

heretofore called attention to the growth of this long-credit evil on the Pacific Coast and the repeated attempts made by the Fire Underwriters' Association of the Pacific to correct it. Now we are told by the *Coast Review* that the evil is steadily growing greater, and that, "while some \$4,000,000 in premiums is the subject of unreasonably long credit, fully one-half this amount is always outstanding," and that "a goodly percentage of this amount is never collected." We do not do business quite so loosely as that in Canada, we are glad to know, but that the companies lose money every year, and a good deal of it, and help by long credits to demoralize agents, admits of no denial. Why not at once unitedly strike a blow for reform and stop a leakage which by inaction is sure to increase?

VERY NATURALLY, AND very opportunely, too, the National Association of Life Underwriters, which held its third annual meeting in New York last week, gave a good deal of prominence to the rebate question. In the address of the president, Mr. Raymond, and at more length in the specially prepared paper read before the Association by Mr. Geo. N. Carpenter of Boston, anti-rebate found able champions and outspoken advocates, while there was reported from the executive committee, and adopted, a resolution requesting the companies to "adopt such measures as will exclude from the business all agents who may hereafter persist in the practice of rebating." Now, this is all excellent—on paper—has the right sound, and, so far as the record goes, the National Association leaves little to be desired as to its attitude on this rebate question. The important query, however, is what kind of actual fruit will all this declaring and resolving bear? Will the manager or general agent who voted with a good deal of unction for the resolution, and was found in the amen corner when brethren Raymond and Carpenter proclaimed the gospel of anti-rebate, go home and deal severely with all offenders, or will he wink at the sly rebaters? Such things have been known before now. Let us hope that the sinners will hereafter find no mercy.

IN THE ROLE of claim-resister the Mutual Reserve Fund Life has long been famous. In New Orleans it is now defendant in a suit brought by the tutor of the children of one Guyol, who was insured in the association for \$5,000. Both the *Insurance Radiator* and the *Vindicator* of that city not long since published in their columns statements from Mr. Moise, the tutor above referred to, and also from the general agent of the Mutual Reserve, and commented on the case from the standpoint of public journals, as they had a clear right to do. And now, the Association, through its attorneys, has essayed the role of intimidator, by sending a threatening letter to the *Radiator* and the *Vindicator* of the bullying style, telling what it will do to these journals if it wins its suit. Neither of our contemporaries seem to scare successfully, however, but go right on with their comments. Of the merits of this particular case we do not pretend to judge, but would call attention to the fact that last year the Mutual Reserve resisted payment of \$81,100 of claims, and at the close

of the year had nearly \$280,000 "in process of adjustment." As it actually paid for claims \$2,290,108, it will be seen that those resisted amounted to \$3.54 for every \$100 paid. During the same period the three large level premium companies—Mutual Life, Equitable, and New York Life—paid for claims and endowments \$27,916,010, and contested only \$128,255, or 46 cents for each \$100 paid. As a claim-resister the fame of the Mutual Reserve is thus eight times as great as the above old-liners.

WE HAVE OBSERVED of late with regret a tendency on the part of certain British insurance companies doing business in the Dominion, to ignore the claims of resident underwriters to responsible positions connected with the Canadian management of the business, and the sending over here of men for the purpose from the other side. This we look upon, as a rule, as a short-sighted policy for at least two good reasons: In the first place, no underwriter trained under the traditions and system prevailing in Great Britain, however competent in that field, can for a considerable time become familiar with the methods pursued here and acquire that accurate knowledge of the men and the field in all its breadth of diversity necessary to the best results. However much such a man may know about practical insurance, he will necessarily have much to learn to adapt himself to this field, if, indeed, as sometimes proves to be the case, he is not too self sufficiently wise to learn. Again, such importation of managerial talent is unfair to Canadian underwriters. Results show that no better or more competent underwriters exist anywhere than are to be found in Canada; and it is poor encouragement indeed for such to feel that the business which they have spent years to understand is to be committed to those who, so far as local knowledge and adaptation to existing conditions are concerned, must commence where they years ago commenced. A word to the wise ought to be sufficient, and we trust that the tendency referred to may be only of the most exceptional kind arising under exceptional conditions.

INVESTMENTS OF THE LIFE COMPANIES.

As we have repeatedly pointed out, it is a matter of very grave concern that the life insurance companies of the United States seem to find it necessary to invest their funds so largely in miscellaneous stocks and bonds. Railway, and telegraph and transportation companies securities, and bank stocks, are not the most desirable securities for trust-funds designed for the protection of the distant future to tie to. Municipal debentures, school bonds, and kindred securities are comparatively safe, while real estate loans, properly made, are also of the same character. We appreciate the difficulty of investing more than eight hundred millions of dollars of assets in gilt edged securities, but the importance of the subject is not lessened by that fact. It will be found on examination that about 40 per cent. of the total assets of the United States companies are invested in first mortgages on real estate, about 9.5 per cent. in municipal and kindred bonds and government securities, while about 27 per cent. is invested in miscellaneous stocks and bonds subject to daily quotation and