DISHONOURABLE COMPETITION IN LIFE INSURANCE BUSINESS.

Between the business of life insurance and most others there is one vital distinction. If two manufacturers who make a similar article each declare that his own product is more reliable than that of his rival, the demand for that article is not decreased if it is one in much demand as saleable. Their competition keeps down the price of it within the limits of a trade profit, sometimes even below this standard, to their mutual injury, but to the enlargement of the consumption of the article of which they are rival makers. Probably the competition results in the quality of the product being improved in both establishments, as the struggle incites both to efforts to introduce some specially attractive feature in his goods, or to reduce the cost of manufacture, so as to enlarge his sales at his less ingenious rival's expense These conditions justify the saying: "competition is the life of trade." A number of illustrations could be given to show how rivalry has stimulated invention, encouraged skill and developed the consumption of certain goods. These conditions are not parallel with or akin to those of the life insurance business. The basal rock on which insurance is built, or, to vary the metaphor, its tap-root from which the insurance plant draws its life, is the confidence reposed in the promises made by a life insurance company in its contracts, or policies, being fulfilled. Insurance may be said indeed to live upon the credit it inspires.

In this feature insurance enterprises are very analogous to banking, as they both live and move and have their being in public confidence. It necessarily follows from these considerations that whatever tends to disturb confidence in life insurance is damaging to the business. If from rivalry a manufacturer disparages his competitor's goods, the buyer can handle the goods so disparaged and critically judge of their value. That class of goods is not damaged because one maker slanders those he does not supply. In regard, however, to insurance, the article, so to speak, supplied by all the companies is beyond the critical judgment of the public. Whether the conditions of one company are really more favourable than those of another to the particular person contemplating an application, is a question of which few outsiders can form a correct judgment. The weight in the scales that decides them is usually of a personal nature. If, however, some agent or other official of a life insurance company throws discredit upon the reputation of companies which he does not represent, he is almost certain to engender doubts as to the whole business of life insurance, for few indeed are competent to judge between the claims made by such a disparager and those of other companies. Such an agent or official has practically rested the company he represents upon his own individual character in contrast with that of rival agents. If then in any community this practice of disparaging rival companies is generally adopted, the public are practically invited by the insurance agents to place no confidence in the business, as every company there represented is attacked by those who claim to be judges. When all those outside the sphere of insurance interests see all those who are within that sphere throwing mud at each other, accompanied by a chorus of warnings addressed to every outsider to avoid all the contestants save one, the spectators and audience must conclude that to stand aloof is desirable. The question becomes natural; What reliance can be placed on life insurance as an institution when each one who represents its interests declares all who are engaged in the business, except himself, to be unworthy of confidence? Soliciting agents who attack companies with which the one they represent is competing are apt to find such attacks rebound on themselves like a boomerang. Respect acts reciprocally. He who desires to enjoy esteem and confidence must exhibit them to others. There is a community of interest in the honour and the reliability of life insurance as a system and as an institution which is shared by all who represent this form of beneficient enterprise. Whoever systematically attacks rival companies weakens confidence in his own, for there is such a solidarity of the interests of life insurance as to make damaging attacks upon one company by a rival to some extent prejudicial to all.

THE RETIREMENT OF FIRE COMPANIES.

One of the invariable results of any business enterprise proving successful is the entrance of rivals into the same field. Traders and capitalists generally are drawn to profitable areas as flies are to suitable food. When a mine is yielding good returns the miners do not usually abandon operations. How comes it then if fire insurance is such a bonanza, as some affirm, that so many companies retire? Certainly there is no record of any enterprise being given up because its proprietors were tired of accumulating so much money. Over fifteen fire companies have given up business this year on this continent and several in England; several others are likely to retire ere long by being absorbed by older and more substantial companies, as several have done this year that found the present conditions of fire underwriting unsatisfactory to the smaller enterprises operating in a restricted field. A small company is necessarily limited in its choice of risks; hence the temptation is strong to enter upon a class of business for which its re-