

rary devotes two and a half pages of space to the throwing of further light on the "Ettinger Bureau," and which reveals some strange things in hitherto dark corners. Not only does it appear that the late Mr. Ettinger's prophetic genius enabled him to locate impending fires with such marvelous accuracy as to induce several of the companies to pay him well for its exercise, but that his ardent profession of attachment to his people—he being a Hebrew of the Hebrews—and his card, printed in Hebrew, so forcibly set forth his claims that "in two or three days he settles the hardest case," that his clients were led to impart confidential information which inspired his prophetic knowledge wonderfully. But the interest deepens when the *Chronicle* proceeds to make the charge that adjusters for some of the companies were very frequent "borrowers" of money and the recipients of "Christmas presents" from Ettinger, and that sundry members of the fire insurance patrol were bribed and acted regularly in the interest of the "bureau," and that attaches of the fire marshal's office, both in New York and Brooklyn, were evidently in the ring. The *Chronicle* very properly calls on the companies to investigate this whole adjustment business, which strongly argues that our contemporary knows whereof it affirms. We suspect that it knows much more.

THE SOMEWHAT PROTRACTED experience of the British post office in life assurance and in the granting of annuities has fully demonstrated the folly of government life assurance. While, during 1889, according to the postmaster-general's report, 1,119 annuities, altogether, were purchased, for which about one and a half million dollars were paid, the number of life assurance policies issued was 671 for an average of less than \$250 each! This is truly a proud record for that great government upon whose dominions the sun never sets. The other thirty-six million or so who did not take out government assurance are, we take it, quite as patriotic and quite as fully impressed with the greatness of the British lion as are the 671 who did. The fact is, Her Majesty's subjects are, as a rule, endowed with a good degree of hard, common sense, and they prefer to buy their life assurance of the regular dealers, just as they do their coats and hats. They believe that government has just as much business to engage in insurance as it has in horse-shoeing and no more, and they let it alone. How effectually the people do this appears from the statement, that several years of experiment all the government department of life assurance has to show for it is 6,504 policies in force, assuring \$2,326,205, on which the premiums are about \$75,000. Annuity-takers are a little more numerous, we believe.

IN CONNECTION WITH our analytical statement, found on another page, of the investments of the life assurance companies of Canada and the United States, a brief statement in the *London Insurance Post*, comparing the character of the investments of the German and French life companies, will be of interest. It is there shown that while mortgages comprise almost 72 per cent. of the assets of the former, the latter have

but 3½ per cent. in this class of securities. Of real estate owned, the German companies content themselves with 2.8 per cent., while the French companies have 23 per cent. Of government, railway and similar securities the German companies have less than 5 per cent. and the French companies over 52 per cent. Of course, under such an indefinite classification as "government, railway and other securities" we are not able to determine what portion of the large amount so designated as held by the French companies consists of government, and what of uncertain fluctuating securities of a miscellaneous character. The holdings, however, show clearly the German conservatism of the one class as contrasted with the French venturesomeness of the other class.

SOME TIME SINCE we called attention to the hazardous state of affairs at San Francisco, owing to the confessed inadequacy of the fire department, coupled with the unfortunate fact that without special legislation, which cannot now be had, the city is prohibited from spending any more money on the fire extinguishing service. The fire underwriters, in an impulse of generosity, proposed to contribute \$20,000 towards a total \$100,000, to help out in the emergency; but on sober second thought withdrew the offer very sensibly, which, practically, was of little consequence, however, as the balance of the \$100,000 showed no signs of materializing. The latest development is that the underwriters are expected to "lend" the city \$17,000 for immediate use, and the drumming among the citizens for additional funds is to go on. Of course if the companies lend \$17,000, or any other sum, to the city of San Francisco for fire department use, it is equivalent to a gift of that amount, although it has a different sound. If the citizens who own the property of San Francisco, and who alone are interested in its protection, cannot find means to equip an efficient fire service, the proper thing for the insurance companies to do is either to withdraw or to charge an increased rate to meet the hazard. "Lending" insurance money to a city which, pauper-like, is ready to pass the hat to the bystanders is hardly in the line of fire underwriting.

WHEN WE ANNOUNCED some five months ago, that the American Life Insurance Company of Philadelphia had been thrown into the hands of a receiver in a summary manner, without the knowledge of or consultation with its policy holders, as such, we predicted that it would be a long time before anybody, outside the star chamber of the court and its selected receiver, would know anything about its real condition. From week to week since that time the public have been told that Receiver Ritchie was straightening out affairs, and hoped within a short time to make a report, and by Fall to realize on a portion of the assets. Well, nobody has yet received any information or anything else, and it is now nonchalantly announced in the sleepy Philadelphia newspapers, that Mr. Ritchie "hopes" to be able to make a report by Spring. "The failure," he says, "occurred in May, and I should hate very much to see a year

elapse before we are able to file a report." How long, we should like to inquire, does it take, where accountants are plenty and cheap, to find out how the accounts stand of an undersized life company like the American? Its wreckers are at large and likely to remain so, though their whereabouts is well known, and the "winding up" process, after the usual manner of the practical receivership system, will go on for years.

#### THE RE-INSURANCE OF THE GLASGOW AND LONDON BY THE CITIZENS INSURANCE CO. OF CANADA.

In our issue for September 1, we briefly called attention to the last annual statement of the Glasgow and London insurance company, and pointed out the unpleasant fact that, counting the paid-up capital as a liability, and charging up 33 per cent. of the premiums as a re-insurance reserve, a considerable balance appeared on the wrong side of the ledger. We said that one of two things ought promptly to be done by the company, viz., either to call up more cash capital, or to seek re-insurance with some other company. The former course does not seem to have been in accordance with the views of the directors, and the other alternate has been chosen as regards its Canadian business, which has been purchased by the Citizens' insurance company of Canada. That business is large, the risks in force amounting, as given in the Dominion official report for 1889, to \$33,592,620. The net premiums collected in Canada for the year amounted to \$511,609. When it became known that re-insurance was contemplated as an alternative there was no lack of enterprising negotiators more than willing to take over this good-sized block of business. The Citizens', however, by the prompt action of its management, unanimously backed up by the board of directors, secured it.

That a Canadian company should re-insure the business of a British office is certainly a novelty in the insurance world, and is an achievement on which the company may be congratulated, and on which we all as Canadians may congratulate ourselves. As to the financial and underwriting ability of the Citizens' to handle this large accession to its business we have as a guarantee for the first a board of directors and a list of shareholders good for several times the amount of its nearly a million dollars of subscribed capital, while as a guarantee for the latter General Manager Heaton brings to bear energy, skill and experience, a trio of attributes which, when allied to pluck, invariably achieve success. Experience in taking over and handling similarly acquired business was the good fortune of Manager Heaton, during his connection with the United States branch of the London and Lancashire. The Citizens' is to be congratulated on securing with the business Mr. J. T. Vincent, for some time the joint manager and previously inspector of the Glasgow and London's Canadian business, and widely and favorably known, and with him Inspector Gelinis and the principal agents long

connected and familiar with the re-insured company's operations. We believe that the business will prove beneficial and profitable for the Citizens.

#### UNION OF THE ROYAL AND QUEEN INSURANCE COMPANIES.

For several days the fire underwriting world has been on the *qui vive* to discover the facts about the rumored consolidation of the Royal and the Queen insurance companies of Liverpool. At this writing it seems certain that the union is practically an accomplished fact, though on what terms and under what changes, if any, of administration this has been accomplished does not yet definitely appear. That no recent event in the underwriting world has created more interest and, we may say, surprise than this movement of two old and very strong companies we need not say. Organized in 1845, the Royal is by twelve years the senior of the Queen (which made its advent in 1857), as it is also the larger and stronger. Just why the Royal should seek this alliance, save for the purpose of adding to its already conspicuous greatness, it is difficult to see; though why the shareholders of the Queen should be pleased with the marriage proposal may be seen, when we remember that the dividends and bonus to shareholders of the former amounted last year to 58 per cent. of the paid up capital, while that of the latter, though a good round 20 per cent., was small by comparison. Whatever may have been the moving power behind the scenes, the fact remains that the consolidation will make the Royal one of the trio of giants in the underwriting world.

The assets of the two companies, consolidated, as reported in the last annual statements for 1889, will be as follows:—*Royal*—Paid-up capital, \$1,447,725; Life funds, \$17,365,570; Fire funds, \$1,000,000; General reserve, \$6,750,000; Profit and loss balance, \$1,103,635; Superannuation fund, \$140,608; Other assets \$1,803,437. Total, \$32,611,075. *Queen*—Paid up capital, \$900,175; Life funds, \$3,482,267; Fire funds, \$1,000,000; Reserve funds, \$1,390,000; Balance profit and loss, \$602,480; Other assets \$522,550; Total, \$7,897,472. Combined totals, both companies, \$40,508,547. When this consolidation shall have been consummated, the Royal will stand beside the Liverpool and London and Globe and the North British and Mercantile in magnitude. The comparative size will then be as follows:—

	Paid capital.	Total assets
Royal and Queen.....	\$2,347,900	\$40,508,547
North British .....	3,437,500	50,376,064
Liverpool & London & Globe....	1,228,200	41,952,455

The above total assets are as given in the balance sheets of the respective companies for December 31, 1889, and show mammoth proportions in each case. The funds of the Scottish Provincial, absorbed by the North British during the year, of course augmented the latter's assets considerably. If mere size were the great desideratum for fire insurance companies, then surely nothing remains to be desired by either the Royal or its two great competitors.