

BRITISH FIRE COMPANIES' BUSINESS IN U.S.

How fruitful a field for a number of the foreign fire insurance companies the United States has proven to be, is well known. This refers particularly to the actual premium receipts, although the losses have often been so heavy on account of conflagrations and bad building, and the expense ratios have been so severe by reason of taxes and obnoxious legislation of various kinds, that the actual profit can by no means be determined by the percentage of receipts. A number of the great companies which do a world-wide business obtain only a comparatively small percentage of their premiums in the United States. Others, as is pointed out by the *Insurance Age*, derive from 50 to nearly 80 per cent. of the premium income from that country. In the case of the Commercial Union, for example, which has a fire premium income of over 16 million dollars, its percentage of premium receipts from the United States amounts to but a trifle over 20 per cent. Another big premium taker, viz., the Liverpool & London & Globe, has been in that country so long and has made so much of a specialty of its United States business, that nearly 60 per cent. of its premiums come from that country. Other companies having large percentages of United States receipts are the London Assurance, the Caledonian, and the Scottish Union & National, the rest all dropping below 50 per cent. The two showing the smallest ratio are the State, which does a very small direct business, and the Yorkshire, which entered the United States for fire premiums only two or three years ago.

Company	World's Premiums.	U. S. Premiums.	Per. Cent.
Atlas	\$ 5,412,200	\$1,715,912	31.70
Caledonian	2,225,750	1,420,864	63.83
Century	364,487	178,236	48.81
Com. Union	16,193,520	4,581,745	28.29
Law. Un. & Rock	1,207,075	511,403	42.36
L. & L. & Globe	15,018,360	8,886,107	59.16
London Assurance	3,405,570	2,711,287	79.61
London & Lanc.*	8,226,275	2,661,548	32.35
N. B. & Merc	17,179,970	4,907,132	28.56
Northern	6,222,320	2,833,785	45.54
Norwich Un.	5,775,320	1,737,842	30.09
Phoenix	7,029,285	2,332,902	33.18
Royal†	20,028,904	8,562,256	42.75
Royal Exchange	4,198,035	1,916,660	45.65
Scot. Un. & Nat.	3,005,420	2,136,945	71.13
State	1,015,875	111,630	10.98
Sun	7,629,895	2,822,596	36.99
Yorkshire	2,005,815	374,533	18.67

*World's premiums include Orient, of Hartford.

†World's premiums include Queen Insurance Co.

The British companies which have been in the United States for any great length of time, observes the *Age*, have had an uphill road to travel, and especially in their early years, encountered many obstructions in the way of domestic hostility and the tendency to frown upon the advent of foreign institutions in the country. Of late the condition has improved and the direct attacks which were formerly made upon foreign companies are no longer prevalent, and in many cases have disappeared altogether, leaving them to do business on terms about equal with the companies of the United States.

The Bank of Toronto has opened a branch at Richdale, Alberta.

The Merchants Bank of Canada has opened new branches at Chateaugay, Que., and Limerick, Sask.

ARE MEDICAL EXAMINATIONS ESSENTIAL IN LIFE INSURANCE?

(William Alexander, Secretary Equitable of N.Y.)

It has often been said that if all the people who pass along the street in front of the office of a life insurance company should be insured, the death rate would be lower than among the policyholders who have been subjected to a rigid examination and have been pronounced satisfactory risks by the physicians representing the company.

This is probably true, for the majority of those who hurry along the street are vigorous and young; few invalids and no bedridden people are among them.

Sometimes action which is eminently conservative and safe startles the public by its novelty, and is at once characterized as radical and dangerous.

Such misapprehension is common when the action taken is contrary to some custom with which the people have long been familiar.

The offer of life insurance without medical examination is an instance of this.

To most Americans the idea of granting insurance without medical examination will seem reckless. For generations they have been led to believe that the safety of the whole life insurance fabric has depended on the protection resulting from medical selection.

And yet it can be readily demonstrated that, subject to certain reasonable conditions, the life insurance business can be conducted as safely without medical examinations as with them, for the following reasons:

All life insurance is based on the Law of Mortality, which is simply the Law of Average as applied to the duration of human life.

Life insurance charges are based on an expected death rate indicated by a reliable table of mortality, and if all the people of the United States should be compelled to insure, medical examinations would obviously be superfluous. This would be true also if all the people insured voluntarily. In either case the law of mortality would work with precision.

But the companies cannot force people to insure. They can only insure those who apply, and if they offered to insure without examination all those who saw fit to apply, most of the healthy people would stay away, and the invalids, including those with one foot in the grave, would flock to them. The result would be what is called "adverse selection;" and the death rate, instead of corresponding with the mortality table, would be excessive.

MEDICAL EXAMINATION A MAKESHIFT.

From all this it will be seen that the medical examination is simply a makeshift, to counteract by medical selection the adverse selection which would result if undesirable risks should be invited to come unchecked under the protection of the companies.

But the company with which I am identified, the Equitable Life Assurance Society of the United States, issues no insurance on the lives of separate individuals except subject to an examination. The only insurance written without examination by the Equitable is what is known as "group insurance." And whatever difference of opinion there may be as to the safety of insuring individuals without examination, no intelligent person cognizant of all the facts need question the safety or expediency of issuing group insurance without examination if proper pre-