

seduce agents away from their old companies has been made for some time until quite recently. Of late there have been, here in Canada at least, mutterings, deep if not loud, that unfair tactics were being used by some companies to get away from competitors their best agents. The latest case, as stated to us on good authority, turns up in the Maritime Provinces, where an officer of one of the large American companies, in conjunction with the company's agent, sought out and made a direct and persistent effort to induce an agent of one of the best of the British life companies to leave his company and enter the service of the former. Tempting offers, however, we learn failed to seduce the tempted agent from his allegiance. Such tactics for getting agents are simply dishonorable, demoralizing and without excuse of any kind.

#### **The New England Exchange & Underwriting.**

RARELY, if ever, has the value of associated effort in the business of fire underwriting been brought out more forcibly than in the facts presented at the recent tenth anniversary meeting of the New England Insurance Exchange at Boston, by Mr. U. C. Crosby, its first president. After graphically sketching the ruinous scramble for business and general demoralization in New England previous to the organization of the Exchange, Mr. Crosby showed that as the result of that organization united effort and, in the main, harmonious action now prevails, resulting in the careful scheduling and rating of manufacturing risks to the number of 4,027, together with 561 summer hotels, besides the supervision by the Exchange of 119 local boards. The Exchange is composed exclusively of the men having charge of the field work, and its membership numbers 134. Mr. Crosby showed by statistics that while for the three years preceding the formation of the Exchange fire underwriting in New England was transacted at an actual loss, the ten years of its existence showed a profit of 5.45 per cent. The total premium income for the ten years was \$106,348,972 and the total loss \$63,339,082, the expense ratio being estimated at 35 per cent. More than in any other business united effort in insurance is the price of safety.

#### **Increased Mortality met by ample reserves.**

IT IS THE glory of scientifically adjusted and properly managed life insurance that while the amount of death claims increases in a company as the average age of the membership increases, there is no increasing premium payment called for, but rather a reduced payment. The reserve growth, under the influence of compound interest, keeps pace with the mortality growth, and helps to take care of every policy without burden to the holder. This fact is strikingly shown in the contrasted experience for 1891 of the British and American life companies. The former, 79 companies, had in force, in round numbers, \$2,300,000,000 of insurance, on which they collected about \$74,000,000 in premiums and paid death claims and endowments amounting to about \$55,000,000. The 29 American companies reporting to the New York department had

in force, in round numbers, \$3,861,000,000, and collected in premiums \$162,000,000, paying for death claims and endowments \$62,731,000. This shows that the claims paid by the British companies were equal to a little over 74 per cent. of the total premiums, while those paid by the American companies were equal to about 38 per cent. of the total premiums. Or, to put it in another way, the American companies, with over a thousand five hundred million dollars more insurance in force, paid only about seven and a half millions more than the British companies for claims. Both classes of companies are equally strong, but the latter, by reason of greater age and smaller proportion of newly selected lives, are meeting more maturing obligations. But they have proportionately quite as adequate a reserve with which to meet these claims as the younger companies have on this side, and will go right on paying all claims with ease to the very last policy. Meanwhile what will become of those who lean on the broken reed of assessmentism?

#### **LIMITING THE SIZE OF LIFE INSURANCE COMPANIES.**

There seems to be a very general if not universal belief on the part of our American friends that legislation, like certain patent medicine nostrums, is an unfailing remedy for all the ills that flesh is heir to. Just now there is a lively discussion going on in the insurance journals growing out of a tentative proposition made last summer at the convention of insurance superintendents, that a limitation be placed, by statute provision, upon the size of life insurance companies, and to which we have heretofore made brief reference. A meeting not long since in New York of the committee, to whom the question was referred by the convention, has given rise to the present discussion. The proposed legislation is aimed at the three big New York life companies, which have made and are making such rapid strides toward overshadowing greatness. The argument of the friends of limitation is substantially, that the possession of such an amount of assets as are held by the Mutual Life, for instance, (now not far from a hundred and seventy millions of dollars), confers a dangerous power, liable to be used for corrupt purposes or exercised disastrously by incompetent management. The methods proposed for the limitation of size, whether to prohibit the solicitation of new business or to limit the amount of assets to be held, are not material to the real merits of the question. Some of our contemporaries, notably *The Chronicle*, are in favor of the limitation scheme, some are on the fence, and some, the *Weekly Underwriter* especially, are distinctly opposed to it.

We confess to some surprise that anyone should be found to seriously advocate this compulsory limitation scheme. In this "monarchical" country such an arbitrary proposition would meet with discouraging disfavor at once. We are, however, happy to record our firm belief that public opinion will, upon mature consideration, never endorse the proposed legislation in any leading State of the American Union, and for excellent reasons.