

getic members of the Order is voiced by the instructive and eloquent report of the High Chief Ranger of Minnesota, printed in another column of this issue, and which we regret lack of space prevents us from reproducing in full. The experience of the organizer he mentions as securing members with such facility under the new rates is the common experience of all our capable organizers.

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Our correspondents are requested in their esteemed communications to mark them with the names of the respective High Courts in whose jurisdiction their Courts are situate. This greatly facilitates classification. Please do not use too many picturesque local contractions without explanation. For just recently an R.S. sent in a brightly written account of "The W'gosis Foresters' Ball." By the time the Editor had with much erudite research discovered that W'gosis means Winnipegosis, the item was too late for publication.

The Tubercles of Old Line Insurance.

A couple of years ago insurance antiquaries were delighted by the publication of "Reminiscences of the Past Half Century," by Benjamin F. Stevens, President of the New England Mutual Life Insurance Company. Among the many interesting recollections that he has preserved, is the following statement of the commissions paid to agents at the time, April 9th, 1847, from which he dates his insurance life :

"There was no higher compensation to agents when I entered the service of the Company than *five* per cent. on the collection of the first premium of a policy, and two and one half per cent. on subsequent premiums, and an allowance of the actual expenditures of postage and printing letter-heads. No rent or hire of a room ever entered into the mind of the agent to ask or of the executive to allow ; they were men who took up the business as an adjunct to the law, perhaps, or to some other office business."

It would be still more interesting if we could trace the growth of this once modest commission to its present swollen and truculent dimensions. There are numbers of men still in the insurance business who can recollect the time, about a score of years ago, when the commission was still about 10 per cent. of one premium. But one day a company of gigantic enterprise raised the figure to 15 per cent. and started out to cover the whole field of risks like some insurance greyhound.

Unfortunately, it is with insurance as with ocean greyhounds, what one company does fast another must do faster.

It has now come to be a recognized rule that on a straight life policy the Company never fingers the first year's premium. In many cases the second year's premium is also tapped. The "great racers," as they call the big American insurance companies, must get business, and they are buying it at a price that makes profit a simple impossibility. To add to their difficulties the business is being corrupted by two insurance evils which experts pronounce to be incurable. "Rebating and Twisting," says *The Bulletin*, "are twins, or at least, brothers, both deriving their baneful origin from Commission, the father of almost every damning evil known to insurance."

As long as the commission percentage was low, an agent could be trusted not to give his customer a portion of his pay—a rebate. He needed the whole of it for himself. With high commissions rebating was rendered possible, even encouraged ; until now it has become an established phrase to speak of "the 85 per cent. off companies."

Twisting, the other brother, is the practice of ferreting out the policyholders of a rival company and inducing them to drop their policies and take out insurance with you.

The Twisters style themselves "the noblest missionaries in the field of true life insurance." But there is a mistake somewhere here. If you enter another man's game preserve and bag some of his wild fowl you are called a "poacher." The same act done in insurance makes you a "twister."

High commissions make a peculiar institution of rebating, and the rebate is the twister's argument. It is unnecessary for us to invent denunciations of the Rebater and Twister, we need only quote from a review of Life Insurance by Mr. John A. McCall, President of the New York Life Insurance Co., published last September.

"In my judgment the greatest cause of abnormal and improper lapse in the second year is the deplorable and indefensible work of the 'Lightning Agent' or 'Executive Special'—the Arch-Rebater.

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"The man who was tempted to take his insurance in the first instance because the agent submitted a proposition which appealed to the gambling instinct of humanity, a proposition which substantially offered to give him something for nothing, not only has no intention of paying the second premium, but he has been initiated into a vice which spreads like a contagious disease : it not only ruins him, but it contaminates and ruins his neighbor, and ultimately ruins the agent."