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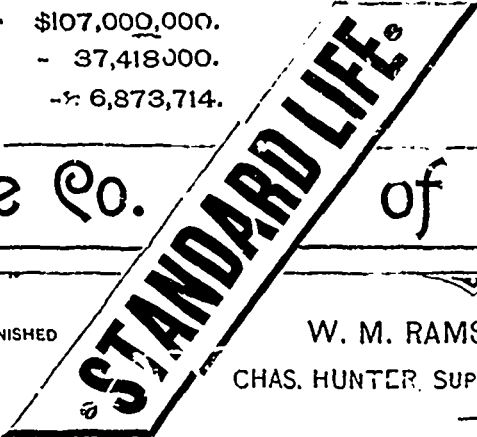
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# Insurance and Finance

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AN IMPORTANT DECISION by the House of Lords has been secured by the persistent courage of the Gresham Life of England concerning the payment of income tax on annuities paid. The large sum of £349,556, so paid by the Gresham for the three years ending with 1885, was assessed by the authorities for income tax, and on refusal of the company to pay such a manifestly unjust tax, the matter went to the Divisional court for decision. Here the decision was adverse to the company, which promptly took the case to the Court of Appeal. Here again the tax commissioners were sustained and the case went up to the House of Lords, which unanimously reversed, with costs, the decision of the lower courts. According to the opinion of the Lord Chancellor and his associates, the only portion of annuities justly taxable is the balance of receipts over disbursements. This is an important victory for the life companies transacting annuity business, and the wonder is how anybody could ever have thought that money paid out to annuitants should be subject to a tax on the paying company.

THAT THE FORMATION of the National Association of Life Underwriters in the United States two years ago was a movement in the interest of better practices in agency work and would elevate the standard of agents generally we have never seen questioned. Its membership already embraces the principal workers by virtue of their connection with the thirty odd State and local associations, and it has all the elements of both a formative and a reformatory institution. The meeting of the executive committee at Chicago recently revealed their appreciation of the latter fact. They adopted an address to the various companies, to be presented at the annual meeting of the association this fall for adoption, in which, among other things, they call

for fair treatment of the resident agent by the curtailing or suppressing altogether of the rambling "executive special," and express emphatic disapproval of rebates and bonuses. The policy "twister" receives special attention, with the pious recommendation that wherever spotted his name be passed along the entire line and the owner treated according to his deserts. We hope the National Association may continue its weed-pulling mission in the life insurance garden.

THE DESTRUCTION of life and property by unforeseen calamity has again found striking illustration at Titusville and Oil City and intervening towns in the oil regions of Pennsylvania. The terrible Johnstown flood of 1889 was scarcely more destructive and far less horrible, for in this latest calamity, which occurred on Sunday the 5th inst, flame and flood united as an irresistible besom of destruction. The waters were overwhelming, but riding upon their surface came a river of oil from bursting tanks and overflowing reservoirs, which being soon ignited, presented a scene for more than twenty-five miles to which the most lurid picture in Dante's *Inferno* is tame. Literally a rushing torrent of flame flanked by naphtha explosions, filled the valley, mocking all human endeavor to stay its progress or evade its deadly force. The loss of life was great, the list of the injured a long one, and the property loss immense. From the insurance standpoint the results are important, while to the unprotected elsewhere, either by life or accident insurance, the lesson must be an impressive one.

TO A CERTAIN EXTENT the banking capital of a country represents its accumulated wealth and largely measures its commercial prosperity. The bank receives from and pays to, as needed, that which already belongs to the individual or for which he becomes responsible, and is simply an extended exchange agency. The assets accumulated by life insurance institutions are also in a degree a measure of a country's prosperity, but in a very different way. Life assets do not represent accretions of wealth made up of individual deposits from which each shall take out only what he has put in this year or next year, but a vast fund held in trust for distribution over future years to individuals or families, in many cases several times more

than they have contributed. Thus, the sum of \$880,000,000 of assets held by the life companies of the United States and Canada is to be looked upon as a sum to be distributed during the next forty or fifty years among more than 850,000 families, to whom the distribution will come when most needed as a distinct acquisition. It will be to many a conferred competence, and to all a bulwark against want, or worse. Socially, morally, economically, the possibilities of this vast sum of \$880,000,000 are beyond computation.

WHEN MR. MCBRIDE, insurance commissioner of Kansas, committed himself, in his late report, to the absurd proposition that the fire insurance rates in that State ought to be fixed by law according to the rating of the commissioner, we expected to hear from his predecessor, Hon. D. W. Wilder, now editor of the *Insurance Magazine*. And we have. He riddles the absurdity with hot shot in the shape of a few trenchant sentences and says tersely in conclusion that "no 'calamity howler' has taken a more absurd position." And yet, other sane men of fair intelligence, in official and unofficial positions all over the country, are guilty of similar absurdities. There seems to be a sort of mania with a certain large class of people on the subject of "regulating" insurance which prevents them from seeing that you can no more fix by statute the price of selling indemnity for a fire loss than you can the market price of a ton of coal or a pound of sugar or a pair of boots. The vice of our times is over-legislation on all subjects, but insurance every where comes in for a double share of this "paternal" meddling—just why no man has ever yet been able to give an intelligible reason. Commissioner McBride will doubtless live, as some others have done, to see his ridiculous position.

THE NEW PRESIDENT of the New York Board of Fire Underwriters, Mr. E. R. Kennedy, was fruitful in suggestions in his recent address to the Board. Here is one of them: "Why might not a bureau of investigation of moral hazard save us from losses originating from a source which we all agree is as prolific a cause of fire as physical imperfections of buildings and the character of their contents? Such a department might be carefully and prudently begun and conducted, and ultimately become very efficient, without costing any of our members a large sum." The idea strikes us as well worthy of consideration by the underwriters, not only of New York, but of all large cities. To systematically and "prudently" have looked up the record of a large class of doubtful insurers, with this record known only to and controlled by the members of the board, would obviously be worth money to the companies, and a good deal of it. The expense might turn out to be a big saving. Is not the plan feasible?

WE ARE PLEASED to state that the manifest disapproval by the various companies represented in this city of the proposed organization of the fire insurance brokers here, to which we have before referred, has culminated in the withdrawal of their application to the Provincial Government for an act of incorporation.

This action is timely and in every way commendable, and we think is in the real interest of the brokers themselves. The comparatively small number of active fire insurance brokers in a city of this size, seeking to form themselves into an incorporated body, was manifestly a proceeding more ambitious than wise, and as related to the voluntary organization known as the Canadian Fire Underwriters' Association seemed in the nature of an attempt to make the tail wag the dog. In cities of several times the size of Montreal, like New York and Chicago, brokers' associations on an exceedingly flexible basis exist, with much more reason for their existence, and yet, we do not learn that even they have found any substantial advantage in the movement. It strikes us that the broker will best serve his interests by maintaining and loyally cultivating his individual relations with the companies. Very properly the latter do not take kindly to any movement looking towards dictation from those who may legitimately ask but cannot properly demand favors.

#### "REGULATING" INSURANCE IN ONTARIO

We print elsewhere in this issue extended extracts from the new Insurance Act of Ontario, the entire Act being an exceedingly wordy affair, and some three times as lengthy as the code of laws governing insurance enacted by the Federal Government. This Act seems to proceed upon the theory that legislation by the Dominion Parliament, in which Ontario and every other province is represented, is insufficient for the "regulation" of insurance, and that Ontario legislators in their superior wisdom are called upon to supply the deficiency. So we have a code of laws requiring companies to do over again what they have already been required to do by the Dominion Act, together with some other things which are as needless as the fifth wheel to a wagon. Why insurance companies should be compelled in a particular section of this country to comply with a series of reportings and filings of documents, vexatious and burdensome in the extreme, when they have already filed all this information with the Federal Government and have been thoroughly examined and duly licensed thereby, would puzzle any business man to understand, excepting on the theory that the Ontario authorities desire to obstruct these companies in their legitimate operations.

Take, for instance, the requirements pertaining to the application for registry in Ontario. The form, as issued, requires a statement in detail of when, where and under what authority the company was organized, and documents or copies of such in proof of the statement are to be filed with the Inspector of Insurance, and of course certain fees paid therefor. The application blank includes some twenty separate requirements, some of them with several specifications, and altogether involving a complete detailed history of the company from its beginning. Not only the original authority creating the company must be stated, fortified with documentary evidence, but all the subsequent Acts or special legislation (other than in Ontario or the Dominion or under general public statutes of the United Kingdom) by which "the powers, duties, rights

and obligations" of the company are now governed must be enumerated, and true copies of documents in proof thereof filed. What labor, time and expense all these requirements would involve in the case of the North British, the Royal, Sun, Imperial and several other English companies, which have at various times secured by special Acts of Parliament changes in their original charters or deeds of settlement, can readily be conceived. The company must also furnish a copy of its Dominion license, fill up a schedule of all the forms of applications and of contracts used, and give detailed information of assets deposited in the various States and countries of the world as special security for policy holders. Now, all the information above required, which is necessary for the protection of the public and regulation of the companies is already in the possession of the Federal authorities at Ottawa; and after due examination, the companies have been authorized under the broad seal of the Dominion of Canada to transact business anywhere within its boundaries—Ontario included. This provincial Act declares, however, that unless a company shall before the 30th day of this present month of June comply with all the requirements of a complicated registry scheme, it shall be prohibited, under penalty, from doing business in Ontario, notwithstanding authorization, under seal, by the Dominion Government that it may do so. It is not our province to pronounce such a provincial prohibition illegal, but clear-headed legal authorities have not hesitated to do so, and we hope the companies will combine to carry that question to the court of last resort.

That insurance companies, and benefit societies, and kindred associations, not operating under or by the authority of the Dominion Act, should be carefully supervised by the Ontario authorities is eminently proper and every way desirable. Such supervision is clearly in the interests of the public, and no injustice to the companies and associations under supervision; hence we find much in the new Ontario Act to commend. Not a single valid reason, however, can be given why the province of Ontario, or any other province, should place any restrictions whatever upon the companies already acting under Dominion authority. The Dominion laws under which they act are amply protective and efficiently regulative, and interference with their business by any other authority is both a superfluity and an injustice. The right to tax the companies has been freely exercised by all the provinces and the various municipalities almost to the utmost limit of endurance, but the companies have paid up promptly; and now, if in Ontario it were only a question of an additional \$100 tax, we suppose they would lump it in with other similar sums, and while feeling the burden bear it as a necessary evil. When, however, such unwarranted interference with authorized privileges and recognized rights as result from certain provisions of the Ontario Act are considered, something more than vexation over an added tax burden is the result. Meanwhile, let it be clearly understood that at the next session of the Ontario Legislature a repeal of the unwarranted provisions of the present Act will be demanded as a simple act of justice.

#### TO WHAT PRESIDENT McCALL PLEDGES THE NEW YORK LIFE.

We are glad to see that there can no longer be any doubt of the position to be occupied by the New York Life insurance company with reference to the much needed reform in methods of campaigning which of late years have become so common with the leading life companies. We are led to make this statement because President McCall, who will unquestionably control the policy of his company, put himself clearly on record in his speech at the convention of Canadian agents in this city a few days since. Among other things of a similar tenor Mr. McCall said:—

The strife and competition for business that have prevailed during the past five years, while they have added enormously to the wealth and power of the corporations, are not without their warning. The blindness of force is followed by the weakness of fear. The reaction is worse than the action. It is apparent that some have taken counsel of their doubts. The desire to be first in the race has been overcome by the danger of losing the position after it has been gained. Good intentions have clothed themselves in sudden resolves, and so the contest, by common consent of the participants, is on the wane. Nothing but good will result if these plans are adhered to. The reckless extravagance and lack of thought as to the result of it might not have caused insolvency, but they were bound to create denunciation and revolt against life insurance itself. The dissatisfaction of the deceived policy holder with the unrealized and unrealizable promises of the lightning solicitor, has not been allayed by appeals to the fine print restrictions in the policy contract; but on the contrary, the responsibility and punishment for his offences have been justly apportioned to the companies that employed him. All this is, at an end, I trust.

Of course this means that the president of the New York Life approves of the policy which calls a halt on reckless extravagance and more reckless competition, and which relegates to oblivion the "lightning solicitor" with his gilded lies and seductive rebates. Discouraging of rebates. Mr. McCall was very emphatic in his condemnation of the practice, and took occasion to say: "I am sorry to know that here in the Dominion an effort to make such practices unlawful failed. It does not augur well that your associations were not influential or active enough to secure the passage of such an act." That the attainment of mere bigness is not the principal mission of a life company is well stated as follows:—

The ridiculous efforts for supremacy, indicating an absence of intelligence and integrity, find in misrepresentations and in rebates their most efficient allies. In establishing rules for our guidance let the avoidance of both these evils be the fundamental principle. If we observe such a course, and write but one-half the amount that we could otherwise obtain, take my word for it, the company, its management and its agents will have a better standing in the community than if by rebating and misrepresenting it had exceeded the highest anticipations of the most "progressive manager."

Mr. McCall also distinctly says: "We stand ready to do our share in restoring the business to a legitimate basis;" and he unhesitatingly proclaims that "we are not, nor will we be, a competitor except in those opportunities and methods that bring honor and respect; size is not of the first importance compared with strength in vital parts." We quote one other important utterance as follows:—

In behalf of the executive officers and the board of trustees, I pledge that your efforts will be sustained at the home office, by affording you every opportunity to transact an honorable and conservative business. The days of extravagant commissions, bonuses and guarantees have passed away, so far as the New York Life is concerned. The business will not be transacted

for the sake of appearances, and we shall have no contracts in stock to pay for a man's name if he cannot give an equivalent in work.

Now, we are not unmindful of the well known and oft asserted fact that "talk is cheap," and that promise does not always overtake performance; but we cannot do Mr. McCall's reputation for integrity of purpose and sincerity of statement the injustice to suppose that he has been talking for mere effect. We assume that he means just what he says, and that hereafter the New York Life will have no connection with "extravagant commissions and bonuses," with "lightning solicitors," with rebating and agent-stealing, all to promote those "ridiculous efforts for supremacy" which President McCall justly regards as indicating an absence of both intelligence and integrity. Results obtained on the lines here indicated will be permanent.

#### THE UNITED FIRE INSURANCE COMPANY.

This company, which has been known so widely for several years as the United Fire Re-Insurance company, has arranged, as suggested by its present name, changed as above, to do in Canada a general direct fire insurance business. Working, as is well known, in partnership with the Palatine, which absorbed the City of London Fire recently, it has been arranged for the United Fire to take over the Canadian risks and agencies of the City of London, and to carry on business on the lines so successfully pursued by that company for some years in the Dominion. The latter's business is very considerable and of good quality, while the agents in its service are among those who hold as creditable a rank as any in the field. The United expects not only to take the place of the City of London, but to do an extended general business, moving, however, on careful lines.

Preparatory to the carrying out of its plans, we are able to announce that the United Fire has appointed as associate with Mr. Percy F. Lane, the Canadian superintendent since the company entered Canada, Mr. T. H. Hudson; these gentlemen to be hereafter the joint managers for the entire Dominion. Mr. Hudson, for some time back the inspector in this field for the Phoenix of London, is widely and favorably known throughout the Dominion, and brings to his new position a valuable experience and native ability which would be a desirable accession to any company. Before his connection with the Phoenix, Mr. Hudson was with Messrs. Taylor Bros., representing successfully their companies, the Northern and the Caledonian, and won from them, as he has from Chief Agent Paterson of the Phoenix, confidence and esteem. Mr. Hudson's earlier training was with the British America in its best days, and was thorough and practical. Mr. Lane comes of good underwriting stock, being the son of Mr. J. N. Lane, the general manager of both the United Fire and the Palatine, and that he has shown good underwriting qualities appears from his excellent record in handling the business in Canada the past year with a loss ratio of only 48 per cent. The company under the joint management of Messrs. Hudson and Lane, and as successor to the business and agents of

the City of London starts out on its Canadian career under favorable auspices.

The United Fire now represents the combined strength of the three companies above named, for the Palatine's funds are responsible for the business of the United Fire, the total combined funds now amounting to \$2,976,140, including capital. In taking over the City of London the Palatine increased its reserves by \$260,000 and added to its cash capital an equal amount, besides obtaining the vantage ground of succeeding to the large business of the former. All this acquired business and all these funds are now at the command of the United Fire, besides which the uncalled capital of the two partnership companies amounts to the large sum of \$4,190,000. Montreal is to be the head office for the Dominion, and under the present excellent arrangement we predict for the United Fire an honorable and a successful career.

#### THAT CITY INSURANCE DEAL.

A good many erroneous statements, absurd inferences, and much bad guessing seem to have been in circulation of late with reference to the distribution among ten companies of the insurance of the city property in Montreal by a sub-committee of the city's finance committee through a firm of brokers. The simple history of the matter, in brief, is as follows: Early last fall Mr. Robb, the city treasurer, had a conference with Secretary Hadrill of the Board of Fire Underwriters with reference to the carrying of the risk on the city property, the same to be distributed equally among the thirty-four companies of the Board. A schedule was prepared covering property to the extent of \$612,000, including fire and police stations. On this schedule a three year rate of 1.32½ was given. Subsequently it was suggested to Secretary Hadrill by Mr. Robb, that perhaps one year's insurance at an annual rate might be more satisfactory to the city, and by request, an annual rate, based on the original schedule, was given at 50 cents. Nothing was done, however, and later, as our readers remember, the city authorities decided not to insure at all, but "to carry its own risk." The object lesson of the Bonsecours Market fire convinced the City Council of its folly, however and early in April negotiations were again opened with the secretary of the Board of Fire Underwriters. The proposition now came up as before for an equal distribution of the risk among all the companies, but with the material change in the schedule that the fire stations and other risks were left out, and the amount to be covered reduced to about \$320,000. The companies of course did not care to go on the risk under this schedule at the 1.32½ rate.

The next heard of the matter was that the sub-committee above referred to had completed an arrangement with 12 of the companies at the rate for three years originally named, viz., 1.32½, through brokers, and the public was informed by patriotic aldermen that by this new deal money was saved to the city, and some loose talk was indulged in about a proposed "board rate" at 1.50. No such rate was ever quoted; but these city economists were evidently designedly

led by somebody to believe that, as an *annual* rate at 50 cents had been quoted, a three years' rate would be three times as much! We have not seen the schedule under which the insurance was effected to the amount, we believe, of \$580,000, including the fire stations; but assuming that it is substantially the same as the one presented last fall, and that the premiums are *payable in the same manner*, the "new deal" simply amounts to this, viz., that the city is paying to ten companies exactly what it would have paid under the original board proposition to the thirty-four, and that somebody has made a nice little commission out of the transaction. Two of the original twelve which were to take the risk withdrew, feeling that all the companies should stand or fall together on the original, or some other mutually endorsed proposition, thus leaving ten companies on the risk, as above stated. These are the simple facts about the city insurance up to date. What the hereafter may reveal we wait to see and record.

#### ASSESSMENT ENDOWMENT ORDERS IN MASSACHUSETTS.

In his recently issued life insurance report for the year ending with 1891, Commissioner Merrill has the following summary of the facts presented in the tables of the report concerning the surviving assessment endowment orders of Massachusetts:—

"Since the semi-annual report of these corporations in July last, twenty-three have gone to pieces, and are now, by order of the court, in the hands of a receiver. No less than four others, making altogether just one-half of the entire list of Massachusetts corporations of this character, are awaiting action by which the business can be concluded, and the members receive the pittance of contributions remaining for their benefit.

The thirty-three endowment corporations, from which reports were received to January 1, show deposits of \$1,056,697 in the State treasury on account of the endowment fund. These several corporations have already been in existence an average of two years. The length of their paying period averages five and two-thirds years, thus over one-third of the period in which they are to collect a fund sufficient to meet their promises has passed

Their liability upon the certificates outstanding is \$49,734,775; toward liquidating this amount they have in the aggregate \$1,056,697 deposited in treasury of the commonwealth. The membership January 1 is reported as 77,468. The certificates vary in amount from \$100 to \$2000, in only three corporations being less than \$500, and averaging \$733; toward paying this \$733 after the expiration of one-third of the average paying period, these corporations have collected and deposited \$13,641 for each member.

Now compare their expense fund with the benefit and endowment accretions. During the past year the thirteen still existing corporations of this class report a payment of \$759,207 for expense alone. The deficit corporations reported only for the first six months of 1891; adding to the figures thus given a conservative estimate for the remainder of their existence, and their expense cost was \$1,205,492, making the aggregate expenses of all the Massachusetts corporations of this character for last year \$1,964,699.

The expenses of the endowment corporations prior to 1891 footed up \$1,228,575, making a total cost to the members of conducting the business of these "economically managed" companies—this is expenses alone—for an average period of two years of \$3,192,274.

The criticism of the Commissioner of Insurance during the past four years upon the schemes of this class of corporations needs no further or more complete indorsement than is found in the amount of the expense cost above alluded to, the paltry assets on hand, and the record of ruin and disaster which has spread over this commonwealth in the shameful failure of the long list of these concerns during the eight months past."

#### ARE THE OLD LINE PREMIUMS EXCESSIVE?

A REPLY TO THE ASSESSMENT AND NATURAL PREMIUM CRY.

The advocates of the natural premium and assessment plans of so-called life assurance are constantly asserting that the premiums charged by old line companies are excessive and uncalled for. They point out that the companies accumulate considerable reserves, and we are boldly told that these are entirely unnecessary and will never be required. As the ordinary business man is not an actuary he hardly knows what to believe in regard to these statements, and we propose to give him a few facts which will enable him to form an intelligent judgment.

In the first place, the reserves in question are not set aside voluntarily or needlessly, but are the amounts which the laws of the Dominion, of the United States, and of Great Britain say each company *must* have on hand to be barely solvent. If any one of these institutions were not possessed of sufficient assets to provide for these reserves it would be at once declared insolvent and placed in liquidation.

But if the regular companies are legally compelled to have on hand these reserves, why is not the same rule applied to the assessment associations also? For the simple reason that the level premium companies have bound themselves by their policy contracts to never increase their premiums beyond the amount first charged, while the others have the right to run their premiums up to any amount which the mortality of old age may make necessary, and that will undoubtedly be many times as large as the level premiums charged by the old line companies. There is no questioning the fact that the death rate becomes crushingly heavy in old age. Our standard tables of mortality tell us that it costs three times as much to carry the risk of \$1,000 at age 60 as at age 40, five times as much at 67, ten times as great at 76, and so forth, and the assessment plan is to increase the premiums year after year to meet this increase; while the old line method is to have a uniform rate and to accumulate in the early years of each policy a reserve on which to draw to provide for the excessive mortality of the later years. This is, in a nutshell, the difference between the two systems.

But we are told that these reserves are never drawn on, and are therefore not required. But is this so? We will answer the question by an appeal to experience. Let us take the old English companies. Have they found it necessary to use their reserves in paying their

\* The substance of this article has appeared before in these columns, but is now brought out with new tables and with such changes as are required.

claims? Let the following table answer. The figures are mainly those for the year 1891.

| COMPANY.               | When founded | Premium Income. | Claims on Policy acc <sup>n</sup> | Claims exceed Premiums. |
|------------------------|--------------|-----------------|-----------------------------------|-------------------------|
|                        |              | \$              | \$                                | \$                      |
| Atlas.....             | 1808         | 554,610         | 844,345                           | 289,735                 |
| Clergy Mutual.....     | 1829         | 937,650         | 993,480                           | 55,830                  |
| Eagle.....             | 1807         | 885,295         | 1,565,850                         | 680,555                 |
| Economic.....          | 1823         | 1,042,085       | 1,482,655                         | 440,570                 |
| Equitable of London... | 1762         | 759,730         | 1,494,335                         | 734,605                 |
| Imperial Life.....     | 1820         | 563,390         | 630,985                           | 67,595                  |
| Law Life.....          | 1823         | 1,102,180       | 2,307,730                         | 1,205,550               |
| Liv. & Lond. & Globe.  | 1836         | 1,135,165       | 1,349,770                         | 214,605                 |
| London Assurance....   | 1720         | 726,690         | 819,355                           | 92,665                  |
| * London Life....      | 1806         | 604,890         | 1,000,915                         | 396,025                 |
| Mutual of London....   | 1834         | 411,865         | 521,765                           | 109,900                 |
| *National Life.....    | 1830         | 308,530         | 367,130                           | 58,600                  |
| National Provident.... | 1835         | 1,783,110       | 1,973,740                         | 190,630                 |
| Pelican.....           | 1797         | 479,785         | 607,875                           | 128,090                 |
| Provident Life.....    | 1806         | 1,111,050       | 1,177,660                         | 66,610                  |
| Rock Life.....         | 1806         | 602,920         | 791,335                           | 188,420                 |
| *Royal Exchange....    | 1720         | 450,810         | 619,720                           | 168,910                 |
| *Scottish Amicable.... | 1826         | 1,032,360       | 1,343,195                         | 310,835                 |
| Scottish Widows' Fund  | 1815         | 4,252,260       | 4,264,790                         | 12,530                  |
| University.....        | 1825         | 233,595         | 390,950                           | 157,355                 |
| West of England.....   | 1807         | 298,975         | 572,455                           | 273,480                 |
| Yorkshire.....         | 1824         | 240,220         | 293,670                           | 53,450                  |
| Total.....             |              | 19,517,165      | 25,413,705                        | 5,896,545               |

\* For 1890.

Almost twenty-millions of dollars of annual premium income and over twenty-five millions of dollars paid out in claims annually! And yet, every one of these companies is strong and prosperous to-day and will continue to be so, but what would be their position if they had no reserves to fall back on? They would be one and all be insolvent. Not one of them would be able to meet its current claims from its current premium income, to say nothing of providing for expenses. And yet, these companies are all transacting a considerable new business. If it were not for this, many of them would already have used up the bulk of their reserves in paying their claims. The time must come in the history of every company when the claims will exceed the premium income. It is only in young companies, or those whose business is rapidly increasing, such as most of the American and Canadian ones, that that time is yet in the future. The fact that it has not yet come to them is no more a proof that it will never come than the fact that you are still living is proof that you will never die.

If any one of the life companies doing business among us to-day were to cease issuing new policies, and merely continue to receive the premiums and pay the claims on its existing assurances, it would require the whole of the reserves it has on hand to enable it to pay all its policies as they mature, and when the last policyholder would have died, the last of the reserve would have been used up.

But if the level premiums, which amount on the average to between \$25 and \$30 per \$1,000 are insufficient to provide for all the death losses, what is to be said of the claim of the assessment societies that a mere fraction of this amount will be quite enough? We were even told formerly, that the rate of mortality in a life assurance company would never exceed \$6 or \$8 per \$1,000 assured. These figures were, however, gradually increased to \$10 and now to \$15 or more. The only ground on which this claim is based is that

these rates have hitherto been sufficient to cover the losses of most of the Canadian and American life companies. These people entirely ignore the reasonable objection that as life assurance is yet in its infancy on this continent, and the companies they refer to are wonderfully progressive and have but few old lives on their books, their mortality must unavoidably be light for some time. Though their members are mostly young now, that will not prevent their growing old, and as they do grow old the claims will and must come in with greatly increasing rapidity. Our readers may perhaps be somewhat incredulous, when we state that about one half of the risks on the books of the American and the Canadian companies are on the average of less than five years duration. On referring to the various United States returns, we find that the aggregate amount of business of the regular companies in the year 1878 was \$1,444,000,000, while in 1891 it had reached \$4,000,000,000. The aggregate at risk in Canada in 1878 was \$85,000,000, while in 1891 it was \$266,000,000 an increase of \$181,000,000.

But why need we theorize on the subject? Let us again turn to England, where the companies are longer established, and where the true rate of mortality, which will inevitably be felt in time by every life assurance office, can be better seen. The following table is compiled from the official returns, and includes most of the British companies. We could greatly increase the number, were it not for the fact that the British companies do not, as a rule, publish the amount of assurance in force, except in connection with the valuation of policies every fifth year, and thus we do not know the figures of several prominent institutions which we would have liked to include. The list given is however a representative one.

ANNUAL DEATH CLAIMS OF BRITISH COMPANIES.

| COMPANY.                   | Year. | Total amount assured. | Death Claims. | Rate per \$1,000. |
|----------------------------|-------|-----------------------|---------------|-------------------|
| Atlas.....                 | 1890  | \$ 17,779,065         | \$ 785,690    | 44.19             |
| British Equitable.....     | 1890  | 23,905,515            | 557,590       | 23.32             |
| City of Glasgow.....       | 1891  | 30,000,000            | 670,250       | 22.34             |
| Clerical, Medical & Gen'l. | 1891  | 37,328,170            | 838,190       | 22.45             |
| Clergy Mutual.....         | 1891  | 41,264,460            | 967,635       | 23.45             |
| Crown Life.....            | 1890  | 30,314,830            | 753,740       | 24.86             |
| Economic Life.....         | 1891  | 46,345,000            | 1,393,195     | 30.06             |
| English & Scottish Law.    | 1891  | 24,406,220            | 704,935       | 28.88             |
| Equitable of London....    | 1890  | 30,364,455            | 1,605,000     | 52.85             |
| Equity & Law Life.....     | 1890  | 30,549,685            | 639,990       | 20.95             |
| Friend's Provident.....    | 1891  | 25,130,525            | 507,180       | 20.20             |
| Guardian.....              | 1890  | 38,909,705            | 817,455       | 21.00             |
| Gresham Life.....          | 1891  | 86,813,250            | 1,774,835     | 20.44             |
| Imperial Life.....         | 1891  | 19,979,145            | 596,710       | 29.86             |
| Lancashire.....            | 1890  | 14,768,420            | 310,500       | 21.02             |
| Law Life.....              | 1890  | 35,612,405            | 1,533,935     | 43.07             |
| Liv. & London & Globe.     | 1889  | 39,041,625            | 1,119,605     | 28.67             |
| London Assurance.....      | 1891  | 25,000,000            | 765,230       | 30.60             |
| London Life.....           | 1891  | 47,673,300            | 1,172,600     | 24.59             |
| Metropolitan Life.....     | 1890  | 26,655,000            | 607,115       | 22.79             |
| Mutual Life, London....    | 1889  | 14,022,545            | 492,445       | 35.12             |
| National Life.....         | 1890  | 11,688,495            | 329,025       | 28.15             |
| National Provident.....    | 1888  | 55,253,280            | 1,525,000     | 27.60             |
| Pelican.....               | 1890  | 16,196,275            | 517,530       | 31.95             |
| Rock Life.....             | 1891  | 20,508,850            | 736,835       | 35.95             |
| Royal.....                 | 1890  | 45,424,340            | 988,935       | 21.77             |
| Scottish Equitable.....    | 1890  | 52,969,930            | 1,206,770     | 21.84             |
| Scottish Widows Fund..     | 1891  | 150,555,155           | 3,932,695     | 26.12             |
| Universal Life.....        | 1891  | 14,152,595            | 487,645       | 34.45             |
| University.....            | 1890  | 8,061,885             | 301,670       | 37.42             |
| Westminster & General.     | 1891  | 8,433,920             | 180,375       | 21.38             |

It must not be forgotten that the above rates are the average and cover all the lives, both young and old,



assured by the companies. When we remember that a large proportion of the policies in these companies are on the lives of young men, with a mortality of say \$10 per \$1,000, we see at once that the rate prevailing among the old members must be enormous. What assessment or natural premium society could stand this strain? If the cost of insurance were distributed according to present age, the old lives would have to pay premiums of \$100 to \$200 per annum on each \$1,000, and this for *temporary assurance only!* They could not do this, and the society would at once collapse. If on the other hand, the cost were not distributed according to age, the younger members would not consent to pay perhaps \$30 each year, for a term policy, when they could get as good or better elsewhere for a fraction of this price. The result in this case too would thus be ruin. There is no permanence except by means of ample reserves on which to draw to provide for the excessive mortality in the later years of life. And that is exactly the level premium or reserve plan.

#### OBJECTIONS TO THE PROPOSED PROVINCIAL MORTGAGE TAX WELL STATED.

As the result of a conference between a deputation of leading citizens and the Quebec Government since our last issue, we are glad to be able to state that the provisions in the new Montreal city charter for the taxation of bonds and mortgages and other securities have been withdrawn, and that similar provisions applying to the entire Province have been postponed until the next session of the Legislative Assembly. This action is a wise and creditable one to all concerned, and indicates an appreciation on the part of the Government authorities of the fact that such a tax would be inimical to the financial growth and commercial prosperity of the Province of Quebec, by driving away instead of attracting moneyed institutions, which are the backbone of our permanent prosperity. In the meantime, a large number of the strongest insurance companies have united in a petition to the proper authorities at Quebec against the proposed mortgage tax throughout the Province, in which are well stated some of the objections to such a measure which apply equally to the taxing of bonds and mortgages as proposed by the Province. The petition sets forth as follows:—

1. That your petitioners include all the leading Insurance and Loan Corporations which invest any portion of their funds in mortgages on real estate situated in the Province of Quebec.

2. That they learn with alarm that a bill has been introduced into the Legislative Assembly of the Province by Mr. Hackett, M.P.P., which would provide for the taxation for municipal purposes of all the mortgages held on property situated outside of the limits of the incorporated cities and towns of the Province, at the same rate as that levied by each municipality on real estate.

3. That they are convinced that such legislation is contrary to public policy, and would be injurious in the extreme both to your petitioners and to the inhabitants of the municipalities concerned, and to the Province generally.

4. That the average rate of interest realized on mortgages in the Province is only about five and one-half per cent. per annum.

5. That the rate of taxation for municipal and school

purposes varies from about three-quarters of one per cent. to two and one-half per cent. per annum or over.

6. That if your petitioners were compelled to pay the above municipal taxation out of the interest received by them, the net rate which they would receive would be reduced to a rate varying between three per cent. and four and three-quarters per cent. per annum only.

7. That the practical effect of such legislation would be to confiscate from one-quarter to one-third of all the interest receivable on such investments.

8. That your petitioners have no difficulty in making desirable investments of their funds in the incorporated cities of the Province and in the other provinces of the Dominion, and would certainly make no loans in the other portions of this Province unless they could realize as high a net rate of interest on such investments as they can elsewhere.

9. That in order to realize as good a rate of interest as can be secured elsewhere, it will be necessary for lenders to make the total amount of such taxation payable by the borrowers in addition to the interest, thus increasing the rate of interest from five and one-half or six per cent. to an average of about seven and one-half or even eight per cent. per annum.

10. That the capital invested by your petitioners has been of great benefit to the outlying municipalities by lowering the average rate of interest payable by borrowers in such places, and delivering them from the monopoly exercised by the few local money-lenders.

11. That if your petitioners cannot receive from borrowers the full amount of the tax in addition to the usual rate of interest they will make no further loans in such places.

12. That as the tax will have to be paid by the borrowers, if any further loans be made, it is unjust and against public policy to impose it, seeing that the burden will fall on the poorer section of the community instead of on the richer, and, further, because such borrowers have already paid the usual tax on the real estate encumbered, and to tax the mortgage would be to tax them a second time.

13. That the contracts of mortgage hitherto made have been made on the understanding that the rate of interest stipulated for would be received by the lenders without deduction; and your petitioners respectfully represent that it is both unwise and unjust to in any way interfere with such existing contracts without giving the lenders the option of demanding the immediate repayment of all such loans if they desire to cancel such investments.

14. That it is desirable to encourage in every legitimate way the introduction of outside capital into all parts of the Province, and any tax which would have the effect of driving such capital to other portions of the Dominion, or preventing it from being invested in Canada at all, is an injury to every portion of the Province, and if applied generally would entirely destroy the present financial prosperity and supremacy of the Province.

Wherefore your petitioners humbly pray that your honor may be pleased to grant that the said bill, in so far at least as it refers to mortgages held by corporations outside of the municipalities concerned, be not allowed to become law. And your petitioners further pray that they be given an opportunity of further expressing their views with regard to the same, if need be. And as in duty bound your petitioners will ever pray.

Sun Life Assurance Co. of Canada; Trust & Loan Co. of Canada; Credit Foncier Franco-Canadien Standard Life Assurance Co.; London & Lancashire Life Assurance Co.; British Empire Mutual Life Assurance Co.; North British & Mercantile Insurance Co.; Liverpool & London & Globe Insurance Co.; Montreal Loan & Mortgage Co.

**LIFE BUSINESS FOR THIRTY YEARS.**

An interesting table appeared not long since in the *Spectator*, giving the statistics of each year for thirty years—from 1862 to 1891 inclusive—of the life insurance companies reporting to the New York insurance department. We here arrange and tabulate the itemized totals for the thirty years :

| Income.  |                        |
|--|------------------------|
| Receipts from premiums.....                    | \$2,197,955,331        |
| Annuity receipts.....                          | 27,679,536             |
| Investments and miscellaneous.....             | 615,052,526            |
| <b>Total Income.....</b>                       | <b>\$2,840,687,393</b> |
| Disbursements.                                 |                        |
| Taxes, commissions and other expenses.....     | \$491,713,283          |
| For death claims.....                          | 684,815,329            |
| Matured endowments.....                        | 123,619,143            |
| Annuity payments.....                          | 15,058,284             |
| Lapsed, surrendered and purchased policies.... | 309,763,692            |
| Dividends to policyholders.....                | 371,339,870            |
| Dividends to stockholders.....                 | 10,541,760             |
| <b>Total Disbursements.....</b>                | <b>\$2,006,851,361</b> |

*New Insurance Issued.*

|                                |                  |
|--------------------------------|------------------|
| Number of policies.....        | 4,293,111        |
| Total amount of insurance..... | \$11,905,183,862 |

The growth of business in the thirty years will be seen when we state that the premium income in 1862 was \$5,742,448 and in 1891 it was \$159,710,071. The total income was \$7,440,491 and \$42,350,372 for the respective years, while the amount of insurance in force grew from \$164,256,052 in 1862 to \$3,861,584,383 in 1891. We should state that in the *Spectator* table the annuity receipts and annuity payments for the first four years of the period are included respectively in premium receipts and death losses. Also that for some of the first years enrollment payments are included in the payments for death claims, for which due allowance in those items may be made.

**LIFE COMPANIES IN CANADA—INCOME AND EXPENDITURE FOR 1891.**

|                           | CASH INCOME.        |                                       |                  |                    | CASH EXPENDITURE.          |                    |                            |                    |                                    |                                    |
|---------------------------|---------------------|---------------------------------------|------------------|--------------------|----------------------------|--------------------|----------------------------|--------------------|------------------------------------|------------------------------------|
|                           | Net Premium Income. | Interest on Dividends on Stocks, etc. | Sundry Receipts. | Total Income.      | Payments to Policyholders. | General Expenses.  | Dividends to Stockholders. | Total Expenditure. | Excess of Income over Expenditure. | Excess of Expenditure over Income. |
| <i>Canadian Companies</i> |                     |                                       |                  |                    |                            |                    |                            |                    |                                    |                                    |
| Canada Life .....         | \$1,618,713         | \$ 556,112                            | \$34,519         | \$2,209,345        | \$ 906,151                 | \$ 286,950         | \$25,000                   | \$1,218,102        | \$ 991,243                         | .....                              |
| Citizens' .....           | 5,877               | None.                                 | None.            | 5,877              | 769                        | 11,494             | None.                      | 12,263             | .....                              | \$ 6,385                           |
| *Confederation .....      | 700,455             | 161,278                               | 10,814           | 872,548            | 313,888                    | 158,342            | 15,210                     | 487,440            | 385,108                            | .....                              |
| Dominion Life .....       | 22,783              | 4,127                                 | None.            | 26,910             | 1,000                      | 11,536             | None.                      | 12,536             | 14,374                             | .....                              |
| Dom. Safety Fund... ..    | 39,238              | 1,984                                 | None.            | 41,222             | 28,000                     | 10,357             | None.                      | 38,357             | 2,865                              | .....                              |
| Federal .....             | 212,331             | 10,906                                | None.            | 223,237            | 155,552                    | 67,371             | None.                      | 222,923            | 314                                | .....                              |
| London Life .....         | 98,932              | 14,080                                | None.            | 113,012            | 31,625                     | 36,724             | 2,355                      | 70,705             | 42,307                             | .....                              |
| Manufacturers' Life..     | 184,106             | 13,123                                | 114              | 197,343            | 37,869                     | 77,477             | None.                      | 115,347            | 81,996                             | .....                              |
| North American.....       | 330,027             | 57,864                                | None.            | 387,892            | 122,801                    | 96,169             | 5,400                      | 224,370            | 163,521                            | .....                              |
| Ontario Mutual.....       | 456,707             | 90,914                                | None.            | 547,620            | 211,607                    | 99,351             | None.                      | 310,958            | 236,662                            | .....                              |
| *Sun Life .....           | 750,753             | 132,909                               | 3,309            | 886,971            | 196,009                    | 196,009            | 7,500                      | 410,777            | 476,194                            | .....                              |
| Temp. and General..       | 88,914              | 6,695                                 | None.            | 95,609             | 20,180                     | 42,206             | None.                      | 62,385             | 33,224                             | .....                              |
| <b>Totals .....</b>       | <b>\$4,510,448</b>  | <b>\$1,049,993</b>                    | <b>\$48,756</b>  | <b>\$5,607,586</b> | <b>\$2,036,711</b>         | <b>\$1,093,986</b> | <b>\$ 55,465</b>           | <b>\$3,186,162</b> | <b>\$2,427,808</b>                 | <b>\$ 6,385</b>                    |
| <i>British Companies.</i> |                     |                                       |                  |                    |                            |                    |                            |                    |                                    |                                    |
| British Empire .....      | \$ 215,833          | \$ 85,469                             | \$ 5,794         | \$ 307,096         | \$ 155,910                 | \$ 47,280          | .....                      | \$ 209,190         | \$ 103,906                         | .....                              |
| Commercial Union... ..    | 20,014              | 1,500                                 | 825              | 22,339             | 42,062                     | 2,494              | .....                      | 44,556             | .....                              | \$ 22,217                          |
| Edinburgh Life.....       | 12,720              | 513                                   | None.            | 13,233             | 34,614                     | 979                | .....                      | 35,593             | .....                              | 22,360                             |
| Life Asso. of Scotland    | 45,995              | 5,736                                 | None.            | 51,731             | 91,522                     | 3,060              | .....                      | 94,582             | .....                              | 42,851                             |
| Liv. & Lon. & Globe.      | 8,122               | None.                                 | None.            | 8,122              | 10,378                     | 336                | .....                      | 10,714             | .....                              | 2,592                              |
| Lon. & Lancashire ..      | 208,418             | 60,743                                | 154              | 269,315            | 128,692                    | 45,271             | .....                      | 173,963            | 95,352                             | .....                              |
| London Assurance..        | 791                 | None.                                 | None.            | 791                | 271                        | 3                  | .....                      | 274                | 517                                | .....                              |
| North British.....        | 38,831              | None.                                 | None.            | 38,831             | 36,649                     | 2,795              | .....                      | 39,444             | .....                              | 613                                |
| Queen .....               | 6,674               | None.                                 | None.            | 6,674              | 1,674                      | 358                | .....                      | 2,032              | 4,643                              | .....                              |
| Reliance .....            | 9,068               | None.                                 | 321              | 9,389              | 7,435                      | 450                | .....                      | 7,886              | 1,503                              | .....                              |
| Royal .....               | 18,104              | None.                                 | None.            | 18,104             | 32,794                     | 745                | .....                      | 33,539             | .....                              | 15,435                             |
| Scottish Amicable... ..   | 7,433               | 832                                   | None.            | 8,265              | 3,811                      | 27                 | .....                      | 3,837              | 4,427                              | .....                              |
| Scottish Provident... ..  | 2,706               | 57,862                                | None.            | 60,568             | 265                        | 82                 | .....                      | 347                | 60,220                             | .....                              |
| *Standard .....           | 421,933             | 283,444                               | 12,564           | 717,941            | 224,950                    | 87,499             | .....                      | 312,449            | 405,491                            | .....                              |
| Star .....                | 15,172              | None.                                 | None.            | 15,172             | 2,639                      | 3,332              | .....                      | 5,971              | 9,101                              | .....                              |
| <b>Totals.....</b>        | <b>\$1,031,814</b>  | <b>\$ 496,099</b>                     | <b>\$19,659</b>  | <b>\$1,547,571</b> | <b>\$ 773,666</b>          | <b>\$ 194,711</b>  | .....                      | <b>\$ 968,377</b>  | <b>\$ 685,160</b>                  | <b>\$ 106,068</b>                  |
| <i>American Companies</i> |                     |                                       |                  |                    |                            |                    |                            |                    |                                    |                                    |
| Ætna Life .....           | \$ 678,023          | \$ 8,809                              | None.            | \$ 686,832         | \$ 715,489                 | \$ 67,954          | .....                      | \$ 783,443         | .....                              | \$ 96,611                          |
| Connecticut Mutual..      | 51,919              | None.                                 | None.            | 51,919             | 89,611                     | .....              | .....                      | 89,611             | .....                              | 37,692                             |
| Equitable .....           | 677,805             | 87,780                                | None.            | 765,585            | 400,655                    | 119,912            | .....                      | 520,568            | 245,017                            | .....                              |
| Germania .....            | 95,287              | 2,000                                 | None.            | 27,287             | 5,064                      | 7,712              | .....                      | 12,776             | 14,511                             | .....                              |
| Metropolitan .....        | 56,786              | None.                                 | None.            | 56,786             | 17,735                     | 19,716             | .....                      | 37,451             | 19,334                             | .....                              |
| *Mutual Life.....         | 566,654             | 57,217                                | None.            | 623,871            | 205,098                    | 125,533            | .....                      | 330,630            | 293,241                            | .....                              |
| National Life.....        | 2,633               | None.                                 | None.            | 2,633              | 5,349                      | 17                 | .....                      | 5,366              | .....                              | 2,733                              |
| New York .....            | 683,931             | 66,850                                | 11,744           | 762,525            | 344,506                    | 137,626            | .....                      | 482,132            | 280,302                            | .....                              |
| Northwestern .....        | 17,951              | None.                                 | None.            | 17,951             | 14,619                     | 195                | .....                      | 14,814             | 3,137                              | .....                              |
| Phœnix of Hartford.       | 30,973              | None.                                 | None.            | 30,973             | 71,575                     | .....              | .....                      | 71,575             | .....                              | 40,601                             |
| Provident Savings... ..   | 39,934              | 2,315                                 | None.            | 42,248             | 4,045                      | 17,266             | .....                      | 21,311             | 20,937                             | .....                              |
| Travelers' .....          | 134,068             | 37,918                                | None.            | 171,987            | 128,927                    | 15,246             | .....                      | 144,173            | 27,814                             | .....                              |
| Union Mutual.....         | 122,419             | 18,445                                | None.            | 140,864            | 77,117                     | 20,784             | .....                      | 97,901             | 42,963                             | .....                              |
| United States .....       | 39,914              | None.                                 | None.            | 39,914             | 6,000                      | 17,212             | .....                      | 23,212             | 16,702                             | .....                              |
| <b>Totals .....</b>       | <b>\$3,128,298</b>  | <b>\$ 281,334</b>                     | <b>\$11,744</b>  | <b>\$3,421,375</b> | <b>\$2,085,791</b>         | <b>\$ 549,173</b>  | .....                      | <b>\$2,634,953</b> | <b>\$ 963,958</b>                  | <b>\$ 177,637</b>                  |

\* Includes annuity receipts.

**FIRE LOSSES IN CANADA FOR MAY, 1892.**

| DATE. | LOCATION.         | RISK.               | TOTAL LOSS. | INSUR'CE LOSS. |
|-------|-------------------|---------------------|-------------|----------------|
| May 2 | Yarmouth, N.S.    | School House.....   | \$10,000    | \$6,500        |
| 1     | Belleville.....   | Stores, Lumber, &c. | 25,000      | 18,000         |
| 3     | N. Glasgow, N.S.  | Foundry.....        | 4,000       | 1,600          |
| 3     | Montreal.....     | Paint Factory.....  | 21,000      | 21,000         |
| 4     | Waterloo, P.Q.    | Stores, etc.....    | 30,000      | 17,000         |
| 3     | Ottawa.....       | do.....             | 10,000      | 6,000          |
| 3     | Saltsprings, N.S. | Dwelling.....       | 2,000       | 1,200          |
| 5     | Trenton.....      | Grain Elev., Stores | 30,000      | 25,000         |
| 5     | Kentville, N.S.   | Dwelling.....       | 3,500       | 2,400          |
| 6     | Montreal.....     | Wharf Sheds, etc..  | 50,000      | 4 00           |
| 6     | Kingston.....     | Dwelling.....       | 2,000       | 2,000          |
| 8     | Fairville, N.B.   | Conflagration.....  | 60,000      | 34,000         |
| 6     | Windsor.....      | Steam Tug.....      | 8,000       | 8,000          |
| 8     | Hamilton .....    | Canning Factory..   | 1,000       | 1,000          |
| 1     | Acton Vale.....   | Boot and Shoe Fct.  | 30,000      | 25,000         |
| 9     | Peterboro.....    | Canoe Factory....   | 20,000      | Not ins.       |
| 4     | Ottawa.....       | Planing Mill.....   | 25,000      | 10,000         |
| 10    | Niagara Falls...  | Roller Rink.....    | 7,500       | 4,200          |
| 8     | Paris.....        | Blacksmith Shop..   | 2,000       | 1,200          |
| 9     | Martin's H., N.B. | Saw Mill.....       | 20,000      | 14,000         |
| 3     | Three Rivers...   | Dwelling.....       | 1,500       | 1,300          |
| 15    | Harriston.....    | Furniture Factory.  | 8,000       | 6,000          |
| 15    | Georgetown.....   | Paper Mills.....    | 8,000       | 2,000          |
| 15    | Matane, P.Q.      | Store.....          | 3,500       | 2,500          |
| 15    | Montreal.....     | Picture Store.....  | 1,700       | 1,700          |
| 16    | Quebec.....       | Steam Tug.....      | 10,000      | 6,000          |
| 16    | Toronto.....      | Dwellings.....      | 6,000       | Not ins.       |
| 18    | Midland.....      | Stores.....         | 10,000      | 6,500          |
| 18    | Tp. Nichol.....   | Farm Barn.....      | 3,000       | 1,500          |
| 18    | St. Tite, P.Q.    | Paint Factory....   | 5,000       | 4,000          |
| 19    | Seaforth.....     | Restaurant.....     | 5,000       | 3,000          |
| 21    | London.....       | Dry Goods Store..   | 5,000       | 5,000          |
| ..    | L'Epiphanie...    | Flour Mill.....     | 6,000       | 3,500          |
| 23    | Ottawa.....       | Outbuildings....    | 5,000       | 3,300          |
| 21    | Montreal.....     | Foundry.....        | 2,500       | 2,000          |
| 24    | Toronto.....      | Flour and Feed St.  | 5,000       | 2,500          |
| 21    | Sarnia.....       | Clothing Store...   | 2,300       | 2,300          |
| 24    | St. Catharines..  | Foundry.....        | 2,500       | 2,200          |
| 25    | Trenton.....      | Hotel, etc.....     | 8,000       | 5,000          |
| 25    | Montreal.....     | Dry Goods.....      | 6,000       | 6,000          |
| 25    | Galt.....         | Barn.....           | 2,000       | 1,000          |
| ..    | St. Armand.....   | Hotel.....          | 3,500       | 2,500          |
| 28    | Montreal.....     | Tailor's Store....  | 5,500       | 5,500          |
| 27    | Strathallan.....  | Cheese Factory...   | 4,000       | 2,800          |
| 22    | Sorel.....        | Steamer.....        | 1,100       | 1,100          |
| 29    | Port Arthur.....  | Tug.....            | 3,000       | 1,500          |
| 20    | Casselman.....    | Lumber.....         | 2,000       | 2,000          |
| 30    | Hastings.....     | Saw Mill.....       | 5,000       | 2,000          |
| 30    | Trenton.....      | Stores.....         | 5,000       | 1,200          |
| 30    | St. Thomas.....   | Drug Store.....     | 7,000       | 5,500          |
| 31    | Orillia.....      | Saw Mill.....       | 4,000       | 3,000          |
|       |                   |                     | \$507,100   | \$296,500      |

**SUMMARY FOR FIVE MONTHS.**

|                  |             |             |
|------------------|-------------|-------------|
| For January..... | \$622,200   | \$462,700   |
| " February.....  | 245,400     | 171,700     |
| " March.....     | 702,100     | 439,900     |
| " April.....     | 407,400     | 319,600     |
| " May.....       | 507,100     | 296,500     |
| Totals.....      | \$2,484,200 | \$1,690,400 |

**THE CALEDONIAN INSURANCE COMPANY.**

The report of this, the oldest of the Scottish insurance companies, for 1891 presents, as the public and the insurance world have come to expect regularly, a record of growth in business and in funds. Of course the exceptionally heavy fire losses sustained by companies generally, and especially those doing a large American business, were shared by the Caledonian; and while the net premiums amounted to \$1,313,270 the losses were \$875,570. The interest and fees belonging to the fire branch added \$85,970 to the premium income, making the total current receipts for

the year \$1,399,240. Bringing forward the balance of \$166,175 from the previous year, we have a total of \$1,565,415, from which, deducting current expenditures, we find remaining a balance of \$192,140 as the balance to carry forward, subject to stockholders' dividends amounting to \$123,625. The fire funds were also increased by \$400,000 carried to the guarantee fund from premiums realized on new shares issued to increase the paid up capital, now standing at \$537,500. Altogether the fire funds, after paying the above dividend, amount to \$2,456,015, so that while the Caledonian is not one of the largest, yet it is one of the most solid British insurance offices. In the life branch excellent results are reported. The new issues amounted to 1,045 policies assuring \$3,314,515, and the total income \$894,390, of which \$685,790 was from premiums and for annuities. The death losses were below the expectation, the expenses moderate, and the resulting excess of income over expenditure \$326,060, which went to increase the life assurance fund. That fund now amounts to \$5,413,000. Adding the fire and life funds, we have a total of \$7,869,015. The funds have more than doubled in the last fifteen years, and during the last five have increased nearly two and a quarter millions of dollars. The Caledonian has now for many years been known in Canada, where it has established a fire underwriting reputation of the best kind and is widely recognized as standing in the first ranks. We are pleased to learn that the business of the current year under the new manager, Mr. Lansing Lewis, is very satisfactory, and the prospects for the future of this sterling company in the Dominion excellent.

**"THE INSURANCE CORPORATIONS ACT, 1892."**

PROVINCE OF ONTARIO.

From the Act relating to insurance recently passed under the above title by the Legislature of Ontario we have selected the following, embracing the more important provisions governing the business of fire and regular life insurance companies. A system of registration is provided under three forms, viz.: "The Insurance License Register," "The Friendly Society Register," and the "Insurance Agents' Register." Section 6 of the Act provides that companies licensed by the Dominion authorities shall, upon application and proof of such existing license, be entitled to register in the Insurance License Register, as follows:—

6. (2) For purposes of this Act, "licensees" shall include corporations authorized by any instrument or document issued under or by virtue of sections 38 or 39 of *The Insurance Act of Canada*; and every licensee licensed under or by virtue of *The Insurance Act of Canada* shall be deemed to be a corporation for the purpose of registration under this section.

7. (1) The duty of determining, distinguishing and registering those insurance corporations, which under this Act or any amending Act are legally entitled to registry on the Insurance License Register, and of granting registry accordingly, shall devolve upon the Inspector of Insurance, subject to appeal as hereinafter provided.

Applications 12.—(1) Applications of insurance corporations for initial registry under this Act shall be made according to a form to be supplied by the Registry Officer on request, and the applicant shall deliver to the Registry Officer at his office the application, duly completed, together with such evidence as the form by its terms requires, and the applicant shall furnish such further information, material and evidence, or give such public notice of the application as the Registry Officer shall direct; in the case of corporations transacting or undertaking, or offering to undertake or transact

insurance in Ontario at the passing of this Act, such corporations shall make due application for registry on or before the thirtieth day of June, 1892.

**Extension of time.** (2) On sufficient cause shown and upon payment of the fee hereinafter prescribed, the Registry Officer may, by writing under his hand and the seal of his office, extend the time for the delivery of an application, or for the prosecution or completion of an application already delivered or tendered.

**Power of attorney to receive service of process must accompany applications in certain cases.** 14.—(1) Where any corporation applying for registry has its head office elsewhere than in Ontario, its application for registry shall be accompanied by a power of attorney from the corporation to an agent resident in Ontario, the power of attorney shall be under the seal of the corporation, and be signed by the president and secretary or other proper officers thereof in the presence of a witness, who shall make oath or affirmation as to the due execution thereof; and the official positions in the corporation held by the officers signing such power of attorney shall be sworn to or affirmed by some person cognizant of the facts necessary in that behalf.

**Contents of power of attorney.** (2) The power of attorney shall declare at what place in the Province the chief agency of the corporation is or is to be established, and shall expressly authorize such attorney to receive service of process in all actions and proceedings against the corporation in the Province for any liabilities incurred by the corporation therein, and also to receive from the Registry Officer all notices which the law requires to be given, or which it is thought advisable to give, and shall declare that service of process for or in respect of such liabilities, and receipt of such notices at such office or chief agency, or personally, on or by such attorney at the place where such chief agency is established, shall be legal and binding on the corporation to all intents and purposes whatsoever.

(3) The power of attorney duly executed shall be filed by the Registry Officer in his office.

**Duplicate documents to be filed with Clerk of Process.** 15. Duplicates, duly verified as aforesaid of the documents mentioned in the two next preceding sections shall be filed at Toronto in the office of the Clerk of the Process; where shall also be filed thereafter a duplicate of any power of attorney which supersedes or is intended to supersede any prior power of attorney.

**Duration and renewal of registry in case of certain corporations.** 19.—(1) In the case of those corporations mentioned in section 6 of this Act, which receive from time to time a license or other document of authority under *The Insurance Act of Canada*, the corporation shall annually, after its first registration hereunder, present to the Registry Officer the then subsisting document of authority, within thirty days after the date thereof, and upon due presentation of the same and upon payment of the fee hereinafter prescribed, shall be entitled to registry hereunder, or to renewal of registry, as the case may be; and in default of registry or of renewal of registry within the said thirty days, the corporation shall be deemed to be unregistered.

**Proviso.** Provided that such presentation may be dispensed with on the Registry Officer receiving from the proper officer of the Dominion of Canada notice that such license or document of authority has in fact issued to the corporation named in the notice, and authorizes the transaction of insurance of the kind and for the term specified in the notice.

**Evidence of registry: semi-annual list to be published.** 26.—(1) The Registry Officer shall cause to be published in the *Ontario Gazette*, in February and July of each year, respectively, a list of the corporations which stand registered at the date of the list; also, if, in the interval between two such lists of registered corporations, a new corporation is registered, or the registry of any corporation is suspended or cancelled, or if a suspended registry is revived, he shall cause notice thereof to be published in the *Ontario Gazette*.

**Effect of notice in Gazette.** (2) A list or notice published in the *Ontario Gazette* over the name of the Registry Officer shall, without further proof, be received in any court and before all justices of the peace and others as *prima facie* evidence of the facts set forth in such published list or notice.

**No unregistered corporation to undertake insurance Act, and persons duly authorized by such registered corporation to act in its behalf, shall undertake or effect, or offer to undertake or effect, any contract of insurance.** 27.—(1) After the 31st day of December, 1892, no person or persons, or body corporate or unincorporated, other than a corporation standing registered under this Act, and persons duly authorized by such registered corporation to act in its behalf, shall undertake or effect, or offer to undertake or effect, any contract of insurance.

(2) If any promoter, organizer, office-bearer, manager, director, officer, collector, agent, employee, or person whatsoever, other than as enacted in the next preceding sub-section, undertakes or effects, or agrees or offers to undertake or effect any contract of insurance, he shall be guilty of an offence, and upon summary conviction thereof before any police magistrate or justice of the peace having jurisdiction where the offence was committed, shall be liable to a

penalty not exceeding \$200 and costs, and not less than \$20 and costs; and in default of payment the offender shall be imprisoned with or without hard labor for a term not exceeding three months and not less than one month; and on a second or any subsequent conviction he shall be imprisoned with hard labor for a term not exceeding twelve months and not less than three months.

**Application of fine.** (3) Any one may be prosecutor or complainant under this Act; and one-half of any fine imposed by virtue of this Act shall, when received, belong to Her Majesty for the use of the Province, and the other half shall belong to the prosecutor or complainant.

**Appeals from decision of Registry Officer.** 51.—(1) Upon the decision of the Registry Officer that the corporation is or is not entitled to registry, or upon any suspension, revivor, or cancellation of registry by him, an appeal may be had to a Divisional Court of the High Court, the appellant having first given security for costs, in an amount to be determined by the Court or a Judge thereof, or by General Rules, as hereinafter provided for. Two clear days' previous notice of the application to fix the amount of such security shall be given to the Registry Officer at his office.

The following provisions regarding adjustments are of considerable interest:—

**Insurer's right of entry after loss.** 33. (4) After any loss or damage to insured property, the insuring corporation, called hereinafter the insurer, has, by a duly accredited agent, an immediate right of entry and access sufficient to survey and examine the property, and make an estimate of the loss or damage; but the insurer is not entitled to the disposition, control, occupation or possession of the insured property, or of the remains or salvage thereof, unless the insurer undertakes reinstatement, or accepts abandonment of the property.

**Duty of assured after loss.** After any loss or damage to insured property, it is the duty of the assured when and as soon as practicable to secure the insured property from damage, or from further damage, and to separate as far as reasonably may be the damaged from the undamaged property; and to notify the insurer when such separation has been made; and thereupon the insurer shall be entitled to entry and access sufficient to make an appraisal or particular estimate of the loss or damage:

**Proviso.** Provided that at any time after the loss or damage, insurer and the assured may, under a term of the contract of insurance or by special agreement, make a joint survey, examination, estimate or appraisal of the loss or damage, in which case the insurer shall be deemed to have waived all right to make a separate survey, examination, estimate, or appraisal thereof.

#### APPLYING ESPECIALLY TO LIFE INSURANCE.

**Error in age not to avoid contract.** 34. (1) Where the age of a person is material to any contract within the intent of section 2, and such age is given erroneously in any statement or warranty made for purposes of the contract, such contract shall not be avoided by reason only of the age being other than as stated or warranted, if it shall appear that such statement or warranty was made in good faith and without any intention to deceive; but the person entitled to recover on such contract shall not be entitled to recover more than an amount which bears the same ratio to the sum that such person would otherwise be entitled to recover as the premium proper to the stated age of such person bears to the premium proper to the actual age of such person—the said stated age and the actual age being both taken as at the date of the contract.

**Proviso.** "Provided that in no case shall the amount receivable exceed the amount stated or indicated in the contract."

**"Premium."** (2) For purposes of the next preceding sub-section, the word "premium" shall mean the net annual premium as shown in the Hm. table of the Institute of Actuaries of Great Britain, the rate of interest being taken at 4½ per cent. per annum. 52 V., c. 32, s. 3.

**Fractional part of year.** (3) If the error in age includes a fractional part of a year exceeding a half year, such fractional part shall be computed as a whole year; but if the fractional part does not exceed a half year, it shall be wholly disregarded in the computation.

**Where age is taken as greater than known age.** (4) When, by the terms and for the purposes of the contract, the age of the person in respect of whose age the contract is made is taken to be greater than the actual age of such person, the number of years added to such age shall, for purposes of the calculation provided for by this section, be added to the true age of such person.

**Error may be adjusted between insurer and assured at any time before maturity of contract.** (5) Where any error is discovered in respect of any contract of life insurance, or of the premium or premiums paid or to be paid upon such contract, nothing herein contained shall be construed in any way to prevent at any time before the maturity of the contract an adjustment

between the insurer and the assured of the amount or amounts payable in respect of any insurance effected, or of the premium or premiums paid or to be paid."

**37.** (1) The Act to secure to Wives and Children the benefit of Life Insurance shall apply to all lawful contracts of insurance made by friendly societies registered under this Act.

(2) Sections 1 and 2 of the Act passed in the 51st year of Her Majesty's reign and chaptered 22 are hereby repealed; also sections 3 and 4 of the said Act are amended by striking out therein the words "of the said Act" wherever they occur, and inserting in lieu thereof the words "of chapter 136 of the Revised Statutes."

Proviso. "Provided that nothing herein contained shall be construed to exclude from the benefit of chapter 136 of the Revised Statutes any contract heretofore made by a friendly society."

**38.** (1) This section shall apply only to corporations licensed by competent authority to undertake the contracts or any of the contracts enumerated in the subdivisions lettered (a) and (d) of the 12th sub-section of section 2 hereof, and for purposes of the present section the word "insurance" shall mean any or all of the said enumerated contracts; and the word "policy" shall include any instrument serving the purpose of a policy; and the word "licensed" shall include corporations authorized by any document of authority issued under sections 38 and 39 of *The Insurance Act* of Canada.

(2) In respect of any contract or contracts of insurance or any agreement or agreements therefor, made after the commencement of this section with any assured, or in tending assured, for any sum of or sums amounting to \$5,000 or upwards, no corporation or agent shall make, as between persons of the same expectation of life, and whose lives are otherwise equally eligible, and who are insured on the same plan, any discrimination in the amount of premium charged, or in return of premium dividends, or in payment of bonuses, or in bonus additions, or otherwise.

(3) No agent, sub-agent, broker, or other person acting for, or soliciting or procuring business for, the corporation shall make any contract of insurance or agreement as to any contract of insurance other than that which is expressed in the policy issued or to be issued; nor in the case of any contract of insurance for \$5,000 or upwards shall any corporation, agent, sub-agent, broker or other person pay, or allow, or offer to pay or allow, directly or indirectly, as inducement to insurance, any rebate of premium, or any special favor or advantage whatever, other than is specified in the policy issued or to be issued.

(4) No person, not being the chief agent or the chief managing officer of the corporation, shall directly or indirectly act as insurance agent, sub agent, or broker, or shall in such capacity, under any other designation, solicit or procure any insurance or application or proposal therefor, for any corporation, without having an agent's certificate of registry from the Provincial Department of Insurance, as hereinafter provided.

(5) The Registry Officer shall, on or before the first day of July, 1892, cause to be opened and kept a register, which may be known as the Insurance Agent's Register, and therein he shall cause to be entered the name and address of every person whom he shall find legally entitled to registry, together with the date of his finding; also the term for which, in the absence of suspension, revocation or cancellation, the registry is to endure, which term shall begin as from the date of the said finding, and shall end not later than the 30th June then next ensuing; also if, during the term, the registry has been suspended, or revived or revoked, or cancelled, the date and authority for such suspension, revivor, revocation, or cancellation.

(6) Every applicant, at his first application to be registered as an insurance agent, shall produce, to the satisfaction of the Registry Officer, a recommendation from the manager of a Canadian, or from the chief agent of a foreign, insurance corporation legally authorized to transact business in Ontario; but, having once been registered, the agent may transfer his services to another corporation without renewal of the certificate then unexpired.

(7) To all persons registered as in sub section 5, the Registry Officer shall issue under his hand and the seal of his office a certificate of registry, or of renewed registry, as the case may be, setting forth that it has been made to appear to him that the person is entitled to registry as an insurance agent, and that he is accordingly registered for the term stated on the certificate.

Fee. (8) The fee payable in respect of each certificate shall be as hereinafter prescribed.

Public notice to be given of agents registry. (9) In the months of February and July of each year the Registry Officer shall cause to be published in the *Ontario Gazette* a list of the insurance agents standing registered at the date of the list; also upon a new agent being registered, or upon the registry of an agent being suspended, revived, revoked, or cancelled, he shall cause notice thereof to be published in the *Ontario Gazette*.

Section 26 to apply. (10) The provisions of section 26 shall apply equally to evidence in any cause, matter, proceeding or trial under this section.

Conviction of offence to operate as revocation of registry: no revivor for three years. (11) If any registered agent is convicted of an offence against this Act, it shall be the duty of the Registry Officer, upon proof of such conviction, to revoke or, pending an appeal from the conviction, to suspend, and if the conviction is affirmed on appeal, then to revoke the registry of the person convicted; and the person so convicted shall not be entitled to apply for revivor of registry for the term of three years from the date of the conviction.

No insurance other than personal to be taken from unregistered agents. (12) No corporation, nor any officer, agent or employee of a corporation, nor any person canvassing or soliciting for insurance shall accept from any unregistered agent or person any application or proposal for a policy of insurance other than a policy insuring such unregistered agent or person himself.

Penalty for breach of section. Provisions of sec. 27 to apply. (13) Any person who contravenes any of the provisions of this section shall be guilty of an offence, and, upon summary conviction thereof before any police magistrate or justice of the peace having jurisdiction where the offence was committed, shall be liable as for an offence committed against section 27 of this Act, and all the provisions of the said 27th section shall equally apply in the case of an offence committed against this section.

Proviso. Provided, that when, by virtue of reciprocal legislation, any other Legislature in Canada accepts as valid within its jurisdiction the insurance agents' licences of Ontario, the Registry Officer shall have authority to indorse as valid for Ontario the like licences of such Legislature.

Commencement of section. (14) This section shall take effect as to sub-sections 1, 2 and 3 on and from the passing thereof; and as to sub-sections 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 on and from the 1st day of January, 1893.

LICENSE FEES REQUIRED.

Fees payable To Provincial Treasurer. **62.** The fees by this section prescribed shall be payable to the Provincial Treasurer of Ontario.

Time of payment. In the case of an application or other document or instrument to be filed, examined, or deposited, the fees shall be paid before the application or other document or instrument is considered; in the case of registry or certificates of registry the fee shall be payable before the corporation is registered.

I. Corporations empowered by Ontario. *Division I.*—Corporations deriving their powers from the Province of Ontario.

Ontario licenses. 1. Inasmuch as insurance corporations licensed by the Province are under the provisions of *The Ontario Insurance Act* required to pay annually to the Province an assessment and license fees, the said corporations shall without application and without additional charge be entitled to be registered under this Act.

Life Insurance Agent's Certificate. 2. Life Insurance Agent's Certificate of Agency, original or renewed. s. 38. . . . . \$ 2 00

Certain Ontario corporations. 3. In the case of Ontario corporations within the meaning of section 4 (2) or section 8, the fees shall be as follows:—

- A.—Corporations or incorporated Branches having in Ontario 500 members or less:
  - (a) Application for initial registry. s. 12 (1). . . . . \$2 00
  - (b) Extension of time for making application. s. 12 (2) . . . . . 2 00
  - (c) Certificate of Registry, original or renewed. . . . . 5 00
  - (d) Interim Certificate, or extension of certificate. s. 21. . . . . \$2 00
  - (e) Revivor of Registry after suspension. . . . . 4 00
  - (f) Change of name. s. 24. . . . . 4 00
- B.—Corporations or incorporated Branches having in Ontario over 500 and not more than 1,500 members:
  - (a) Application for initial registry. s. 12 (1). . . . . \$3 00

|   |        |
|---|--------|
| (b) Extension of time for making application. s. 12 (2) .....   | 3 00   |
| (c) Certificate of Registry, original or renewed.....   | 10 00  |
| (d) Interim Certificate, or extension of certificate. s. 21.....  | 3 00   |
| (e) Revivor of Registry after suspension.....   | 6 00   |
| (f) Change of name.....   | 6 00   |
| C.—Corporations or incorporated Branches having in Ontario over 1,500 and not more than 2,500 members : |        |
| (a) Application for initial registry. s. 12 (1).....  | \$4 00 |
| (b) Extension of time for making application. s. 12 (2).....  | 4 00   |
| (c) Certificate of Registry, original or renewed.....   | 15 00  |
| (d) Interim Certificate, or extension of certificate. s. 21.....  | 4 00   |
| (e) Revivor of Registry after suspension.....   | 8 00   |
| (f) Change of name.....   | 8 00   |
| D.—Corporations or incorporated Branches having in Ontario more than 2,500 members :                    |        |
| (a) Application for initial registry. s. 12 (1).....  | 5 00   |
| (b) Extension of time for making application. s. 12 (2).....  | 5 00   |
| (c) Certificate of Registry, original or renewed.....   | 25 00  |
| (d) Interim Certificate or extension of certificate. s. 21.....   | 5 00   |
| (e) Revivor of Registry after suspension.....   | 10 00  |
| (f) Change of name.....   | 10 00  |

II. Corporations empowered by Acts of Canada. Licensees. *Division II.*—Corporations deriving their powers from an Act of Canada or from a document of authorization issued under *The Insurance Act* of Canada.

R.S.C. c. 124. 1. In the case of corporations deriving their powers from a license or document of authorization issued under *The Insurance Act* of Canada, except corporations included in section 38 thereof, the fees shall be as follows :

|   |        |
|---|--------|
| (a) Application for initial registry. s. 12.....                                  | \$5 00 |
| (b) Extension of time for making applications. s. 12 (2) .....                    | 2 00   |
| (c) Filing power of attorney in case of extra Provincial corporations. s. 14..... | 5 00   |
| (d) Change of attorney. s. 16.....  | 5 00   |
| (e) Certificate of registry, original or renewed.....                             | 100 00 |
| (f) Interim Certificate of Registry, or extension of certificate. s. 21.....      | 5 00   |
| (g) Revivor of registry after suspension. ss. 6 (3), 44.....                      | 25 00  |
| (h) Life Insurance Agent's Certificate of Agency, original or renewed.....        | 2 00   |

Corporations empowered under R.S.C. c. 124, s. 38. 2. In the case of corporations empowered under section 38 of *The Insurance Act* of Canada, the fees shall be as follows :

|   |        |
|---|--------|
| (a) Application for initial registry. s. 12.....                                  | \$5 00 |
| (b) Extension of time for making application. s. 12 (2) .....                     | 2 00   |
| (c) Filing power of attorney in case of extra-Provincial corporations. s. 14..... | 5 00   |
| (d) Change of attorney. s. 16.....  | 5 00   |
| (e) Certificate of registry, original or renewed.....                             | 75 00  |
| (f) Interim certificate of registry, or extension of certificate. s. 21.....      | 5 00   |
| (g) Revivor of registry after suspension. ss. 6 (3), 44.....                      | 20 00  |
| (h) Life Insurance Agent's Certificate of Agency, original or renewed.....        | 2 00   |

[We omit the balance of the licence fee list, as it refers to Trades Union societies, or to such friendly or benefit societies as may be authorized by special Acts of Parliament. To such the fees are the same as in sub-division 3 D, division I.]

**THE ONTARIO MUTUAL LIFE.**

The annual statement made by the above company for 1891, which we reproduce on another page, is what we expected to see, for it is a statement of progress. Like a vigorous, healthy tree, the Ontario Mutual grows, and the end of each year finds it bigger and stronger than a year before. There is no hot-house development about the company, but good, solid fibre is added by legitimate methods of culture. Its managers follow well the lines and mark carefully the limitations of well tried and safe life underwriting, with a result eminently creditable to them and to Canada. As the result of last year's work we find that the assurance written amounted to \$2,694,950, or \$346,800 more than in the preceding year. Of this amount \$2,428,950 went into force, being taken and paid for,

against \$2,160,650 in 1890. The net gain in assurance in force was \$1,224,007, bringing the total at the close of the year up to a trifle under \$15,000,000. The deaths, though increased over the previous year, show a very light ratio to mean amount of assurance in force, being as low as \$6.92 on each \$1,000. Lapses showed a very marked diminution, indicating a satisfied constituency, among whom were distributed during the year \$211,607 as "payments to policyholders." The total income was \$57,762 more than in the previous year, amounting to \$547,620. The assets now reported by the company have been increased by \$247,345 to a total of \$1,959,031, and the surplus over all liabilities to \$155,559, an increase of \$21,493. The assets are carefully invested, and represent realizable value to the full extent claimed. The company has been continuously prosperous under the capable and conservative direction of Manager Wm. Hendry, with Mr. W. H. Riddell, the secretary, as a good second, and bids fair to keep on growing under the same management.

**Correspondence.**

We do not hold ourselves responsible for views expressed by Correspondents

**SPECIAL TORONTO LETTER.**

*Editor* INSURANCE AND FINANCE CHRONICLE:—

"Pursuant to notice given," Tuesday, the 31st May, witnessed the gathering known as the special meeting of the Toronto Board. It was certainly a large representative assemblage of the men, principals and agents most interested in the fire insurance business of Toronto. In addition to the local representatives of companies, a large proportion of Montreal men were present. The meeting lasted two days, with a large committee meeting on the first night, so it is evident the work in hand was considered important. During the two days the attendance at both morning and afternoon sessions was excellent—the gentlemen with the "china asterisks" opposite their names in the minute book (those who were not present at the opening of each session) not being many. Passing over the minor items brought before the meeting, the threatened withdrawal of one company from the board—the alleged violations of tariff rates and rules—and the sins of omission and commission were the really serious and momentous questions for consideration—serious, as involving the good faith of members, momentous, because the existence of the Toronto Board was dependent on the issue. Under the able chairmanship of the vice-president of the Board, Mr. Wm. Adamson, members were allowed a full and fair discussion of all points raised and every opportunity to give their views on the situation. It was generally felt and admitted that the evils complained of, regarding rules and ratings, existed—had existed for some time—and were increasing in number; and that a crisis had been reached through the action of one company, in proposing to retire from the Board, largely on account of dissatisfaction with the state of affairs in connection therewith; that either the Toronto Board had to dissolve, and the supervision of Toronto be placed under the branch of the C. F. U. A. like Kingston, London and Ottawa, or some workable scheme proposed and means adopted to restore the confidence of members in each other and ensure loyalty to existing rates and rules.

The result was, after much discussion and oratory, a resolution unanimously adopted to the following effect: 1st, to enforce adherence to rates, the "stamping system" be tried for six months—the chief feature of which is that all applications, daily reports and renewal receipts must be stamped as correct by an official of the Board before transmission to head offices; 2nd, as regards commissions, existing rules to be amended to

reduce the city agents of each company to three, each additional agent to be licensed on payment of \$50 annual fee; or, to be only such an agent as can guarantee \$500 a year of premium, as in his control. The whole resolution was then handed to a committee to work out details of application of the above, and submit their report at an adjourned meeting to be held one month later, when, no doubt, the plan will be confirmed and carried out.

The proposal to adopt the "stamping system" was not received without some vehement objections to its adoption by a few members. It was characterized by these as a measure, reflecting on the honorable board—as a slight put on the honesty and loyalty of members; it was an uncalled for measure—unacceptable to the higher-toned members, an un-British practice, and so on. Occasion was taken by a much respected member to say that the Toronto Board was a long established institution, and had rendered excellent service to the companies and its members in the past, as in the present, and was still in possession of the respect of the community; that matters were not as bad as some would have us infer; there have been occasional slips and inadvertencies, but, as a whole, everything was working along satisfactorily. These sentiments were combatted by other old members, who asserted that the evils did exist to the extent stated and perhaps to a greater extent; that their very presence at this meeting in large numbers showed what the feeling of all was. It was hinted delicately that the Toronto Board might have survived its usefulness, and that in any case, if it was to be held together, a change in its system must be made. Taken altogether, the meeting from first to last was a lively one. There were bursts of eloquence, flights of oratory, the waving of the "old flag," and verbal pyrotechnics of more or less brilliancy—all doing duty on this interesting occasion. Well, they all feel better now, and good must result, or ought to, from the letting off of so much steam from overcharged vessels. Insurance men now look for the advent of "*the stamp*," which is to effect wonders, its advocates expect.

The evil of commission-paying, however, is many times greater than that of rate-cutting, because it is paid: 1st, to persons not entitled to receive it, not being *bona fide* insurance agents; and 2nd, to so large a number of persons, who though under present rules are eligible to receive it, are nevertheless by their numbers an undue tax on the revenue of those who live solely by insurance. If a reduction of agents, specials and others is made, "*the stamp*" will doubtless do its part in lessening the other evil. The period of 6 months' trial will demonstrate what it can do,—of the proposed design and motto for stamp I will write you later.

#### AN APPRAISEMENT WITH A MORAL.

Amongst recent losses, that of Skinner & Co. in Toronto bids fair to prove as interesting in settlement as it was surprising in claim. This firm, which deservedly ranks high among our leading wholesale crockery dealers, recently removed here from Hamilton, transferring through its agent in Hamilton (who controls its business) all its policies in due form to the new premises in Wellington street, the amount of the insurance carried being about \$62,000. A small fire occurred about 6.30 p.m., on 19th May last, which damaged the building only to the extent of \$2,600. Cause of fire not ascertained,—probably occasioned by a spark or match in the straw. The premises were not closed, and some one was in the office. Fire brigade promptly on the spot—next day the agent of insured, who was likewise agent in Hamilton of some of the companies interested, came from Hamilton, and after viewing the damage called on the companies, representing that loss would be light, and asking if they would authorize one company (naming it) to proceed and appoint an appraiser, and take usual steps, as representing the whole interested, to ascertain amount of loss. Just what authority each company gave in this direction is not quite clear, but some certainly gave none. The company thus asked to act affirms that it understood all the others had given verbal consent, through the said agent, for them to act for all interested. They accordingly appointed an appraiser, and the appraisement was made, literally in short order, with the result that the award was \$26,000, or

say about 42% of the total insurance, largely a *smoke damage*, the smoke naturally being thick and heavy for the short time. With this finding and award all companies are greatly surprised and displeased. Neither are they satisfied with the manner in which the appraisers went to work, report having it that they were accompanied in their rounds by officials of the firm. They cannot, so far as they can see, and *in the absence of details of the loss incurred*, believe that the insured suffered to such an extent. No reflection is made or cast on the insured, who possibly are as much surprised as the companies. Steps are now being taken by the latter to have the matter gone over again, but the insured firm objects. The companies are willing to pay the award if it can be shown to them that even an amount approximate to the award has been lost. The new Ontario Act gives the companies dissenting the right to call for an arbitration which will be availed of. This is the position at date. Of the outcome I will keep you posted. The obvious moral is that agents should stand aloof from, and take no part in, the settlement of losses, and should occupy a neutral position, at least, as between the company and the claimant. Companies should not allow the mad race which goes on around them, as to who shall first get in a loss check, to influence their action and blind them to the fact that a departure from the old established custom of procedure, when a loss arises in which several interests appear, is always hazardous and extra-hazardous—as in this case, when a meeting of all interested should have been held to consult and act in concert, naming an approved appraiser, even if the loss was thought to be a little one. "Great oaks from little acorns grow."

#### A SEVERED TIE, OR MARTYRS ALL.

The severance of the long connection between Mr. T. M. Pringle and the London and Lancashire Fire has certainly been well advertised. Nothing like doing things thoroughly—out by the Pacific they have the card announcing that "the last link is broken;" and down by the sounding sea (N.B.) and "on Greenland's Icy Mountains," and "Ceylon's isle," and "far Cathay," and on "lonely Labrador," I guess they know all about it, if they care to. Mr. Pringle, on his part, however, after all the free advertising he has got, has not kept silence—he has had his talk back, but naturally has not commanded so extensive an audience. His case from his side amounts to this: I didn't do anything to deserve this treatment, but if I did, my securities afford the company ample protection. I know nothing whatever beyond street gossip of the merits of the case; but I conclude that the company feels aggrieved, has suffered, been made a martyr of, to some extent, by Mr. Pringle. He on his part leads us to infer that the company has acted harshly by him, and that *he* is a martyr. Now I see that the company has replaced Mr. Pringle as city agent, by appointing *Mr. G. F. Martier, M.P.P.*

So, you see, there are three of them!

ARIEL.

TORONTO, 11th June, 1892.

#### OUR LONDON LETTER.

Editor INSURANCE AND FINANCE CHRONICLE:—

#### THE LONDON AND LANCASHIRE FIRE REPORT

is one of the most satisfactory. Like other [companies it has suffered from the devastation that fire has worked in the United States during 1891, but it seems to have managed to balance the American account; and its success in other regions has enabled the managers to report a really handsome surplus. The manner in which they have dealt with surplus speaks volumes for their capacity and prudence. A moderate dividend to shareholders, a large increase of the reserve and re-insured fund, and a heavy balance carried forward to the next account are the features which exceptionally distinguish the management surplus fund of the London and Lancashire Fire. Surely it was

#### BAD ADVICE

that led the National Life to go into court, to defend an action brought against it at the Leeds assizes recently. The action was brought by one Brewster to whom the company had granted a policy for £444 under a monthly premium of £3. It appears that the man was in good health when he assured with the company in 1889, and as evidence that he was regarded as a good life, there is the fact that two additional policies for £500 each were subsequently granted to Brewster. The man is now suffering from softening of the brain, and this coming to the

knowledge of the company, they made certain enquiries, and came to the determination to repudiate their liability on the ground of fraudulent misrepresentation in the original proposal form. I should say the man is, apart from the brain affection, in good bodily health.

The policies were assigned by the assured to his daughters, and they were made parties to the action in consequence. The defendant company contended that they had no legal interest in the policies, and brought this point forward as a ground of repudiation. With regard to the misrepresentation, it transpired that the agents of the company who took the proposal were cognizant of certain facts which were not stated in the proposal, and the company sought to prove that they were not liable for the action of their agents. The judge, however, took an adverse view of their case, and so did the jury, for after a very short deliberation they found for the plaintiffs, and the judge ordered that the whole of the premiums that had been paid should be refunded to them. The case is noteworthy on account of the view that the court took of the responsibility of the company for the acts of their agents, a lesson that the National and all other offices may remember, as it is a point on which considerable difference of opinion exists.

#### MORE HARD HITTING

for the Mutual Reserve Fund comes from the editor of the *Accountant*, which I take to be the accredited organ of the Institute of Chartered Accountants in the United Kingdom. I extract the following remarks from the journal ament the 11th Annual Report of the Mutual Reserve Fund:

"It will be found interesting in many respects and amusing in not a few. The published accounts are not apparently certified by the auditors, but they are 'respectfully submitted' by the secretary—whose signature alone they bear. A 'bi-monthly report by the auditors' is appended, but it contains no certificate of the correctness of the accounts, the auditors apparently considering their functions to consist rather in commending the officers for their honest and able management of the great and sacred trust committed to their care... On a loose sheet enclosed with the report is a list of investments amounting to \$3,155,220, which is said to be the total amount of the reserve or emergency fund; but we look in vain for any such item in the published accounts. A certificate is attached to the effect that \$2,197,239 is deposited with the Central Trust Company of New York, but it might be interesting to know who has the other million dollars in keeping."

#### NEMO ME IMPUNE LACESSIT

is the motto of the Scotch nation, and individuals of that nation, both public and private, are not backward in letting a stranger know that the thistle pricks when laid hold of. Such is the experience of the Mutual of New York, which has rather roughly grasped the Scottish Provident, in the person of its manager, Mr. Watson, who is or has been engaged in a rather sharp controversy with Mr. Haldeman respecting the action of his Belfast manager, Mr. Moncrieff. This gentleman, it seems, has been issuing comparative estimates showing the difference between the advantages to be expected from the Scotch and the American office, greatly to the disadvantage of the former. Mr. Watson, who is nothing if he is not a fighting manager, has promptly challenged the correctness of the estimates, and claims to have shown that Mr. Moncrieff's figures are egregiously wrong, and he calls upon Mr. Haldeman to withdraw his agent's figures. Mr. Haldeman seems reluctant to comply with Mr. Watson's request, and indulges in the *tu quoque* argument. The Mutual is too powerful and well-known to need the assistance of any policy that looks questionable.

#### REDIVIVUS

is the epithet that may be applied to the old Pelican life office I have recently referred to the action that the managers were taking to bring a good sound office more into accord with modern requirements, and the results may be considered satisfactory. The report for 1891 shows that new business amounting to over £285,000 was done in that year. In 1889, the new business was a little over £205,000; in 1890, it was well up to £256,000; so that in the years named substantial progress was made; and with a moderate increase in the expense ratio. A little more push on the part of the managers will bring the Pelican well to the front.

#### RENEWABLE TERM POLICIES

is the title of a "leaflet" issued by Mr. George King, the actuary of the Atlas life office. He has boldly entered the lists and is breaking a lance with the assessment companies. His rates

will compete strongly with theirs, with this advantage on his side, that the public have a full explanation given to them of what is offered and what they will have to pay for it. In connection with his new scheme, Mr. King is careful to show that each year's premium provides only for that year's risk, with a narrow margin for expenses and contingencies; and therefore the premium gradually increases with the increasing age of the life assured, the premium payable in any one year being the premium for "the then age" of the life. With the first year's premium a small entrance fee of £1 p.c. on the sum assured is charged, and £1 for each policy is to be paid to meet the unavoidable initial cost of the business. The premiums range from £1.6c per cent. at the age of 30, to £7.53 at the age of 70. A table also shows the gradually decreasing sum assured that a uniform premium of £5 would purchase, varying from £385 at the age of 30 to £69 at the age of 70. The assured may at any time prior to attaining the age of 65 claim what Mr. King terms "the valuable right" of requiring the issue of an ordinary whole life or endowment policy, at the rate "for the then age" of the assured, and *without medical examination*. The condition is attached to these renewable term policies that they shall cease after the age of 70, a condition that appears to bear rather hardly upon the assured. The policies, I should add, do not carry any surrender value.

#### RUMORS ARE ABROAD

relating to a drastic change that is to be, or has been made in the management of the London, Edinburgh & Glasgow Life office. If reports are to be believed, Mr. C. Weeding Skinner, the secretary, has been invited to take a seat at the board. Mr. Neil, lately chief of the industrial branch, is to be the manager, and Mr. Wilfred Bowser, late manager and actuary, is to be actuary only. The position of the company is the subject of a good deal of criticism on account of the enormous sums spent in establishing the business, and the unsatisfactory condition of the funds. The next report will be awaited with a great deal of interest.

VIGILANS.

LONDON, May 31, 1892.

## Notes and Items.

As was generally expected, the Chicago fire underwriters have decided to adopt the eighty per cent. co-insurance clause.

We are indebted to the insurance officials of the States named for bound volumes of the Massachusetts, Illinois and Iowa insurance reports for the current year.

The New York Tariff Association has declined to adopt the recommendation of the rate committee to make the allowance for sprinklers 30 instead of 20 per cent.

According to the estimate of a New York underwriter, there are between six and eight thousand risks in the United States wholly or partially equipped with sprinklers.

The new Atlas Mutual fire insurance company of Boston has commenced writing business at regular tariff rates in New England, New York, New Jersey and Pennsylvania.

Our New York contemporary, the *Chronicle*, is habitually clever in the cartoon line. Its latest achievement of producing a perforated toothpick and labelling it the Home Life's new building is a striking one.

The New York Life announces the issue of a new form of policy contract, which, it is claimed, is free from all conditions whatever excepting payment of premiums as stipulated. We have not seen the form.

Ex-President C. F. Underhill, of the Flour City Life association, an assessment concern at Rochester, N. Y., whose arrest for forgery in connection with the association we noted some months ago, has been convicted.



It is stated from Denver that the Royal Exchange insurance company of London has been admitted to do business in Colorado, thus extending its operations eastward from the Pacific Coast.

The General conference of the Methodist Episcopal church of the United States, at its recent session at Omaha, appointed a committee to report at the next session plans for a denominational fire insurance company.

The pork packers of Kansas City have gone into an insurance scheme called the Packers' Indemnity Exchange for the insurance not only of their own establishments but for outside business. This is probably a bluff movement to force down rates as fixed.

The fire loss for May in the United States and Canada was \$9,485,000, as compared with \$16,660,395 in May, 1891, and \$8,838,100 in May, 1890. The total loss for the first five months of 1892 was \$56,171,700. In the same period in 1891 it was \$60,967,545 and in 1890 \$42,156,245.

The Equitable Life, in its own way, has joined the movement to get rid of a considerable portion of the "not taken" insurance which annually encumbers the reports, if the statement proves to be correct that hereafter it will charge its agents with the medical examiner's fee on policies not delivered. The example is a good one to follow.

The suit of the bondholders of the Grand River Ditch company of Colorado, brought by the bondholders, led by T. C. Henry and Joseph K. Harvey, for \$48,000, with interest for several years, against the Travelers insurance company, has been decided at Denver by Judge Rising in favor of the plaintiffs. All former judgments and sales are set aside.

The final outcome of the legislation proposed in Massachusetts with reference to the assessment endowment orders has been a dodging of the question, by a small majority, in the Lower House of the Legislature, which has voted to postpone any action until next session. The final issue, after various somersaults by members, was on the adoption of the Bennett bill for winding up the concerns.

Very properly, hereafter the New York Life will work its business in the United States from the home office through general agencies. For this reason, the firm of Vanuxem, Waller & Co., of Chicago, which has managed the State of Illinois as a sort of independent kingdom, has been dissolved and the members, still exercising ordinary control as general agents, will report monthly direct to the head office.

The man arrested recently by detectives, at Los Angeles, Cal., as Bryant B. Crandall of Buffalo, N. Y., has at last confessed to his identity. Six years ago he disappeared, after effecting \$20,000 insurance on his life, his clothing being found on the banks of the Niagara river and a body found below the Falls three months later being identified by his wife as Crandall's. Part of the insurance was paid. He is in custody at Buffalo.

A bill has been or is about to be introduced in the Dominion Parliament providing for a Board of Electrical Control, to inspect all electrical plants in the Dominion with reference to their qualities and installation, and to examine all persons engaging in electrical callings as to their efficiency. The Board is to make rules governing all electrical appliances, and the bill provides for placing all wires underground in cities of more than 25,000 population.

A committee of the four principal French life assurance companies which has for some time been at work upon the question of reconstructed tables based on lower rates of interest than the old ones has completed its labors and it is probable that its recommendations will be adopted by the Government. The assumed rate of interest for the tables is  $3\frac{1}{2}$  per cent., and new mortality tables based on the experience of the four companies for a long period are to take the place of the old, faulty ones nearly a hundred years old.

A suit has been brought at Chicago by the Manchester Fire against the Firemans insurance company of that city, the results of which will be awaited with general interest. Some time since, the Firemans reinsured certain risks for the Manchester in the South, and subsequently cancelled them, which the latter claims the former had no right, under the forms then in use, to do. A \$1,500 loss occurred on one of the risks at New Orleans and the Firemans denied liability, whereupon the Manchester brought suit.

The following bit of history, incorporated by Mr. George King, the able actuary of the Atlas Assurance Company, in to his article for the new edition of Chambers' Encyclopedia, is worth reproducing:—

The Earliest life assurance policy of which particulars have been preserved was made on June 15th, 1583, at the "Office of Insurance within the Royal Exchange in London." Full details of this policy have been preserved, because it gave rise to the first authentic disputed claim. The policy was for £383 6s. 8d., to be paid to Richard Martin in the event of William Gybbons dying within twelve months, and the policy was underwritten by thirteen different persons, who guaranteed sums of from £25 to £50 each. The premium was at the rate of £8 per cent. William Gybbons died May 28, 1584, and the underwriters refused to pay because he had survived twelve months of twenty eight days each. The commissioners appointed to determine such cases held that the twelve months mentioned in the policy meant one full year, and they ordered the underwriters to pay. These appealed to the Court of Admiralty, which then had jurisdiction in such cases, and where in 1587 two judges upheld the decision of the commissioners, so that eventually the underwriters had to pay.

#### PERSONAL MENTION.

MR. JOHN M. DOVE, the general manager of the Liverpool and London and Globe, is now on a visit to the United States.

MR. A. K. BLACKADAR, of the Dominion Insurance Department, has completed his examination of the insurance companies at Montreal.

MR. ALFRED ABSELL, in addition to being resident secretary in London of the Commercial Union, is hereafter to be foreign superintendent.

MR. J. G. THOMPSON of Toronto, manager for the Lancashire, was in Montreal last week. He reports the business of the Lancashire steadily improving.

MR. E. ROGER OWEN, the fire manager of the Commercial Union, after his recent visit to Montreal sailed for home on the "Teutonic" from New York last week.

MR. R. H. MATSON, general manager of the Provident Savings Life for Canada, was in this city last week en route to the Lower Provinces. He reports business good in his entire field.

MR. GEORGE THORNTON, well known in connection with the New York Life's agency department, has been in Montreal recently looking after the company's interests, and as usual doing judicious work that will tell.

MR. J. G. MORGAN of Winnipeg, general agent of the New York Life for Manitoba, the N. W. Territories and British Columbia, favored the CHRONICLE with a call recently. Mr. Morgan is a hustler—a fact which no doubt the company recognizes.

MR. THOMAS ALFRED POTT died in London on the 15th ult., aged eighty years. Mr. Pott was the founder and first manager of the Gresham Life, and as such the pioneer in the assurance of impaired lives, which has long been successfully done by this office.

MR. ISRAEL C. PIERSON, the efficient secretary of the Actuarial Society of America, was the surprised subject of a complimentary dinner in New York on Monday evening of last week tendered by the Council of the Society. There were speeches and other good things in abundance.

MR. GEO. E. MOBERLY of Collingwood has been appointed inspector for the Northern. Mr. Moberly has had considerable successful experience as agent in Collingwood for the principal fire offices, and we believe that Manager Tyre has made a good appointment. We wish Mr. Moberly success in his new field.

MR. WILLIAM BELL, of Manchester, England, foreign superintendent of the Palatine and United Fire insurance companies, has spent some time recently in the Dominion, looking after the appointment of managers and the working arrangements of the United Fire. Mr. Bell is a genial, wide awake gentleman and evidently well adapted to the duties of his position judging from the excellent arrangements made here for the company.

**Legal Intelligence.**

**WIFE'S POLICY.**

A case of considerable interest to holders of life insurance policies is now pending in the court of appeals. It is that of Waldron vs. John Hancock Mutual Life. The assured took a policy on his life made payable to his wife. The wife died, and upon the subsequent death of the husband, her administrators sued to recover the amount of the life insurance. The husband's administrators contested, the point being made that the wife had no vested rights in a policy which her husband might forfeit at any time by various means, and that, consequently, the benefits of the policy must go to the husband's administrators. In the city court Judge Giegerich held "that upon the death of the beneficiary (the wife) before the insured (the husband) the wife's interest in the policies reverted back to the husband and became his property, and upon his death the policies passed to his personal representatives. It therefore follows that this action cannot be maintained by the administrator of the wife who died first, as above stated, and that the demurrer must be sustained with costs." This decision was affirmed by the general term, from which an appeal to the court of appeals has been taken. The courts generally have held that the beneficiary under a life policy acquired "vested rights" therein the moment it was issued, and companies have held to that doctrine refusing to change the beneficiaries under a policy at the request of the assured, because of the "vested rights" of the beneficiaries first named. According to the above decision there are no "vested rights" in a life policy until the death of the assured.—*Spectator*, New York.

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CHAS. LANGLOIS, *Inspector.* WM. W. WELCH, *Secretary*

**AGENCIES:**

|                         |                    |          |
|-------------------------|--------------------|----------|
| ONTARIO, .. .. .        | GEO. J. PYKE,      | Toronto  |
| MONTREAL, .. .. .       | J. H. ROUTH & SON, | Montreal |
| NEW BRUNSWICK, .. .. .  | THOS. A. TEMPLE,   | St. John |
| MANITOBA, N.W.T. & B.C. | A. HOLLOWAY,       | Winnipeg |

(Established 1853.)

**AGRICULTURAL INSURANCE COMPANY,**  
OF WATERTOWN, N.Y.

J. R. STEBBINS, *President.* H. M. STEVENS, *Secretary.*

|  |                |
|--|----------------|
| Capital.....                                   | \$500,000 00   |
| Net Assets, (to protect policy holders.) ..... | \$2,123,693 25 |
| Net Surplus to Policy-Holders, .....           | \$654,181 00   |
| Net Surplus to Stockholders,.....              | \$354,181 00   |
| On deposit in Canada .....                     | \$140,000 00   |

This Company has paid for Losses since its Organization, - \$6,824,384  
Issues 85,000 policies a year.

J. FLYNN, *CHIEF AGENT,* Toronto, Ont.  
E. A. BUCHMAN, *GENERAL AGENT,* Brockville, Ont.  
G. H. G. JOHNSON, *AGENT,* 42 St. John St., Montreal, P.Q.

## TWENTY-SECOND ANNUAL MEETING

OF THE

# Ontario Mutual Life Assurance Company.

The Twenty-Second Annual Meeting of The Ontario Mutual Life Assurance Company was held in the Town Hall, Waterloo, Ont., on Thursday, May 26th, 1892, at one o'clock p.m. In addition to the leading business and professional men of the Town, a large number of prominent and representative policyholders were present from various parts of the Dominion, among whom were the following: Messrs. John Marshall, London; Stuart Henderson, B.C.L., Ottawa; Alfred Hoskin, Q.C., Toronto; E. P. Clement, Berlin; F. C. Bruce, Hamilton; Robt. Baird, Kincardine; B. M. Britton, Q.C., Kingston; Robt. Melvin, Guelph; John L. Wideman, St. Jacobs; D. Ewing, Cobourg; Reuben Sparks, Waterdown; Robt. Duncan, Hamilton; Geo. P. Payne, J. L. Troy, R. H. Jarvis, Toronto; D. Stewart, Thos. Miller, Chas. Packert, Stratford; E. Linton, C. B. Linton, Galt; N. W. Ford, St. Thomas; C. E. German, Strathroy; E. W. P. Jones, Brantford; T. A. Middleton, Lindsay; R. S. Hodgins, J. Fox, Lucan; Henry Mooney, Ottawa; R. B. Mastin, Picton; J. W. Bundy, A. Boomer, Linwood; Thomas Poelman, Hanover; W. Ross, Guelph; J. H. Johnston, Simcoe; J. A. McKay, Woodstock; T. S. Pratt, Tilsonburg; Melvin Moyer, St. Catharines; S. Burrows, Belleville; R. C. Tye, Haysville; J. G. Weber, P. F. Schummer, St. Clemens; E. M. Sipprell, St. John, N.B.; Alex. Millar, Q.C., W. S. Hodgins, Geo. Deppisch, I. D. Bowman, Berlin.

The President, Mr. I. E. Bowman, M.P., having taken the chair, supported by the Manager, Mr. Wm. Hendry, on motion, Mr. W. H. Riddell, the secretary of the Company, acted as secretary of the meeting. Having read the notice calling the annual meeting, on motion the minutes of last annual meeting were taken as read and adopted, whereupon the President read

### THE DIRECTORS' REPORT.

GENTLEMEN,—Your Directors have much pleasure in submitting the following statements to you as their report on the financial position of the Company as at the 31st December, 1891:

During the past year 2019 policies were issued for assurance amounting to \$2,694,950, being an increase of \$346,800 over the previous year.

The total number of policies in force at the close of 1891 is 11,621, covering assurance for \$14,934,807.38 on 10,504 lives.

The premium income for the year is \$456,706.65, and we received for interest on investments the sum of \$90,913.46, making our total income \$547,620.

The total assets of the Company have now practically reached two million dollars, and our surplus to the credit of policyholders is \$155,559.23.

The Executive Committee has again carefully examined the investments and found the securities all in good order.

You will be called on to elect four directors in the place of B. M. Britton, Q.C., of Kingston, F. C. Bruce, Esq., of Hamilton, John Marshall, Esq., of London, and J. Kerr Fiskén, Esq., of Toronto, all of whom are eligible for re-election.

I. E. BOWMAN, *President.*

Copies of the Financial Statement for the year 1891, containing a detailed account of Receipts and Expenditures, of Assets and Liabilities, certified by the Auditors, having been distributed, the President moved the adoption of the Reports. He pointed out that the increase of new business over 1890 was \$346,800, while the expense ratio was less than the previous year; that the total amount of assurances on the Company's books, Jan. 1st, 1892, was nearly \$15,000,000, a net gain for the year of \$1,224,000; that substantial gains were made, not only in the items above referred to, but in Cash Income, in amount paid to policyholders, in Reserve for the security of policyholders, in total assets and in surplus over all liabilities, while the death losses were much less than the expectation and the lapse ratio was only about two-thirds of that of the previous year. He congratulated the members on the steady and healthy growth of the Company and on its high financial standing, second to none in Canada. He was pleased to see so many policyholders and agents present, showing the deep interest taken by them in the prosperity of the Company. Concerted and harmonious action between the Head Office and its agents, which happily existed, and a faithful conservation by all of the Company's interests in all matters affecting its welfare, would ensure a continuance of the gratifying success that has marked its career during the past twenty-two years.

Mr. R. Melvin, 2nd Vice-President, supported the motion. He cordially endorsed what the President had said concerning the undoubted prosperity of the Company and the large share the agents had in bringing it about. The decline in the lapse rate was a noticeable feature of the year's operations, and taken in connection with the low death ratio, afforded convincing proof of the wise and prudent selection of risks. The falling off in the interest rate on recent investments as compared with former years, though common to all companies, would, he hoped, be counterbalanced by savings from mortality and rigid economy in every department of the business, thus enabling the Company to continue its liberal distribution of surplus as in past years. Others having spoken, the various Reports were unanimously adopted.

On motion, Mr. Geo. Wegenast, Waterloo, and Mr. Charles Leyden, Hamilton, were appointed scrutineers. The balloting resulted in the re-election of Messrs. B. M. Britton, John Marshall, Francis C. Bruce and J. Kerr Fiskén for the ensuing term of three years.

Messrs. Henry F. J. Jackson and J. M. Scully having been re-elected Auditors, and the customary vote of thanks to the Board, the Officers and Agents having been tendered and responded to, the meeting was brought to a close. The directors met subsequently and re-elected I. E. Bowman, President; C. M. Taylor, 1st Vice-President; and Robert Melvin, 2nd Vice-President of the Company for the ensuing year.

**ECONOMY, EQUITY, STABILITY, PROGRESS.**

THE  
**ONTARIO MUTUAL LIFE.**

ESTABLISHED 1873.

**Dominion Deposit, - \$100,000.**

|   |              |
|---|--------------|
| Assurances in force, Jan. 1st, 1892.....                  | \$14,934,807 |
| Increase over previous year.....                          | 1,224,007    |
| New Assurances written in 1891.....                       | 2,694,950    |
| Increase over 1890.....                                   | 346,800      |
| 3rd Income for 1891.....                                  | 547,020      |
| Increase over 1890.....                                   | 57,762       |
| Cash paid to Policy-Holders in 1891.....                  | 211,007      |
| Increase over 1890.....                                   | 35,456       |
| Assets, Dec. 31st, 1891.....                              | 1,059,031    |
| Increase over 1890.....                                   | 247,345      |
| Reserve for security of Policy-holders, Dec. 31, '91..... | 1,780,775    |
| Increase over 1890.....                                   | 221,818      |
| Surplus over all Liabilities, Dec. 31st, 1891..           | 155,559      |
| Increase over 1890.....                                   | 21,493       |

**LIBERAL CONDITIONS OF POLICIES.**

- 1—Cash and Paid up Values guaranteed on each policy.
- 2—All dividends belong to and are paid only to policy-holders.
- 3—Premiums payable during the month in which they fall due.
- 4—Policies are incontestable two years from date of issue.
- 5—No restriction on travel, residence or occupation.
- 6—Lapsed policies may be revived within six months after lapse.
- 7—Death claims paid at once on completion of claim papers.

**BOARD OF DIRECTORS:**

|   |                        |
|---|------------------------|
| I. E. BOWMAN, M.P. (President).....     | Waterloo               |
| C. M. TAYLOR (1st Vice-President).....  | Waterloo               |
| ROBERT MELVIN (2nd Vice-President)..... | Guelph                 |
| ROBERT BAIRD.....                       | Kincardine             |
| ALFRED HOSKIN, Q.C.....                 | Toronto                |
| H. M. BRITTON, Q.C.....                 | Kingston               |
| FRANCIS C. BRUCE.....                   | Hamilton               |
| JOHN MARSHALL.....                      | London                 |
| J. KERR FISKEN.....                     | Toronto                |
| E. P. CLEMENT.....                      | Berlin                 |
| HON. W. LAURIER.....                    | Arthabaskaville, P. Q. |
| S. HENDERSON, B.A., LL.B., B.C.L.....   | Ottawa                 |

ALEX. MILLAR, Q.C., Solicitor.....Berlin  
 I. H. WEBB, M.D., Medical Referee.....Waterloo  
 W. S. HODGINS, Supt. of Agencies.....Waterloo

**W. H. RIDDELL,**  
SECRETARY.

**WM. HENDRY,**  
MANAGER.

**Banquo Ville Mario.**

Established 1873.

HEAD OFFICE: MONTREAL.  
 Paid-up Capital, \$478,250.  
 Reserve, 20,000.

**DIRECTORS.**

W. Weir, President.  
 W. Strachan, Vice-President.  
 O. Faucher.  
 J. T. Wilson.  
 Godfrey Weir.  
 Urbale Garand, Cashier.

**BRANCHES.**

Borther...A. Garlepy.  
 Hochelaga...Geo. Dastous.  
 Hull.....J. P. de Martigny.  
 Lachute.....H. Frost.  
 St. Césaire...M. L. J. Lacasse.  
 Louisville...S. X. O. Lacour-giere.  
 Nicolet.....C. A. Sylvestro.  
 St. St. Charles, M. J. E. Wall.  
 St. Thérèse, M. Bolsvert.  
**AGENTS AT NEW YORK.**  
 The National Bank of the Republic and Lauenburg.—Thalman & Co.  
 Chicago: Bank of Montreal.  
 Paris: Le Credit Foncier.

**Union Bank of Canada.**

Established 1865.  
 HEAD OFFICE: Quebec.  
 Paid-up Capital, \$1,200,000.  
**DIRECTORS.**

Andrew Thomson, President.  
 E. J. Price, Vice-President.  
 Hon. Thos. McGreevy, E. Giroux, D. C. Thomson, E. J. Hale, Sir A. T. Galt, G.G.M.G.  
 L. E. Webb, Cashier.

**FOREIGN AGENTS.**

London—The Alliance Bank Limited.  
 Liverpool—Bank of Liverpool, Limited.  
 New York.—National Park Bk  
 Boston—Lincoln National Bk.  
 Minneapolis—First National Bank.

**BRANCHES.**

Alexandria.  
 Iroquois.  
 Merricksville.  
 Montreal.  
 Ottawa.  
 Quebec.  
 Smiths Falls.  
 Toronto.  
 Winnipeg.  
 W. Winchester.  
 Lethbridge, Alberta.

**FIRE. LIFE. MARINE.**

**COMMERCIAL UNION**

Assurance Company Ltd. of London, Eng.

Capital and Assets, - - - - - \$27,000,000  
 Life Fund, (in special trust for Life Policy Holders) 6,444,000  
 Total Net Annual Income, - - - - - 7,000,000  
 Deposited with Dominion Government, - 374,246

HEAD OFFICE CANADIAN BRANCH.

1731 Notre Dame Street, - MONTREAL.

**EVANS & MCGREGOR, Managers.**

Applications for Agencies solicited in unrepresented districts.

**LANCASHIRE**

Insurance Company of England.

Established 1852. Entered Canada 1884.

**CAPITAL £3,000,000 Sterling.**

Reserve Funds, 31st Dec., 1891, - \$6,633,042.10  
 Total Income, 1891, - 5,116,467.80

HEAD OFFICE IN CANADA,

**59 Yonge St., - TORONTO.**

**J. C. THOMPSON, Manager.**

Montreal Office, - 51 St. Francois Xavier St.  
**JAS. P. BAMFORD, Agent.**

Quebec Office, - - - - - 82 St. Peter Street.  
**J. B. MORISSETTE, Agent.**

**THE CALEDONIAN**

**INSURANCE COMPANY**

OF EDINBURGH, SCOTLAND.

ESTABLISHED 1805.

**ASSETS, over - \$8,300,000.**

Chairman, SIR GEORGE WARRENDER.

General Manager, DAVID DEUCHAR, Esq.

MANAGER FOR CANADA,

**LANSING & LEWIS,**

ST. FRANCOIS XAVIER ST., MONTREAL.

**MUNTZ & BEATTY, Agents, Toronto.**

**KIRBY, COLCATE & ARMSTRONG, Agents, Winnipeg.**

1850

THE

1892

# United States Life Insurance Co.,

IN THE CITY OF NEW YORK.

|                                      |                |                |                 |                 |
|--------------------------------------|----------------|----------------|-----------------|-----------------|
|                                      | 1888.          | 1889.          | 1890.           | 1891.           |
| New Insurance written,               | \$6,335,665.50 | \$8,463,625.00 | \$11,955,157.00 | \$14,101,654.00 |
| Total amount in force December 31st, | 25,455,249.00  | 29,469,590.00  | 35,395,462.50   | 41,166,669.00   |

GEO. H. BURFORD, President. C. P. FRALEIGH, Secretary. A. WHEELWRIGHT, Assistant Secretary. WM. T. STANDEN, Actuary.

The two most popular plans of LIFE INSURANCE are the CONTINUABLE TERM POLICY which gives to the insured the greatest possible amount of indemnity in the event of death, at the lowest possible present cash outlay; and the GUARANTEED INCOME POLICY which embraces every valuable feature of investment insurance, and which in the event of adversity overtaking the insured may be used as COLLATERAL SECURITY FOR A LOAN, to the extent of the full legal reserve value thereof, in accordance with the terms and conditions of these policies.

Good Agents, desiring to represent the Company, are invited to address J. S. GAFFNEY, Superintendent of Agencies, at Home Office.  
**E. A. COWLEY, Manager Province of Quebec, Montreal.**

## UNITED FIRE INSURANCE CO.

Of Manchester, - - England.

Chief Office for the United States and Canada  
 MUTUAL LIFE BUILDING, - NEW YORK  
**WILLIAM WOOD, Manager.**

CANADIAN BRANCH,  
 Temple Building, St. James St., MONTREAL,  
 T. H. HUDSON, } Joint Managers.  
 PERCY F. LANE, }  
 FIRE INSURANCE ONLY.

## PROVIDENT SAVINGS LIFE ASSURANCE SOCIETY

OF NEW YORK.  
 SHEPPARD HOMANS, President.

Seventeenth Annual Statement  
 FOR THE YEAR ENDING DECEMBER 31st, 1891.

|   |                 |
|---|-----------------|
| Income.....   | \$1,640,468.34  |
| Paid Policy-holders.....                                      | 1,105,410.12    |
| Total Expenses of Management.....                             | 387,916.91      |
| Assets.....   | 1,084,791.27    |
| Liabilities, Actuaries' 4% Valuation.....                     | 463,538.67      |
| Surplus, Actuaries' 4%.....                                   | 621,252.60      |
| Surplus, American Experience, 4½%.....                        | 653,262.60      |
| <b>\$261.77 of Net Assets to each \$100 of Net Liability.</b> |                 |
| Policies issued in 1891.....                                  | \$16,200,605.00 |
| Policies in force December 31st, 1891.....                    | 69,676,446.00   |

**\$50,000 deposited with the Dominion Gov't.**  
 ACTIVE AGENTS WANTED.

**R. H. MATSON, General Manager for Canada**  
 Head Office, - - - 37 Yonge St., Toronto.

**R. J. LOGAN, Agent, Imperial Bldg, Montreal.**

## THE EQUITABLE LIFE ASSURANCE SOCIETY

OF THE UNITED STATES.

**JANUARY 1, 1892.**

|   |                  |
|---|------------------|
| ASSETS.....   | \$136,198,518.38 |
| Liabilities, including the Reserve on all existing Policies (4 per cent. Standard) and Special Reserve (toward the establishment of a 3½ per cent. valuation) of \$1,500,000..... | 109,905,537.82   |
| Total Undivided Surplus.....  | \$26,292,980.56  |
| Income.....   | \$39,054,943.85  |
| New Assurance written in 1891.....  | 233,118,331.00   |
| Outstanding Assurance.....  | 804,894,557.00   |

The Free Tontine policy (the Society's latest form) is UNRESTRICTED as to residence, travel and occupation after one year; INCONTES-TABLE after two years, and NON-FORFEITABLE after three years.  
 Claims are paid immediately upon the receipt of satisfactory proofs of death.

**HENRY B. HYDE, President.**  
**JAMES W. ALEXANDER, Vice-President.**

ESTABLISHED 1864.

## CITIZENS' INSURANCE CO. OF CANADA

### FIRE AND ACCIDENT.

Total Assets, including Capital at Call, the whole of which is available for the protection of the Policy-holders **\$1,328,131**

Head Office, the Company's Building, 181 ST. JAMES STREET, MONTREAL.

Directors and Officers:

HON. J. J. C. ABBOTT, P.C., Q.C., President. ANDREW ALLAN, Vice-President.  
 C. D. PROCTOR A. DESJARDINS, M.P. ARTHUR PREVOST, J. O. GRAVEL,  
 H. P. HEATON, General Manager. H. MONTAGU ALLAN. WILLIAM SMITH, Sec.-Treas.

THE  
**GERMANIA LIFE**

Insurance Company of New York.  
Established 1860. Assets \$17,000,000.00

AN ACTUAL RESULT:

|  |                            |           |
|--|----------------------------|-----------|
| Policy of \$5,000.....                     | to Pay't Life Plan.        |           |
|  | 13 years Dividend Tontine. |           |
| Age 27.....                                | Annual premium             | \$ 228.00 |
| Total premiums paid.....                   |                            | 2,280.00  |
| Cash Settlement at end of Tontine Period:— |                            |           |
| Guaranteed Reserve.....                    | \$1,905.00                 |           |
| Surplus actually earned.....               | 1,404.80                   | 3,309.80  |

This represents a return of all premiums paid, with a profit of.... \$1,049.80

Free choice also given of such options as are offered by other first class companies.

**JEFFERS & RÖNNE, Managers,**  
46 King Street West, Toronto.  
**GOOD AGENTS WANTED—Liberal Terms.**

**THE MANCHESTER**  
FIRE ASSURANCE COMPANY.

**CAPITAL - \$7,500,000.**

ESTABLISHED 1824.

**HEAD OFFICE, - MANCHESTER, ENG.**

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

CANADIAN DEPARTMENT:

**HEAD OFFICE, - - - TORONTO.**

**JAMES BOOMER,** *Manager.*

INSURE

**PHOENIX**

CASH CAPITAL, -

- *Head Office for Canada,*

**GERALD E. HART,**



WITH THE

**HARTFORD**

- \$2,000,000.

*114 St. James St., MONTREAL.*

**General Manager.**

Agenies established in all the principal CITIES and TOWNS in the Dominion.

THE GUARANTEE CO.

OF NORTH AMERICA.

---

**BONDS OF SURETYSHIP.**

|  |  |
|--|--|
| Capital Authorized. - \$1,000,000.00<br>Paid-up in Cash, - 304,000.00<br>Resources, over - 1,100,000.00<br>Over \$840,000 have been paid in Claims to employees. | SIR A. GALT, C.M.G.<br>PRESIDENT.<br>EDWARD RAWLINGS, Esq.<br>VICE-PRESIDENT & MANAGING DIRECTOR.<br>HEAD OFFICE MONTREAL. |
|--|--|

ACQUITTANCE

INSURANCE COMPANY

of NORTH AMERICA.

THIS IS THE ONLY COMPANY IN AMERICA COMPETING FULLY WITH THE BUSINESS OF INSURANCE AGAINST ACCIDENTS.

HEAD OFFICE MONTREAL

ONTARIO AND QUEBEC BRANCH. HEAD OFFICE, TORONTO

H. M. BLACKBURN, General Agent.

WM. ROWLAND, Inspector.

# CITY OF LONDON

## FIRE INSURANCE CO. OF LONDON, ENGLAND.

Chairman: SIR HENRY E. KNIGHT, Alderman, late Lord Mayor.

General Manager: L. C. PHILLIPS, Esq.

CAPITAL, - £1,900,000 STG.

All Losses adjusted and paid in the various Branches without reference to England.

NOVA SCOTIA BRANCH,  
Head Office, Halifax,  
ALF. SHORTT, General Agent.

NEW BRUNSWICK BRANCH,  
Head Office, St. John,  
H. CHUBB & CO., General Agents

MANITOBA BRANCH,  
Head Office, Winnipeg,  
G. W. GIRDLESTONE, General Agent.

AGENTS WANTED

IN UNREPRESENTED DISTRICTS.

# The Fire Insurance Association

(LIMITED)

OF LONDON, ENGLAND.

HEAD OFFICE FOR CANADA: MONTREAL.

CANADIAN BOARD:

SIR DONALD A. SMITH, K. C. M. G., CHAIRMAN.

SANDFORD FLEMING, Esq., C.M.G.,

ROBERT BENNY, Esq.,

}- DIRECTORS.

A. DEAN, Inspector.

JOHN KENNEDY, Manager for Canada.

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REVISED EDITION.

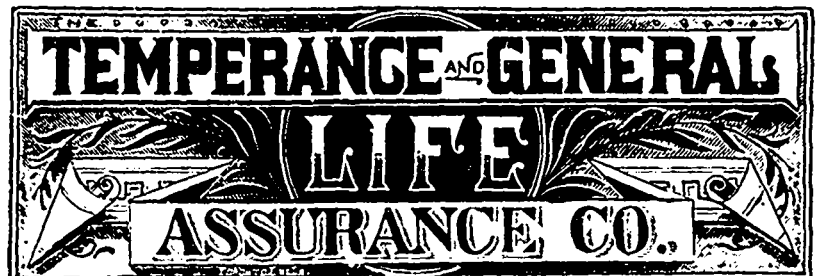
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OF NORTH AMERICA.

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PRESIDENT—HON. C. W. ROSS,  
Minister of Education.

VICE-PRESIDENTS { HON. S. H. BLAKE,  
R. McLEAN, Esq.

The Company issues policies on the most approved plans, both level and natural premium, and is the only Canadian Company keeping Abstainers and non-Abstainers in separate classes.

H. SUTHERLAND, Manager.

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Pocket Edition, flexible leather cover. 2 50

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