

Correspondence.

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TORONTO LETTER.

Mr. Boomer convalescing.—Letting go the once much sought farm business.—Some of the alleged causes of its unprofitableness.—Mr. E. B. Harper and the Mutual Reserve—A Blazon of note.

DEAR EDITOR,

I am glad to say that Mr. James Boomer, manager of the "Manchester," is now convalescent after an attack of typhoid fever. It will probably be some two or three weeks before he will be able to resume his official duties, but his friends will rejoice to see him about again.

The abandonment by Companies, of that class of risks and business known as "Farm Risks" seems to be proceeding at a rapid rate. It seems to be generally admitted, or nearly so, that there is no money to be made by writing them at present rates, or even at any presently obtainable advance, and the best way therefore is to drop them altogether. It is not very long ago, in the seventies and eighties, when "the profession" went wild about such risks. The back townships were covered with travelling agents (expenses paid with a commission) soliciting three year farm risks. Illustrating this feature of the times, the story was told that during a wind storm a tree was blown down across a concession road, and in falling killed three Life agents, two Fire insurance agents and one sewing machine agent who happened to be passing by! In those days the ordinary applications were considered satisfactory, but as recurring losses, demonstrated that the household goods under one sum, farm implements and vehicles, under another with produce, live stock, etc., under the "ordinary contents" phrase, and no limits named, resulted in an undue proportion of loss, each Company prepared a detailed form of application for itself. Later the C.F.U.A., with the object of securing uniformity, evolved the present Farm Application, the use of which was made obligatory on its members for farm business. It seems that so far as this was to be a relief to the Companies, it came too late to render much service. The C.F.U.A. also made a rule to the effect that an extra charge of 25c per cent. be collected where a mortgage existed on a farm property. But the innocent farmer still keeps ahead of the companies, and some of them have given up the contest, and others are thinking of doing so, 1 % for 3 years or \$1.25 even does not tempt them to stay longer in this branch of the work. In the old days one and one and a quarter per cent. was the figure *per annum*. I do not believe there is hope of a profit much below these rates. The Mutuals, from the nature of their methods, stand a better chance of making a profit, where each one of the insured is also one of the insurers they exercise an interested supervision over each other, not obtainable by any stock Company.

The Agricultural of Watertown, N.Y., a Company specially organized and equipped to insure Farm and other three year dwelling house risks is one of the latest to drop these risks having on 1st instant ceased writing them in Ontario. The "Phoenix of Brooklyn" has followed suit. The "Quebec" stopped writing them eighteen months ago. The "Western" and "British America" still indeed are accepting them, but insist on the business being choice and select; other Companies, no doubt are adopting the same line. These are signs of the times. When for a series of years a special class of risks is found generally unprofitable, and paying rates cannot be got, common prudence says, stop writing them. The hard times, farmers with mortgaged farms, are said to be experiencing increasing frequency of thunder storms as the country is cleared of its growing timber, tramps, over insurance, and possibly "prompt payments" following not too severe investigation of the loss; all these combined are suggested as reasons why Companies cannot make money out of three year farm insurance.

Our old friend, Mr. E. B. Harper of the Mutual Reserve Fund, installed in the famous Red Parlor of the Queen's Hotel, Toronto, on the 6th inst., has been a shining star in Toronto skies for a few days. But I must abandon metaphor. The occasion of this visit was to be present at a banquet by that "great international organization" the M.R.F.I.A. The feast came off in the Queens on Friday the 7th inst., and was a huge success. The list of "invited" guests, I note, was immense, and comprised "the leading citizens of Toronto and Canada," as the report says. One feels that the list would have been more satisfactory if those *present* had been noted. Nevertheless, Divinity, Law, Medicine, Politics, Policy-holders and fellow-workers were well represented. What was called "the event of the evening" was the presentation of his own portrait in oil to Mr. Warring Kennedy, our mayor, and a great admirer of Mr. Harper. I should have thought the "great event" was the "big Ad" given the M. R. by columns of report in the daily papers and the general splurge. "Your beautiful City," "Magnificent reception," "Devotion to principle," "Final triumph of the M. R.," "The insurers are the insured and the insured are the insurers," "The Napoleon of Insurance." There was great store of good things solid and liquid, and, as you see by my extracts, many pretty things said. "Napoleon of Insurance" is especially neat, eh? "Final triumph" is not bad either. That means, I suppose, the overthrow of the "Canada Life" and Confederation Co. and such "old liners." I do not like to contemplate that much. It is too awful. One of the most touching things in the reported speech of Mr. Harper was where he solemnly says that he will never desert the M. R., not even if they nominate him for the governorship of New York State. I must close, hoping you will read the published proceedings for yourself; extracts do no justice to the whole scheme. I must, like the dinner, be taken as a whole.

Yours,

ARIEL.

TORONTO, Sept. 13, 1894.

Notes and Items.

The Chicago Grand Jury has found true bills against the anarchist incendiaries.

Insuring the safety, good condition of watches is another new fad, the annual premium to be \$3.

"Cheap Jack" life assurance is having a run in India, where the "pass-round-the-hat" system is thus styled.

A fire brigade telephone is carried to each fire in Cincinnati, which keeps the men in contact with headquarters.

Electrolysis caused by currents from trolley car wires is giving serious trouble in some places, by destroying water mains.

The Pioneer Life Assurance Co., of England which started to do a "natural" premium business, has reorganized on the level premium system.

Discrimination against colored persons is forbidden by an Act passed by the State of New Jersey in May last. No difference on account of color is to be made in premiums, or in any other matters. The companies, however, are at liberty to reject any applicants, so, in this way, the color line will be drawn whenever desirable.