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*The Second Largest Life Insurance Company in the World,*

Accumulated Funds - - - - -	\$59,283,753
Amount of Assurances in force - - - - -	229,382,586
Cash Revenue last year - - - - -	14,240,475
New Assurances issued last year - - - - -	61,484,550

**AGENTS WANTED!**

I desire to engage the services of competent and reliable men, in localities where this Company is not now represented.

The requirements for an Agent to succeed, are integrity, enthusiasm, intelligence, perseverance and popularity.

Apply giving references to

**DAVID BURKE,**

MONTREAL,

*General Manager for Canada.*

HEAD OFFICE FOR CANADA, MONTREAL.

**LONDON AND LANCASHIRE LIFE ASSURANCE COMPANY**

OF LONDON, ENGLAND.

This Company has deposited with the Receiver General, in approved Canadian securities, over One Hundred Dollars for each One Hundred Dollars of liability, thus affording absolute security.

WILLIAM ROBERTSON, GENERAL MANAGER.

AGENTS WANTED. SPECIAL TERMS.

B. HAL. BROWN, SUPT. OF AGENCIES.

HEAD OFFICE FOR CANADA, MONTREAL.

**The Fire Insurance Association**

OF LONDON, ENGLAND.

The Funds of the Company are:

CAPITAL PAID UP	- - - - -	\$500,000
RESERVE FUNDS	- - - - -	850,000
CAPITAL	- - - - -	4,000,000
DOMINION GOVERNMENT DEPOSIT	- \$100,000	
<b>TOTAL SECURITY</b>	- - - - -	<b>\$5,350,000</b>

WILLIAM ROBERTSON, General Manager.

E. P. HEATON,  
Inspector.

AGENTS WANTED IN UNREPRESENTED DISTRICTS.

I. E. BOWMAN,  
President.

W. HENDRY, Manager.  
W. H. RIDDELL, Secretary.

# ONTARIO MUTUAL LIFE ASSURANCE CO.

HEAD OFFICE, - - - WATERLOO, ONTARIO.

DOMINION DEPOSIT, - - \$100,000.

o—] The only purely Mutua Life Company in Canada [—o

TOTAL NUMBER OF POLICIES IN FORCE, DEC. 31, 1884, 6,086!

COVERING ASSURANCE TO THE AMOUNT OF \$7,835,900.71

The following shows the steady progress the Ontario Life has made from a very small beginning, in 1870, until it has attained its present, respectable dimensions:

YEAR.	ASSETS.	YEAR.	ASSETS.
1870	\$ 6,216	1877	\$110,209
1871	7,830	1878	142,619
1872	12,246	1879	177,897
1873	23,142	1880	227,424
1874	33,721	1881	339,909
1875	53,681	1882	427,429
1876	81,105	1883	533,795

AND FOR 1884, - - \$652,661.76!

In addition to the rapid growth of its assets there has been from year to year

- A gain in membership,
- A gain in premium receipts,
- A gain in interest receipts,
- A gain in assurance in force,
- A gain in gross income,
- A gain in new business,
- A gain in surplus, and
- A gain in readily convertible cash assets

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

The rapid growth of the Company may be seen from the fact that in 1870, the first year of its business, the total assets amounted to only \$6,216, while last year they reached the handsome total of \$652,661.76!

## FEDERAL LIFE ASSURANCE COMPANY.

HEAD OFFICE, HAMILTON, ONTARIO.

GUARANTEE CAPITAL, - - - \$700,000.00

DEPOSIT WITH DOMINION GOVERNMENT, \$51,100.00

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

DAVID DEXTER, Managing-Director.

## INSURANCE BOOKS.

Copies of the STANDARD INSURANCE PUBLICATIONS can be procured at the office of "Insurance Society," Montreal.

The following are now on hand:—

- The Insurance Monitor.**—A monthly magazine devoted to insurance. Established in 1833. The oldest Insurance Journal in America. Quarto form. 9 x 12, seventy pages. Subscription price, per annum, postage prepaid..... **\$3 25**
- The Insurance Law Journal.** A monthly publication established in 1871; and devoted exclusively to Insurance Law. The latest decisions published monthly. Monthly numbers, each.. **50c**  
Annual subscription..... **5 00**  
Back volumes since 1871, forming a complete library of Insurance Law, 950 pages each, law sheep, are for sale. Price per volume.... **7 50**
- Letters to an Agent,** from Ye PATRIARCH. A familiar book of instructions for Fire Insurance Agents, in which divers topics are treated in a manner quite unlike that adopted by the more formal writers. Good to reform careless Agents; good to stimulate lazy Agents; good to instruct green Agents; interesting to Agents of all sorts. Price, in beveled boards, cloth, gilt-side title, very handsome. **1 50**
- Hine's Instruction Book for Agents,** new edition, revised and greatly enlarged. Single copies..... **2 50**
- Hine's Book of Forms**—Policies, Endorsements, &c. New edition, greatly enlarged, with a treatise on policy writing by J. GRISWOLD. Single copies..... **1 50**
- Hine's Pocket Expiration Book.** Good for seven years from any date; gotten up on the same general plan as the large Expiration Book, but very neat and compact. Handsomely bound in cloth, with gilt side-title, pocket size. Per copy..... **1 50**
- Waters' Adjustment of Fire Losses on Buildings.**  
By A. J. WATERS, Esq., Cleveland, O. This is the latest and by all odds the most thorough and elaborate work on the adjustment of LOSSES ON BUILDINGS that has ever been published. It is filled with instructive text, valuable tables and profuse illustrations; treating of house building from the laying of the sill to the last touch of the paint brush, and is eminently practical and useful, not only in settling losses after a fire, but in enabling agents to judge of the value of a building when making the insurance..... **9 00**  
Beveled boards, cloth and gilt, per copy.....
- Griswold's Hand-Book of Adjustments.** By J. GRISWOLD, Esq., A new edition, revised and greatly enlarged. The standard authority and most perfect compendium of information, tabular, legal, etc., on the adjustment of Fire losses extant. No agency or adjusting outfit complete without a copy. Green cloth and gold..... **1 50**

- Ducat's Practice of Fire Underwriting.** Single copies.. **1 50**
- Fires; their Causes, Prevention and Extinction;** combining also a guide to agents respecting insurance against loss by fire, and containing information as to the construction of buildings, special features of manufacturing hazards, writing of policies, adjustment of losses, etc., by F. C. MOORE, N.Y. 290 pp., 12 mo., cloth, beveled edge; per copy..... **2 00**
- Classification of Fire Hazards and Losses;** a new, complete, and labor-saving method. By J. GRISWOLD, Esq. Some eighty companies have adopted this excellent system, and it is steadily growing in favor as the Underwriters become more familiar with it. Cost of complete outfit..... **\$25 00**
- Cancellation Tables,** by J. GRISWOLD, Esq. The fullest and most extended work of the kind ever attempted; showing both the earned and unlearned premiums, both pro-rata and short rate, in actual figures, of any amount from 1 cent to \$100,000, for any time from 1 day to 5 years. **10 00**
- Hine & Nichols' Digest.** A digest of Insurance decisions rendered since Sansum's and Littleton's latest editions. "The latest law is the best law," because it not only has the benefit of past experience and the most recent thought, but it contains citations of all analogous cases previously decided. Two hundred digests per annum for the past five years, since the last named authors wrote, furnish what is really the present law of insurance. This important work is in course of active preparation, and will be issued during the present year. It will make an ordinary law book of about 800 pages, and will be sold at..... **7 50**
- Law of Assignments of Life Policies.** By HINE & NICHOLS. The Assignment of Life Policies has been the subject of much recent litigation, so that the standard text books, issued only a few years since, are wholly incomplete in regard to it. This work brings the law down to the present date. Cloth..... **2 50**
- An Instruction Book for Life Insurance Agents,** Canvassers, and Solicitors. By N. WILLEY, Actuary. Single copies **1 50**
- Principles and Practice of Life Insurance.** A treatise on the principles and practice of Life Insurance. With valuable tables for reference. A complete arithmetical explanation of the computations involved in the science of Life Contingencies. By NATHAN WILLEY, with additions by H. W. SMITH, Actuary of the American Life Insurance Company, of Philadelphia. Per copy..... **2 00**

Catalogues are supplied on application, containing a complete list of publications and prices.

Fifteen per cent. to be added to above list prices for part duty and expressage.

INSURANCE

ROYAL

COMPANY.

**GENERAL RESOURCES.**

CAPITAL  
\$10,000,000

INVESTED FUNDS,  
\$28,000,000.

SURPLUS OVER  
LIABILITIES.  
\$9,616,424.

SHAREHOLDERS LIABILITY  
UNLIMITED.



ASSETS, \$28,000,000.

CHIEF OFFICE FOR CANADA.—MONTREAL.  
M. H. GAULT & W. TATLEY,  
CHIEF AGENTS.  
JOHN KENNEDY, INSPECTOR.

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

**CANADA LIFE ASSURANCE COMPANY**

— ESTABLISHED 1847 —

**HEAD OFFICE, - - - HAMILTON, ONTARIO.**

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

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

**NORTH BRITISH & MERCANTILE  
FIRE & LIFE INSURANCE COMPANY.**

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

**ESTABLISHED 1809.**

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

WM. EWING, Inspector.

— [ MANAGING DIRECTORS ] —

**D. LORN MacDOUGALL**

— AND —

**THOMAS DAVIDSON.**

— [ DIRECTORS ] —

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

**ESTABLISHED 1809.**

LIFE AND ANNUITY FUNDS - \$18,693,810.  
FIRE REVENUE - - - - 5,776,076.  
LIFE REVENUE - - - - - 2,683,027.

G. U. AHERN, Sub-Insp.

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

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

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

SEPTEMBER

1885.



VOL. V.

No. 9.

OFFICE: }  
1724 Notre Dame Street.

MONTREAL, SEPTEMBER, 1885.

SUBSCRIPTION: }  
\$2.00 per ANNUM

“INSURANCE SOCIETY”

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**MORTGAGE CLAUSE ON STOCKS.**

From long custom it has come to be admitted that it is perfectly legitimate for fire insurance companies to grant a mortgage clause to banks, loan companies and others on policies covering buildings against fire. This mortgage clause practically waives the insurance companies' policy conditions, stating clearly in so many words that "no act or neglect on the part of the insured shall invalidate the policy," and thus if the insured deliberately sets fire to and burns his property the mortgagee can still claim the insurance on same.

Lately, owing, we presume, to serve abortive attempts of the insured to make the insurance companies liable for the former's indebtedness to his bankers, one or two banks have conceived the brilliant idea of attaching a similar mortgage clause to stocks on which money has been advanced and on which the loss, if any, is payable to said banks! We call the idea brilliant, for so it would be for the banks if carried out, as it would constitute the Fire Insurance Companies Guarantee Companies also, and would have the effect of securing a great number of the banks' bad debts.

The smallest consideration will show the vast difference between the application of this mortgage clause on buildings as compared to stocks. The value of the former can easily be ascertained, and does not fluctuate from week to week, but stocks are continually changing, and their value is very much more difficult to determine. At present the natural presumption of the insurance company regarding a merchant to whom a bank advances money is that the said merchant is a man of substance and worthy of credit otherwise the bank would never have made the advance, but this condition of affairs is entirely altered if the mortgage clause, repudiating any act or neglect on the part of the

merchant, is attached to the insurance policy, as the responsibility for the insured's honesty and good faith becomes transferred from the bank to the insurance company, the latter guaranteeing the merchant's debt to the bank to the extent of the amount insured. The effect of this is obvious, viz., that the banks would then be perfectly indifferent as to whom they made advances, provided they could obtain insurance for the amount with the mortgage clause affixed.

Now apart from the question as to this attempted innovation being sound underwriting or whether the charter of a simple fire insurance company is not overstepped by granting such policies, we are convinced that once admitted an impetus would be given to fraud and crime which would be simply frightful to contemplate; any association permitting a practise calculated to bring about these results had better "stand from under" for it is built upon sand. To form rules and appeal to the *honor* of its members to support the same while at the same time it allows those members to lend encouragement to incendiarism and arson is as great a mockery as the old satire of "honor among thieves."

We may be thought to be using exaggerated language, but it must be remembered that in making advances a bank views the same from a mere business standpoint, and so long as security is given it is immaterial to whom those advances are made; and what security let us ask can be better for a doubtful character in this country than an unconditional fire insurance policy? It is absurd to say the insurance companies are as careful of their customers as the banks, for an insured in a country town may be solvent today and in difficulties six months hence; the bank being in a much better position than the insurance company can be of knowing the exact state of the insured's affairs puts the pressure on and the result is the stock is sold to the insurance company at probably double its value. We shall perhaps be accused of taking a low estimate of our fellow-citizens, but we maintain that the introduction of this mortgage clause on stocks brings this bad element to the surface by making fraud easy, and there is little doubt that the operation of such clause would be that the banks would hand over a large proportion of their bad debts to the insurance companies. We, however, trust that the latter as a body will display backbone enough to stamp out the abortion in its infancy. It is hardly necessary to add in conclusion that another wide difference between mortgages

on stocks and buildings is that with the latter almost invariably the land is coupled with the buildings, but when a stock is burned up there is absolutely nothing to fall back upon—unless we except criminal procedure, and we doubt whether besides being a fire insurance and also a guarantee company the office would gain much satisfaction by adding the duties of a public prosecutor to the other two.

**SCHEDULE-RATING.**

We are glad to learn that a vigorous effort is being made by the Canadian Fire Underwriters Association to formulate a standard building for all special hazards for which a basis rate shall be fixed, and for any deficiency in failing to come up to said standard an extra charge is to be made. This is decidedly a step in the right direction, for although it must be admitted that rates in fire insurance are guided to a great extent by the laws of average, yet it is manifestly absurd to make no difference between two factories,—the one only three storeys high, having stairways and elevators all outside and otherwise being fitted up with sprinklers, standpipes, and all fire protection appliances, and the other factory being five storeys in height, stairways and elevators all inside, and with no private appliances whatever,—simply because both are built of brick and roofed alike! As well might there be no distinction in the classification of ships built of iron by Marine Underwriters.

Nevertheless care must be taken to guard against, what will be the inevitable tendency when a risk approaches or reaches the full standard, viz., under-insurance. We have often inveighed against this evil, and pointed out the only remedy,—co-insurance; and, while we have never doubted the soundness of our doctrine nor faltered in the battle to maintain it, yet it is pleasant to find ourselves supported by an action of the Tariff Association of Great Britain, whence fire insurance took its source, and where, we understand, co-insurance forms part and parcel of the revised tariff on cotton mills.

Unless this check to under-insurance is introduced in some shape or other into the schedule ratings we have little hesitation in saying that although the reform is wise in itself, because it will induce insureds to build a better class of risks and improve those already built, still no benefit will accrue to the companies, inasmuch as the decreased hazard will be counterbalanced by the decreased insurance. One of the chief reasons we believe for attaching the co-insurance clause to the revised cotton mill tariff in Great Britain was in consequence of the fact that hitherto the fire-proof cotton mills were only insured from 25 to 50 per cent. of their value.

The question is one of very simple arithmetic, yet those who frame tariffs would, we fear, be put at the foot of the class in any preparatory school in this wise. They set out upon the theory that the hazard of a standard factory is half that of one of ordinary construction, and (for the sake of argument) fix the rates on each at 1 and 2 per cent. respectively, which would be all very well provided the insurance on both, in proportion to the value, was the same, but, as in the case of the standard factories, the insurance, as compared with value, is not more than half of that placed

on ordinary factories, we find the rate of the latter four times that of the former thus:

Value, Stand Fac.

Ins.

\$50,000 30 per cent. \$15,000 at 1 p. c. = \$150 prem.

Ord. Fac.

Ins.

\$50,000 60 per cent. \$30,000 at 2 per cent = \$600

Now, if the hazard of the ordinary factory is only twice as great as that of the standard, the change of the former into the latter would be a positive disadvantage to the companies, their income from that class of risk being reduced three fourths while the loss ratio only drops half! If you could have the same proportion of insurance on the standard as on the ordinary factories then (presuming the correctness of the theory as to the respective hazards of the two classes) the loss ratio would be as 1 to 2, exactly as the premium income would be, but this cannot be accomplished without the assistance of the co-insurance clause, as it will always be found that the best risks (as a whole) carry lighter insurance to their value than the ordinary run of similar class; in short that in making deduction for improvements insured obtain a double advantage, and we are inclined to think that for the highest class of specials, equipped with every appliance, including automatic sprinklers there should be two rates, one with co-insurance clause attached and one without, as has been adopted in the States in some cases.

Without some such safeguard the almost certain result of schedule-rating will be to improve special hazards at the expense of the insurance companies.

**LIFE ASSURANCE IN GREAT BRITAIN.**

*Summary of the Revenue Accounts filed in 1884, of the Ninety-four Ordinary Life Companies of the United Kingdom.*

**INCOME.**

Balance at beginning of year .....	\$685,054,620
Adjustment for returns discontinued, etc .....	299,445
<b>Total</b> .....	<b>\$685,354,065</b>
Premiums.....	61,535,760
Consideration for annuities.....	3,182,550
Interest, etc. (less tax).....	28,827,810
Profit on Investments .....	629,500
Fines, fees, etc .....	34,325
Capital paid-up.....	18,520
Miscellaneous.....	128,140
<b>Total</b> .....	<b>\$779,710,670</b>

**OUTGO.**

Claims.....	\$53,094,725
Cash, bonuses, etc.....	4,575,735
Annuities.....	2,965,755
Surrenders .....	3,866,655
Commission .....	2,741,375
Expenses of Management.....	5,704,895
Bad debts.....	14,570
Loss on Investments .....	139,820
Payments to shareholders.....	2,821,450
Miscellaneous.....	31,650
Balance at end of year being.....	703,754,040
<b>Total</b> .....	<b>\$779,710,670</b>

**THE ROYAL INSURANCE COMPANY.**

The annual meeting of the shareholders of the "Royal" was held at Liverpool on the 7th ult. The annual statement will be found in another page.

Since its foundation, forty years ago, the history of the "Royal" has been one of uniform progress and prosperity; it has outlived many of its competitors and outrun others, and to-day it ranks as one of our colossal insurance offices, and its success is all its own, as, unlike other offices, it never amalgamated with any other company. It has now accumulated funds (including the increased or market value of its investments over their book valuation) of over twenty-eight million dollars, with an annual income of nearly five million dollars in the fire department, and of over one and a quarter million dollars in its life department, derived from premiums alone, which are gathered in from many lands, in fact, the "Royal" has a firm foothold in every important post throughout the whole world.

In 1854 the fire income was \$642,295; in 1864, \$2,032,015; 1874, \$3,873,155; in 1884 (last year), \$4,940,780. Its accumulated fire funds, in the same decennial periods, were \$355,500, \$1,016,370, \$4,068,705 and \$10,000,475. These figures show how certain is its progress. The net fire premium income in 1884 was \$4,940,780, or \$27,095 more than the previous year, while the losses amounted to \$3,382,315, or \$365,155 greater than in the previous year. The fire funds on December 31st, 1884, stood as follows:—reserve funds \$5,500,000, fire fund \$2,750,000; conflagration fund \$1,000,000; balance of profit and loss \$750,475; paid-up capital \$1,447,725, giving a grand total of \$11,448,200, which does not include the life funds.

In the life department, 1884 was the bonus year, and therefore, in addition to the ordinary annual statement, we have the actuarial report for the five years ending with 1884. The investigation has been made, independently, by the staff of the office and also by Mr. James Meikle, the able Edinburgh actuary, with almost exact conformity of result; which is of an eminently satisfactory nature. The life funds at the end of the year amounted to \$15,293,835.

The dividend to the shareholders has been increased from 25s to 28s sterling, which is the largest dividend the company ever paid, and of which there have been very few parallels anywhere.

The business of the Royal is conducted with rare ability and energy, both at home and abroad, and as a result we have an institution against which, as a contemporary graphically puts it, "storms may arise, and winds beat and deluges of fire losses sweep the insurance field, and carry many an underwriting wreck out of sight forever, but companies like the Royal, that have built a solid and impregnable ark out of their reserve funds, float securely and serenely on the tide, and stand firm as a rock as long as there is a bale of merchandise, an article of manufacture, or a building left standing to insure."

The Canadian branch of the Royal is ably administered by Messrs. Gault & Tatley, chief agents for the Dominion.

Mr. Robert Oliphant, Agency Superintendent for Scotland of the Queen Insurance Co., has been appointed Secretary for Scotland of the Glasgow and London.

**AN ANALYSIS OF DEFERRED AND UNPAID PREMIUMS.**

By WILLIAM T. STANDEN.  
Consulting Actuary and Mathematician.

One of the invariable requirements of the Governmental supervision of insurance is the filing with the Insurance Departments, annually or semi-annually, the sworn statement of the condition of the company reporting, covering detailed accounts of income, expenditures, assets, etc. These general items are essential; but unfortunately an endless variety of questions are asked relating to matters that bear comparatively no public interest whatever, and which cannot possibly help the most skilled and careful examiner in determining anything of importance in regard to the standing of the company.

If the utility of these statements is to begin and end with the mere formality of filing them away in the archives of the various insurance bureaus, it would be almost as well if they were not made at all. It is nevertheless certain that in a vast majority of the Insurance Departments these statements are not subjected to any skilled expert criticism and examination. That this is so—or has been so, up to a very recent date—is proved by the fact that an examination of some of the statements made by defunct Life Insurance companies prior to the dates of their failures, will show clearly that their rotten condition could have been in a large measure detected, and their approaching failure foreseen. Of course, they do not say in so many words, "we are not in sound and proper condition. We do not deserve public support. We are facing and trying to stave off the certainty of an early failure, &c." It is not likely that in making their statements they would make any such confession of shortcoming. If their officers were bent upon holding the ship together as long as they possibly could for the sake of the salaries they were drawing it would be expected that they would resort to every kind of subterfuge to avoid detection. The first step would of course be the falsifying of their statement—involving themselves in perjured dishonor, and throwing a veil of suspicion and distrust over the sworn statements of good, sound and healthy companies.

It is not an easy thing to properly examine such a statement. The training of a mere accountant is not sufficient because there are several items appearing in such a statement that can be tampered with beyond almost the possibility of his detection. We say, it is not an easy thing to examine those statements, and if any person charged with the duty of such examination should declare the task to be an easy one it would create in us a very strong suspicion that he was but ill-qualified to fulfil his duties, and that his scrutiny would not be very intelligently directed.

The possibilities of falsification and misrepresentation that attach to each one of the items included in the income, expenditure and asset accounts, are almost endless in their number. Of course this statement applies with greatest force to the publications of the condition of Life Insurance Companies, but it certainly applies in a greater degree than is suspected to the statements of all branches of Insurance. An ingenious trickster who has had a long experience in his profession, and who is unscrupulous enough to resort to almost any method, rather than bring his income to a



sudden close, can see glorious possibilities of refuge and safety, in almost any one of the various items composing these accounts.

We have neither time nor space to make an exhaustive examination of this subject; but we desire to carefully examine the items of "Deferred Premiums" and "Unpaid," or "Uncollected Premiums."

We think that an examination of these items will amply repay us, and we can well afford to make them the objects of a short, but careful study.

"Deferred Premiums" are only allowable as credits when they will become due before the end of the current policy year; and not then, unless the mode of valuation that was used in ascertaining the company's liabilities was such as to charge the company with the whole of the year's premium upon the policy—just as though it had been an annual premium. Premiums are payable annually, semi-annually, quarterly, or otherwise; but in all cases of valuations according to the usual methods, policies are treated as though their premiums were paid annually. This is done largely for convenience. It would create endless trouble and annoyance if we were compelled to compute valuation tables, not only for annual premium policies, but also for those paying premiums semi-annually, quarterly, or monthly, and no particular benefit would be derived from this greatly increased labor.

Therefore, if a policy paying a semi-annual premium bearing a date, say August, 1885, be valued on the 31st of December, 1885, it is treated as though it had paid a full year's premium; and the reserve for an annual premium policy is charged up against the company as a liability. If this valuation is not made strictly in accordance with facts, and if the pursuit of such a method should be injurious to the companies, and should be detrimental to their good showing, it is right that a proper and scientific adjustment should be made. The company is therefore permitted on such a policy to credit itself, as an asset, with the amount of one deferred net semi-annual premium. Practically, it credits itself with one *gross* semi-annual premium, making such a deduction as they think will about cover the cost of collection.

It will therefore readily be seen that if the companies business is mixed, and they have policies paying annual premiums, semi-annual premiums, and quarterly premiums, they must effect an equitable adjustment of the over-valuation of their policies by crediting themselves with the ascertained value of their "Deferred premiums."

If a valuation of a semi-annual premium policy should be made upon its true basis, no such credit would be required; but under the present system of valuation it is perfectly right and proper that the companies should receive the benefit of this credit.

"Unpaid" or "Uncollected premiums" are just what their name would signify. They are premiums due within the time for which the valuation of the policies was made, but which have not yet reached the companies' hands. They constitute a credit which is perfectly allowable and right.

Now, it would seem from an examination of some of the old State Insurance reports that these two items have offered special inducements to those companies who wish to hide their precarious conditions. There seems to have

been a great deal of rascality going on which could have been detected by thoroughly expert examiners. We maintain that an intelligent opinion can be formed as to the correctness or the falsity of these items. We maintain that it is possible to set limits (based on percentage of premium income) to the maximum and minimum amount of "deferred premiums" and the maximum amount of "unpaid" or "uncollected premiums." If the maximum ratio of "deferred premiums" is exceeded to any very large extent, and there is no peculiarity in the business of the company that would appear to justify the excess, this fact alone should be sufficient to give rise to a suspicion of the integrity of the company, and should call for a thorough overhauling of its affairs, provided no sufficient explanation could be given.

The items of "unpaid" or "uncollected premiums" may also be bolstered up with a good deal of imaginary assets; but generally if those items appeared to be excessive, it would be an indication more of loose and careless management of the companies' affairs. It would give rise to a suspicion that the companies' agents have a pretty easy time retaining collections about as long as it suited their bank account; or that practically a very long period of grace was given to their policy-holders.

Let us take up the inquiry as to what percentage of premium income would constitute a fair ratio of "deferred premiums" and what percentage should be expected to cover the item of "unpaid" or "uncollected premiums."

In laying down the basis upon which such a matter shall be considered, we suppose it will generally be deemed fair if we assume that the average date of issue of all policies throughout any given year will be about the 1st of July. Whether this average be true or not matters little, if it be even approximately correct. In other words, we will assume that the policies are numerically distributed evenly throughout the year, month by month—that out of twelve hundred policies now in force, about one hundred of them will bear date for each month of the year.

The business of most companies in the United States is such that a large majority of the premiums are paid annually; and semi-annual, and quarterly premium policies, on which alone there can be any credits for "deferred premiums" are comparatively small in number. It will perhaps be a very fair basis for comparison if we assume that:

out of every 100 policies issued,  
60 of them pay their premiums annually,  
25 of them pay their premiums semi-annually, and  
15 of them pay their premiums quarterly.

Assuming, therefore, that 100 policies are issued each month, and that each policy pays a premium of one dollar per year, and that the valuation is made on the 31st day of December, the

60 annual premium policies per month will pay the Co.....	\$720
25 semi-annual premium policies per month will have paid the Co.....	\$225.00
15 quarterly premium policies per month will have paid the Co.....	\$112.50
Total income to the Co.....	<u>\$1057.50</u>

The "deferred premiums" on account of the semi-annual policies will be.....\$67.50

The "deferred premiums" on account of the quarterly policies will be.....\$75.00

Total "deferred premiums." .....\$142.50.

It will therefore be seen that the "deferred premiums" should bear a proportion of 13.5 per cent of the income.

These figures can easily be proved, because we can readily see that 100 policies per month, paying each an annual premium of one dollar, will yield \$1200, which is the sum of the premiums paid and the "deferred premiums" shown in our demonstration.

Suppose a company has a smaller proportionate number of annual premium policies. If the proportion should be 50 annual premium policies, 30 semi-annual policies, and 20 quarterly premium policies for each 100 policies issued, the proportion of "deferred premiums" should not be greater than about 18 per cent.

On the most extreme assumption of even distribution of business into annual, semi-annual, and quarterly premium policies, the proportion *could not* be greater than about 26 per cent; but this assumption is so extreme, that if we found a company claiming "deferred premiums" of that amount, we would be quite justified in making it a subject of special inquiry and careful examination.

These ratios would apply only to a company in the first year of its business existence, and all companies of greater age than one year should, on the basis we assumed, show still lower proportions of deferred premiums to *total* income; because their *total* income would include those premiums that had been assumed to be deferred on the 31st day of December previous. Really then, in all strictness and fairness, these percentages should be adjusted about as follows:

Our first illustration of 13.5 should be 12 per cent.  
 " second " " 18 " " 15 " "  
 " third " " 26 " " 21 " "

Of course, if we have \$1200 of receipts and \$300 of deferred premiums, the ratio of deferred premiums would be 25 per cent. In all cases except of a company in its first year's business, the total premium income of *this* year will contain the deferred premiums of *December 31st last*, so that the proportion really becomes 1500 to 300, or 20 per cent.

The first basis named by us, showing a percentage of about 13.5, may be considered a very fair one for all general comparisons; and while the fact that a company might claim credit for "deferred premiums" in excess of this proportion would not necessarily create suspicion, it would be sufficient ground for a careful examiner to assure himself that its policies actually bore an undue and unusual proportion of "deferred premiums."

We may therefore say, generally, that if upon the examination of a statement it should be developed that the proportion of "deferred premiums" to premium income reported by any particular company was greater than from 13 to 18 per cent., the Superintendent of Insurance should consider that fact sufficient ground for a special inquiry and examination of the books of the company, so that he might positively prove or disprove the correctness of the figures shown in the statement.

Had this always been done, we are safe in asserting that

the condition of several defunct companies would have been foreseen long before the period of their suspension.

Referring to the New York State Insurance Reports for the years 1874, 1875 and 1876, we find the following facts: In the report of 1874 these percentages of "deferred premiums" to premium income are claimed by the companies named:

American Popular Life Ins. Co.....	35	per cent.
Continental Life Ins. Co.....	31	" "
Security Life Ins. Co.....	23	" "
In the report of 1875, American Popular Life Ins. Co.....	45	" "
Security Life Ins. Co.....	31	" "
Continental Life Ins. Co.....	29	" "
In the report of 1876, the American Popular Life Ins. Co.....	64	" "
Continental Life Ins. Co.....	28	" "
Security Life Ins. Co.....	34	" "

All of these three companies, which I have selected as typical of several others that are now resting uneasily in their graves, failed within two years after making the reports last quoted from.

Is it not fair to assume that, if their statements had been critically and conscientiously examined by some expert who was thoroughly competent for the task, some indication of their condition would have been recognized; and some warning note would have been heeded, in time to have reorganized the companies, and have saved their policy-holders from ruin. If a careful analysis of this one item of "deferred premiums" had been made in good time, it seems to us that the fact would have become known that these companies were wading in deep water, and were passing beyond their depth; and there is strong probability that this fact might have thus been ascertained in time to have applied some effective remedy.

It is to such items as these that we must look when we want to read beneath the surface, and to learn something more than the Companies' Officers wish to inform us.

State supervision is supposed to be the protector of the public. What kind of protection is that which is so incompetent that it fails to detect evident signs of approaching trouble or failure—or which cannot unearth the efforts of a rotten company to cover up its sores? Taking the "deferred premiums" alone, apart from any evidence that could have been deduced from other items of these companies' statements, we see sufficient evidence to have justified a thorough examination of their books, accounts, &c., long before they were closed up and forbidden to do business. It cannot be doubted that thoroughly competent officials—skilled in the performance of their duties—with a large reserve of experience to draw upon—experts in all the technicalities of the business—would have discerned indisputable evidence of danger, and would have taken some practical and effectual steps for the protection of the policy-holders upon the sole evidence afforded by the preposterous claims of deferred premium credits ranging from 30 to 60 per cent. of premium income.

The item of "unpaid" or "uncollected premiums" is one that, generally speaking, will indicate to us the degree of care that is exercised in the administration of the affairs of a Company.

Almost the entire amount of this item may be presumed to be in the hands of Agents—collected by them, but not yet reported and paid to the Company. By reason of the lapsing to the Company of all the interest in renewal commissions occasioned by the discontinuance of agencies, &c., generally about one-half of the total premium income is paid by direct remittance to the Home Office. In these cases, if the premiums are not paid when due, or within any definite period of grace that may be allowed, the Policies are promptly marked off, and it is very unusual to find a Company that will claim to have any considerable amount of premiums due and unpaid upon Policies that remit to them direct. It is therefore only upon say 50 per cent of the total premium income that there can be any such arrearages. If, therefore, a Company reports that 20 per cent of its premium income is due and unpaid, it would virtually mean that Agents are holding the renewals in their hands, on Policies overdue four or five months.

Now, this would seem to be a rather careless practice, allowing considerable latitude for fraud upon the Company, and such a practice tried with the rule and square of true business principles must certainly be condemned.

Allowing that one-half of the premium income reaches a Company's hands through its Agents, and that of that one-half collected by such Agents, 50 per cent is paid with reasonable promptness, and the remainder is paid within three months after due date, the proportion of "unpaid" and "uncollected premiums" to premium income, certainly should not be more than 10 per cent.

In analysing this item therefore, we would be inclined to say that a Company claiming credit for uncollected premiums to an amount ranging only from 5 to 10 per cent of its premium income, was very conservative, and that its management took care to recognize proper business principles and applied them with practical effect to its Agents and staff. On the other hand, if a Company reports say 30 per cent of its premium income as being unpaid, we would be inclined to consider that there must be somewhere a large degree of reprehensible carelessness in its management; and if an Insurance Superintendent should see evidence of this carelessness it would be his duty to see the Officers of the company and make proper representations to them, looking to a radical change of their practices.

Referring to the three unfortunate Companies already mentioned, we find from the New York reports, that they claimed "uncollected premiums" running from 20 to 50 per cent of their premium income.

It appears, therefore, that there were double grounds for taking these Companies to task. In the first place, their statements of "deferred premiums" bore evidence of having been purposely bolstered, or inflated; in the second place, their statements of "uncollected premiums" clearly indicated a degree of careless and reckless management which should have called for official intervention. If these warnings had been regarded we might have been saved from some chapters that have disgraced the history of Insurance. If the proper authorities had recognized the danger that was clearly noted in these items, many unfortunate policyholders might have been saved from loss.

There seems, however, to have been absolute blindness in this matter. So far from learning any lessons of wisdom,

from the figures submitted in the annual statements, we find that "deferred premiums" and "unpaid premiums" were lumped together in one item for all purposes of comparison. In this manner it was of course impossible to analyze them, or to learn the lesson that would have taught any intelligent expert who had handled them separately and critically examined each item.

We have only given a rough idea as to how these items *should* be examined and criticised. Our figures of percentages are not exact, but they are taken with very close approximation. They are intended to illustrate the ways in which those upon whom devolves the responsibility, should examine and study the detailed statements submitted to them. These are not the only items that can bear intelligent analysis. They are not the only items that have a faculty of showing us something beneath the real surface of the figures. In the annual statements made by the various Companies, there is, as we have said before, a large field for careful examination and thoughtful study. These statements contain, as we have already contended in a former article, answers to a great number of enquiries that are practically useless, and the Companies are called upon to give a great deal of information that is of no practical benefit to the public and of no use to the examiner. The main points of these statements, however, are full of interest and afford a large amount of information not apparent upon their surface, if they are carefully handled and studied by an intelligent and experienced examiner.

#### NEW HAMPSHIRE'S VALUED POLICY LAW.

The following is the text of the iniquitous Act recently passed by New Hampshire Legislators:

SECTION 1. Should any insurance company not organized under the laws but doing an insurance business within this State, make an application to remove any suit or action, to which it is a party, heretofore or hereafter commenced in any court of this State, to the United States District or Circuit Court, or shall enter into any compact or combination with other insurance companies for the purpose of governing or controlling the rates charged for fire insurance on any property within this State, the Insurance Commissioner shall forthwith revoke the license or authority of said company to transact business, and no renewal of said license or authority shall be granted for the period of three years from the date of such revocation.

SEC. 2. In any suit that may be brought in this State against an insurance company to recover for a total loss sustained by fire or other casualty to real estate or to buildings on the land of another, the amount of damage shall be the amount expressed in the contract as the sum insured, and no other evidence shall be admitted on trial as to the value of the property insured; provided, whenever there is a partial destruction or damage to the property insured, it shall be the duty of the company to pay the assured a sum of money equal to the damage done to the property, and provided further that nothing in this section shall be construed to prevent the admission of testimony to prove over-insurance fraudulently obtained.

SEC. 3. The Insurance Commissioner shall provide a standard form of policy and contract for companies insuring property in this State, and no license shall be granted, and no company allowed to do an insurance business, unless it shall conform to the regulations of the Insurance Commissioner.

SEC. 4. All Acts and parts of Acts inconsistent with the provisions of this Act are hereby repealed, and this Act shall take effect from and after January 1st, 1886.

## SMALL-POX.

So much has been said in the papers about the small-pox in Montreal that most persons outside of the city now have a terribly-exaggerated idea of the extent to which it has spread. It is really hardly worth while drawing attention to the matter, except to correct the erroneous opinions which are prevalent. Perhaps it will surprise many of our readers to be told that in the business parts of the city and in the West end, where the English-speaking population chiefly reside, there is almost absolutely no trace whatever of the disease. The vast majority of deaths have been of French children, and the total number of deaths of adults in the city during the whole course of the scourge has been less than 50! and of these only 8, we believe, were Protestants! and this in a city with a Protestant population alone of over 40,000. The total deaths of Protestants, young and old, have been only 19 or 20. It will thus be seen at once that were it not for the unfair use made of the matter by some papers, especially Western ones, there would have been no scare about it at all. The extreme of foolishness in this connection we heard of lately. Some Western agents have been using the argument that it is unwise and even risky to accept any policies coming from Montreal because, forsooth, there was danger that they might bring small-pox. Why not refuse Toronto policies because there are twenty or twenty-five cases of scarlet fever in the city?

## ACCIDENT INSURANCE COMPANY OF NORTH AMERICA.

A circular attacking this company, and signed by one Arthur A. Mosher, of St. Louis, has been extensively distributed throughout both the United States and Canada. As only general assertions and vague insinuations are indulged in, it would hardly be worth while noticing it at all were it not that it contains a very one-sided statement of a certain law-suit between him and the company, and which he says was discontinued by order of Mr. Rawlings, as the company were afraid of the disclosures he might bring about. The simple fact is that the business of the Accident Insurance Co. is too large and too important to permit of its officers devoting weeks and weeks of their time to refuting the attacks of a small man like Mr. Mosher, who, by the way, is Agent for a rival Company. The interests of the company would have suffered more by doing so than all the harm this Mr. Mosher can do them.

**Canadian Longevity.**—Sir Moses Montefiore's long life was only extraordinary because he was an extraordinary man, living in a land where extreme old age is very rarely found. We had in Canada, in 1881, when the last census was taken, 209 persons who were more than one hundred years old. Ontario had 106 of them, Quebec 56, Nova Scotia 34, New Brunswick 12, Prince Edward Island 8, Manitoba 2, and the territories 1. So that a Sir Moses in Canada, though of course an object of veneration, would not be regarded as so tremendous a novelty as he was across the water. The Canadian climate, despite its severity, is conducive to old age. We had, in 1881, 166,000 people between the ages of sixty and seventy; 81,000 between seventy and eighty; 24,000 between eighty and ninety and 2,790 between ninety and a hundred. Nobody need feel downright old here until he has seen a century of life.  
—Mail.

## COMMUNICATIONS.

## TORONTO LETTER.

*Disagreement of two Insurance men—Lower rates wanted in Toronto—will they be given? A Lecturer offers to Lecture for benefit of sufferers by Esplanade fire!—Circus week—The Toronto Fire Underwriters refit their Board-room—The Secretary's conundrum.*

DEAR EDITOR,—I have heard of a very heated argument taking place last week between two insurance men, (I do not know, if they were what you would call prominent insurance men), one holding out that the C. F. U. A. was doomed; that it had done good work, and had lasted as long as any Tariff of the kind could be expected to last; that there were enemies plotting for its overthrow, etc., etc. The other party as doggedly held forth, in defence, that the Companies could not afford to let the present tariff die; that the pressure originally came from England, which brought all the Companies into line on the tariff question, and that to revert to the old custom of competition, and no agreements, would so demoralize insurance business that some of the larger Cos. would withdraw from Canada. One of the parties instanced the formation of the Millers and Manufacturers Ins. Co. as a proof that adversaries were rising up to reduce rates. I do not myself quite understand how the new Company is going to insure below tariff association rates and at the same time be officered by members of the C. F. U. A.; it seems a little inconsistent, does it not? If the new Company were purely Mutual I could understand it, but it is part stock and part Mutual. Have the members of the C. F. U. A. rescinded that resolution passed at its last Annual Meeting to the effect, "that no Agent of a Tariff Company be permitted to represent or place risks in a non-tariff Company, purely Mutual Companies excepted?" On the principle that threatened lives last long, I think the Association will not dissolve just yet. The prospect of the results of such a course would deter the strong members from permitting it to come about. Still, there are breakers ahead.

One of our dailies, referring to the new pumping engine now in operation at Toronto Waterworks, is calling for a reduction of Fire Insurance rates. It says the City has spent thousands "the Fire Cos. make money out of what the city pays. A readjustment is wanted. The improved pressure on the mains may be taken as an index of the pressure that is coming on the Fire Companies, and that ere long. It may be held as a fact proved that the new pumping engines have already reduced fire risks in Toronto by a percentage which we do not attempt to state (very wisely!) "but which everybody knows to be something considerable. Insurance figures to correspond must be forthcoming at an early day." All very nice reading, especially just after the Esplanade fire. I don't think the Cos. will reduce rates just yet awhile. It is only recently that the Toronto Board advanced the rates on all specials, so that they are hardly likely to reduce so soon. Besides, all Companies are now in the Toronto Tariff, excepting the "Quebec Fire Co.," and I do not suppose it will be long out. Perhaps the Millers and Manufacturers will offer the lower rates called for.

I have seen some extracts from U. S. papers, referring to the late Esplanade fire in such terms that we on the spot might doubt if it were that fire at all that was meant. The extent of the fire, its great destructiveness, the buildings burned and their contents, and the total value of property destroyed are greatly exaggerated. I really wonder subscription lists were not started for benefit of the sufferers! The fact is, a whole lot of unsightly old buildings have been cleaned out to the benefit of the locality, and the city generally. The greatest single loss was the valuable glucose factory, but the other structures were no loss. In connection with the foregoing it is asserted that a prominent lecturer in New York was so moved by the thrilling details of that fire that he wrote to a gentleman of this city offering to come to Toronto and deliver a series of lectures on behalf of the sufferers.

This is Toronto Circus week, known as the Industrial Exhibition. One of the chief industries noticeable on the ground is that great work known as the Roller Coaster, another, is the "Switch Back." Then there is a museum of living celebrities, containing The Governor General, Gen. Middleton, Capt. Howard, of Gatling Gun fame, and all the

volunteers who went to the front to quell the Northwest Rebellion, and last, though not least, there is "the whale." I take these items of the advertised attractions, but, as a matter of fact, there is no Governor General here, nor will there be; and no volunteers; they decline to go unless they get new uniforms. Every year there is something bogus about this show. One time thousands gaze intently for hours to see an old schooner called "Arabi" blown up, the whole thing being a senseless fizzle; next the Electric Railway was a failure; now we have a grand balloon ascension, which ended in the machine bursting. All the same the show gathers a lot of money, and brings folks to the city, which is a good thing. As a private speculation it is a success.

Next time you come to Toronto call on Secretary McLean, and ask him to show you the *Toronto Fire Underwriters Board-Room*. See the new table sixty feet long with as many legs as a centipede. Each member has his seat indicated by an encrusted metal *catch-card*, of chaste design, in which appears the name of his Company, surmounted by the proper motto and crest in old gold. The table, on an emergency, could accommodate, for sleeping purposes, a whole committee such as they form at general meetings. Some members represent three or more companies, and have therefore three or more seats. By an ingenious arrangement such a member is enabled to recline at full length during a protracted meeting or lengthy speech without intruding on his neighbors' space. Of the hat pegs, with name under each to correspond with each seat, I can only say they give one a good idea of the importance, as regards representation, of that oldest of extant Canadian Tariff Associations, the "Toronto Board." It seems to me that complications might arise if members did not keep to their own pegs. The two "*Phenixes*," for instance, have little in common (nor want that little long) yet each might in a dark day get on the other's peg? Members with three pegs can keep an assortment of headgear. Provision is made for removing a Company's peg when it retires from the Association, which would signify it had "pegged out."

The Secretary, Mr. McLean, who returned last month from the seaside, I find much improved in appearance. He was looking jaded and tired when he went away. He says he rolled about in the surf twice a day, and travelled up and down on the sea sand getting the same in his hair and clothing to such an extent that he is more *gritty* than ever. He is ready for work now and the trials of the next few months, and he will need all his backbone to meet these, I am thinking. By the way, looking proudly over the refurnished Board-room, the Secretary, with twinkling eyes, asked me if I knew why these newly-fitted apartments resembled the Rossin House. I gave it up. He answered, "*Because the Board here is first-class in all respects.*" Now I think this (what is it?) not so bad from a quiet, practical gentleman like Mr. McLean who is not much given to this sort of thing, what do you say? I murmured in repartee, something to the effect that at least the *meets* were plentiful, but, as he had not apparently extricated himself from the glamour of his own joke sufficiently to feel dazzled by my little spark, I came away.

Yours,

ARIEL.

TORONTO, 14th Sept., 1885.

### MILLERS AND MANUFACTURERS INSURANCE COMPANY.

To the Editor of INSURANCE SOCIETY.

SIR,—I notice in the public prints the advertisement of a new insurance organization, the Millers and Manufacturers Insurance Company, *President*, James Goldie, of Guelph; *Vice-President*, W. H. Howland; *Managing-Director*, Hugh Scott, of Scott & Walmsley, Toronto, General Insurance Agents, to whom applicants for Insurance in the new Company are invited to apply. The Company is constructed on what is called the "mixed plan," being part stock and part mutual. Its "objects," so far as expressed, are, briefly: (1) to prevent avoidable fires; (2) to obviate heavy losses from unavoidable fires; and (3) to reduce the cost of insurance to the lowest point consistent with the safe conduct of the business, *i. e.*, insurance business. The subscribed capital is \$250,000, and the paid-up capital \$25,000. As the Company looks for support to that large and wealthy section of the community, the Millers and Manufacturers, and bears on its front such solid influ-

ential names as Goldie and Howland to give it business and financial standing, with Mr. Hugh Scott, an experienced insurance tactician to supply the requisite insurance talent and direct its offensive and defensive operations, it is quite likely that a considerable share of public support and profitable patronage will be given it.

Its "objects" and "methods," as set forth, are alike reasonable, as well as practicable, and, so long as the Associated Companies maintain their present tariff of rates, it is quite possible the Millers and Manufacturers Company will attain its "object No. 3," *viz.*, the reduction of cost of insurance to its policyholders.

It is now in order to inquire—and this is the object of my letter—what the Canadian Fire Underwriters' Association propose to do in view of this new insurance enterprise, officered and managed (perhaps originated) by one of its members, for the avowed purpose of reducing the rates which are deemed by the Canadian Fire Underwriters' Association to be adequate and fair, the interest of the Association being deepened by the fact that the President or Chairman of the Toronto Board of Fire Underwriters, another tariff organisation, is also Vice-President of the Millers and Manufacturers Company. It is my opinion that the Canadian Fire Underwriters Association is threatened with serious trouble, if not disintegration, if it permits this organized assault on its interests and integrity to pass unnoticed, or fails to take such action as may be necessary under the circumstances. With what consistency can the two gentlemen referred to, but especially Mr. Hugh Scott, continue their connection with the two Tariff Associations, Rule 3 of whose constitution declares, that its objects are the establishment and maintenance of Fire Insurance Rates? If the associated rates, whether for City of Toronto or Ontario generally, are exorbitant, and far above what are requisite and consistent with the safe conduct of the business of fire insurance, how is it that the voices of Messrs. Scott & Howland have not been heard at the general and other meetings of the Associated Companies, urging, with their undoubted influence, the reduction of these same rates to a lower figure? On the contrary, we find that at least one of them took a prominent part at the earlier as well as all subsequent committee meetings for the adjusting and arrangement of the same tariff at present observed by both associations, which, of course, include the two British Companies represented by Mr. Scott. I observe the Canadian Fire Underwriters' Association rate for a first-class steam grist mill under the most favorable circumstances is 2.85. Does the Managing Director of the Millers and Manufacturers consider that this is too high, by 25 p.c., and that 2.15 would afford a profit to the insurer? Such questions bother me. I ask myself, what does it all mean? Is the tariff all guess-work, and a monopoly, or is it founded on any *experience* at all?

According to a recent, and possibly inspired, article introducing favorably the new Company to the readers of the *Monetary Times* I gather that the rate book of the Millers and Manufacturers will be built on the following lines, *viz.*: "one-fourth less than the *existing rates*, in cash, and an undertaking for as much more." How are the "existing rates" (with of course the modifications and alterations made from time to time) of the Tariff Associations, seeing they do not publish them, to become known to the management of the "Millers and Manufacturers," except through its managing director, and by virtue of his seat at the tariff boards? I am well aware that the "Hand-in-Hand," stock and mutual, whose manager again is Mr. Scott, is not a member of the C. F. U. A., and may accordingly if it so will (and they say it does) write on the cash plan in Ontario at rates some 20 per cent. under "existing rates," or at any rates it pleases for that matter, and that the C. F. U. A. tacitly acquiesces in this anomaly for some occult reason, but unless the Association desires to be held up to the public as a pack of nonentities who have formulated a table of ratings upon no fixed or demonstrable insurance principles, but simply in a spirit of monopoly and extortion, they owe it to themselves to take such steps at the next general meeting of the Association as may be wise and salutary to extricate them from the stupid position they are placed in, by permitting important members of their body to represent and organize a company whose avowed object is to insure at lower rate than the Association find necessary.

We have already companies making a specialty of dwelling and farm risks on the 3-year plan, now comes the "Millers and Manufacturers" to compete for another section of insurance business; next, we

may expect a third competitor, let us say the "Merchants and Ship-owners" Insurance Company, with similar facilities for "reducing cost of insurance," and to destroy the C. F. U. A. altogether. It has cost the companies a considerable expenditure of time and money to place the C. F. U. A. in its present efficient shape, not perfect yet, indeed, but improving yearly, therefore the best and wisest of its members must bestir themselves *now* if they desire the institution to live.

I observe that the M. and M. aim only at the cream of the business; companies therefore who do a general business should note this. They also propose to dispense with the help of local agents. This feature will not be pleasant to agents in towns and villages who make their living by insurance, for some of their best business will be greatly cut into. It will be said, no doubt, that the new concern can only take a small share of business, but they are likely to have certain re-insurance facilities which have not yet been made public. Once established, I should not be surprised to see them *contract* to place the whole business of any miller or manufacturer under existing rates. What, pray, is to prevent? The "Millers and Manufacturers" has every right to enter the insurance field as a competitor for public patronage, but the sum of my complaint is that I object to the C. F. U. A. acting as wet-nurse to it. Let the managing director do his own suckling!

LARKSPUR.

MOUTHS OF THE DON, 11th Sept., 1885.

#### SOCIETY NOTES AND ITEMS.

The whole amount of Life Assurance now in force in the United States is estimated at \$2,000,000,000.

A year ago there were twenty-five Co-operative concerns operating in the State of Indiana; now there are twelve.

The annual meeting of the Canadian Fire Underwriters Association, at Montreal, has been postponed until November 3rd.

We have received a bound volume of the Report of the Superintendent of Insurance for the Dominion for 1884, for which we tender our thanks.

Mr. M. T. Feron, of Winnipeg, has been appointed manager of the Mutual Life of N.Y. for the Province of Manitoba.

The Glasgow and London Insurance Company has withdrawn from the Pacific Coast and re-insured its risks in the South British and National.

Lord Rothschild has been elected President of the Alliance Insurance Company, in place of the late Sir Moses Montefiore.

Mr. John McCandish, general manager of the Scottish Union and National Insurance Co., of Edinburgh, Scotland, has paid a visit to the United States.

The Union Mutual Life Assurance Co. has purchased the terminal annuities recently issued by the Province of Ontario, amounting to \$560,000.

Valued policy law—The companies doing business in the State of New Hampshire at once withdrew when the valued policy law was passed.

The North-Western Mutual Life is contemplating a return to Canada, from which it retired upon the passage of the Insurance Law of 1879.—*The Monitor*, N.Y.

Insurance Commissioner Samuel H. Cross, of Providence, Rhode Island, will please accept our thanks for a bound volume of his Annual Report for 1885.

Messrs. Earl & Merritt have been appointed general agents of the Mutual Life of N.Y., for Western Ontario, with head-quarters at Toronto.

Mr. Alexander Cromar, late of the New York Life, has been appointed city agent at Toronto for the Mutual Life of N.Y. Mr. Cromar is an enthusiastic and energetic insurance agent.

Mr. B. Hawes Wilson, late manager of the Netherlands fire office in London, Eng., has been appointed Home Superintendent of the Glasgow & London Insurance Company.

By a recent conflagration in London, Eng., thirteen large warehouses, besides some other buildings, in Shore-ditch, E.C., were consumed. The loss is estimated at \$1,000,000.

Mr. J. W. Molson, manager of the United States Life for Canada, has appointed Mr. P. Levy special agent for the company at Montreal. Mr. Levy was for some years special agent at New York for the John Hancock Life.

Prompt Payment.—The late Mr. B. P. Conger was insured in the British Empire Life for \$20,000. With its usual promptitude in settling claims the company paid the amount in a few days after receipt of claim papers.

Henry J. Reinmund, Esq., Superintendent of Insurance for the State of Ohio, will please accept our thanks for a copy of the report of the Investigating Committee of that State on Tontine Insurance.

Mr. George Knight, of Halifax, N.S., has been appointed special agent for the Federal Life at Montreal. Mr. Knight is an enthusiastic and energetic life insurance canvasser, and will prove an acquisition to the ranks of the Federal.

Mr. Albert E. Imrie, late general agent at Detroit for the Equitable Life, has been appointed manager for British Columbia of the Sun Life Assurance Company. Mr. Imrie, judging by his previous record, will do a large business for the Sun Life.

Mr. A. J. Bell has been appointed agent at Halifax for the Lancashire and National of Ireland insurance companies. Mr. Bell was for some years managing clerk for the late Captain G. C. Sinclair, who up to the time of his demise represented the above offices.

Messrs. W. B. McSweeney and Doctor Benjamin Curran have been appointed general agents of the Citizens Insurance Company for the Province of Nova Scotia, with head-quarters at Halifax. Mr. McSweeney has for some time acted as agent of the Company at Halifax.

Cheap Life Insurance? A Californian had his life insured in a Co-operative for two thousand dollars and in a regular life insurance company for one thousand dollars. His widow received four hundred dollars from the former and one thousand dollars from the latter.

The *Insurance Times*, N.Y., referring to the "embarrassment of British fire agencies in the United States" says:—"If the English agencies in America are wholly anglicised they will lose their popularity and arouse against them a feeling of hostility."

Fire Insurance Association—It is announced that Mr. Alderman Whitehead has joined the Board of this Association. The high esteem in which the alderman is held in commercial circles renders his addition to the Board a valuable accession to the influence of the Association.—*The Policy-holder*, Manchester.

The Caledonian Insurance Company has entered California. Messrs. Balfour & Guthrie have been appointed agents. The Caledonian, which is represented in Canada by Messrs. Taylor Brothers of Montreal, was established in the year 1805. It has assets of \$1,555,312 and a net surplus of \$826,546.

The British Empire Life has secured a \$50,000 policy on the life of Mr. George Gooderham, of the firm of Gooderham & Worts, Toronto. Mr. Gooderham is a firm believer in life assurance; he carries insurance on his life to the extent of \$350,000, all of which is placed in first-class old line companies.

To Insurance Agents.—The Editor of INSURANCE SOCIETY will be glad to hear from insurance agents who may have or know of any municipal bonds to be disposed of in their neighborhood. We have enquiries for investments of this nature in either small or large amounts. Please address the Editor, INSURANCE SOCIETY, Montreal.

Messrs. Rand Bros., the well known real estate and financial agents, of Victoria, B.C., at present represent the following Companies:— Accident Insurance Co. of North America, Royal, London & Lancashire, Commercial Union, City of London and Hartford fire offices. Messrs Rand Bros. transact a large business throughout British Columbia.

The Irish Insurance Banking and Finance Journal is now published weekly. The Editor and Proprietor, Mr. Thomas Neville Stack, is determined to make his journal one of the most valuable commercial papers published in Great Britain. It bears the stamp of success, fearlessness, independence and ability. We wish our contemporary every prosperity.

Mr. John L. Stearns has been appointed manager for the Provinces of Nova Scotia and New Brunswick of the Mutual Life of N.Y., with head-quarters at Halifax. Mr. Stearns has been for many years in the home office, N.Y., of the company and has also had experience in active field work under the New York City Agent. He comes into Canada with a good record, and we wish him every success.

Taxing Insurance Companies.—The companies in Trieste, Austria, are subjected to a tax in proportion to the premiums received. The companies added on this tax to the premiums, thus making the insured practically pay the tax. The *Landstaj* of Trieste during its last session introduced a Bill, which was passed, prohibiting the companies from doing so. This step will not have the desired result, as the companies will now simply increase the premium rates.

Lumber at a loss! The moving cause of the late convention of lumber dealers at Minneapolis, says the *Monitor*, N. Y., was the fact that "lumber is being, and has for some time past been, furnished to consumers at prices that pay no profit." We all know that, but it may not be amiss to again call attention to it, for, says our contemporary, there is no such promoter of spontaneous combustion as good insurance and plenty of it spread over depreciated property. Oil on cotton waste is nothing to it!

The London, Eng., Insurance Agency Association.—In reply to our query in the last issue of INSURANCE SOCIETY, asking for information about the above agency Association, Mr. J. T. Denny, secretary, writes that "this Association is simply an insurance agency and brokerage company formed for the purpose of acting as the London correspondent of agents and brokers throughout the world.

THE

**MUTUAL LIFE INSURANCE COMPANY**

RICHARD A. McCURDY, OF NEW YORK. THE LARGEST  
President. LIFE INSURANCE COMPANY  
IN THE WORLD.

CASH ASSETS, January 1st, 1885	-	-	\$103,876,178.
AMOUNT OF ASSURANCES IN FORCE,	-	-	351,789,285.
CASH REVENUE IN THE YEAR 1884,	-	-	19,095,318.

RELIABLE AGENTS WANTED.

GAULT & BROWN, General Managers for the Provinces of Ontario and Quebec.

OFFICES:

Waddell Building, Notre Dame Street, - **MONTREAL.**

We do not issue policies nor accept insurances except as the agents of well-known and reliable companies."

**Mr. Henry J. Mudge**, of the Queen Insurance Company, Montreal, sails for England by the "SS. Etruria" from New York, on Saturday next, 26th inst., and will be absent for about four weeks. Mr. Mudge goes to Liverpool at the request of his H. O. It will be remembered that Mr. Mudge was joint chief-agent, with the late Mr. MacKenzie Forbes of the Queen for the provinces of Ontario, Quebec and Manitoba. He has been an indefatigable worker in the interests of his company, and is endowed with rare business qualifications. He stands high in the estimation of his confrères, among whom he has many warm friends who will join the writer in wishing him "bon voyage."

**Conscience Money.**—A short time since, in referring to a sum of money being returned through a priest to a company in California, we hazarded the statement that "that kind of conscience did not flourish in Canada." It would seem as if we were somewhat mistaken, as shortly afterwards we learned that \$80 conscience money was returned through a London, Ont., agency, and subsequently that a large British office received various sums in a like manner, and now another British fire office hands us the following letter:—

The Manager—Insurance Co., Montreal.

"SIR,—A man and a woman send you \$20, through their priest, in lieu of a larger amount which, through their means, your company has been loser. Hoping your Board of Directors will forgive them as they hope God to forgive them."

**Hand-Grenades.**—The contents of an American hand-grenade were recently analysed by Professor Ador, of the University of Geneva, who found that the fluid, evaporated to dryness, leaves one-third of solid substance, consisting of two ordinary salts, viz., 10 per cent. of sal ammoniac, and 25 per cent. of table salt. It will be seen by this that the fluid can evolve no carbonic acid, as pretended, but only steam, whereby the dissolved salts are precipitated upon the burning objects, which can possibly afford a protection against the admission of air. As the aforesaid salts are cheap, any one can fill a bottle with this kind of fluid at the expense of a few cents.—*Spectator, N.Y.*

**The Farmers' and Mechanics Fire Insurance Company**, of Washington, D.C., is sending circulars to insurance brokers and agents in Canada soliciting business. For their information we quote the following, from our contemporary, the *Standard* of Boston: "No man in this city (Washington, D.C.) ever heard of this Farmers' and Mechanics Insurance company. It has no *locale* in this city—no office outside of a post office box, and the assets may be easily carried in a school girl's portemonnaie, with car-tickets included. The so-called "James Willard, President," as well as the board of directors, and even the alleged "Thomas M. Sachett, Notary Public," are all myths—dummies—dead beats. The assets have no existence outside of the oaths of the officers, and the whole concern is a shameful swindle."

**A new departure** has been taken by some French offices which are now issuing policies combining life assurance with accident insurance, including disablement resulting from disease. Two offices have given their special attention to this new system with some success. The chief features of the new policies issued are as follows: In the event of temporary disablement by accident or disease, extending over more than thirty days, one-twelfth of the net premiums is remitted for each month of disablement. Should the disablement prove permanent, but only partial, the injured party is exonerated from any further payment of premiums. If the disablement is total, that is to say, preventing the insured party from following any occupation, he is entitled to an annuity of 4 per cent. of the sum insured; or, if preferred, he receives at once 80 per cent. of the said sum insured.—*London Insurance Record.*

## ROYAL INSURANCE COMPANY.

The annual meeting of the Royal Insurance Company was held at the offices, North John Street, Liverpool, on Friday, August 7; Mr Ralph Brocklebank, Chairman of the Board of Directors, presiding. There were also present Messrs. G. H. Horsfall, T. D. Hornby, M. H. Maxwell, D. Duncan, W. Cliff, D. Jardine, J. Barrow, E. W. Rayner, T. H. Ismay, C. J. Bushell, Alderman Rigby, J. Beausire, J. G. Bull, A. Bald, G. H. Ball, J. L. Bailey, A. M. McCulloch, S. Watson, J. M. Calder, C. J. Crossfield, J. Woodburn, C. J. Corbally, J. Temple, J. Findlay, S. White, A. Ashton, J. Corbett Lowe, C. E. Horsfall, T. Brocklebank, and others.

The Report, which was taken as read, is as follows:

**Fire Department.**—The fire premiums for the period, after deduction of re-insurances, show a slight increase on the previous year, and amount to \$4,940,782. The net losses, on the other hand, are considerably in excess of the average of late years, and amount to \$3,382,317. Deducting agents' commission and all management expenses, the net profit on the fire business amounts to \$121,110, and the interest on fire fund and current balances to \$121,752—together \$242,862.

**Life Department.**—During the year new proposals were accepted for \$2,258,940, of which amount \$2,035,090 has been completed, and the corresponding annual premiums obtained to the closing of the accounts were \$70,807. The proposals declined during the period amounted to \$297,000. The total income from premiums, after deducting the re-assurances, amounted to \$1,250,816, and the interest received from investments, exclusive of that on the annuity funds, was \$594,075. The claims during the year were:—By Death, original sums assured, \$787,271; bonus additions thereon, \$83,307. By matured policies (including children's endowments): original sums assured, \$49,312, bonus additions thereon, \$7,756. Total, \$927,646. In the annuity branch the purchase money received for new annuities, together with the premiums on contingent annuities, amounted to \$57,817, and the interest to \$46,016. Forty-three annuities have expired during the year, the annual payments on which amounted to \$7,686. The quinquennial valuation of the liabilities of this department, preparatory to the declaration of a bonus to the assured, has been completed, and has now to be reported. Full details of this valuation in the form prescribed by the Life Assurance Companies Act are given in a separate report, and it is, therefore, only necessary to state here that the surplus available for bonus to the assured entitled to participate, amounts to \$1,303,133, and that the profit accruing to the shareholders for the period amounts to \$434,377. The method adopted for securing perfect accuracy in these calculations is the same as was followed at the last quinquennium, viz.: a valuation of the liabilities has been obtained from an independent actuary, and the results compared with those of an entirely separate valuation by the officers of the company. These valuations were practically identical in their results, but the figures of Mr. Meikle, the actuary, have, in every instance, been adopted.

**Profit and Loss.**—The amount at the credit of the profit and loss account, after payment of the dividend and income tax for the year 1883, was \$1,190,046. To which have been added:—Fire profit for the year, \$121,110; interest on fire funds, \$121,752—\$242,862; shareholders' life profit, five years, \$434,377; interest, \$308,793—\$986,032; total, \$2,176,080. From this amount the directors have carried \$750,000 to the reserve fund, leaving \$1,426,080 at the credit of the account, at the end of 1884.

**Dividend.**—The amount of the shareholders' proportion of the life profits for the quinquennium admits of a payment of 3s. per share for each of the five years, 1884 to 1888 inclusive, and in addition, a bonus of 3s. per share for the present year. The directors have, therefore, now the pleasure to recommend a dividend of 12s. per share from the fire department, and 3s. a share from the life department, and, in addition, for the present year a bonus of 3s. per share from the life profits. These sums, together 18s., will, with the interim dividend paid in February last, make the dividend for the year 28s. per share, free of income tax.

**Funds.**—After providing for payment of the dividend and bonus, which will absorb \$675,605, the funds of the Company will stand as follows:—Capital paid up, \$1,447,725; fire fund, \$2,750,000; con-



flagration fund, \$1,000,000—\$3,750,000; reserve, \$5,500,000; balance of profit and loss, \$750,476; life funds, \$15,293,835; total, \$26,742,035.

DIRECTORS.—The following directors now retire, and are eligible for re-election, viz. :—James Barrow, William Cliff, David Duncan and David Jardine.

July 23, 1885.

RALPH BROCKLEBANK,  
Chairman.

The CHAIRMAN said :—Gentlemen, I have to crave your indulgence upon this occasion when I come to address a few remarks to you in connection with the business of the past year. They will be very brief, and I will endeavor to place before you some of the circumstances which have arisen in the course of the operations of the Royal Insurance Company. You are aware that 1884 is the last of another quinquennial year, and this naturally brings into review the result of previous years with its own. In looking at these results the leading impression upon the mind is the steady progress of the Company in prosperity. We have had very few exceptional years. From the commencement of the Company the story is the same—namely, progress in wealth and influence. At the present time I am sorry to say that we have to record a great number of fires, especially in Liverpool and in London, the very centres of our influence. In other places we have suffered, and I think you will know the general complaint is that the last year, owing to the number of conflagrations, has been one of the worst years for insurance companies, with very few exceptions, that they have ever had. Fires have been numerous, and the year 1884 has been one of the most anxious for the directors of insurance companies, and exceptionally trying to the managers and officers. I am sorry to say we can give you but a poor account of the year's working in the fire department. Still, I must say, that we have some profit out of the fire business, and I have no reason to discourage you, notwithstanding that our operations have not been very brilliant. I hope we shall recover in the present year some of the losses that we have sustained during the past. The directors of the Royal have now to give some account of what is usually termed their stewardship, and although the record is one of heavy loss, still the balance of fire profit is sufficient, when added to the interest, to maintain the previous dividend in that particular department. Well, gentlemen, you will, in these circumstances, consider that our affairs are progressing not very badly. I may say that fortunately we have a life department, and my anticipations of favorable results are fully realized. You may remember at our last meeting I anticipated that, although there was very little prospect of good profits from fire business, there was every reason to anticipate a good profit from our life business, and I may say that these anticipations are fully realised, as you will see by referring to the report, and the directors are entitled to say that these results are the best the Company has shown since its establishment. We live in changing circumstances, and we must look forward this year to a change for the better. The report, to which I must refer you, will show that there is a small increase in the fire premiums and a large increase in fire losses. I think I may congratulate you, considering the extent and severity of several fires which have occurred in this country, that we are able to report a balance on the right side of the account. We will now proceed to consider our position in the first six months of the present year, and I think I may say we have much brighter prospects than we had in the first six months of the previous year. Instead of a slight increase of business and a great increase of losses, we have, on the contrary, a slight reduction of business and a great reduction of losses, which leads me to suppose that we have taken a step towards our normal state of prosperity, although I would not wish you to be very sanguine about it. This year the society has completed its fortieth anniversary, and I think the directors and shareholders, and all who are interested in the society, may look back with some degree of satisfaction, if not of exultation, over its history, which is one of undeviating energy and consequent success. The Royal, it is well known, has never amalgamated with any other company. Therefore, its successes are its own, and these can be better shown by taking its income and funds in every decennial period. In 1854 the fire income was \$642,295; 1864, \$2,032,015; 1874, \$3,873,155; last year, \$4,940,780. Its accumulated fire funds in the same decennial periods were

\$335,500, \$1,016,370, \$4,068,705 and \$10,000,475. In 1884, therefore, we had a little more than ten million dollars. This, I think, will show you that the Royal has year by year made very great progress, and I have no doubt, in my own mind, that the coming years will still show as good a ratio of progress as we have ever made. There is one point in the accounts which, I think, it may be desirable to notice, and that is that the interest of the fire profit and loss account is less than it was in the previous year. This is accounted for very easily. The shareholders may not be aware that we are at present building in Chicago a very large building indeed. We found that the capabilities of the offices we had there were totally inadequate to the business we had to do, and we came to the determination to make a new erection for our own purposes as well as for the public good, and for our own good too, I hope, in the course of time. Until the building is finished and ready for occupation, we are losing the interest upon the outlay, and that is the cause of the difference between the interest on one year and another. A portion of the building, I understand, is already let, and well let, and I have no doubt that when it is completed it will yield as good an amount of interest for the outlay as any other security we are in possession of. There is a special interest attaching to the report of the life department on this occasion, because a complete valuation of the liabilities of the business has been ascertained, with a view of ascertaining the surplus there is left of life profits available for the bonus of the assured, and what amounts falls to the shareholders. The report of the actuary has been circulated, and you will have seen that the financial position is eminently satisfactory. This report of the actuary, I may say, is a very important document indeed. It only comes before us once in five years, and it is a document which I should recommend any one who takes an interest in the affairs of the Royal to study very carefully. It enters at great length into the nature of our securities, as well as into the calculations showing that we have a large balance to the credit of that account for the period named. The amount to be distributed for the participating policy-holders is \$1,301,360 as bonus, and to the shareholders \$434,375, after making ample provision for every contingency. I can assure you that that is done—ample provision is made for every contingency that can possibly arise. It is a document which I hope you will not pass over lightly, but give it your careful consideration. We now come to consider the dividend and bonus. The dividend from the fire fund is the same as last year, 22s. per share, with 3s. from the life fund, and an additional bonus of 3s., which makes the total for the year 28s. The directors thought it would be desirable on this occasion, looking at the strength of the Royal, and the large funds we possess, to have a little more dividend. Thus you get an addition of 3s. over what you got last year. For my own part, and my fellow-directors I think will agree with me, I believe when there is reasonable ground to give an increased dividend, it should not be withheld from the shareholders. You all take an interest, I have no doubt, in the value of our investments, and I am happy to say they still go on increasing beyond their book value. On December 31st the amount was \$846,970 in excess of the book value, and on June 30th \$913,515. The profit and loss account is this :—At the end of 1883 the profit and loss account balance was \$1,190,000. The fire profit this year was \$121,110, and the interest arising from the fire fund, which is a special fund, was \$121,755; the general interest, \$308,790, and the life profits, \$434,375, which make altogether a sum of \$986,035, which, with the \$1,190,000 before mentioned, makes altogether \$2,176,080. Your directors have placed to the reserve fund \$750,000; the dividend and bonus will be \$675,605; leaving profit and loss at the end of 1884, \$750,475. Our reserve fund now stands at \$5,500,000; our fire fund, \$2,750,000; and our conflagration fund \$1,000,000. I think, gentlemen, these are the leading points in the work of the past year. I can only say that your directors and your manager will endeavor, as they have hitherto done, to increase the business, but only so far to increase it as it can be done profitably. And I believe there are signs of better times. I believe the insurance companies, generally, are working more in harmony than they have previously done—that the great competition in previous years which we suffered from is, in some measure, modified, inasmuch as we all feel for each other when we are in distress, and I believe it is so at the present time. The resolution that I will now submit to you is “That the report of the directors be approved and adopted, and their statement of the profits accruing to the

life insurance fund during the period of five years, ending December 31st last, and the distribution thereof, be approved and confirmed."

Mr. G. H. HORSFALL, said:—It has been my privilege, on many previous occasions, to take part in the proceedings of the annual gathering of the Royal Insurance Company; but really, sir, you make my task more difficult year by year, because you have gone over every item of interest in the report, and you reduce me to the position—not one that I find fault with—of not having any excuse for occupying your time.

As to the fire fund, I think I may leave it to you, when I say that out of the small balance of \$120,000 you have managed to screw a dividend of the total value of \$675,000. Therefore, I think I cannot do better than leave that matter where it stands. There is one word I should like to say in reference to this report of Mr. Meikle, the gentleman who has made the quinquennial valuation of our life department. It is, as you have said, Mr. Chairman, a most important document, and it is one which is entitled to the most careful perusal by everyone, whether shareholder or policy-holder, in the Royal Insurance Company. The practice of life insurance is, to my mind, the outcome of some of the best feelings of our nature; it is an effort we make to provide for those who are near and dear to us when the time has gone by for working for them ourselves. The funds entrusted to us to take charge of really belongs to the widow and orphan. It is with that feeling, I am sure, that every man will exert himself to be satisfied as to the solidity of the fund in which he is investing his savings, and will exert himself to be quite certain that the company which he selects is one thoroughly sound and entitled to his confidence. Now, our shareholders must not suppose that because we have quinquennial valuations, that we sit quietly year by year until the end of five years, and then have our examination and strike a balance. Our valued friend, Mr. M'Laren, has left Scotland for a good many years, but he has brought with him a stock of Scottish caution which is not yet exhausted; and I can assure you that during these five years a periodical examination is made as to the position of the life funds of this company, and a report made from time to time to the directors that the mortality is not in excess of the calculated mortality, and that we are year by year accumulating a fund which will be laid before the shareholders, as on the present occasion, at the end of five years. The position taken by the Royal is that they have gone to a gentleman, Mr. Meikle, who is high in the profession

of actuary, and president of the Actuaries' Society in Edinburgh, and I suppose no name will carry greater weight in the profession than that of the gentleman selected by you to go through the figures. I think I may say it is a source of great satisfaction to your directors to find that this report confirms, almost to a figure, the calculations made by our own staff; and I think it is very much to the credit of our staff that their calculations were made with such great accuracy, and that the result is so satisfactory. If you contemplate insuring your lives or increasing your insurance, or going to your friends to recommend them to insure, you cannot do better than take in your hands this report, and ask your friends to carefully study it; and then you may tell them that the Royal, I believe, though I cannot positively say so, is the only insurance company which selects an independent agent to go through their figures from first to last, and lay before their shareholders a printed copy of those figures and calculations, made on the basis of three per cent. I have great pleasure in seconding the resolution.

Mr. BEAUSIRE.—It is very gratifying to listen to the cheerful statement you have given us of the current year, especially when we recollect the despondent view we had to listen to at the last meeting. No doubt the falling off in the interest account is accounted for by the largely increased amount which we have now in buildings, of which, as you have stated, an important one is just being completed at Chicago. The balance-sheet in 1882 showed that the investment in freehold buildings was \$1,210,000, and in 1884 the amount is \$2,595,000. No doubt the rents for the Chicago building will bring in an important increase to the interest account, and we shall very likely soon have at least \$500,000 from interest on the fire funds which is very nearly 22s. per share. I would like to call attention to the fire reserves, which now amount to the enormous sum of \$11,500,000, made up as follows:—Published reserves, including balance of profit and loss, \$10,000,475, to which may be added for increased market value of investments and buildings, \$1,500,000—together \$11,500,000; and while you have this sum, which is far larger than any other fire company, you divide much less from fire profits for dividend. I have been speaking to a number of shareholders, and they think the time has at last arrived when a larger proportion of the fire profits should be distributed in dividends. The experience of the past few years during which you have had heavy losses, shows that your premium income is sufficient to meet the year's losses, while you have upwards of ten million dollars in reserve, besides

# SUN LIFE

## INSURANCE COMPANY

### OF CANADA.

UNCONDITIONAL INCONTESTABLE Life Policies.

UNCONDITIONAL INCONTESTABLE Life Policies.

ASSETS about \$1,300,000.

ASSETS, about \$1,300,000.



**THE** objection is very often made to Life Assurance that the Companies may take advantage of some of the numerous and complicated conditions on the policies, and thus either avoid entirely the payment of claims, or compromise with the widow for a small sum. There is considerable force in this argument, but it cannot be urged indiscriminately against all Companies. The **SUN LIFE ASSURANCE COMPANY OF CANADA** issues absolutely unconditional policies. There is not one restriction of any kind on them.

Remember **THE SUN** is the only Company in America, which issues an absolutely unconditional policy.

Ask an Agent to show you one; it speaks for itself.

The assured may reside in any part of the world without giving notice or paying one cent of extra premium. He may change his occupation at will; he may travel, hunt or do anything else without any extra of any kind. The contrast is remarkable with other policies.

Directors. { THOMAS WORKMAN, Esq., President. | ROBT. ANDERSON, Esq. | E. J. BARBEAU, Esq.  
 A. F. GAULT, Esq., Vice-President. | HON. A. W. OGILVIE. | S. H. EWING, Esq.  
 J. S. McLACHLAN, Esq. | W. I. WITHALL, Esq. | R. MACAULAY, Esq.

**R. MACAULAY** MANAGING DIRECTOR.

the special fund for a conflagration, when it comes. I am sure you must have great difficulty in finding suitable investments at present, and it would relieve you of some anxiety on this point if you were to give us shareholders the opportunity of investing a little more for ourselves. A great deal has been said about the fire profit of the past year, but you have quite forgotten that in the previous four years you put by considerable sums; in fact, during that period I think you have put by \$1,250,000 to the reserve. I have no doubt that this time next year you will have the opportunity of being liberal to us, and I hope you will take advantage of it.

The resolution was put and carried unanimously.

**THE CHAIRMAN.**—The next resolution I have great pleasure in moving, reads as follows:—"That this meeting approves of the declaration by the directors of a dividend of 12s. per share from the fire department, and 3s. a share from the life department, and in addition for the present year a bonus of 3s. per share from the life profits, the same to be payable on or after Wednesday, August 12th, making, with the interim dividend paid in February last, 28s. per share for the year 1884, free of income tax."

**Mr. T. D. HORNBY.**—I beg to second the resolution, for which I think there can be no excuse for detaining you in giving reasons for favorably accepting it.

The resolution was then put, and carried unanimously.

**Mr. ARTHUR BALD** moved the third resolution, which was as follows:—"It being stated that the following directors retire by rotation at this meeting, but are eligible for re-election—viz., James Barrow, Esq., William Cliff, Esq., David Duncan, Esq., and David Jardine, Esq.—that the retiring directors be re-elected directors of this company."

**Mr. J. G. BULL.**—I have great pleasure in seconding that resolution.

The motion was put and carried unanimously.

**Mr. BEAUSIRE.**—I beg now to propose "That the best thanks of this company, the directors and secretary of the London board, the members of the various management committees, and to the company's agents for their valuable services during the past year." It is a pleasure for me to propose this resolution, for no body of shareholders have greater reason for expressing their grateful thanks to the directors here and elsewhere, than the shareholders of the Royal.

**Mr. CHAS. E. HORSFALL** seconded the resolution.

**THE CHAIRMAN.**—I feel very much obliged to you, gentlemen, for your resolution, and on the part of myself and my colleagues I heartily thank you. I may say it is always a very agreeable thing to feel that we have the confidence of our shareholders. Your recognition of our services is a warrant to us that we shall be justified in conducting the affairs of the Royal Insurance Company on the same lines as hitherto, and which I may say, upon the whole, have proved highly successful. It is happily the fact that we work in perfect amity with all our boards of directors and committees, and so long as that is the case you may feel satisfied that your affairs will not suffer. Our London board especially is anxious for the success of the Royal, and I shall be very glad to tender them your appreciation of their services, and likewise to any other committees and boards of directors in the various localities. There is one point which I wish to mention, and that is with reference to our secretary in London, Mr. Johnston, who, after forty years' service, has retired. I can only speak in the highest terms of esteem of so excellent an officer. He would not have remained so long at his post had he not fulfilled his duties to the satisfaction of all. We considered it desirable, under the circumstances, to give him a retiring pension, and likewise a sum of money in hand. Mr. Johnston is perfectly satisfied with the arrangements as made. We have elected in his place Mr. Croft, who is a very able administrator of insurance business; and I have no doubt that our business in London will be carried out by Mr. Croft with as equal efficiency as it has been carried on by our late secretary, Mr. Johnson. I thank you again for the resolution of acknowledgment of our services which you have passed, but although indebted to your directors, you are perhaps more indebted to our managers and officers. They must have their eyes open and also their ears in every direction, and miss nothing. The number of agents and sub-agents we have in all parts of the world necessarily

involves responsibility, and our manager, Mr. McLaren, does keep a lynx eye on our business in all parts. I think he deserves our highest recognition for his services, and, therefore, I beg leave to propose that the best thanks of this meeting be given to Mr. McLaren, Mr. Johnston, our sub-manager, and the other officers for their services.

The motion having been carried,

**Mr. McLaren** said:—I have to thank you very heartily for the vote you have just given; but you have referred to the services of your officers in such high terms on so many previous occasions that it becomes year after year an increasingly difficult thing to know how to acknowledge your kindness. I am glad to hear you speak in such handsome terms of Mr. Johnston, who has been a good servant, and has added largely to the profits of this institution. I am sure that in his retirement he will carry with him the friendly feeling of all, and be pleased when he hears the handsome way of which he has been spoken of at this meeting. On this occasion we have to thank you in the name of a new officer, Mr. Alcock. He has come to us with a large experience and a high reputation, and I believe that in him we have a first-rate officer, who will add strength to your institution. I am much obliged to you, Mr. Chairman, for your kind remarks.

After thanks to the chairman for presiding, the proceedings concluded.

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SURPLUS, at 4 per cent,	10,483,617
" at 4½ per cent,	13,730,332
INCOME in 1884	15,003,480
PAID TO POLICY-HOLDERS during last 25 years,	81,072,486

The amount of new assurances issued in 1884 was nearly

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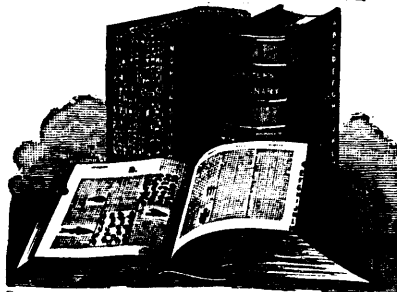
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## PROVINCE OF NOVA SCOTIA.

Amherst  
Annapolis  
Antigonish  
Arichat  
Bear River\*  
Bridgetown  
Bridgewater  
Canso\*  
Chester  
Dartmouth  
Digby  
Guysborough  
HALIFAX  
Kentville

Liverpool  
Lunenburg  
New Glasgow  
Pictou  
Sheburne\*  
Stellarton  
Sydney  
Truro  
Windsor  
Wolfville  
Yarmouth

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

SPECIAL SURVEYS.

No. 1

## SPECIALTIES.

RAILWAY  
Surveys, Estimates and Construction.

CORPORATION AND WATER WORKS.  
Revi Estate Plans and Street Profiles.

INSURANCE  
Surveys, Diagrams and Views.

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CIVIL ENGINEER,  
102 ST. FRANCOIS-XAVIER STREET,  
(Exchange Bank Building),  
MONTREAL.

## PROVINCE OF ONTARIO.

Ailsa Craig  
Alexandria  
Alliston  
Amherstburg  
Arnprior  
Ancaster\*  
Arthur  
Ashburnham  
Aurora  
Aylmer  
Baden  
Barrie  
Beaverton\*  
Belleville  
Berlin  
Blenheim  
Blyth  
Bobcaygeon  
Bolton\*  
Bothwell  
Bowmanville  
Bradford  
Brampton  
Brighton  
Brockville  
Brooklin\*  
Brussels  
Caledonia  
Campbellford  
Cannington  
Cardinal  
Carronbrook\*  
Cayuga  
Chatham  
Chippawa\*  
Clarksburg  
Clifford\*  
Clifton

Cobourg  
Collborne  
Collingwood  
Cornwall  
Dresden  
Drummondville\*  
Dundas  
Dunnville  
Durham  
Elmira\*  
Elora  
Essex Centre  
Exeter  
Fenelon Falls  
Fergus  
Flesherton\*  
Fort Erie\*  
Fort William\*  
Gait  
Gananoque  
Georgetown  
Glencoe\*  
Goderich  
Gravenhurst  
Grimby  
Guelph  
HAMILTON  
Harriston  
Hastings  
Hawkesbury  
Hespeler  
Hingersoll  
Jarvis  
Kemptville  
Kincardine  
Kingston  
Kingville\*  
Lakefield  
Leamington  
Lindsay  
Listowel  
LONDON  
L'Original  
Lucan  
Lyn\*

Madoc  
Markham  
Meaford  
Merrickville  
Merriton  
Millbrook  
Milton  
Mitchell  
Morrisburg  
Mount Forest  
Napane  
Newbury  
Newcastle  
New Edinburgh  
Newmarket  
Niagara Falls  
Norwich  
Oakville  
Odessa\*  
Oranmeee  
Orangeville  
Oron  
Oshawa  
OTTAWA  
Owen Sound  
Palaley  
Pakenham  
Palmerston  
Parkdale  
Park Hill  
Pembroke  
Perth  
Peterboro'  
Pictou  
Point Edward  
Port Burwell\*  
Port Colborne  
Port Dalhousie  
Port Dover  
Port Elgin  
Port Hope  
Port Perry  
Port Stanley

Prescott  
Preston  
Renfrew  
Ridgetown  
Riverside  
St. Catharines  
St. Mary's  
St. Thomas  
Sarnia  
Seaforth  
Shannonville  
Simcoe  
Smith's Falls  
Southampton  
Stuyvesant  
Stouffville  
Stratford  
Streetsville  
Teeswater  
Thornbury  
Thorold  
Tilsonburg  
TORONTO Vol I.  
" " II.

Albion\*  
Charlottetown  
Georgetown\*  
Princeton\*  
Souris\*  
Summerside  
Montague\*

## P. E. ISLAND.

Albion\*  
Charlottetown  
Georgetown\*  
Princeton\*  
Souris\*  
Summerside  
Montague\*

## NEWFOUNDLAND.

ST. JOHN'S  
Harbour Grace  
Carbonear

## REFERENCE BOOKS.

ville  
ford  
ton

## PROVINCE OF MANITOBA.

Winnipeg  
Emerson  
Portage-la-Prairie

## PROVINCE OF QUEBEC.

Acton\*  
Aylmer  
Beauharnois  
Bedford  
Berthier  
Brigham  
Buckingham\*  
Coaticook  
Coteau St. Louis  
Cowansville  
Danville\*  
East Farnham  
Frelighsburg  
Granby  
Hemmingford  
Hochelaga  
Hull\*  
Huntingdon  
Joliette  
Lachine  
Lachute  
Laprairie  
L'Assomption  
Lennoxville  
Levis  
Longueuil  
Maskinonge\*  
Melbourne

MONTREAL  
Part I.  
" II.  
" III  
Nicolet  
Ormstown D'r'm  
QUEBEC  
Quebec Coves  
North Side  
Quebec Coves  
South Side  
Richmond  
Riviere du Loup  
Rock Island  
St. Andrews\*  
St. Cunegonde  
St. Eustache\*  
St. Gabriel  
St. Henri  
St. Hyacinthe  
St. Jean Baptiste  
St. Jerome  
St. John's  
St. Louis of  
Mile End.  
St. Scholastique

St. Therese  
Shefford\*  
Sherbrooke  
Sorel  
Stanbridge\*  
Stanstead  
Sweet'sburgh\*  
Terrebonne  
Three Rivers  
Valleyfield  
Waterloo  
West Farnham

are prepared of most places above noted, giving information respecting means of protection against fire, etc.

## PROVINCE OF NEW BRUNSWICK.

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

## CITY OF MONTREAL.