

REGULATING THE PUBLIC ADJUSTER.

In Canada the business of public adjuster—the self-styled “adjuster for the assured”—has not, up to the present, made a great deal of headway. But since it is notorious that this business is frequently accompanied by grave evils in the form of frauds upon the public, it is by no means too soon to follow the example of some of the States to the south of the boundary line and pass legislation which shall ensure that only trustworthy and competent persons engage in the business. Locking the stable door after the steed is stolen is a poor policy at best, and is inexcusable when examples of the thief's work elsewhere can be readily obtained.

The honest, trustworthy public adjuster could have no objection to offer to such legislation as that passed in the early part of this year in the State of New York, and would probably welcome such legislation since the possession of his license would serve as a certificate of his competence and trustworthiness and would protect him from the competition of incompetent and dishonest persons in the same line of business. Under the New York legislation, public adjusters are required to secure a certificate of authority before they can engage in the business, and to pay an annual license fee of twenty-five dollars. The superintendent of insurance has power to revoke the license if after investigation he finds that its holder has violated any of the provisions of the act, has made a material misstatement in the application for a license, has been guilty of fraudulent practices or has demonstrated his incompetency or untrustworthiness to transact the business of a public adjuster. In addition to the loss of license a fine of \$500 can be imposed for violation of any of the provisions of the Act.

Applications for a license to act as public adjuster must set forth fully the antecedents of the applicant so that the Superintendent of Insurance can judge of both his honesty and his capabilities. Legislation of this kind passed by the various provinces would be, if properly administered, a real protection to the insuring public and particularly to that portion of it which by reason of its lack of knowledge of insurance affairs is otherwise likely to provide “easy pickings” for a dishonest or incompetent “adjuster for the assured” who poses as the insured's friend and champion against the tyrannical insurance company. The matter is one that might well be taken up at the present time.

The Bank of British North America has opened a new branch at Prince George, B.C., under the management of Mr. J. Munro.

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The shareholders of the Metropolitan Life have unanimously approved the plan for the mutualisation of the company. Policyholders will meet to consider the matter on December 28.

MISMANAGING STATE INSURANCE.

Opponents of State insurance in its various forms can hardly complain of lack of material with which to point their morals and adorn their tales. In a great many cases those administering these schemes seem determined to give their opponents plenty of ground for criticism of mismanagement. The latest instance in point comes from New York State, where the Superintendent of Insurance has forbidden the mutual compensation companies to pay a dividend upon six months' experience and indicated that no proposals for dividends will be approved until after the mutual companies concerned have been operating at least a year, and have been examined by the department to see that dividends are justified. This is admirable but at the same time, as a result of six months' experience, the State fund proposes to reduce its rates as from January 1st next. What is sauce for the goose is evidently not sauce for the gander in this case.

Apart from the incongruousness of the situation some of the more sober minded of the State scheme's friends are taking objection to the proposed drop in rates on the ground that it would be prudent to accumulate a surplus before any reduction in rates is made. In view of the generally-known facts regarding the long period of time which is necessary in order to realise the full strength of the loss ratio in workmen's compensation insurance, prudence would seem a mild term in this connection. Reduction of rates on six months' experience only is more like mismanagement.

From the point of view of opponents of State insurance schemes, it is to be hoped that the New York's State fund's rates will be reduced as proposed. It means by so much the hastening of the day when the State fund will find itself in financial difficulties, and another brilliant example of State mismanagement of the business of insurance will have been secured. A perfect example of the irony of retribution would be seen if the companies, shepherded by a paternal insurance department go on and prosper, while the State scheme, neglecting to practise the prudence which the State preaches to others, gets into difficulties as a result of its contemplated reduction of rates.

PRUDENTIAL'S MUTUALISATION.

In an overwhelming manner and by a vote conservatively estimated as representing about one-half of the total of 5,000,000 or 6,000,000 persons eligible to ballot on the subject, the mutualization of the Prudential Insurance Company of America was approved on Monday, December 7, by the policyholders of the big corporation. Only 208 votes were cast against mutualisation while 940,797 offered themselves by proxy and in person as in favor of the movement to mutualize.

The Bank of England's official rate of discount was continued yesterday at 5 p.c.