for large reserves, they made the dividend all the safer, and he looked upon the Royal dividend as safe as an investment in consols. The company had never made a retrograde movement with its dividend, and he did not think it was likely to do so.

Colonel WILSON seconded the motion, and hoped that the present year would prove as prosperous as previous years.

The motion was carried unanimously.

The CHAIRMAN, on behalf of himself and brother directors there, as well as those who carried on the business in London and New York, said he thanked them for the honor they had done them and the confidence they had placed in them. It was a pleasure to meet the shareholders, who invariably treated them with the greatest consideration and regard. There was no energy wanting on their part to improve the prospects of the company. The business could not be carried on unless they had a man like their excellent manager, Mr. M'Laren, to advise them in all that they did. It was to him and the many agents in England and the United States, that was owing so much of the success of the Royal. He therefore moved—"That the thanks of this meeting be presented to Mr. M'Laren, the manager, to Mr. Johnson, the sub-manager, and to the other officers of the company for their zeal and ability in its service."

Mr. H. MAXWELL seconded the motion, which was unanimously carried.

Mr. M'LAREN, in reply, said:—"Mr. Chairman, you have referred to our labors in kindly terms, and I may say that I feel sure the Royal is looked after as well as any company in Great Britain. If occasionally we have a loss, as in 1884, I don't think either your managers or agents are responsible. This year is certainly one of the worst years that we have had during my management of the company, but the future prospects are very good. A bad time is good for all of us; it makes us look sharp after everything. I, however, think that 1885 will be better. I should like to say a word about Mr. Beausire's objection to this conflagration fund. His objection to the name reminds me of the balcony scene in "Romeo and Juliet," "Oh, be some other name." It is a very fortunate thing when conflagrations do not occur, but they do occur occasionally, and we have had a loss ourselves in Boston to the extent of \$1,000,000. That loss may occur again, and if our business is to be a great business, and if it is to go on increasing, such loss will have to be met. I am sure Mr. Beausire will be the first to admit and feel the prudence of the directors in providing for such a loss when it comes. As Mr. Horsfall has said, this is one more step to add to the stability of the company. It is one more step to prevent a call on the shareholders, and it is one step more, were it needed, to make the dividend secure.

On the motion of Mr. BEAUSIRE, seconded by Colonel WILSON, a vote of thanks was proposed to the chairman, for presiding, and the meeting terminated.

How may an Insurance Office cut its own throat?
The *Policy holder* says: As a good many of them are at present engaged in this edifying operation, we may as well give them a little help towards it scientifically. The surest, though perhaps the most gradual, method, is to begin by trying to cut the throats of your "sister institutions," by a vigorous competition, which, in the most modern sense of the term, means "get business honestly if you can, but any how get business." Sink all old-fashioned notions of professional fairness, honor and etiquette. Deal largely in "the thing that is not." Tell as many fibs (we like to draw it mild) as possible about your neighbors, and above all things cut down your own rates, and promise everybody a commission. Spend your first year's premiums in gratuities to whoever will come to your shop. We don't know any better way to attain the desired end of self-destruction.

Mr. John Duffus, of Halifax, has been appointed general agent of the Commercial Union Assurance Company, for Nova Scotia, and P.E.I. Mr. Duffus is well-known and highly esteemed, in commercial circles in the Lower Provinces, and will we are sure, do a good business for his Company.

SOCIETY NOTES AND ITEMS.

Three Incondiaries were hanged in Alabama a fortnight ago.

The Anchor Marine Insurance Company, of Toronto, has withdrawn from business.

There is a rumour that a Halifax life agent of recent appointment has "gone wrong."

There is a rumour that a life company, with head office in Ontario, is endeavoring to re-insure its business.

A co-operative Society at Anamosa, Iowa, recently settled claims amounting to \$10,500, for \$45 per \$1,000.

We are pleased to note that our valued contemporary, the *Insurance World* of London, is enlarged and otherwise improved.

It is estimated that dwellings are burned in Canada and the U. S. at the rate of 600 to 700, valued at \$1,000,000, every month.

The Mutual Life Insurance Company, of New York, has adopted a new form of policy, known as the "Five Year Distribution Policy."

The Adjusted Losses by the Chelsea, Mass. Rubber Works, which were destroyed by fire on the 3rd ult., amount to \$434,212.

The total loss by the recent fire, on July 19th, at Crane's Wharf in Wapping, a suburb of London, Eng., is estimated at \$1,250,000.

The Insurance Brokers seem to be taking a hold in England, and it looks very much as if these gents intend to become fixtures there.

The New Zealand Insurance Company has declared an interim dividend at the rate of 15 per cent. per annum, for the past six months.

Increase of Rates.—There seems to be a unanimous understanding amongst the British Fire offices to effect an increase in rates upon all hazardous risks.

The Heavy Losses which have been incurred of late, in rubber risks in the United States, have caused an advance in the premium rate, of 3 to 5 per cent.

The Irving Fire Ins. Co., of New York, is retiring from business and re-insuring its risks with the United Fire Re-Insurance Company, of Manchester, Eng.

Incendiary Sparrows.—The burning of the South Church at Hartford, Conn., is credited to sparrows, through matches used in the construction of their nests.

Captain J. W. Barley of New York, General Agent for the Phenix Insurance Company of Brooklyn, has favored us with a call. He has been visiting the agencies of his company at Toronto, and in this City.

New Insurance Company,—styled the "Accident, Disease and General Insurance Corporation, Limited," is the latest project in London, England. We are under the impression that the staying powers of this concern will be rather "limited."

A destructive fire occurred recently in the Town of Marash, Asia Minor. One thousand shops, 200 houses, four hotels, three mosques and a palace were totally destroyed.

The Imperial Fire Insurance Co.—At the recent general meeting it was decided to increase the half-yearly dividend from £5 to £6, making the annual payment £8 per share.

Mr. Andrew Allan, vice-president of the Citizens Insurance Company, has been unanimously re-elected to represent the shipping interest on the Montreal Board of Harbor Commissioners.

Mr. F. Stancliffe, General Manager, for Canada of the British Empire Life, informs us that the Chairman and Secretary of the Company, Messrs. Runtz and Bowley, intend to visit Canada this month.

Paper and Pulp Mills.—There are now 1,085 paper and pulp mills in the United States; they take fire at the rate of 45 per annum, and the average annual loss exceeds \$400,000.—*American Exchange and Review*.

An Important Decision was rendered in Cincinnati last month, whereby an insurance agent was held responsible to his company for a loss incurred through his neglect to cancel a policy as ordered by the company.

The Insurance Age suggests that a lynching party should be improvised for the "regulation" of the schemers who have started a Marriage Aid Society in San Francisco. What would our Canadian dupes recommend?

The Fire Underwriters Association of the North West.—The fifteenth annual meeting of this association will be held in Chicago, on September 10th and 11th, next. This meeting is likely to be more interesting than any held heretofore.

The year 1884.—There is an impression abroad that notwithstanding the increased rates on fire risks which now prevail, the year 1884 will prove an very unfortunate one for the companies, as the losses have in almost all cases been very heavy.

The Imperial Fire Insurance Company has purchased a large building, Nos. 411 and 413 Walnut street, Philadelphia, Pa. We should be glad to chronicle that it had either built or purchased respectable offices in this city.

Insurance of Cotton Mills.—The *Manchester City News* says the Insurance Companies are throwing up wholesale the insurance on non-fire proof cotton mills, and this is causing alarm, as there are a great number of these mills in Oldham.

The Hamilton Times insinuated that the insurance companies were swindled in connection with the recent fire in the *Spectator* building in that city. The *Spectator* has consequently instituted an action for libel,—damages claimed, \$1,000, against the *Times*.

The United Kingdom Temperance and General Provident Institution.—At the forty-third annual meeting it was stated, that the temperance section of the company showed deaths numbering but 174, out of an expectation of 235. In the other section the drinkers lost 301, out of an expectation of 332. A very favorable showing for the temperance section.

Mr. Alexander Cromar, late Inspector for the London Guarantee and Accident Insurance Company, has been appointed General Agent of the New York Life, for Western Ontario, with headquarters at the Company's Toronto office. Mr. Cromar has the reputation of being an energetic and experienced insurance officer.

Port Perry Conflagration.—We have much pleasure in correcting an error which appeared in the list of losses by the above fire, in our last issue. It was stated that the Norwich Union lost \$9,000. Mr. Dixon, the General Agent, informs us that the company had not a single risk in the town at the time of the fire, and consequently did not lose anything.

The weather must be awfully hot in Toronto. We have it about as hot as we can stand it here, but in Toronto, well—"Ariel" says it is too much for him, and consequently there is no Toronto letter this month. We will hope that the coolness of next month will give sufficient energy to our vivacious correspondent to enable him to write an extra long letter for next issue.

When the "dark shadow" falls over the home, and perhaps the father has gone, the sympathy of kind friends is very grateful. But no one is more welcome than the life insurance agent who brings the check to pay the amount of the life insurance policy, because, truly interpreted, he is carrying out the wishes of him whose death has caused the vacancy in the home. The benefits which must come to the family by means of the life insurance are not all that makes the welcome, but with it comes the thought—it was tender solicitude and love which prompted the taking out of the policy.—*Mass. Mutual.*

Judge Sinclair rendered judgment in the case of the Canada Life Assurance Company against the assessment of the Hamilton Court of Revision. The Company was assessed for a fixed income of \$40,000, but, according to the last quinquennial division of the dividend, since paid, the income is \$26,026. The city authorities contended that the Company was liable to be assessed for income in respect of the proportion of the profits payable to policy-holders. The judge held that the proportion of profits payable to policy-holders could not be assessed as income, and therefore reduced the assessment to the figures submitted by the Company, namely \$29,926.

Life Insurance.—A study of the plan of life insurance compels admiration for the genius that designed it. It is safe, equitable, and as nearly perfect as anything of social creation. Any failure or injustice attending it must be referred to the execution and not to the plan. By the plan the policy-holder is sure to get what he pays for, and to pay only the fair cost of what he gets. The reproach of expensiveness sought to be cast upon scientific life insurance cannot hold, unless it be shown that the conduct of the business is attended with needless expense. Our concern is, therefore, with the administration, confident the foundation is safe.—*John K. Tarbox.*

Co-Insurance clause.—The necessity for a co-insurance clause in all policies of fire insurance is daily becoming more and more apparent. Many persons carefully estimate what would be their salvage in case of a fire under usual and ordinary circumstances, and insure only to that point. Rates of insurance are generally fixed upon the probable percentage of loss upon the whole value of the property insured. When the loss occurs, the insured, by reason of the low percentage of insurance, gets the benefit of the sal-

vage, and the company finds that it has a total loss where it had reasonably expected a fair salvage. In addition to the salvage benefits secured by a co-insurance clause, risks generally would be improved by securing more care on the part of the insured, where they would be in every case, compelled to share the loss.—*Cincinnati Price Current.*

A FRAUD.

We have in our possession a circular issued by the "City and Provincial Insurance Company of Manchester," from Washington, D.C., applying for Canadian business. The circular does not bear the name of any officer, but is simply signed with the name of the Company. We learn that there is no such Company now in existence. We have been informed, but we can scarcely credit the statement, that an agent in Quebec City is actually transacting business for this swindle.

Capt. Shaw, Chief of the London Fire Brigade has recently published a book on fire departments. He condemns the American fire engine as being too heavy and cumbersome. He presents the following comparative statistics—evidently to demonstrate the efficiency of the department of which he has control. Here is a chance for a response from this side. The figures raise a fair issue:

City	Area in square miles.	Estimated population.	Cost of maintenance of fire brigade for 1882.	Total No. of firemen.	No. of fires, exclusive of false and chimney alarms.
Berlin.....	29	1,123,000	£69,200	765	543
Boston....	37	400,000	96,191	663	349
Brooklyn..	22	650,000	72,701	256	151
Chicago...	36	503,300	109,004	397	919
Cincinnati.	25	269,000	41,330	172	280
London...	121	3,816,843	103,458	576	1,926
Montreal..	6	140,747	11,319	68	226
New York.	42	1,206,299	335,816	826	1,273
Paris.....	30	2,269,029	80,624	1,742	982
Vienna....	..	1,103,860	20,000	180	358

An Excellent Rule is to ask Questions. A representative of a Broadway company was going the rounds placing a line on a lard special. He had pretty good luck in getting \$1,500 to \$2,500 lines, until one impertinent office clerk asked him how much his own company carried. The answer was evasive, but finally it was admitted that the office represented did not carry a dollar on the risk. The application was accordingly rejected. There is a sort of implied obligation when one company asks another to write a risk that the offering office is carrying a line, and as it turns out often that there is no insurance in such a company it would be an excellent rule to always ask, "How much does your company carry on this risk?"—*Spectator.*

OBITUARY RECORD.

George Mortimer Rendell.—It is with much regret that we have to record the sudden death on the 2nd inst., by accidental drowning, of George Mortimer Rendell, of the Citizens Insurance Company. Mr. Rendell was for some years bookkeeper in the Citizens Insurance Company, by whom he was very highly esteemed, being considered a most efficient and faithful officer, and one in whom the management placed the highest confidence. He will be missed by a large circle of friends.

LIFE INSURANCE NOTES.

A prudent man will insure his life first and property next. In one case the loss is sure to take place, in the other it may or it may not.

The Broadway Tabernacle in New York, pays \$1,238 a year to keep the life of the pastor, Rev. Dr. William Taylor, insured for \$50,000, for the benefit of his family, in addition to his salary.

From a recent issue of the *Finance Chronicle*, of London, Eng., we gather that the expenses of the British Life Companies for the five years ending 1883, was \$16,409,696, or a ratio of 13.39 per cent of the premium income. The interest and other receipts growing out of the use of money was \$58,269,440 or 4.29 per cent of the aggregate amount of funds held.

The patrons of the "Home Benefit." of Illinois, a model co-operative, have been having a sort of a "monkey and parrot time" over \$36,000 premiums, collected from 800 members of the association. The bank account showed a balance of only thirty-seven cents, which was not regarded as sufficient to carry insurance liabilities amounting to \$300,000.—*Rough Notes*.

M. Burridge has recently demonstrated, in a paper on mortality in Australia, read before the Institute of Actuaries for Great Britain, that the average mortality rate from 1865 to 1880 has been as follows: Queensland, 17.86; New South Wales, 15.59; West Australia, 15.39; Tasmania, 15.25; Victoria, 15.17; South Australia, 15.16; and New Zealand, 12.38; the average for the whole being 15.27.

As each successive writer in endeavoring to represent the law of mortality by means of a mathematical formula, bases his enquiry upon some hypothesis, the utmost we can do is to test whether the question is approached aright by analyzing natural causes to the limited extent of our powers. What are the laws governing the energizing forces which we call life? What, in brief, is life? A philosophical answer may appear bare and abstract; but it must nevertheless be the guide of those who fancy it possible to express in mathematical language the law of mortality. The results of Mr. Herbert Spencer's laborious analysis of the subject comes briefly to this—"Life is the continuous adjustment of internal relations to external relations." It appears to us that in this view of life the law of mortality is unable to be contained in any formula; and that the labor of mathematicians must end in propounding hypotheses which may more or less truthfully, but always imperfectly, indicate the unknown law.—*Theodore Wittstein in Journal of the Institute of Actuaries*.

LEGAL DECISIONS IN INSURANCE CASES.

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

ONTARIO COMMON PLEAS COURT.

GAUTHIER vs. THE CANADIAN MUTUAL FIRE INS. CO.

Insurance—Sale of liquor on premises—Warranty—36 Vic. ch. 44 Sec. 32 to 36 O—Statutory conditions—Renewal of policy.

In a policy of Insurance effected by the Plaintiff for a year in a Mutual Company, the premises insured were described as "a two-storey brick building, etc., occupied as a tenement dwelling."

By a memorandum afterwards endorsed on the policy the building was allowed to be occupied as "a refreshment room, no liquor sold."

Afterwards, the policy was renewed by a renewal receipt issued under sec. 32 of the Mutual Insurance Act 36 Vic. ch. 44 O.

The building was occupied by a tenant of the Plaintiff, and it was proved that liquor was sold in the building by the occupant, but without the knowledge or consent of the insured.

The Defendants set up in their plea a condition of the policy that if the hazard was increased by any means, within the knowledge of the assured, without the Defendant's consent, the policy should be void; and alleged that liquor was sold to the knowledge of the insured and without the company's consent whereby the hazard was increased. The conditions endorsed on the policy did not comply with the Act respecting statutory conditions which were in force when the policy was renewed.

Held: that although under Sec. 36 of the Mutual Act, which required policies to be under the corporate seal, the endorsement, when made, might not then be deemed a part thereof, it became so, on the renewal, authorized by Sec. 32 of the Act, so as to cause the policy to be avoided for the unauthorized sale of liquor on the premises.

Galt, J., said: in my opinion, upon the finding of the learned Judge that liquor was sold in the building by the occupant, but without the knowledge or consent of the Plaintiff. This rule should be made absolute. The premises destroyed were insured by a policy dated 4th January, 1876, and were described as "a two-storey brick building with basement, covered with shingles, occupied as tenement dwelling, situate on lot A east side of Bedford street in the town of Sandwich."

By a memorandum endorsed on the policy, this occupation was changed: "in consideration of additional premium of \$6.65, building No. 1 is allowed to be occupied as a refreshment room. No liquor sold. Hamilton, 3rd August, 1876."

The effect of this memorandum is, in my opinion, to alter the description, which will then read as follows: "a two-storey brick building covered with shingles, occupied as a refreshment room, no liquor sold."

This being matter of description is binding as a warranty on the part of the insured and as liquor was sold, although without the knowledge of the insured, the warranty was broken, and the Plaintiff cannot recover. Rule to set aside verdict for Plaintiffs made absolute.

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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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WAIFS AND STRAYS.

The valuation of real and personal property in New York City is \$280,000,000, an increase of \$61,500,000 over last year.

A cure for earache.—Put five drops of chloroform on a little cotton or wool in the bowl of a clay pipe, then blow the vapor through the stem into the aching ear.—*Medical Record.*

The population of the Australasian Colonies, including Tasmania and New Zealand, according to the latest census amounted to 2,815,924. The population of New Zealand is 535,030.

The population of the British Empire, including its numerous dependencies, is estimated at over 300,000,000. Of this number over 200,000,000 are of the dark races of India and Ceylon.

A merchant who died suddenly, not long ago, left on his desk a letter he had intended mailing to a correspondent. An Irish clerk, finding it, sent it off, after adding the postscript, "Since writing the above I have died."

Reduced Taxation.—Notwithstanding a reduction of revenue amounting to \$40,000,000, owing to reduced taxation, we are informed that \$100,000,000 will be available for the reduction of the United States debt this year.

"Never mind, dear Mrs. McDonnell, the Lord will provide," said a sympathetic clergyman. "May be he will and may be he won't" she sobbed, "but if the dear man had not let his life insurance policy expire, I'd feel more certain about it."

"If I place my money in the savings bank," inquired one of the newly arrived, "when can I draw it out again?" "Oh!" responded his Hibernian friend, "sure an' if you put it in to-day, you can get it out to-morrow, by giving a fortnight's notice."

Statistics of Murder.—A London Medical Journal says. Murder is a cause of death in England to 237 per 10,000,000, in Belgium, 240; in France, 265; in Germany, 279; in Ireland, 1879, 294; in Austria, 310; in Russia, 323; in Italy, 504; in Spain, 533; and in the United States to 820.

Court to prosecutor.—"Then you recognize this handkerchief as the one which was stolen from you?" *Prosecutor*—"Yes, your honor." *Court*—"And yet it isn't the only handkerchief of the sort in the world. See! One I have in my pocket is exactly like it." *Prosecutor*—"Very likely, your honor, I had two stolen."

A Dilemma.—There are two sausage dealers in Paris who have shops adjoining each other. One of them has painted on his window over a pyramid of sausages, at thirty centimes a pound—to pay more is to be robbed," while the other puts his sausages into an obelisk, and paints above it: At forty centimes a pound, to pay less is to be poisoned."

John Ross, of London, was a knight of the razor. Like many other people more widely known, he became greedy, and finding that shaving and hair-cutting produced only an insignificant revenue, he insured his furniture for \$250, smeared it with kerosene, and then set fire to it. The fire was extinguished, and so was John's business for at least ten years, during which time he is to undergo penal servitude.

A citizen who applied to the Fire Marshal the other day for a building permit was refused on the ground that the fire limits prohibited the erection of such a structure. After spouting his indignation in round terms, he added:

"I wouldn't be found dead in such a city as this!"

"As for that," slowly replied the Marshal, "it won't make much difference where you die; you'll probably come within the fire limits anyhow."—*Free Press.*

The Uses of Adversity.—"That's a very unfortunate town of yours," said a man the other day to a citizen of the town referred to. "I see you have had three blocks destroyed by fire within the past two years."

"On the contrary," remarked the citizen from the burnt district, "ours is a very lucky town. When the fire burns out an old block, we take the insurance money and build a finer block, and still have a nice balance left in the bank."

"Pat" said his reverence, "I shall be very busy this afternoon, and if anyone calls I do not wish to be disturbed." "All right, sor; will I tell them you're not in?" "No, Pat; that would be a lie." "An phwat'll I say, yer riverence?" "Oh, just put them off with an evasive answer." At supper time Pat was asked if anyone had called. "Fax, there did." "And what did you tell him?" said the priest. "Shure, an' I gave an evasive answer. He axed me was yer honor in, an' I sez to him, sez I, 'Was yer gran'mother a hoot-owl?'"

"Guilty or not guilty?" asked an Austin Justice of the Peace of a colored culprit, who was accused of stealing a whole line full of linen. "Dat ar 'pens on you, Jedge. Hit's for you to say." "You must either plead guilty or not guilty; I have nothing to do with it." "Yes, you has. If you is gwineter let me off with nuffin but a reprimand, like you did las' time—" "Well, suppose I do let you off with a reprimand, as I did last time?" "In dat case I pleads guilty to six shirts, foah pilly slips and about a dozen udder pieces." "But I'm not going to let you off so easy." "Den, ef you is gwineter sock it ter me, I'll gib a liar one ob de shirts, and we will try dis case by a jury."—*Siftings (U.S.)*

The London Fire Brigade.—The number of firemen employed on the several watches kept up throughout the metropolis is at present 108 by day and 253 by night, making a total of 361 in every 24 hours; the remaining men are available for general work at fires. The total staff of the fire brigade is, at the present time, 670. The strength of the brigade in other respects is shown by the following list: 55 fire engine stations, 12 street stations, 127 fire escape stations, 4 floating stations, 3 floating steam fire engines, 2 steam tugs, 5 barges to carry engines, &c., 2 large land steam fire engines, 40 small land steam fire engines, 87 six-inch manual fire engines, 37 small manual fire engines, 61 hose carts, 14 vans, 12 waggons for street stations, 147 fire escapes and long scaling ladders, and 135 horses. The number of calls for fires, or supposed fires, received during the year 1883 was 2,630. Of these 337 were false alarms, 149 proved to be only chimney alarms, and 2,144 were calls for fires, of which 184 resulted in serious damage, and 1,960 in slight damage. The fires of 1883 compared with those of 1882, show an increase of 218, and, compared with the average of the last ten years, an increase of 446.

Three persons out of four would rush up to an individual, whose clothes are on fire, and begin to paw with their hands without any definite aim. It is useless to tell the victim to do this or that, or call for water. In fact it is generally best not to say a word but to seize a blanket or any woolen fabric—if none is at hand, take any woolen

material—hold the corners as far apart as you can, stretch them out higher than your head, and running boldly to the person make a motion of clasping in the arms, mostly about the shoulders. This instantly smothers the fire and saves the face. The next instant immerse the burnt part in cold water, and all pain will cease with the rapidity of lightning. Next apply some flour; if possible put the patient in bed, and do all that is possible to soothe until the physician arrives. Let the flour remain until it falls off itself, when a new beautiful skin can be found. Unless the burns are deep no other applications are needed. The dry flour for burns is the most admirable remedy ever proposed, and the information ought to be imparted to all. The principle of this action is that, like the water, it causes instant and perfect relief from pain by totally excluding the air from the injured part.—*Scientific American.*

NEW YORK LIFE INSURANCE CO.

The following communications received by the New York Life speak for themselves:

THE TORONTO GENERAL TRUSTS COMPANY,

Wellington St. East, Toronto, Aug. 6th, 1884.

(COPY)

The PRESIDENT

New York Life Insurance Company, New York, N. Y.

DEAR SIR,

On behalf of the Toronto General Trusts Company, I have much pleasure in thanking you for the prompt payment to the Company, as Administrator of the estate of the late Juanita Lanes De Douglas, of the sum of fifteen thousand dollars (\$15,000), being amount of policy in your Company, on the life of the late Andrew T. Douglas.

We are better able to appreciate the promptness of this payment, as the Company has a great deal to do with the collection of Insurance, as Trustees, or Administrators.

Yours truly

(Signed), J. W. LANGMUIR, *Manager.*

(COPY)

Western Assurance Company's Offices,
Toronto, August 4th, 1884.

To David Burke, Esq., Montreal,

General Manager for Canada

New York Life Insurance Company,

DEAR SIR,

I have been informed to-day of the payment by the New York Life of \$15,000, being the amount of Policy of insurance on the life of my late brother, Andrew T. Douglas, of Panama, who died in New York City a few weeks ago.

The promptness with which the New York Life discharged its obligation in this case is praiseworthy and establishes the strongest proof of the honorable and honest management of this great Company.

(Signed), JOHN T. DOUGLAS.

He who would accomplish a purpose must provide a suitable means for doing it. No man can expect to see a quart instantly changed into a bushel. The mere looking at a dollar will not make a hundred out of it. No single thing in this world can be regularly sold at a price below its cost. People may experiment and try, but it will always turn out that it is best to pay a fair price for a good and safe article; but, if there is any place in the wide world where this is necessary, it is where a man determines upon that most unselfish of all acts, the providing for an inheritance for his family.—*W. W. Byington in Independent.*

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