

light of a fire to the chagrin of some of these co-insurers.

The foregoing are some of the occasions upon which a knowledge of other insurances may be of importance to an insurance office during the currency of its own policy. And, as was said above, just why an office may not "require" such information from the insured at any time, we are unable to see.

#### THE CREDIT FEATURE IN LIFE ASSURANCE.

In our last issue we took occasion to consider the interesting subject of credits as extended by the fire insurance companies of the United States and Canada, and to point out some of the objectionable features of the practice. We herewith present some facts and reflections concerning the credit feature belonging to life assurance as being both interesting and profitable. The importance of the subject will be seen from the statement that over \$28,000,000 of the admitted assets of the life companies of the United States and of Canada, including branches of British companies in Canada, consist of uncollected and deferred premiums and notes on premium account. Of course loans on companies' own policies as collateral do not enter into this account. Of the amount named, about \$12,000,000 belong to uncollected and deferred premium account and \$16,000,000 to note account. It is beyond question that to some extent these two items must appear in the transactions of any wide awake, vigorous company seeking both to get new and to hold its old business, for, as in any legitimate business, there are cases where short credit accommodation may be wisely extended. The difficulty, however, is, that what should be regarded as exceptional, and warily practiced, has become common, and under the pressure of competition and the optimistic pleading of the agent credit is freely given without sufficient reason.

The consequences of the credit system are a source of much perplexity and no little expense to the companies in various ways. The bookkeeping, and the correspondence, and the collection expense incident to the carrying of \$16,000,000 of notes representing premiums due are items fully comprehended as among the unprofitable and annoying features of the life assurance offices. Besides this, the companies are charged with the reserve as a constant liability on the policies kept in force by promises to pay, a certain percentage of which will never be paid, the risk for months having been carried for nothing, to say nothing of the complications arising under the credit feature, and enemies made to the company for attempting as a last resort to force the collection of just indebtedness. In order to more clearly show the existing facts as to credits in life assurance, we have figured out from the official reports some percentages which are herewith presented. The results for 1889 are compared with 1879, showing the tendency to increase or decrease. The figures given show the important relation of promises to pay and uncollected premiums, combined, to total assets. We may remark, however, that in making the ratios for the Canadian business of the British companies

they have a little advantage over the Canadian companies, for the reason that the assets in Canada represent somewhat more than the amount naturally belonging to the business here, some of the funds drawn from the old country being invested here, and of course included in assets. The difference, however, cannot be a large one. Following are the results collated—

	Percentage of Uncollected and Deferred Premiums to Total Assets, etc.	
UNITED STATES BUSINESS.		
1889	1879	
New York State Companies.....	02.39	01.41
Companies of Other States.....	05.79	01.68
Average, American Companies...	03.82	01.55
CANADIAN BUSINESS.		
Canadian Companies.....	04.81	10.52
British Companies, in Canada.....	02.26	02.57
Average, Companies in Canada...	03.97	07.61
General Average, all companies.....	03.84	01.58

It will be seen that the United States companies show a decided increase in the credit feature of their business, while the Canadian companies and British branches show a large decrease, notably the former. The total credit percentages of the Canadian and United States business for 1889, it will be seen, are almost identical, showing substantially the same present practice in the life business on this continent. We submit that this aggregate credit is larger by far than it ought to be, and that the tendency to increase among our friends over the line is unbusiness-like and calls for a change of policy, while there is also plenty of room for improvement nearer home.

#### SOME FIRE INSURANCE STATISTICS

At the twenty-fourth annual meeting in New York last week of the National Board of Fire Underwriters, the president, Mr. D. A. Heald, made an exhaustive report crammed full of suggestive facts and tables such as he so well knows how to collate. We herewith present an extract which epitomizes the tabular results admirably. We also make room for the aggregate portion of one of the many tables, which will be scanned with interest. In our next number we hope to find room for other statistical tables, including the branches of Foreign companies. We quote from the address referred to:—

The statistical tables, which have become a special and most important feature in our annual reports, are again submitted. They embrace the experience of 33 New York State companies, 214 companies of other States, 22 foreign companies—291 companies in all.

Referring to the tables themselves some changes in the business will be noted; and though the ratio figures may differ but slightly, compared with those of previous years, they will be found when applied to the great aggregate to be full of meaning, and deserving of more than the passing notice of an hour's address.

DAVIDSON'S.

The average dividend to the stockholders of 26 American companies during 1889 was 9.98 per cent, a gain of .95 of one per cent. over 1888, and while exceeding those of the four previous years yet falls below the average of thirty years.