

MUTUAL WORKMEN'S COMPENSATION INSURANCE A ROPE OF SAND.

A mutual company on the basis permitted by the New York law will be a "rope of sand," say Messrs. Weed and Kennedy, of New York. It begins without a dollar of assets that may be called its own. It may mortgage its future by borrowing; the inevitable expense account will almost certainly require such a loan. It may begin as soon as it has forty employers as members, provided they employ at least twenty-five hundred persons. If one member of the forty should withdraw, the company must not grant any more insurance until another employer qualifies and joins. The superintendent of insurance may order the funds increased. How can the company comply? By making assessments on the members. It has no other resource.

An extraordinary catastrophe may cause very heavy expenses for surgical treatment, perhaps for funerals. Where is the money to come from? More assessments on the members—and the young widows are to draw, every week as long as they remain widows, perhaps fifty or more years, two-thirds of the wages their husbands would have drawn had they continued working. Meantime the company must build up and maintain unimpaired the Unearned Premium Fund, often called Reinsurance Reserve—a sum great enough to pay return premium on every outstanding policy if it should be cancelled. You may say such a demand never will be made. Doubtless; but the amount must be kept ready. You cannot use it to pay losses or expenses. Further, it must accumulate and set aside, as a special reserve, funds to pay, year after year, the compensation liabilities for injuries incurred. Posterity will have its own responsibilities. Each generation must provide security for its own damages.

DOUBLING THE PREMIUM.

We draw attention to the following provision in Section 189 in the law relating to mutuals:

"The corporation may in its by-laws and policies fix the contingent mutual liability of the members for the payment of losses and expenses not provided for by its cash funds; but such contingent liability of a member shall not be less than an amount equal to the cash premium written in the policy." The mutual company may double your premium at any time. Not a word is said as to how much more the assessment may be.

A member may become dissatisfied, and wish to get out. The employer who is obliged to pay those widows—and other dependents—will not wish to get out. Some of the others, who have not been unfortunate, may become tired of paying so heavily for accidents of other concerns, with the law requiring such payments to be continued for indefinite periods. Well, a member may cancel his policy and resign his membership. But, for another year after resigning he must pay his share of all assessments made to pay compensation in cases where accident or death occurred previous to his resignation.

SALARY-HUNTER ABROAD.

The salary-hunter is already abroad, and the enthusiast ready to snatch at every new thing, tried or untried, that promises a saving. Such a man is born every hour. He tells you of the success of "The New England Mutuals" in fire insurance. He fails to remind you that eighty-five out of every hundred

mutual companies fail, and of the fifteen others only a few are very successful. Many such mutuals in this State have failed or voluntarily quit.

But success of a fire insurance company, stock or mutual, does not create a presumption that a compensation insurance company will prove successful. Methods, principles, rates in fire insurance had been developed and worked out centuries before "The New England Mutuals" started. Principals, methods and rates in compensation insurance are not yet worked out anywhere. Our friends among employers would better let others do the experimenting.

ENGLISH METHODS ADVOCATED.

In an address before the New York State Association of Supervising and Adjusting Fire Insurance Agents, F. H. Wentworth, of Boston, secretary of the National Fire Protection Association, advocated the adoption of the English system of public inquiry into causes of fires. He said:

"In England a fire is treated as a violent death is treated in many of our States—a coroner immediately impanels a jury. The main object is to locate the responsibility for the fire; but the secondary object, the education of the people, is perhaps the more useful of the two. A fire is always a dramatic incident, and a public inquiry into its cause will not fail to attract an interesting throng of people. At our present profligate rate of fire waste twenty or thirty juries would be continuously in session in various parts of the country. If an average of fifty persons were present at each of these inquiries, listening to the testimony as to what caused the fire, what the fire did, what sort of carelessness, if any, was responsible for it, we would have an admirable school giving daily instruction to our people on matters in which our present ignorance is positively criminal. Our national fire waste for the first six months of the current year is already nearly \$100,000,000—a colossal and wicked impoverishment of our created resources. Our whole people, man, woman, and child alike, in every walk of life, must be educated, and this English method begins at the bottom. It is not a pleasant thing to face a stern company of twelve men and explain why you did not take reasonable precautions to prevent your house catching fire. Such an experience makes one think, and makes all the witnesses to it think; and that is what we need—to give actual thought to a matter of extreme economic and social importance."

MANUFACTURERS LIFE'S NEW OFFICIALS.

Mr. W. G. Gooderham has been elected president of the Manufacturers' Life Insurance Company in succession to the late Sir George W. Ross and Mr. E. R. C. Clarkson, a director in succession to the late Mr. George A. Somerville.

The Manufacturers' Life thus secures for its administration, gentlemen of ripe business experience who are widely known and highly respected. Mr. Gooderham is also president of the Canada Permanent Mortgage Corporation, and also first vice-president and a director of the Bank of Toronto. Mr. Clarkson is a director of the Canada Permanent Mortgage Corporation.

The Company is to be congratulated on the new appointments to the Board which it has been able to make.