

is simply to lend force to my theory, that if a rebate be allowed to one man, it is a gross inequity to all others who do not receive an equal advantage, and therefore it lends emphasis to the charge that rebating in itself is a vicious and unjustifiable practice. In considering this subject of "Rebating and the Rebater," I have not sought to shield the companies from the measure of blame that attaches to them by reason of the fact that rebating has grown out of methods that they adopted or originally sanctioned. But this fact does not relieve the rebater himself from blame by any means. His action is tricky and dishonest, and he knows that it is so. Under certain conditions it is even criminal. In the Province of Ontario, within defined limiting conditions, such action is absolutely criminal. It is also contrary to law in twenty or more of the States. Considering therefore the position of the rebater as opposed to the law, we find that at best he is simply an undetected criminal, and as such is deserving very little of the misplaced sympathy that has unfortunately been bestowed upon him in some quarters. The very least that can be said about him is that he is a trickster, and that he wilfully and deliberately resorts to practices known to be detrimental to the quality of the business he gives to his company, and for which he is paid in honest money. Nevertheless there are those who defend him, and I am sorry to say that such defence has been no little encouragement to those who are persisting in rebating, and render it difficult for the companies to suppress it. I cannot see that the rebater is entitled to the slightest sympathy in the world, and am utterly astounded that there can be found in the ranks of life insurance, those who are willing to stand up in his defence, or are disposed to condone his offence. If we would curb the mad race for business, we should deal a severe blow at the system of rebating. Just as soon as the present unrestrained conditions of competition are abandoned, just so soon will the system of rebating be on the wane. If with pains-taking fidelity we educate our agents to a knowledge of the inevitable result of rebating, we may be sure that the most intelligent and the brightest and best of them will abandon it of their own volition, and will heartily co-operate with us in our effort to bring their offending brethren to conviction. The true way to suppress rebating involves either a reduction of the commission compensation paid to the agent, or a distinct change in the method of payment—or both. If this be impracticable or inexpedient, then perhaps a compact between the companies is the next best thing, but it certainly can never constitute such a radical and effective remedy as the exigency of the occasion really requires. Nevertheless, if such compacts be brought about, agents are pretty sure to understand that the companies that withhold their ratification are very likely to be secret encouragers of rebating, and therefore it is extremely advisable that the companies should be practically unanimous in their action. In such compacts the punishment to be meted out to an offending agent should be exemplary, and should not be tainted by injudicious leniency. If rebating be an offence, criminal in its character and in its tendency, then should the punishment be fitting to that of any other criminal

act, and such as is calculated to make a lasting impression upon the offender and others who are cognizant of the offence. Inadequate as such compacts may be, there is no doubt in the world that they can work for good in one direction. Even if they do not absolutely suppress rebating, they throw it into disfavor among all honest men, and compel all those who persist in practising it to do it on the sly, under the cloak of secrecy, and with fear and trembling lest they be "found out."

THE ROYAL INSURANCE COMPANY.

The Annual Report of the Royal Insurance Company, which we publish in this issue, will be read with the highest satisfaction,—we might say indeed with exultation by all who are fortunate enough to have interests associated with a company occupying so regal a position of dignity and strength. Its course reminds us of a vast war steamer whose weight and extension enable it to move majestically along, without answering to the waves which are causing lighter craft to show in their movements every rise and fall of the waters below. The operations of 1895 in extent and results were exceedingly gratifying. The fire premiums of the year, after deduction of re-insurances, amounted to the enormous sum of \$10,248,125, which exceeds the Jubilee year by \$86,125. The net losses reached \$5,685,845, being 55.48 per cent. on premiums. This is a very low ratio of losses, considerably indeed below the average for a number of years, the percentage since 1845 being 60.61. So very moderate a loss ratio indicates prudent and skilful underwriting over the whole field, which is practically the whole civilized part of the World. Deducting agents' commissions and all management expenses, the surplus on the Fire business, which was carried to Profit and Loss, amounted to \$1,235,115. At the close of 1895 the Fire Fund stood at \$4,640,000, the Reserve Fund \$7,911,970, the Life Fund at \$24,449,740, the Annuity Fund \$1,258,220, the Superannuation Fund \$225,865, the Capital was \$1,878,510, and balance in Profit and Loss \$3,593,425; these, with \$217,115 as perpetual insurance account, make the total resources of the Royal Insurance Company at close of 1895 \$44,174,845, an increase over the return of 1893 of \$4,124,185. The management of an insurance company having such a vast accumulation of assets, with an annual income of \$13,217,835, which is over \$40,000 a day the whole year through, demands underwriting, financial, and executive ability of the highest order, in which respects the Royal has from its inception in 1845 been highly favored. The report of the Life Department is especially gratifying. The new proposals accepted amounted to \$5,721,795, which exceeds the new business of 1893 by \$1,568,390. On these new proposals the sum of \$221,775 for premiums had been paid in when the accounts were closed for 1895. The total premium income of the Life Department, after deducting re-insurances, was \$2,090,610. The death claims were for original amount of policies \$1,248,560, and for bonus additions thereto \$240,360,—that is, the accumulated bonuses in the life policies of the Royal amounted to an average of close