

resolution of the National Convention of Insurance Commissioners, recently held at St. Louis, advocating fire inquests by the State, with a view of checking the waste, and a Bill is promised to effect this, "government interference seeming a necessity," in view of the inability of insurance companies, notwithstanding the resources at their command, to protect their capital from the depredations of "such of their policy-holders as foist upon them total loss claims for over-insured and unmarketable property," though knowing them to be fraudulent. It will not be forgotten that a move in this direction was attempted not long ago in Ontario, but resulted in nothing practicable.

A singular feature of New York insurance law, arising in part from a difficulty (which recent retirements of companies have increased) in securing adequate insurance protection for certain risks, is the provision for the placing of such risks by licensed brokers (of whom there are now 13) in companies not licensed to do business in the State. An affidavit has to be filed with the Department that sufficient protection cannot be had within the State, for such and such a risk, and it may then be placed elsewhere. Turning to the list of individuals and firms which have filed such affidavits in New York county (city), they run up to over 2,400. One cannot but be struck by the number of names of Hebrew origin, for they form 60% or over of the whole. (The "Cohens" and their derivatives number some forty odd names, while the Goldsteins and Levis are far behind). Probably some underwriters would assign another explanation than the preponderance of property in the hands of "Israel" for this curious circumstance.

Altogether, Supt. Pierce draws the lesson from the year's business that steps should be at once taken to reduce the fire waste, and that in so doing the Legislature would be acting not alone in the interests of insurance capital, but of the public at large.

ASSESSMENT ENDOWMENT ASSOCIATIONS.

For the benefit of people who are still solicited to join such fake concerns as the "Iron Hall," and "Septennial Leagues," and "Progressive Benefit Endowment" societies and the like, we append a statement made by the Hon. Insurance Commissioner Merrill, of Massachusetts, in a letter to James F. Pierce, Superintendent of Insurance for New York State. The letter was written from Boston on February 1st, 1892:

"Of the fifty-six corporations organized under the original statute, passed in 1888 (and soon afterward repealed), fourteen have already gone into the hands of a receiver under the order of the court, or have voluntarily made assignment in bankruptcy. Against three more similar proceedings have been had, and undoubtedly within ten days these will be added to the list. The list includes, without exception, every one of these corporations which have to this date reached the period of maturity of certificates; not a single corporation which has begun to meet its

obligations but is now in the hands of the law, having its affairs closed out. Besides, this list includes one seven-year organization, three five-year, and one three-year, not any of which had any matured obligations."

On the 10th March, Hon. Mr. Merrill appeared before the Insurance Committee of the Legislature of Massachusetts and gave an address relative to the above corporations. He showed that of the supreme officers of these orders, ten were already in jail, twenty under indictment, and twenty more rusticated in climes more congenial. He had received letters from over five hundred of the deluded members of these societies, and had been appealed to in person by five hundred more. The talk about fraternity in them was pretty much all moonshine. Of those now in bankruptcy five were five-year orders, one seven-year (like the Iron Hall), and two of them ten-year orders. If these concerns could not be shut out altogether (as the new fraternal bill of Hon. Mr. Mowat's Government is to do for this province), Mr. Merrill thought they should at least be placed under as careful restrictions as the regular companies were. Endowment concern officials who had recently made away with \$30,000 had been let off with a paltry fine of \$200, simply because the law provided for nothing more. Every such order should be compelled to collect a full reserve, and to place it where it would be safe and productive.

The last Massachusetts benefit order to go out of business was the Prudential. It commenced business February 1st, 1890, and on March 16th, 1892, went into insolvency. Its certificates, if matured, would call for \$200,000, while it is doubtful if it had that many cents on hand at the date of throwing up the sponge.

Our local Government has not taken action any too soon in preventing such concerns from operating here, whether of the native or foreign species. The assessment principle is all wrong as applied to insurance, as will be seen more clearly hereafter. These short endowment orders do less harm, owing to failing up so quickly, than will be done in the end by the assessment societies whose certificates only mature at death. The longer they continue to operate upon a wrong basis, the larger the number of innocent victims who will be enrolled, or who will become dependent upon them, and consequently the greater will be the final disaster when it comes.

CHIGNECTO SHIP RAILWAY.

A meeting of shareholders in this company was held in London on March 1st, when a statement of the company's affairs and the condition of the works was made. The chairman said that the Canadian Government had declined to make any advance of the subsidy due when the road was completed, and owing to the stringency of the home market the debentures had not been sold, but the suspension of the work would be for a limited time only. Sir Benjamin Baker made a short address on the mechanical condition of the road.

Mr. Kethum, who stated that he had come to England for the purpose of attending the meeting, explained that he left the works in perfect order. There were twelve miles of

single track of the railway laid, and a very short time—perhaps six months—would finish all the grading and all the masonry. "The prospect of traffic was very good, because the tonnage on either side within the sphere of traffic was increasing at the rate of 400,000 or 500,000 tons per annum, principally coasting trade. The line of steamers from Charlottetown to Boston made but one trip per week, but when their railway was opened they would be enabled to make two journeys. The risks were absolutely at an end." A meeting to further consider questions connected with the work was to have been held on Monday last.

INSURANCE NOTES.

An agent of the Prudential recently tried hard to induce a policy-holder to retain his policy. He succeeded in getting him to hold on for six weeks, after he had concluded to let his policy lapse. The rest of the story is told by the agent as follows: "He insisted that the money would not be needed for several years at least, and that to carry a policy was only throwing money away. I offered to buy an overcoat from him in order that he might have the money for his policy, but he maintained that it was not only the lack of money which caused him to give it up, but a conviction that insurance in his case was unnecessary, at least for the present. The day after this last conversation, as he was out upon an errand, he was struck by a train of cars and died within three hours."

We learn from the *Sarnia Observer* that Jas. A. Russell, of Forest, will shortly move to Chatham, and will make that town his future home. Mr. Russell has been appointed district manager for Essex, Kent and Lambton, for the Manufacturers' Insurance Company.

At a meeting of the Summerside, P.E.I., town council, held last week, it was decided to build two wooden tanks to hold 20,000 gallons. A resolution was carried that owing to the poor protection from fire, a tank be placed at the eastern end or near Hanover street.

So-called endowment concerns which promise their certificate holders a trip to the World's Fair, the companies standing all the expenses, is the latest in the "catch penny line." Boston is their principal headquarters.

The Supreme Lodge of the Ohio Beneficial Society, of Cleveland, has assigned. Its assets are about \$30,000 and its liabilities about \$60,000. It is a one-year benefit Order on a basis of \$150 on a \$3 assessment, or proportionately on lower assessments, and includes a sick benefit clause. Its members are mostly in Cleveland and Northern Ohio, and its assets are wholly funds. This Order had a large membership in London, the resident agent at which city succeeded in introducing the scheme in many other places in Canada.

There are, says the *Winnipeg Free Press*, thirty-two insurance companies in that city at present, both fire and life. The proposed tax, if it becomes law, will necessitate the sum of \$6,400 being paid by them into the city coffers.

We learn with much regret that Mr. Robt. McLean, secretary of the Board of Fire Underwriters, is very seriously ill with an affection of the lungs, a consequence of *La Grippe*. His condition is such as, at his advanced age, gives but faint hopes of his recovery. Underwriters and business men generally will, we are sure, unite in wishing that Mr. McLean be spared a while longer to attend to his responsible duties.