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OUR INSURANCE EXCHANGES in the United States are giving the automatic sprinkler business a good deal of free advertising of late for a side show. Some of the journals are enthusiastic in praise of the attachment, some are coldly critical, while still others occupy a sensible middle ground. That the sprinkler is capable of good service is no doubt true, and it is equally true that it very frequently proves to be worthless. It is automatic in action only when supervised by alert, outside intelligence. If those of proper construction are selected, if they are sufficiently numerous, if they are kept absolutely free from dust, if no coating for the heads is used detrimental to free and easy movement, and if a double water supply is provided and kept constantly available, they are doubtless serviceable. These ifs are however of prime importance. The mere existence of sprinklers in a building does not, of itself, mean much; associated with competent inspection, it may mean a great deal.

SAN FRANCISCO is a good deal stirred up over the inefficiency of its fire department, so much so that the grand jury has made a report on the subject, stating, among other things, that "our department, efficient as it has been, is now powerless to contend with a fire extending over several blocks; therefore the fear of a general conflagration is a menace to progress and a dread to all." It is shown that the equipment in apparatus and permanent men is about half that of other cities of similar size, and the grand jury recommend the reconstruction of the department on the basis of a full paid one, with suitable increase of engines and

other apparatus. Under an old law (1878) the appropriation for fire department purposes is limited, and while this law remains unchanged the hands of the municipal authorities are comparatively tied; but the people there begin to realize that something must be done, and that speedily, if they would escape a general conflagration. The city is largely a wooden city, the fire limits ordinance of little practical value, and we are liable to hear bad news from the Coast city any of these summer days.

A DENOMINATIONAL FIRE insurance scheme for the insurance of church buildings has been devised by the annual conference of the Methodist church, recently in session at Ottawa. The proposition goes as a recommendation to the Methodist General Conference of Canada, which meets in September in this city, we believe. The plan is for that body to assume the fire risk on all the church buildings of the Methodists. Just what provision is to be made for funds to pay losses we are not informed, but presume by assessments on the various churches. The old cry is raised by the advocates of the plan, that the money for premiums "should be kept among the churches instead of paying it to the insurance companies." Let the brethren try the scheme by all means. The insurance companies are not hankering to any great extent just now for church risks, and after the churches have been roundly assessed to pay a few losses, they will know more about insurance than they do now.

IN OUR LAST issue we referred to the recent decision of the Court of Appeal, sitting in London, affirming the conclusion of the court below, that the exemption of life assurance premiums from payment of income tax does not apply to premiums paid to foreign companies. The construction given to the clause of the Income-tax Act in question seems, at the best, to have been somewhat strained, and it is not very favorably received by our London insurance exchanges, who take the view expressed by Lord Justice Fry, viz.: That the object of the Act was to confer a benefit or exemption upon those who were able to pay premiums on life assurance, and who were thus making provision for their families. In such a case it seemed to him hardly

material whether the assurance was effected with an English or a foreign company. The decision is likely to prove quite as embarrassing to those assured in Scotch as in American companies, however. The language interpreted applies to assurance in companies "existing on the 1st day of November, 1844, or in or with any insurance company registered pursuant to 7 and 8 Victoria, c. 110"; and, hence, inasmuch as the Scotch companies are expressly exempted from such registration, all those not existing at the date above named would seem, by the force of the decision, to be cut off from the privilege of tax exemption quite as effectually as foreign companies. The result of this decision, which the *Post Magazine* calls "judge-made law," remains to be seen.

THE LATEST DEVELOPMENTS concerning the affairs of the defunct American Life of Philadelphia are to the effect that Macfarlane, the president, has disappeared; that Pfeiffer, the vice-president, and president of the failed Bank of America, has been indicted for crookedness in connection with the affairs of that institution; that the policyholders are organizing to look after their interests; and that, so far, nobody has felt the iron hand of the law for the wholesale plundering consummated. A movement is said to be on foot for a re-organization of the company in safe hands, a scaling of the policies of course being one of the adjuncts of that movement. Undoubtedly reconstruction and continuation on some basis would be vastly in the interests of the policyholders. Meantime it has transpired that Insurance Commissioner Forster did pretend to examine the company in February last, and as the collateral loan fraud was at that time pretty well developed, the range of his supervising ability at once appears.

THE RIDICULOUS ASSERTION is made by an American medical journal, according to the *Insurance Record* of New York, that "Dr. Knorr, the discoverer of antipyrin, has found a mine of wealth in the late epidemic of influenza, having taken in, by means of royalties, considerably more than \$100,000,000. He gets sixty cents on every ounce produced, and the drug sells at \$1.40 per ounce." The latter statement is very likely true; the former is divisible probably by at least 100. That an immense quantity of the drug was consumed during the prevalence of *la grippe* is a notorious fact, the supply at one time being unequal to the demand. To what extent the "complications" attending and following the prevalence of the disease were induced by the use of antipyrin will never be known. Its adverse action on the heart and nerve centres has, however, been effectually demonstrated, and many physicians who were always chary of its use have discarded it altogether, while many others use it with extreme caution. The use of the drug was doubtless a good thing for Dr. Knorr and the compounding chemists, but the graveyards might tell a different story.

WE NOTICE THAT Insurance Commissioner Ellerbe of Missouri has the courage to characterize the fraud-

ulent pretensions of the assessment concerns as they deserve, and to call attention specifically to one of what he calls their "vicious practices," viz.: the printing in parallel columns of the natural premium charge and the full level premium rate, in order to demonstrate the superior cheapness of the plans of the former. The victim sees only that the figures as set down are correct, and in his ignorance of their relative purchasing power is easily persuaded by the oily-tongued agent that the old line premiums are enormous. If a jeweller were to sell a customer a plated watch for solid gold he would be stigmatized as a cheat, even though the price received might be about the measure of its worth. The man who sells insurance for a single year at its real value, under the pretence that the purchaser gets the equivalent of a level premium policy, costing much more, is also a swindler and a cheat, and nothing less. The two premiums stand for two very different things, and can no more be compared than the leasehold of real estate for a definite term with absolute ownership in fee simple.

IF THE PROJECTED plans for the protection of the new Protestant-Hospital for the Insane in this city from fire are faithfully carried out, we may feel assured that in its history there will be no repetition of the recent Longue Pointe holocaust. In the first place, the building is divided into fire-proof compartments, with solid brick walls and fire-proof doors from basement to roof. In the next place, a large Worthington pump is placed in an outlying building, some eighty feet distant from the main building, with a capacity, it is said, equal to any of the steam fire engines in use by the city. The water supply is from the Lachine Rapids and a large underground tank. Besides the ample supply of hose on the different floors, a stand-tower with an elevated tank of 30,000-gallon capacity is to be provided, by means of which the building in its several divisions can be flooded at once, if necessary. The water pressure of the stand-tower is claimed to be sufficient to send a stream over the roof of the building. Assuming all these appliances to be as claimed, it is, however, to be remembered that they will not work themselves. Competent, trained men, familiar with their use, must be employed to operate them. These conditions fulfilled, and the public may feel a reasonable degree of confidence in the security of this new and noble institution.

WE HAVE RECEIVED an eight-page folder, called the prospectus and plan for the organization of the "Pioneers of America," signed E. K. Barnsdale, and hailing from Stratford. The proposed organization is of the "fraternal" order pattern, and is to have "camps," local and district, subordinate of course to a "grand camp" (we spell this without an s), and is described as affording marvellous opportunities for members "to provide a continuous support for their widows and orphans, their fathers, mothers, sisters, brothers, or near relatives," including, we may well suppose, "their sisters, their cousins and their aunts."

No benefits are payable at death, excepting a \$25 funeral benefit; but in two of the "classes," an "annual pension" is to be paid to the beneficiaries at death of the assured, or, if living at age 65, to himself in quarterly instalments. There is also a \$5-per-week-for-10-weeks sick benefit. The assessments are monthly, and graded on the natural premium plan. There is a third class, a kind of free-for-all, requiring no "medical reference," with a fixed assessment of 80 cents for all ages. We have tried hard to master the bad grammar and worse orthography to find wherein consists the inducement to become one of the "Pioneers of America," and conclude that the only thing promised is that somebody will some time, if the concern happens to last, get back the assessments with about four per cent. compound interest, plus the savings from the mortality, *minus* all the fees and one-quarter of all the assessments for expenses. Big thing, that. Deposit of the assessments and "fees" in an old stocking would yield about the same results, and be a deal safer.

FIRE INSURANCE AT ITS VALUE.

The place of fire insurance on this continent as a factor of the very first importance in maintaining the stability and preserving the equilibrium of its business interests, is one imperfectly comprehended by the general public, and not fully realized even by the underwriters themselves. The fact that more than two hundred and thirty millions of dollars of assets in the United States and Canada are pledged to furnish indemnity for loss by fire in the community, and that in 1889 upwards of sixty-five millions were actually paid to make good the fire waste, is a stupendous fact in our modern civilization. This fact, large as it is, gains emphasis by added magnitude when we look at its indemnifying power measured by a series of years.

From the *Chronicle Fire Tables*, compiled by our enterprising New York contemporary for the past fifteen years, and the admirable summary found in the last Dominion Insurance Report, we find that during the period named—1875 to 1889 inclusive—the fire insurance companies in the United States and Canada have paid more than *eight hundred and fifteen millions of dollars* to owners and holders of property destroyed by fire. Without this money—an average of more than fifty-four million dollars annually—it would be impossible to conceive of the wide-spread disaster to and utter demoralization of the business of the country, so happily averted by its distribution. When we consider the large number of fires which have entirely destroyed or fatally crippled mercantile and manufacturing enterprises essential to the general welfare and comprising the all of individuals, keeping in mind also the important fact that these mercantile and manufacturing interests are so closely allied to all the varied business interests of the community that disaster in one line disturbs all the others, we come to see in some measure the wide-spread desolation which fire insurance prevents.

It is true fire insurance does not create capital nor restore that which fire destroys, but it renders an equiv-

alent service, so far as the individual loser and the preservation of general business equilibrium is concerned. Its mission is to distribute the loss, overwhelming as to the individual, among the many to whom it is but an incident of current expense. It is a universal equalizer, on the principle of the suspension bridge. Planting its solid abutments of assets upon the shore, it throws out its many-stranded cables so effectually and with such accuracy of constructive skill that the heavy trains of commerce pass and repass safely, without undue strain upon any particular part of the bridge. Without the interposition of fire insurance, the annual fire loss would be a burden so heavy as to break down thousands of valuable enterprises, drive tens of thousands of individuals into bankruptcy, and paralyze business. It enables the householder to find a new roof over his head when the old one has crumbled to ashes; it rebuilds cities and towns otherwise hopelessly ruined; it sends the car of transportation once more whirling along the iron track; it rebuilds asylums for our unhoused unfortunates, and drives again the factory wheel which stopped in fire and smoke. If these facts were even casually considered and reflected upon by the great body of the people, we should hear less of burdensome legislation and taxation schemes against the insurance companies.

SOME DISTORTED "VIEWS."

In a long article, headed "A Much-Needed Policy," our Washington contemporary, *Views*, advocates the extensive adoption of a plan of life assurance dispensing with a reserve, after the fashion of a nondescript Hartford concern called the National Life Association, of which the article is a labored puff. We have no quarrel with legitimate renewable term assurance, squarely based on the standard tables and with definite premium charges, for those who desire simple protection from year to year and who choose to forego all future benefits from accumulations, but we most emphatically protest against the mixture of sophistry and misstatement found in the article in question, and employed to draw absurd comparisons between the level premium system and this Hartford hybrid, at the expense of the former. Here is a sample statement from the article referred to:—

But when the history of the last two decades is filled with examples of more than one hundred companies deliberately wrecked by the operation of the reserve law, and some of them openly plundered by the administrators of that law, we fail to see its merits or to rest in confidence under its protection.

Ignoring the ridiculous aspect of the statement that a "law" may be charged with operating as a "deliberate" wrecker—and that too a law based on the experience of more than a hundred years on two continents—we challenge our contemporary to make good the statement that, not simply a hundred, but half a hundred established level premium life companies have been "wrecked" during the last twenty years, in consequence of carrying the reserve required under the laws of the various States, or that official plundering

is confined to this class of companies. We are in the habit of seeing similar reckless assertions in the publications advocating the assessment system, together with a variety of other picturesque lying; but it looks rather out of place to find such statements in the columns of a journal professing friendship for and seeking patronage from the reserve companies. Either the writer of the above statement knew it to be true, and so knowing can prove it; or he did not know whether it was true, and made the assertion without caring for the facts. If true, we call for the names of the hundred companies, with particulars, which of course in that case can easily be given. Never mind the "more than a hundred"—an even hundred will do. The fact is that during the last ten years, but five level premium reserve companies in the United States have failed, and one of these simply ceased doing new business and is paying out its policies, while from the others the policyholders will realize a considerable percentage. During the twenty years past, of the companies of this class which ceased corporate existence, a number re-insured with larger and better companies, and the balance have paid dividends to policyholders amounting to several millions of dollars, one of them, the Globe of New York, having paid thus nearly two millions, we believe. The loss to policyholders, by reason of level premium failures during the past ten years, has been less than *three-fourths of one per cent.* of the present assets of the reserve companies. How many hundred assessment concerns have died, no man pretends to know.

To still further show the superlative ignorance of our contemporary, we quote the following choice utterance:—

To whom does the millions of surplus in any one of the old-line companies belong? Certainly *not* to the present policyholders, for the reserve with its interest will meet the face of the policy, and that is all to which the policyholder is entitled. The old line system, then, not only costs the expense of a reserve, but superadds that other expense necessary to a surplus, in which the policyholder can never share.

Here is genuine, creamy richness, grammar and all. It might be a trifle difficult to persuade the policyholders of the Mutual Life or the Northwestern, or any of the other forty odd old-line companies of the United States, that they, having contributed the surplus, are not the owners of it. To be sure, "the reserve with its interest will meet the face of the policy," and in the meantime surplus (to which excess over assumed interest on this same reserve contributes) is being periodically and persistently handed back to the men and women who created it. The "expense of a reserve" no doubt looks like a serious matter to one who does not know where surplus comes from nor to whom it belongs, just as a Hottentot coming to this country would look upon the expense of a roof as a matter for questioning; but experience has demonstrated fully that both the roof and the reserve are necessary. The reserve has the advantage of the roof, however, on the score of "expense," for it keeps on earning money night and day, and finds it always has more than it needs to

"meet the face of the policy." We kindly suggest to our contemporary to avoid making an exhibition of itself in the future, by becoming familiar with a few of the first principles of life insurance, and by reading up on the history of "failures" among level premium companies.

LIVERPOOL AND LONDON AND GLOBE.

The name of the above company has become as familiar in the multitude of offices, counting houses and other business centres throughout the English-speaking world as any of the geographical divisions of either continent, and with good reason. A company with a progressive record of more than fifty years behind it, which has paid for indemnity in cases of loss by fire and by death more than \$127,000,000, which at present holds assets aggregating almost \$42,000,000, and whose income is equal to about \$26,000 per day, has abundant reason to be universally known. The annual meeting to consider the report on the business of 1889, recently held, and a summary of which we give on another page, furnishes only another occasion to note the forward movement of an institution which moves with ever-increasing momentum.

The annual statement shows that during the year 1889, the net premium receipts in the fire branch of the company amounted to \$6,740,285. The losses amounted to \$3,847,035, and the expenses to \$2,096,900, leaving a solid profit on the fire underwriting account of \$796,350. Considering the unusual losses in the United States, where the company's business is immense, this showing is certainly a satisfactory one, for the fire fund has been augmented from this profit balance by \$105,000, and the \$691,350 remaining have been carried to profit and loss account. The total to this account now amounts to \$2,754,890 after paying dividends to shareholders to the amount of \$675,510. This dividend was 30 shillings per share, or, approximately, \$7.50, which, considering that the amount originally paid up on these shares was £2, or \$10.00, was, we should say, a rather satisfactory return to the original holders, and not by any means a bad one, all things considered, for those holders who have paid £40 and upwards per share, though we believe the shares are now quoted at £44.

The life branch of the Liverpool and London and Globe appears from the report to be in a satisfactory condition, the expense ratio being low, and the new business, while not large, yet sufficiently so to keep up a healthy inflow of fresh lives. The total amount of new assurance for 1889 was \$2,065,660, on which the premiums amounted to \$72,655; the total premium income being \$1,132,995. The life fund is now so large and so well invested, that the income from interest and dividends was nearly \$805,000, so that easily enough the managers were able to increase that fund by \$586,630, making the present total \$20,080,620.

How strongly entrenched in the confidence of the public, both in Canada and the United States, this company has become will appear when we state, that in the latter its income from premiums for 1889 was \$4,273,-

372 and its total income \$4,516,668, and that it has invested there nearly \$6,348,000. In Canada its relative business and investments are also large, for under the able management of Mr. G. F. C. Smith, resident secretary for the Dominion, who began with the company's advent here in 1851, the premium income for last year was over \$257,000, while the total amount of assets is \$1,131,270, of which the greater part is permanently invested. How well the Canadian business was handled last year appears when we consider that, with premium receipts of over a quarter of a million, the losses incurred were but a little more than \$89,000, or 34.6 per cent. of the premiums—an exceptionally low ratio; but the ratio has been uniformly low enough on the Canadian business to leave a good margin of profit, which has regularly contributed to the steady increase of the company's funds—an increase which in five years has amounted to \$4,575,705. And the current years bids fair to make a further liberal contribution to that increase.

ASSESSMENTS OR PREMIUMS—WHICH?

The policy issued by a regular life insurance company is a plain contract, so much insurance for so much premium. The entire contract is contained in the policy and its conditions cannot be changed, waived, annulled or even modified to suit the constitution or by-laws of the company. The consideration of the contract is the payment of premiums which are defined in the contract, and are not subject to increase in any event or emergency, but are diminished by dividends. The policyholder has no duties or liabilities other than the payment of premiums.

An assessment certificate of membership looks like a policy, but has no other resemblance. It is ingeniously contrived to leave uncertain and conditional the things a policy should define. It does not, and cannot legally, limit the number and amount of assessments for even a single year. The aggregate annual tax may be a hundred dollars now and two hundred a year hence. Everything is flexible, elastic and adjustable. The conditions of membership are all made subject to and are to be construed according to the constitution and by-laws. These may be annulled, altered, abrogated, radically changed, even abolished by "a majority vote of the members present, in person or by proxy, at a regular meeting." A majority vote is sufficient to dissolve the association and distribute its remaining funds, if any. But a majority vote can never be cast by members in person. They could not be brought together in sufficient numbers at short notice. Members do not seek redress in this way; they only quit in hopeless disgust. The majority vote is cast by proxies; and usually one man has them all. They are ordinarily obtained from applicants without their knowledge; some sign their proxies inadvertently when they sign the medical examiner's blank. Proxies once given are practically irrevocable. One man has often been known to hold them all, and while he does so no other man can obtain revokes enough to rival him, members having signed away all

their rights which the company (now one man) can be compelled to respect. One man rules all. He casts the ballots, and may fix, alter, amend and change the conditions of membership and increase the aggregate assessments as he pleases,—can, if he sees fit, drive every member out, and who will own the accumulations then?

This theoretical republic is really an irresponsible autocracy. For further particulars read the application, examiner's blank, constitution, by-laws, and by all means attend a meeting.—*Chronicle*, New York.

ASSESSMENT ENDOWMENT ASSOCIATIONS.

The introduction to part two of the Massachusetts Insurance Commissioner's report for 1889, just received, devotes considerable space very profitably to the assessment life associations, including the swarm of assessment endowment concerns which have appeared in that State under the loosely drawn law of two years ago, and which the present legislature have found it necessary to materially amend. From that portion of the report referring to these endowment associations we make the following extracts:—

Nine of these had done little or no business up to the close of the last year, and seventeen are the growth of the present year; the remaining twenty, with the two foreign companies of like character, whose operations here were permitted and legalized by the statute, had, at the close of December, an aggregate membership of 80,245, with a total liability upon their certificates of \$59,534,640. The total cash assets at that date of the twenty home companies amounted to \$59,818, and the reserve funds aggregate \$29,648; six of the corporations, however, have a net indebtedness of \$6,436, leaving a net reserve fund for the entire twenty corporations of \$23,212, or an average of \$1.20 for each then existing member towards the realization of the \$100 or \$500 or \$1,000, as promised. No sooner had the Legislature convened, than the promoters of these schemes came with petitions to be permitted to assess and hold an unlimited reserve fund, openly confessing the utter impossibility of carrying their plans to a successful completion under the 20 per cent. reserve limit claimed to be ample when the law was passed, and under which they had been organized; the average age of these twenty corporations was less than six months when this plea of inability to live under the law was entered. Legislation is now pending in relation to this matter, and with it has wisely been coupled carefully guarded restrictions as to the deposit of all reserve funds in the State treasury, which will at least hereafter prevent the looting of the cash by irresponsible officers. The experience of two brief years has so abundantly justified the earnest but ineffectual protest of this department, that the door then opened so widely to these concerns is now being closed and barred by legislative enactment, forbidding the organization of any more corporations of this character to play upon the credulity of the public.

How the promises of these corporations are to be realized, no one of their promoters has undertaken mathematically to demonstrate. As this is purely a question of finances, of the proportion of assets, present and prospective, to liabilities, the plan, if one existed, would seem to be easily capable of explanation, but nowhere in the literature of these corporations has this been attempted; paragraphs are published, claiming that, because some other association, organized on an entirely different basis to meet death claims only, has

succeeded in meeting its liabilities at a certain cost, therefore endowments can surely be paid to all living members at a comparatively moderate expense. But there is scorn and contempt for the multiplication table, or any of the known rules which have heretofore made financial transactions easy of computation. Unless the managers of these corporations have finally acquired the long-sought power of alchemy, or discovered some wizard's art unknown to business transactions in all the world's history, they will require just one hundred cents to make good each dollar promised in their certificates. * * * * *

The plans of these corporations certainly do not lack variety; the larger number promise \$1,000 at the end of seven years; one issues certificates for the same amount, but extends the period of payment to ten years; eight hold out the offer of \$500 in five years; one promises double that sum at the end of the same term; one thinks five years necessary in which to pay \$200; and one pledges \$100 at the end of twelve months, and this upon the virtual promise of not more than twelve assessments of two dollars each, and with charming naiveté adding the statement that whatever balance there is left after paying \$100 endowments from \$24 in assessments "will be carried to the reserve fund." The name of this association, "The Royal Ark," was surely not chosen from the fact that, like its great prototype, only a few will be taken in.

Yet another has just been incubated, which leads the procession with a scheme to pay one hundred dollars to each certificate holder at the expiration of six months. The promise of spot cash, three dollars paid back when one dollar is deposited, is about the only plan remaining unimproved.

The wild-cat character of numbers of the corporations already organized under this statute is illustrated by the most casual glance at the annual statements made under provision of law to this department. One which sails under the alluring motto of "Friendship, Protection and Industry" had at the close of last year, as the results of five and one-half months' business, \$919 in its reserve fund and \$4,281 in other funds; it had expended the sum of \$375 in benefits and \$14,212 in expenses, of which latter sum the officers, organizers and other persons officially connected with the association had received \$8,769. Yet another, sailing under the legend of "Fidelity, Equity and Security," had in two and a half months acquired a membership of 118; it had paid for expenses \$1,593 and had an indebtedness of \$2,948; of this expenditure, \$738 was for salaries of officers and \$1,753 was due on same account, making a salary cost of \$20 and a total expense of \$29 for each member secured. The annual salary roll, established, it is needless to add, by the officers themselves, of this corporation with 118 members, is \$12,800. It would appear that, in these instances at least, the legends upon the banners, of "Industry" and "Fidelity," had at all events been conscientiously applied by the officials to their individual interests.

THE ONTARIO MUTUAL LIFE.

The twentieth annual meeting of the Ontario Mutual Life, report of which we print elsewhere, shows, what previous meetings have shown, viz.: that the directors are men with directness of aim and who know how to report the transactions of the company with concise clearness. This report shows that a life company does not necessarily need to be large in order to be a good one for the policyholders. The management is conservative as to expenses, the death rate low, showing careful selection of risks, and the investments made

with caution. Its record we think fairly justifies the statement of President Bowman that the quality rather than the quantity of the new business written is the leading consideration with the management. The new business, however, for 1889 was creditable as to quantity, aggregating 2,085 policies, assuring \$2,621,800, issued and paid for. The premium income for the year was \$383,192 and the total income \$448,900. The company had on Dec. 31st last 10,299 policies in force and assurance amounting to \$13,127,400. The total assets are reported at \$1,488,167 and the surplus over all liabilities at \$95,155.

An increase over the business and holdings of 1888 is shown in all the features of importance. This increase has been as follows: Assurances in force, \$1,085,486; assurances written, \$103,150; assets, \$174,314; surplus, \$4,818; total income \$55,826; cash paid policyholders, \$70,425; reserve for security of policies, \$169,496. This record indicates judicious management and that liabilities are not allowed to increase out of proportion to resources with which to meet them. The satisfactory condition of the Ontario is largely due to the trained knowledge of life assurance, and the practical application of that knowledge to its affairs by the manager, Mr. Wm. Hendry, who is also fortunate in being surrounded by a practical staff of officers, among whom special mention should be made of the able secretary, Mr. W.H. Riddell, who is a host in himself, and superintendent of agencies Mr. W. S. Hodgins.

FOREIGN LIFE BUSINESS OF AMERICAN COMPANIES.

The following, according to the Connecticut Life Insurance Report for 1889, represents the business in foreign countries of the four companies named. The Germania has also a considerable business abroad, mostly in Germany, but the amount is not reported.

Distributed as follows:	EQUITABLE LIFE.		NEW YORK LIFE.	
	Amount assured.	Premiums thereon.	Amount assured.	Premiums thereon.
Europe	\$96,145,621	\$3,845,825	\$75,352,171	\$3,346,906
Asia	372,410	14,896	2,580,269	198,531
Africa	3,236,990	129,480	1,573,586	74,846
Australasia	17,516,367	700,655	8,295,894	525,321
South America ..	39,613,001	1,584,520	46,187,793	2,060,142
Central America..	6,571,940	262,877	1,027,582	50,719
West Indies	12,223,661	488,946	8,170,178	402,207
Mexico	15,879,503	635,180	4,840,888	255,837
Other countries..	1,307,260	52,291	.....	.....
Totals	\$192,866,753	\$7,714,670	\$148,028,361	\$6,914,507

	MUTUAL LIFE.		MUTUAL RES. FUND.	
	Amount assured.	Premiums thereon.	Amount assured.	Premiums thereon.
Europe	\$11,668,400	\$487,642	\$10,313,525	\$145,826
Australasia	3,582,500	166,430	.....	.....
South America & West Indies....	42,070	4,656	.....	.....
Sandwich Islands.	724,100	28,711	.....	.....
Mexico	5,368,022	234,595	.....	2,178
Other countries..	.....	.....	153,500	.....
Totals	\$21,385,092	\$922,034	\$10,467,025	\$148,004
Grand Total, 4 companies .....	.....	\$372,747,231	.....	\$15,699,215

Mr. Lewis Frederick Hovil, formerly of the Scottish Amicable Life, has been appointed assistant actuary of the Economic Life Assurance Society.

THE MAGNITUDE OF LIFE ASSURANCE.

Insurance Commissioner Ellerbe of Missouri, in his Life Insurance Report for 1889, has graphically pictured the actual present and possible future of life assurance in the United States as follows :—

The magnificence of the work done by the regular life insurance companies, although yet far short of its possibilities both in what it may do and what it ought to do, finds a result at the close of 1889, in showing assets to the amount of seven hundred millions of dollars and insurance in force of three-and-a-quarter billions, upon upwards of one million lives. Assuming that a minimum of one inhabitant in five should have insurance to at least three thousand dollars, the population of the United States is capable of sustaining upwards of forty billions of dollars on fourteen million persons insured ; and the outlook is favorable for the accomplishment of so great and desirable a result before many decades roll round.

But in view of the enormous volume of assets and insurance present and prospectively, it may become a matter of interest to inquire :

How many companies are needed to do this business? How many can do it safely? Should there be a limit to each one's share?

Three companies have assets of	- -	\$343,000,000
Four " " "	- -	173,000,000
Seven " " "	- -	100,000,000
Twenty " " "	- -	84,000,000
The first three carry insurance of	-	\$1,700,000,000
The next four " " "	-	630,000,000
The next seven " " "	-	470,000,000
The remaining twenty " " "	-	350,000,000

The first hold one-half of all the assets and one-half of all the insurance.

Under the intelligent and conservative management which has obtained in the last dozen years, it is safe to say, that but little hazard to policy-holders can arise out of the mere magnitude of the business of a company—decrement of interest rate will affect all companies alike, great or small—unfavorable fluctuations in death experience affect the larger companies least ; so that, so far as the inherent elements of the business are concerned, the whole might be done by one company alone. But so far as the personal machinery for doing the required work is involved, it is becoming a question of cast-iron endurance, instead of human tension, in determining how far the physical ability of the managers of the companies may be drawn upon to continue the increasing demands upon brain and muscle.

With no new insurances and no terminations except by death, the \$516,000,000 of assets of the seven leading companies will become \$850,000,000 in eight years more, \$1,300,000,000 in seven years more, and \$1,900,000,000 in six more years, after paying off \$250,000,000 of losses matured by death. Small as the sum now is, in proportion to what it may become with the aggressive methods of the companies, it is already vast enough to overtax the powers of the men who have to look after it all, and who are responsible for its safety and its accumulation. Is it not time that the companies should voluntarily fix a limit to the amount of insurance to be carried by each—some amount upon such a number of lives, say two hundred thousand, as will make almost certain an average experience corresponding with that of the mortality tables upon which the premiums and reserves are based, and, letting smaller companies take up the unfinished aggregates, give the managers of the great offices, as one by one they reach the limit, an opportunity for relaxation from the strain they now endure, but which, to endure much longer, will weaken their ability to manage just when their

experience is most needed to preserve what has been gained?

FIRE RESISTANCE OF WOODEN POSTS.

The following, from the London *Architect*, illustrates what has also been demonstrated in this country, and shows that growing confidence in wooden rather than iron posts for building supports is well founded :—

A fire occurred in a warehouse of enormous proportions, and raged with great fury for five hours, at the end of which time it was extinguished. The warehouse was constructed of brick walls ; it had wooden floors supported on wooden beams, which, in their turn, were carried on wooden story posts about twelve inches thick, and, although serious damage was done, not one portion of the heavy wood-work was destroyed. After the fire, the proprietors allowed the chief of the fire brigade to remove one of the story posts, with a section of the beams and other parts surrounding it above and below. This post had been subjected to the full action of the fire during the whole of its duration, as already mentioned, or, making full allowance for everything, including the delay of the fire attacking the particular spot on which it stood, and the time at which the cooling process commenced, certainly not less than four and a half hours.

As large quantities of water had been used, and it was probable that everything had been saturated, the wood was carefully dried before a strong fire, until not a trace of moisture remained in it. It was then set on end in an open yard, exactly as it had stood in the warehouse, with the pedestal underneath, the cap above, and the beam across the cap. More than a ton of shavings, light wood and heavy wood were placed around it, and after the whole heap was saturated with petroleum, a light was applied to it, and after this, large quantities of petroleum and turpentine were pumped on it. At the end of two and one-half hours, the post, beam and other parts were withdrawn from the fire, and within a few minutes of the time they were withdrawn they ceased to burn.

A few feet were then sawn off horizontally, at that part which had suffered most from the flames, and afterwards the same piece was split longitudinally with steel wedges, in order to examine its condition. The post was of pitch pine—about the most inflammable wood known—and yet, after exposure for seven hours to fire, the fury of which could not be exceeded, except in blast furnaces, it contained within a quantity of perfectly uninjured and apparently fresh wood, probably capable of supporting the whole weight which the original post was designed to carry. Immediately after the saw cut, and again after the cleaving with steel wedges, the centre was carefully examined, and found to be just perceptibly warm to the touch, but nothing more, thus proving that the fibre, in which the strength lay, was quite uninjured.

Some of our readers may remember the case of the steamer "Spartan," which, some six years ago, was beached on Lake Michigan to save her from foundering. The insurance was \$40,000 in several companies, and all refused payment on the ground of unseaworthiness. The Thames and Mercy of London, which carried \$10,000 on the steamer, was beaten in the Michigan courts, and paid up, inasmuch as it, being a foreign company, could not carry the case to the United States courts. The American companies went to the Supreme Court, and the case has recently been decided in their favor, on the ground that unseaworthiness vitiated the insurance.

Financial and Statistical.

AN ANTIDOTE FOR EMBEZZLEMENT.

We have already pointed out the fact that guarantee or surety companies are not only of great service to business from a financial point of view, but that they are conservators of the public morals, in that they promote honesty. Bonded employes of mercantile interests or corporations have a wholesome fear of the system which has a hundred eyes and sees their every movement. Even compulsory honesty is a good thing for the public morals, for it is unquestionably true that every case of default or of embezzlement, like other examples of wrong doing, helps to make scores of imitators. As being in the line of our own ideas, we quote the following from the *United States Review* of Philadelphia:—

The scriptural saying that "the way of the transgressor is hard" is certainly a very true one when applied to defaulters who are bonded by surety companies. When private individuals become bondsmen for parties who afterwards default, a settlement is often effected by relatives or friends through which the culprit escapes going to jail; but when a surety company is on the bond, the defaulter, if captured—and he rarely escapes—must stand trial and serve out the sentence imposed by the court. The sooner these companies are allowed to monopolize the bond business, the sooner will defalcations and embezzlements cease to be a common occurrence.

Those who have noted closely the current events of the past year or two cannot have failed to notice that but few instances have occurred, compared with the aggregate, where bonded employes have indulged in thievery, and in these few cases we do not recall more than one or two instances where the culprit escaped arrest and punishment. Considering the many employes who are now on the lists of the guarantee companies and the exceedingly few cases of delinquency among that class, the argument for the existence of these companies is a very strong one both on financial and moral grounds.

BRITISH SYNDICATE INVESTMENTS.

There is considerable solid food for reflection for all parties concerned in the following brief comment on the working of the somewhat popular syndicate plan of buying up various industrial interests in the United States and in Canada by British capitalists. We quote from the *Daily Commercial Bulletin* of New York:—

There are still occasional reports of British syndicates seeking to obtain control of sundry industries in this country, but it is evident that this disposition is not nearly so strong as it was some time ago. Experience is probably proving two things to the British investor: that in the majority of cases fancy prices were paid to the American sellers, and that, instead of gaining control of certain interests, they have really given an impetus to competition. One of the "deals" that attracted much attention was that by which the Pillsbury flour mill system was transferred to a British syndicate. This was considered here a peculiarly advantageous transaction for the late owners. The present ones are likely to be less satisfied with their

purchase when they learn that Mr. Pillsbury is reported to be about to build at Kansas city a set of mills similar to those sold in Minneapolis, and in preparation therefor has already constructed an elevator with a capacity of 1,500,000 bushels. It would appear that the money paid by the syndicate is being used to build competing mills, and it is highly probable that this is a fair specimen of what is being regularly done in less conspicuous instances.

It seems that while the inland revenue receipts reported for Montreal in May of this year increased, the receipts at the custom house decreased very considerably. The customs receipts for May, 1890, were \$714,120, as compared with \$827,692 for May, 1889—a decrease of \$113,572. The internal revenue showed receipts of \$184,007 last month, as compared with \$170,415 for the corresponding month of last year—an increase of \$13,592.

The affairs of the Canadian Bank of Commerce are in excellent condition and the business a prosperous one, as shown by the statement for the year ending May 31, 1890. The net profits, after providing for all bad and doubtful debts, were \$524,062, out of which a seven per cent. dividend has been paid and \$100,000 carried to rest account. This account now has \$800,000 to its credit, and a balance of \$37,975 is carried forward to profit and loss. The note circulation of the Bank is nearly \$2,500,000, and the deposits not bearing interest \$2,772,898, while deposits bearing interest amount to over \$9,700,000. The present assets are \$22,596,520.

At the 72nd annual meeting of the Quebec Bank of this city, its affairs appeared, in brief, as follows: Total assets, \$9,041,195; liabilities, excepting capital, rest and profit carried forward, \$5,944,605. The paid capital is \$2,500,000, the rest \$500,000, and the sum carried to profit and loss \$96,590. The profits for the year were \$223,010, and the balance of profit and loss account brought forward from previous year \$48,580, making \$271,590 from which dividends to shareholders have been paid amounting to \$175,000. The deposit account amounts to \$4,957,820 and the circulation to \$615,255.

The annual statement of the Bank of Montreal for the year ending April 30, 1890, shows total assets of \$46,166,418, with current liabilities to depositors, on circulation, unclaimed dividends, due other banks, and unpaid dividends to shareholders, amounting to \$27,371,690. The paid up capital is \$12,000,000, the amount held as "rest" is \$6,000,000, and the amount carried to profit and loss is \$794,728, as against \$817,417 for the preceding year. The net profits of the year were \$1,377,311, from which were paid \$1,200,000 as dividends to shareholders, leaving \$177,311 to add to balance of profit and loss brought forward from previous year—\$817,417, less \$200,000 reserved for rebate on bills discounted current—making, as above, \$794,728. The year's business shows some falling off in deposits. The total loans are nearly \$8,000,000, distributed substantially as follows:

\$2,412,000 to firms in the lumber and timber trade ;
 \$2,036,000 to firms dealing in general merchandise ;
 almost \$1,000,000 to manufacturers ; about the same
 amount to produce dealers and contractors ; and the
 remaining \$1,500,000, call loans of various kinds.

THE GOOD-WILL OF A FIRE INSURANCE AGENCY

Case of Taylor et al. vs. Northern Assurance Company.

In the last issue of the INSURANCE AND FINANCE CHRONICLE we gave a *resumé* of the verdict in the above case, which occupied the attention of the Montreal Superior Court for several days. We have since obtained copies of the 27 interrogatories submitted to the jury for consideration and answers, according to the evidences before the Court during the trial, and of the very able, though lengthy, charge of Judge Davidson to the jury reviewing these numerous interrogatories, and commenting upon their bearings severally, upon the evidence. The principal point at issue was as to the amount of pecuniary damage, if any, sustained by the plaintiffs, in consequence of the revocation of their agency of the company on a notice of three months only.

A summary of the principal facts before the Court is as follows :

In the year 1867 (Aug. 8), the Northern Assurance Company opened a general agency in the city of Montreal, and appointed the plaintiffs, Messrs. Taylor Bros., as managers for the Dominion under a power of attorney, authorizing them to do and perform, in their name, all or anything necessary and proper to be done to carry out the intention of the appointment. Among others, this power of attorney especially provided as follows : " Finally. We, the said Northern Assurance Company, reserve to ourselves the right, at any time, of revoking the power granted by this deed." And the plaintiffs had been also previously advised, by a letter from the Company, under date of May 18, 1867, offered by them in evidence before the Court, to the following effect :—

" Like all other appointments of this kind, made by this company, it will be during the pleasure of the directors, and its terms subject to revision at any time. We cannot, therefore, give you any assurance of permanency, such as you ask ; but whilst we hold ourselves perfectly free to act as circumstances may require, I can add that we would not care to enter into the arrangement at all if we had not a strong hope that our relations would be mutually beneficial, and in all respects so satisfactory that we should be very sorry to see them at an end."

To this communication the plaintiffs, under date of May 31, 1867, responded as follows :—

" When we spoke of permanency, we felt that our conservative feeling and the active competition of other companies would make the accumulation of business somewhat slow. We, therefore, looked to the future for a return for the labor and the time demanded for the present. We are willing, however, in view of your assurance to abide by the result."

To this letter of plaintiffs no reply was shown in evidence ; but on the 8th of the next August, 3 months subsequently, the power of attorney above cited was received, and no objections as to its terms were made by the plaintiffs, nor was any evidence adduced at the trial that this reservation as to the right to revoke the agency by the company, at any time, was ever, in direct terms, " renounced, modified or altered " in any respect during the continuation of the agency. On the contrary, as long ago as 1878, in a letter evidently relating to the unsatisfactory results already achieved, the company say : " We feel that the alternative has been forced upon us, of either making a fresh experiment upon some other lines, or retiring from the field altogether." And on March 13, 1884, the company declares that " the manner in which the business here is based is unsatisfactory." And again, in the subsequent year, 1885, the company complain that no less than seven out of eighteen years ended in loss, and add : " The directors are tired of it and are puzzled for an answer." The foregoing communications were all introduced at the trial by the plaintiffs.

From the wording of the second interrogatory, answered " yes "

by the jury, we learn that in 1871, the rate of commission was fixed at 15 per cent. on all net premiums received, and 25 per cent. on all net profits received from the business, together with a fixed annual sum of £300 sterling. In 1878 this commission was raised to 20 per cent. upon all premiums, and the proportion of net profits reduced to 20 per cent. with the £300 sterling, as before. In this agreement it was understood that the commission was to cover any loss incurred through the failure of sub-agents to account for the money passing through their hands. The plaintiffs were authorized to select and commission sub or local agents, and report the same to the company from time to time.

After some nineteen or more years' experience, the business of the company under the management of the plaintiffs, despite their " heavy expenditures of labor, skill, time and money," not having resulted profitably—showing a clear loss of \$13,000, increased by subsequent payments to \$30,000—the Company, deeming it advisable to make a change in the management here, gave the plaintiffs notice, three months in advance, of their intention to revoke the agency couched in the ordinary complimentary form in use on such occasions, reading as follows : " In intimating to you, as I now do, the approaching termination of our present connection, I should like to bear testimony to the friendly relations which have existed between yourselves and the company."

On receipt of this notice of the revocation of the agency, the plaintiffs protested, declaring that this dismissal at such short notice, not affording them time and opportunity to save their business by placing it elsewhere, caused them serious financial and other injury, to the extent of \$47,500, as set forth in their plea ; and in support of this claim they urge the plea that the original contracts had been " renounced and modified " by subsequent correspondence between the parties. The Court in its charge to the jury upon this point pertinently said :—

" You will have to be careful how you treat a matter of this kind ; you will have to seek for something more than uncertain and remote inferences ; you will see that the plaintiffs in this case are not able to put their hand upon any particular letter, upon any particular phrase, or upon any particular date which in itself would be sufficient to modify the original contract ; but what they say is, that there was a cumulation of acts and dealings—an accumulation of sentences, of letters and correspondence, which, in the end, at some undetermined time or date, brought about the change in the original contract leading to the firm belief that they were there as a permanency, or, at least, as a permanency to the extent of being entitled to a year's notice of the termination of this agency."

In this connection the Court said further :—

" So, if you are able to read the correspondence which has been put before you, in such a way as to bring you to a clear and positive conviction that, as a total result, it did alter the terms of the original contract, it would be possible for you and would be proper for you, so far as the law is concerned, to so declare, although you had no special or specific counter-contract in that respect."

The vexed question of waiver on the part of a company of its right of revocation is thus opened up, and on the point raised the jury took the broadest possible ground, possibly much to the surprise of the judge after his carefully expressed cautionary statements above. Interrogatory 3, with the jury's answer, reads as follows :—

" 3. Were the said terms and conditions, as expressed in said plaintiffs' exhibit No. 1, and said power of attorney, ever renounced or modified by said defendants ? If yes, when, how and in what precise manner were they so renounced or modified ? "

Answer—" They were modified and renounced by correspondence and dealings with plaintiffs, by defendants giving plaintiffs to understand that the agency would only be terminated in the event of the withdrawal of the defendants from Canada."

On the other hand, the company virtually claimed that this effort and expenditure of time, money, skill and labor in its behalf, as contended for, was no more than it had the right to expect from the plaintiffs under the terms of the original

contract, and for which the liberal provision therein made was to be ample compensation. Also, that such efforts, expenditures, etc., in any event, inured quite as directly, if not more so, to the benefit of the plaintiffs, as to the company; for if no clear money was realized by the latter, there would still be for the former the 20 per cent. commissions upon all premiums received, and the £300 sterling annual perquisite, leaving the empty bag for the company to hold. And moreover, that if, as the plaintiffs contend, they had lost money under their contract, that was their own lookout. They certainly could not, after a series of years of this unrequited effort, as claimed, call upon the company to stand in the breach and make good their own short-comings, in addition to the heavy losses sustained by itself while under their management, or expect it to continue to entrust its business to their control, when the results had been such as to lead them to expect an early revocation rather than an extension of the agency.

A special plea was made by the plaintiffs, to the effect that as they had supplied and paid for, with their own funds, the books or records in which the operations of the company at the agency were recorded, the said books and records were their own property; and the jury awarded them the sum of \$1,500 as the value thereof, which seems to us a questionable verdict.

The foregoing digest seems to embrace the chief points at issue in the case, the main one being that the company had waived its reserved rights, and hence was liable for any consequent damage or injury that could be proved. This point being settled, so far at least as the verdict of the jury will go, carries with it the several other minor issues presented, rendering further mention unnecessary.

We now proceed to cite some of the leading decisions upon the reciprocal rights of companies and agents where agency commissions have been revoked against the wish of the latter; and in this connection it affords us much satisfaction to be able to say that, in our opinion, the several rulings of his honor, Judge Davidson, upon the law-points involved in the above case, are in full harmony with the best authorities in such matters, and that he has fully maintained his high reputation in the calm deliberation and the sound discrimination which pervade his charge to the jury upon the bearing of the facts covered by the 27 complicated, contradictory interrogatories submitted to them for consideration, and of which he says at the outset:—

"I frankly admit that I am unable to appreciate the importance of some of them, the full meaning and intention of others, and the possibility of answering still others again, without involving ourselves in contradictions in respect of questions relative to them, but apart from them in numbers. Even the learned counsel appear to have appreciated this difficulty, and dissatisfaction exists on either side as to the precise manner in which this case goes before you."

The most important of these adjudications referred to, and of the highest authority, is the case of *Fire Association of Philadelphia vs. J. H. Law & Co.*, leading general insurance agents of Cincinnati, O., and managers of the business of two of the large British offices in several of the Western States. In 1873, the plaintiff company was admitted to the Law agency, and placed in the 200 sub or local agencies controlled by those gentlemen, in their territory, and there remained for the space of twelve years, realizing in that period, it was claimed, a clear profit of \$110,000. In 1884, however, the Fire Association sent notice to Law & Co., that the agency of their company would be withdrawn on April 1st, 1885, three months from the date of the notice. In the meantime, the Fire Association sent circulars to the Law agents, notifying them of the proposed change, and requesting them to continue to act for and report directly to the Home Office of the company. To this proceeding, Law & Co. took exceptions,—not to the withdrawal of the agency nor the short term of the notice,—claiming that these agents were theirs, established by them and at their expense, and that in thus soliciting them to act for the company independently of their agency, they suffered injury and damage to the extent of

\$25,000. At the closing of the general agency, a balance was found to be due to the company amounting to \$8,500, liability for which Law Bros. did not deny, but withheld it, by advice of counsel, until the decision of a counter-petition filed by them against the Fire Association, for damages sustained by the appropriation of the good-will of their sub-agencies by the company.

The suit was brought by the company in Aug., 1885, in the United States Circuit Court, So. Dist. Ohio, where judgment was rendered in favor of the company for the \$8,500, and on the counter-petition of Law & Co. the jury gave a verdict of \$9,169.95, the Court, in the latter case, through Justices Matthews and Sage, holding that "damages *actually sustained* could be recovered, the measure of such damage being a fact for determination by the jury."

On a review of this case in June, 1887, in the same Court, Chief Justice Jackson reversed the verdict, holding that

"These sub agents, in the opinion of the Court, are the agents of the Fire Association of Philadelphia. They could not be otherwise under the laws of Ohio and Indiana, requiring their appointment as representatives of the company. It is true, as a matter of agreement, that their compensation is to come out of the general agent, or the allowance made to the general agent, and that the general agent guarantees the faithful performance of their duties, so far as payment of premiums is concerned. But that is wholly immaterial. They are still agents of the Fire Association of Philadelphia, selected by defendants, but deriving their authority directly from the plaintiff, by whom they are appointed and commissioned. When Law & Co.'s agency was revoked, that revocation did not, in law, recall or revoke the agency of these substitutes or sub-agents in the different localities; they continued to be the agents of the Fire Association of Philadelphia, and there was no impropriety on the part of that association in soliciting them to continue that relation, nor did such solicitation involve any breach of defendants' rights, or subject the plaintiff to any legal liability towards the defendants."—(XVI. Ins. Law Journ., 375.)

In the case of *Davis vs. Niagara Fire Ins. Co.*, United States Circuit Court, Nor. Dist. Ill. (XI. Ins. Law Journ., 592). Where the plaintiffs were appointed agents, and continued so to act from year to year, the State auditor each year, at request of defendants, granting plaintiffs a certificate to act in the State for defendant company; but before the close of the fiscal year 1881, so certified, the agency was revoked by the company:

Held.—"The appointment was revocable at the will of the defendant."

Held.—"There was nothing in the fact of designating the plaintiffs as defendant's agents for the year 1881, by the State auditor, affecting the right of defendant to revoke the appointment at any time."

In the case of *Phoenix Mutual Life Ins. Co.*, S. C. Conn. (XIII. Ins. Law Journ., 345). Where a special contract provided for but two ways of terminating the agency,—first by a sale, with consent of the company, and second by death of the agent,—when the company was bound to make some arrangements whereby the heirs could enjoy the equitable value. The agent became a defaulter to the company, and was removed. The Court declared that "his defalcation and subsequent removal carried with it not only the loss of commission on renewals of existing policies, but the loss of his agency also for all purposes, whether for selling to another, or for transmitting to his heirs."

The English case of *Marsh vs. Prudential Assurance Co.* was brought upon appeal before the Queen's Bench Division of the High Courts of Justice, where the decision of the County Court awarding the plaintiff £50 damages was reversed. The Appeal Court say:—

"The learned County Court Judge ought to have relied upon the construction of the agreement, and have held that it meant what it said. Nothing can be plainer than the statement contained in section 14, that 'the company will not dismiss an agent without giving him a notice of at least seven days, previous to terminating the agreement.' That being the bargain between the parties, the County Judge merely handed the rules and the agreement to the jury, and asked them to be good enough to say what they thought of that, and whether they thought it was intended that the plaintiff should be dismissed at 7 days notice; and they came to the conclusion that it was not, and they thought the plaintiff ought to have £50 damages. I must say

that I do not know how they arrived at £50, but the learned judge, as I have intimated, threw them the reins. He ought to have told them it was their duty to find that the engagement had been properly terminated. I am therefore of the opinion that the defendants must have judgment, with costs."

In the case of *Webb vs. Mutual Life Ins. Co., U. S. C. C.*, where the plaintiff, after purchasing the good-will of an agency, and paying a large sum therefor, with consent of the general agent of company, it had been summarily removed from him, for which he claimed damages of \$75,000. The Court ruled that the whole matter was one of contract, * * * assuming that he had paid a liberal sum, and had since built up a remunerative business which he regarded as invested capital, the representative of time and labor from the yearly renewals which he expected to reap returns. "It was his misfortune that this point, so important to him, should not have been covered by his contract. The duty of rectifying the omission did not lie with the Court." See also *Barber vs. Conn. Mut. Life, U. S. C. C., N. D., New York, XII. Ins. Law Jour., 683; Trimble vs. same, XIX. Ins. Law Jour., 475.*

Many other authorities bearing upon this point could be cited, did time and space permit, but the length of the article, important as it is, forbids further mention at this time, except to say that agents are entitled to such damages as can be fairly proved, even summarily, and without cause, they may have been removed. But, as Judge Davidson says, such damages must not be the result of long-drawn inferences as to what might have been.

Notes and Items.

The fire loss for May in the United States and Canada, according to the *Commercial Bulletin*, was \$8,838,100. In May 1889 the loss was \$9,915,300.

The contractors for the Sun Life building in this city have the foundations all laid, and it is expected that the superstructure will now rapidly appear.

It is rumored that a new life assurance company is to be organized at St. Louis, Mo., with a million and a half dollars capital. Possible, but not probable.

We notice that our enterprising contemporary, the *Chicago Independent*, has arranged for an Eastern branch office, with Wm. P. Rae & Co. of Brooklyn as its representatives.

The Sun Fire Office of London has erected an office building in New York, 27 by 97 feet, and five stories high, composed of granite, brick and terra cotta, costing, with ground, \$160,000.

The National Association of chief (Fire) engineers of the United States meets this year at Detroit in August. The National Board of Fire Underwriters will be represented by a committee.

The Michigan business of the 32 life companies doing business in that State for 1889 amounted to 6,822 new policies, assuring \$19,693,400, a gain in assurance of \$5,388,164 and in premiums of \$462,258.

A disastrous conflagration took place last week in the mining district of the Ural Mountains, in Russia, by which the iron works at Ufalesk and Newjansk, a thousand dwellings, four school-houses, three churches, the hospitals and magazines were destroyed. Forty persons lost their lives, and 18,000 were rendered homeless.

The necessary legal proceedings have been instituted to annul the charter of the Manhattan Mutual Fire of New York, a small affair, which an examination by the insurance superintendent revealed to be bankrupt.

Mr. Reginald Grant Watson, general London secretary of the Life Association of Scotland, has been appointed general manager and secretary of the Law Union Fire and Life Insurance Co. on the retirement of Mr. F. McGedy.

Will the Spectator and some others of our exchanges please make a note of the fact that there is no *Caledonia* insurance company of Edinburgh. The company which recently entered the United States is the *Caledonian* of Edinburgh.

Mr. J. Heron Duncan, assistant secretary of the London branch of the Royal Insurance Co., has been appointed manager of the fire department of the Royal Exchange Assurance Corporation, in place of Mr. O. E. Fooks, retired on a pension.

We notice that the Commercial Union office building, across the way from THE CHRONICLE office, has recently undergone extensive alterations and repairs, greatly to the convenience of the large business transacted by Managers Evans & McGregor.

The Seven Marine Companies having their headquarters at Liverpool wrote risks in 1889 amounting to \$810,672,775—an increase over 1888 of \$35,035,795. The premiums received were \$5,311,905, taken however at a lower rate than in 1888.

Acknowledgments.—We have received from Insurance Superintendent Kinder of Ohio, Part I of the Ohio Insurance Report; from Superintendent Wilder the Kansas Report complete; and from Commissioner Raymond, Part II of the Michigan Report for 1889.

A case of incendiarism is reported from Worcester, Mass., where one Boyd, the owner and part occupant of a double tenement house, caused it to burn down after getting insurance on building and contents for \$4,500. He confessed, and is under arrest.

Fire insurance in Ohio during 1889 resulted as follows:—Total risks written, \$564,632,180; premiums received, \$6,527,137; losses incurred, \$3,609,875; loss ratio, 55. The foreign companies collected \$1,279,575 in premiums and incurred \$626,727 of losses, the ratio being 48.

Germany has sixty-two trade assurance corporations divided into 366 sections, calling for 319,453 inspections and insuring 3,861,560 workers in various trades, besides 257,977 railway employes and 6,978,579 agricultural laborers. Their operation is under government control.

The Long Island Insurance Co. of Brooklyn has re-insured all its risks with the Royal, and retires. The company was organized in 1833, has had an honorable career, and retires because it cannot profitably compete with the strong companies in expensive agency business.

It is stated on the authority of Captain Eyre Shaw, chief of the London fire brigade, that theatre fires in different countries, from 1876 to 1888 inclusive, numbered 290. The number destroyed was 141 and damaged 149. The loss of life was 2,115, and number of persons injured 748.

The Massachusetts legislature has amended the insurance law so that no more "endowment" associations on the assessment plan can be organized in that State, and Commissioner Merrill will call for a report from those now in existence about July 1, preparatory to placing them under the provisions of the new law.

Fires caused by electric wires in some form are set down in the *Chronicle Fire Tables* as follows:—

Year.	Risks Burned.	Property Loss.
1886	29	\$460,259
1887	66	681,930
1888	91	1,587,213
1889	357	5,533,820

For 1889 the Boston fire of November last is included, on the authority of the Fire Marshal's report.

The general court of directors of the Northern Assurance Company has recommended that £75,000 be added to the fire reserve fund, and that a further dividend of £1 per share and 10s. bonus be added to the 5s. per share of the shareholders' life bonus now due, making a total to shareholders for 1889 of £2.15s. per share.

The case of the Union Insurance Co. of Philadelphia against the Continental of New York, long pending, growing out of the crooked practices of the Buffalo agent of the latter (Lorenzo Dimick) town and the former, is now on trial in the United States District Court at New York. There are 31 counts in the declaration and eleven big trunks full of documents on hand.

Manager Tatley and his staff, of the Royal Insurance Company, are to be congratulated on the completion of the company's elegant six-story building in this city on Notre Dame Street fronting Place d'Armes, which they now occupy. The former temporary, cramped quarters will henceforth be only a memory, gradually fading with the continued occupancy of this truly royal building.

Twenty-five years ago Dr. Mortimer Slocum, of Chicago, was supposed to be dying slowly of consumption. He had \$20,000 of life assurance, which the company offered him \$5,000 to surrender. He accepted the offer, went to San Antonio, Texas, regained his health, made a fortune with the \$5,000 insurance money, became a noted politician, and died recently of cancer of the stomach.

Lieutenant John P. Finley, of the United States Signal Service, has compiled a statement of the number of tornadoes in the United States for the last seventeen years. While in 1870 there were only nine, the number has increased annually, the year 1886 having been credited with 280. But since that time there has been a gradual decrease in the number, only forty-two having been recorded in 1889.

The latest gymnastic feat of insurance journalism has been accomplished by our sprightly Chicago contemporary, *The Argus*, which managed somehow to nail "Editoriales" at the head of its very readable comment column. We have head of novelettes, and sermonettes, and wagonettes, and omelettes, and even mysteriously of pantal—but, *editoriales*, Charles, help yourself to the cake!

Mr. George Thornton, the well-known superintendent of agencies of the New York Life, paid Montreal a visit last week, and looked in at the *CHRONICLE* office. We are not surprised to learn that Mr. Thornton expressed himself as well pleased with the condition of the company's business in Canada, and that he regards Manager Burke as one of the best of the many good men in the company's ranks.

The reports of the British Life Companies show, according to the *Spectator* of London, a total income for 1889 of \$108,224,000 and a total outgo of \$83,178,885. The balance, including life and annuity funds and capital, was \$800,863,025. The total premium income was \$775,817,820 and the total claims (deaths and endowments) \$55,007,905. The expense of management, including commissions, was \$11,168,760. The above does not include the industrial companies.

New fire boat for Chicago.—The *Investigator* says of the new Chicago fire boat just ready for service: "The boat will be able to throw from 14 to 32 streams of 2½ inches, besides the 4-inch stream from the stand pipe, which is a veritable deluge. This immense stream can be thrown 400 feet, and at close quarters will demolish an ordinary building. The boat is to be lighted by electricity and will have a crew of eleven men." The boat is 105 feet in length and 23 feet in width, with a draft of 8 feet 10 inches.

The fallacy of the "new blood" remedy to keep down the mortality in assessment associations is shown by the experience of the Independent Order of Foresters. In four months of this year, from February 1st to May 1st, the reserve fund, used as an equalizer, decreased nearly \$6,000, while in the four months from January to May the membership increased 2,414. The "insurance at cost" concerns are beginning to find out that using a pump with a two-inch spout to keep full a reservoir with a three-inch hole in the bottom is useless endeavor.

As a contribution to sanitary science, the following, from the *Insurance and Finance Leader*, will be read with interest: "A most interesting experiment is being tried at Carlisle (Eng.), by utilizing factory chimneys as sewer ventilators with good results, twenty-nine now being used. The velocity of the rising air has been measured by Surveyor McKie, and found to be 1,291 feet per minute in ordinary weather. The owners of the factories make no objection to this use of their chimneys, and the practice seems to meet with general approval."

Speaking of the American Life failure, the *United States Review* of Philadelphia says: "The company was examined by the Insurance Department in January and February of this year. It is idle to suppose that its condition was materially different then from what it was a few weeks later, when its rottenness was announced. Why did Commissioner Forster fail to summarily act in the matter, and why was the calling of a halt left to the public press? These are questions which are now being asked, and we shall be glad if Commissioner Forster can satisfactorily answer them."

A bill has been introduced in Parliament by Scotch members, providing a plan of compulsory insurance of miners in Scotland, to be under government control. Miners are to receive 5 shillings for the first week, and 10 shillings per week thereafter in case of disablement while engaged in mining work, and in case of resulting death a funeral allowance of £5 for married and £20 for unmarried men, and a certain weekly allowance in case of the former class to the widow or to surviving children. The fund is to be created by assessment made by assessors appointed by the Secretary of State on the landlord or owner of the mine, on the lessee or worker of the mine, and on the workman in the mine in the proportion of ¼ pence per ton of the output for the two former and 2 pence per week for the latter if an underground, and 1 pence per week if a surface workman.

Not long since the attorney-general of Massachusetts gave an opinion to the effect, that the State legislature cannot confer upon cities and towns the right to manufacture and sell gas or electric light to the citizens. This looked so absurd that the legislative body asked the Supreme Court for its opinion. The court replied that, "if the legislature is of the opinion that the common convenience and welfare of the inhabitants of cities and towns will be promoted by conferring upon the municipalities the power of manufacturing and distributing gas or electricity for lighting purposes, we think that the legislature can confer the power."

The South Australian life assurance returns for 1889 cover the business of seven companies, by which it appears that the net gain in new business was \$15,937,465, as against \$16,489,530 gained in the previous year. The total amount written as given by last report was \$39,161,380, and the total terminated \$23,223,915, showing an increased percentage by deaths and surrenders over the previous year and a decrease in lapses. The ratio of lapses to new assurance written for last year was 36.86, against 38.03 for the previous year; surrenders 15.59, against 13.54; and deaths 6.85, against 6.01; in all 59.30, against 57.58.

The New York insurance department has recently examined the Massachusetts Benefit Life Association, and as a result it is to be prohibited from transacting further business in that State. It understated its liabilities by over \$207,000,—the amount of unpaid death claims; and it also appeared that its attorney represented to the claimants of the Security Mutual Benefit (a New York co-operative, whose business was transferred to the Massachusetts Association) that it was insolvent, and thereby settled with them for one-fifth the amount which could and should have been paid in full. The "emergency fund" was found to be only in part invested according to law and sharp practice generally charged by Superintendent Maxwell.

Legal Intelligence.

FIRE INSURANCE.

COURT OF QUEEN'S BENCH, ONTARIO. *Cockburn vs. British America Assurance Co.* A local agent of defendant company, which had a policy of insurance on the plaintiff's steam saw mill and machinery, effected further insurance on the same property, issuing for the company an interim receipt dated July 4th, 1888. At the same time plaintiff insured in other companies. The agent sent the application to the defendant on July 17 following the issue of the interim receipt, and by same mail the policy already covering was returned to be extended as desired. It was shown that defendant received the policy and made the extension, and that the application was also duly received, though the company acted as if such were not the case. On September 7th, 1888, after having been furnished with a copy of the application, the defendant wrote to the agent directing him to take up and return the interim receipt, and saying that as it had run one-half of the term he had been debited with one-half of the premium as earned, and on the same day the defendant re-insured half the risk in another company. The plaintiff was not informed that the risk had been refused, and he was ignorant of the fact until after the fire, neither did defendant return to him any portion of the premium. The application stated the amount of other insurance though not the names of the companies, but this was omitted in the copy of the application sent subsequently. On the application was this: "Special; to be submitted to the company for approval before receipt is issued." Also: "applica-

tions for insurance where steam is used for propelling machinery must be approved by the head office at Toronto, before the company will be liable for any loss or damage." The plaintiff's attention was not called to these endorsements, and he did not know that the agent had no authority on this account to grant an interim receipt. The agent testified that no instructions had ever been received by him not to grant interim receipts under such circumstances.

Held.—That the endorsements formed no part of the application as signed by plaintiff, that the agent was acting in the apparent scope of his authority, and was to be deemed *prima facie* to be the agent of the defendants; and that as the defendants never repudiated the contract, but merely determined to put an end to it and treated it as a subsisting contract, they were liable under it. Under the eighth statutory condition, the defendants claimed that they were not liable upon the receipt because there was prior insurance in another company, and their assent did not appear in and was not indorsed on the policy, or that they were not liable upon their earlier insurance, because of the subsequent insurance in other companies without their assent. *Held*, also, that the application and the interim receipt constituted the contract of insurance, and as in this contract the total amount of insurance was truly stated, and the contract continued to be binding until after the loss occurred, the defendants must be considered to have assented to such insurance, and they would be compellable to make their assent appear in or to have it indorsed on the policy, if such policy issued. It was further held that the prior insurance was voidable, not void, and that the defendants, after the subsequent contract was entered into, in which the total amount of insurance was stated, and after they knew that it was entered into, had elected not to avoid the prior insurance but to treat it as still subsisting by extending it.

CONSTRUCTION OF LANGUAGE.—VACANCY.

Two important cases were decided in March by the Second Division of the Court of Appeals of New York, viz.: *Halpin vs. The Aetna Insurance Co.*, and *Halpin vs. The Insurance Co. of North America*. Both companies had policies on the "machinery," etc., of a morocco factory owned by plaintiff. The factory had for some months been closed, and was "unoccupied and idle" at the time the fire occurred. Both companies set up the defence of non-occupation, and the decision of the court turned on the construction of the language in the two policies. The clause in the Aetna policy read as follows:—

If the above-mentioned premises shall become vacant or unoccupied, and so remain more than thirty days, without notice to and consent of this company, in writing, then this policy shall be void.

The clause in the policy of the Insurance Company of North America read as follows:—

If a building covered by this policy shall become vacant or unoccupied, or if a mill or manufactory shall stand idle, or be run nights or overtime, without notice to and consent of the company, clearly stated thereon, all liability thereunder will thereupon cease; and if a building shall fall, except as a result of fire, this policy, if covering thereon, shall thereupon immediately cease and determine.

The claim was not set up that either company had notice of or consented to the vacancy, and the defence of the Aetna was held valid under its policy clause, and decision rendered in the company's favor. The reverse was held in the case of the North America, on the ground that the language of the above clause was "not a natural or ordinary use of language to describe machinery used in milling as a mill, or in manufacturing as a manufactory;" and that if it was intended to attach the condition in question to machinery used in a mill, the policy should have so stated as plainly as did the other clause quoted, referring to the falling of a building.

In a suit to recover on the building itself, the same court decided, previously to the above decisions, that the company (the Phenix of Brooklyn) was not liable, showing that the Aetna and North America cases turned strictly on the construction of the language employed.



NOTICE TO CONTRACTORS.

SEALED TENDERS, addressed to the undersigned, and endorsed "Tender for Kingston Dry Dock," will be received at this office until Friday the 27th day of June next, inclusively, for supplying, setting in place and delivering in complete working order, the Pumping Plant in connection with the Dry Dock, now in course of construction at Kingston, Ontario, in accordance with the conditions and stipulations contained in the form of tender, and plan attached thereto, copies of which can be obtained on application to the undersigned at Ottawa, and W. O. Strong, Esq., Resident Engineer, 30 Union Street, Kingston, Ont.

Tenders will not be considered unless made on the form supplied and signed with the actual signatures of tenderers.

An accepted bank cheque, payable to the order of the Minister of Public Works, equal to five per cent. of amount of tender, must accompany each tender. This cheque will be forfeited if the party decline the contract, or fail to complete the work contracted for, and will be returned in case of non-acceptance of tender.

The Department does not bind itself to accept the lowest or any tender.

By order,

A. GOBELL,

Secretary.

Department of Public Works,
Ottawa, 17th May, 1890.

Banque Ville Marie.

Established 1873.

HEAD OFFICE: MONTREAL
Paid-up Capital, \$477,500.
Reserve, 20,000.

DIRECTORS.

- W. Weir, President.
- J. G. Davie, Vice-President.
- Godfrey Weir.
- John McJougall.
- W. Strachan.
- Ubalde Garand, Cashier.

BRANCHES.

- Berthier...A. Gariépy.
- Hochelega...Geo. Dastous.
- Hull...A. Le Blanc.
- Lachute...H. Froot.
- St. Césaire...M. L. J. Lacasse.
- Louisville...F. X. O. Lacombe.
- Nicolet...C. A. Sylvestre.
- Pt. St. Charles...M. J. E. Wall.
- St. Jerome...G. Lavolette.

AGENTS AT NEW YORK.

The National Bank of the
Republic and Ladenburg,—
Thalman & Co.

**Union Bank of
Canada.**

Established 1865.

HEAD OFFICE: Quebec.
Paid-up Capital, \$1,200,000.

DIRECTORS.

- Andrew Thomson, President.
- E. J. Price, Vice-President.
- Hon. Thos. McCreery, E. Gironx, D. C. Thomson, E. J. Hale, Sir A. T. Gall, G.C.M.G. E. E. Webb, Cashier.

FOREIGN AGENTS.

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

BRANCHES.

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

MUNICIPAL DEBENTURES.

GOVERNMENT AND RAILWAY BONDS.

INVESTMENT SECURITIES.

BOUGHT AND SOLD

Insurance Companies requiring Securities suitable for deposit with Dominion Government or other purposes, can have their wants supplied by applying to

R. WILSON SMITH,
British Empire Building, MONTREAL

Debentures and other desirable Securities purchased.

FOR SALE.—The undersigned having received the appointment of Western Inspector for the North British & Mercantile Ins. Co. offers for sale his local Insurance and Steamship ticket agency business, which has been established and conducted by him during the past 20 years. This is an excellent opportunity for anyone wishing to secure such a business—and will be offered upon liberal terms. A person having had experience in the insurance business preferred—none but principals, and only those who can furnish unquestionable references dealt with, Address **J. C. NORSWORTHY, Ingersoll Ont.**

— THE —

EQUITABLE LIFE

ASSURANCE SOCIETY.

ANNUAL STATEMENT.

JANUARY 1, 1890.

ASSETS,	-	-	\$107,150,309.12
LIABILITIES,	-	-	\$4,329,234.92
SURPLUS, 4% -	-	-	22,821,074.20
“ 4½% -	-	-	29,063,684.00
NEW ASSURANCE,	-	-	175,264,100.00
OUTSTANDING ASSURANCE, -	-	-	631,016,666.00
INCOME,	-	-	30,393,288.25

H. B. HYDE, President.

SEARGENT P. STEARNS, Manager,
183 St. James Street, MONTREAL.

— THE —
THREE SYSTEMS
OF LIFE INSURANCE.

By MERVIN TAHOR, Actuary, Insurance Dept., Illinois.

I.—THE LEVEL PREMIUM SYSTEM.

II.—THE NATURAL PREMIUM SYSTEM.

III.—THE ASSESSMENT SYSTEM

- I.—Agents' Pocket Edition, printed on bond paper, flexible Russian covers, 240 pages. Price . . \$5.00
 - II.—Company Edition, bound in semi-flexible leather covers, 240 pages. Price \$2.50
 - III.—Library Edition, bound, English Cloth. Price \$2.00
- Having purchased several hundred copies of the balance of the above Editions, we will allow a Cash discount of 50 per cent. off the \$5 Edition, and 20 per cent. off the \$2.50 and \$2 Editions.

Every Life Insurance Agent should secure a copy at once.

FOR SALE AT THE

Insurance and Finance Chronicle Office,
MONTREAL.

TWENTIETH ANNUAL REPORT
OF THE
Ontario Mutual Life Assurance Company.

The twentieth Annual Meeting of the Ontario Mutual Life Assurance Company was held in the Town Hall, Waterloo, on Thursday, 22nd May, 1890. The attendance was both influential and representative.

The President, I. E. Bowman, Esq., M.P., having taken the chair, on motion, the Secretary of the Company, W. H. Riddell, Esq., acted as secretary of the meeting. Minutes of last meeting on motion were taken as read and confirmed. The President then read

THE DIRECTORS' REPORT.

Your Directors, while submitting their 20th Annual Statement for your consideration, have much pleasure in reporting to you that the business of our Company was more than ordinarily successful during the past year, and that the progress which has been made is substantial and satisfactory.

The number and amount of new policies issued, the number and amount of policies in force, the reserve held for the security of policyholders, the net and total assets, the cash income from premiums and interest on investments, the surplus paid to policyholders during the year, and the surplus over and above all liabilities remaining in hand available for future distribution, are all largely in excess of the previous year.

During the year 2,582 applications were received for assurance, amounting to \$3,006,050, out of which 2,085 applications for \$2,621,800 were accepted and policies issued thereon, and \$9 for \$124,500 were declined as not being up to our standard of selection. The remaining 208 applications for \$259,750 were not yet completed at the close of the year.

Our premium and interest income amounts to \$450,612.25, being over \$1,400 for each working day of the year, and showing an increase of \$55,200 over the previous year.

Our assets amount to \$1,488,167, showing an increase of \$174,314 over the previous year.

Our surplus, after making full provision for the necessary reserve and all other liabilities, is \$95,155, which will enable us to continue our liberal distribution among the policyholders.

The amount of assurance in force on the 31st of Dec., 1889, is \$13,127,400 under 10,299 policies, which is an increase of \$1,085,486 in the amount assured, and 901 in the number of policies in force at the close of the previous year.

The following comparison between our Fifth and Twentieth Annual Reports shows the progress which has been made during the past fifteen years. During that period our premium income increased from \$21,953 in 1874 to \$584,993 in 1889. The amount of surplus paid to policyholders from \$145 per annum to \$42,361 per annum. The amount paid for death and endowment claims from \$5,500 to \$117,351 per annum, and the amount of assurance in force increased from \$56,500 to \$13,127,400.

You will be called upon to elect four directors in the place of Alfred Hoskin, Q.C., of Toronto, E. P. Cle-

ment, Esq., of Berlin, James Trow, M.P., of Stratford, and I. E. Bowman, M.P., of Waterloo, whose term of office has expired, but all of whom are eligible for re-election.

The detailed financial statement prepared and duly certified to by your Auditors is submitted herewith for your information.

On behalf of the Board.

I. E. BOWMAN, President.

Printed copies of the Financial Statement and Auditors' Report for 1889, having been distributed, the President moved the adoption of the Reports. He pointed out the substantial progress made during the past year in every department of the business, notwithstanding the stringency in money which prevailed, and that the results achieved compared favorably with those of any other company doing business in Canada. The new work for the first four months of the current year showed that the Ontario still maintained its popularity; but what the management aimed at was rather the quality than the quantity of new business written. The agency staff was never more efficient than at the present time, and the prospects for 1890 were, therefore, very encouraging. He referred to the Company's investments which would be found to be first class in every respect; but he held that owing to the shrinkage in values, more especially of improved farm property, more than ordinary care was necessary in loaning out the funds of the Company.

Mr. Robt. Melvin, second vice-president, seconded the adoption of the Reports. He agreed with Mr. Bowman that business was not so much to be desired as quality, but he was pleased to be in a position to state that the business this company had done and was now doing embraced both these conditions.

Messrs. James Trow, M.P.; B. M. Britton, Q.C.; Robert Baird, mayor of Kincardine; Geo. Randall, wholesale merchant, Berlin; Jno. Marshall, wholesale merchant, London, and others having referred in terms of warm approval of the management of the Company's affairs, the motion was adopted amid much applause.

Messrs. Henry F. J. Jackson and J. M. Scully having been re-appointed by vote of the members present auditors for current year, balloting for four directors was proceeded with, resulting in the re-election of I. E. Bowman, M.P., Waterloo; Alfred Hoskin, Q.C., Toronto; and E. P. Clement, barrister, Berlin, and the election of the Hon. Wilfred Laurier, Arthabaskaville, P.Q., in place of James Trow, M.P., resigned.

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

THE
WYNDHAMPOOL & WOODMAN & GLOBE
 INSURANCE COMPANY.

1 DALE STREET, LIVERPOOL.

7 CORNHILL, LONDON.

Extracts from the Report for the Year 1889.

Fire Premiums, after deducting Re-insurances	\$6,740,285
Life Premiums	1,132,995
Interest derived from Investments	1,602,435
Net Income for the year	\$9,475,715

OR, SAY AN AVERAGE DAILY INCOME OF \$25,960.

Fire and Life Insurances effected on the most Favorable Terms.

LIFE DEPARTMENT.

All descriptions of Life Insurance and Annuities at moderate rates. Participating Policies, under table, payable at fixed age or previous death.

FOR THE QUINQUENNIAL ended Dec. 31, 1888, the LARGE REVERSIONARY BONUS of 35 per cent. per annum has again been declared, on sums assured under the Participating tables of the Prospectus, and provision made for INTERMEDIATE BONUSES during the present Quinquennium.

Policy-Holders incur no Liability of Partnership, and in the New Participating Classes receive NINETY PER CENT. OF THE PROFITS.

THE NEW CONDITIONS OF ASSURANCE give increased facilities for Residence, Travel, and Occupation—maintaining Policies in force. Reviving Lapsed Policies. Prompt payment of Claims.

INCREASE OF FUNDS.

Amount of Funds Dec. 31, 1889,—\$39,132,710	| Amount of Funds Dec. 31, 1884,—\$34,557,005
Increase in 5 years	\$4,575,705.

FUNDS.

After providing for the payment of the Dividend, and of all Outstanding Claims, Losses and Current Accounts against the Company, the Funds will stand as follows:—

Capital paid up	\$ 1,228,200
Globe Perpetual Annuity Fund	5,514,000
Life and Annuity Funds	20,080,620
General Reserve Fund, \$6,500,000	} 9,555,000
Fire Re-insurance Fund, 3,055,000	
Balance to Credit of Profit and Loss	2,754,890
Total of above Funds	\$39,132,710
Total Assets as per Balance-sheet December 31, 1889	\$41,952,455
The total Claims paid since its commencement, by the Company, after deducting Re-insurances, amount to	\$127,632,930

AUGUSTUS HENDRIKS, <i>Actuary and Resident Secretary in London.</i>	ALEXANDER DUNCAN, <i>Sub Manager.</i>	T. I. ALSOP, <i>Assistant Resident Secretary.</i>
JOHN M. DOVE, <i>General Manager and Secretary.</i>		

LIVERPOOL, May 21st, 1890.

HEAD OFFICE FOR CANADA, 16 PLACE D'ARMES, MONTREAL.

G. F. C. SMITH, Chief Agent and Resident Secretary.

LEGAL DIRECTORY

HATTON & McLENNAN,
ADVOCATES,
 British Empire Building,
 1724 Notre Dame Street,
MONTREAL.
 J. CASSIE HATTON, Q.C. FRANCIS McLENNAN, B.A., B.C.L.

BURROUGHS & BURROUGHS,
 Barristers & Solicitors,
 12 PLACE D'ARMES SQUARE, } **MONTREAL.**
 Telephone 1521.
 Chas. F. Burroughs, Com. 1513, W. Hubert Burroughs, B.C.L. 57.

MR. J. J. C. ABBOTT Q.C. D.C.L. J. B. ABBOTT.
ABBOTTS & CAMPBELL,
 Advocates, Barristers, Solicitors, &c.,
 No. 11 HOSPITAL STREET,
 P. O. Box 1903, **MONTREAL.**
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 SAVINGS BANK CHAMBERS,
 180 St. James St., Montreal.
 T. J. DOHERTY. CHAS. J. DOHERTY, Q.C.

ARCHIBALD, LYNCH & FOSTER,
 Advocates, Solicitors, etc.,
 Citizens Ins. Building, 181 St. James St.,
MONTREAL.
 J. S. ARCHIBALD, Q.C., D.C.L. HON. W. W. LYNCH Q.C., D.C.L.
 GEORGE G. FOSTER, B.C.L.

H. J. KAVANAGH, B.C.L.,
 ADVOCATE, BARRISTER, ETC.,
 Imperial Building,
 PLACE D'ARMES,
 Telephone 1131. **MONTREAL.**

JAMES GRANKSHAW, B.C.L.,
 Advocate, Barrister, Attorney & Commissioner,
 ROOM 64,
 Imperial Building, - **MONTREAL.**

N. GILBERT,
 Barrister, Solicitor,
 Notary Public, Conveyancer, Etc.
PICTON.

HENRY T. SHIBLEY,
 BARRISTER, SOLICITOR, &c.,
 44 Clarence Street,
KINGSTON, Ont.

J. H. SIMPSON,
 BARRISTER,
 SOLICITOR, NOTARY PUBLIC, &c.,
BELLEVILLE.

MORDEN & WILSON,
 Barristers, Solicitors, &c.,
 Solicitors for the Merchants' Bank.
NAPANEE.
 L. L. Mordaunt, W. G. Wilson.
 County Crown Attorney.

CHARLES RAYNES,
 ADVOCATE, BARRISTER, AND SOLICITOR.
 COMMISSIONER FOR ONTARIO AND MANITOBA.
 SAVINGS BANK CHAMBERS,
 180 ST. JAMES STREET, **MONTREAL.**

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 Barrister, Solicitor, etc.,
 Supreme Court and Departmental Agent.
 SCOTTISH ONTARIO CHAMBERS,
OTTAWA.

J. G. FORGIE,
 Barrister, Solicitor, &c.,
PEMBROKE.

JAS. CRAIG, B.A.
 Barrister, Solicitor, etc.,
RENFREW.

J. E. THOMPSON,
 BARRISTER, SOLICITOR,
 Notary Public,
ARNPRIOR.

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 Conveyancer and Collector,
TRENTON.

Macdonald & Macintosh,
 Barristers & Solicitors
CORNWALL.

C. H. STEPHENS,
 Advocate, Barrister, Commissioner, Etc.,
 1727 NOTRE DAME ST.,
MONTREAL.

H. W. DELANY,
 SOLICITOR,
TRENTON.

R. A. KELLOND
 Solicitor of
Patents & Expert,
 ALL BUSINESS relating to Patents, Trade
 Marks, Designs, etc., transacted.
 24 KING E., - - TORONTO.
 Pacific Building, Washington, D. C.
 AGENCIES:—All Foreign Capitals.
 HEAD OFFICE: 156 ST. JAMES STREET, MONTREAL.

McCARTHY, OSLER, HOSKIN & CREELMAN.
 BARRISTERS, SOLICITORS, Etc.,
 Temple Chambers, 23 Toronto Street, TORONTO.
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 H. B. Osler, Q.C. Wallace Nesbitt.
 John Hoskin, Q.C. H. Raymond.
 Adam R. Creelman, Q.C. Douglas.
 H. S. O.

ALFRED MONK, B. C. L.,
 Advocate, Barrister, Solicitor, Etc.,
 1725 Notre Dame Street,
MONTREAL.

GEO. F. CAIRNS,
 Barrister, Solicitor, Notary Public,
SMITH'S FALLS.

O. N. E. BOUCHER,
 NOTARY PUBLIC,
 COMMISSIONER, &c.,
ST. JOHNS, P. Q.

D. DARBY, B. C. L.,
 ADVOCATE,
WATERLOO, P.Q.

P. S. G. MACKENZIE, B.C.L.,
 Advocate, Barrister and Solicitor.
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Insurance written 1889.....	10,148,883
Annual Income.....	3,000,000
Assurances in Force.....	54,199,371
Total payments to Policy Holders.....	23,000,000

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Increase over previous year.....	1,085,488
New Assurances written in 1889.....	2,621,800
Increase over 1888.....	103,150
Cash Income for 1889.....	448,900
Increase over Receipts of 1888.....	55,826
Cash Paid to Policy-Holders in 1889.....	191,932
Increase over 1888.....	70,425
Assets, Dec. 31st, 1889.....	1,488,167
Increase over 1888.....	174,314
Reserve for Security of Policy holders, Dec. 31, '89.....	1,393,012
Increase over 1888.....	169,496
Surplus over all Liabilities, Dec. 31st, 1889.....	95,155
Increase over 1888.....	4,818

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