

is necessary for the protection of those who need legislation the most as well as for the reputation and protection of thoroughly reliable companies. Life insurance has grown to vast proportions in a comparatively few years, and is yearly gathering into its hands additional millions of capital, the aggregate accumulations of all the life companies of the United States at the present day being estimated at \$400,000,000. With this enormous aggregation of capital in the hands of the insurance companies, it eminently behooves the law-making powers to exercise every possible care that the interests of the millions of poor, whose hard-earned savings make up this enormous fund, are fully protected. This protection in so far as it relates to American companies is not now given, however, in any adequate degree, by the statutes of the United States or of Canada. The policy holder may not be quite so defenceless as the Indiana Superintendent made out, there is quite a general impression that he is completely at the mercy of the insurance company. The policy, or contract between the parties, is one of those deeply mysterious things which is completely beyond the comprehension of the average man. It is formed with all the cunning of skilled experts who have given years to the study of life insurance as a professional specialty. The object in every case is to present to the insured the most attractive scheme possible, and to then so bind him down in the policy with adroitly worded and ingeniously planned conditions, as to increase the chances of the company's coming out ahead in the end to a point that gives the insurer small show of profit from his investment. "The policy binds the holder as with a chain of riveted steel, and the company with a rope of sand." Irresponsible, and not unfrequently unscrupulous, solicitors present the schemes and policies to the unwary with such favorable interpretation as is needed to convince them that the special scheme presented is better than all others—knowledge of his full rights and of the duties of the company to him cannot possibly be possessed by the insured where his contract is so hedged about with conditions. But once the holder of a policy, a man finds himself about in the same tempting position to which the bunko gamblers lead their prey—he is always on the point of breaking the bank but still constantly putting up more money to save that which has gone before. How often the life insurer wins in the end may be gathered from the fact that but little more than seven per cent. of the policies issued in the United

States ever reach maturity, and of the total number issued nearly seventy per cent. terminate every year. In the year 1874, 144,783 policies were issued, and 152,555 were terminated, and only 8,555 of those by death. The holders of the 144,000 terminated by other causes than death had to accept the companies' calculation of the surrender value of their policies, for in many cases the failure of payment absolutely forfeits the policy. Year after year people there grow more distrustful of life insurance, and it is seen how it is already gone to that stage of discredit that the number of policies issued last year was less than the number terminated. Can not insurance capitalists see that their business is ruined if something is not done to stop the progress of popular dissatisfaction? The original aim of life insurance was solely the payment of its policies; the present aim is in reality too often the enrichment of the men who run the machine. Mutual companies as well as others drift into this channel and run on the same commercial basis on which ordinary business undertakings are conducted. They should never be money-making machines, and so long as they are such the temptation will remain to swindle the policy-holder when the smallest possible excuse offers. The Indiana Superintendent is right in the main, however wrong he is in some of his details, and the laws of the country should provide that protection for the policy-holder which is now denied him in the one-sided contracts entered into. When leading American writers speak thus plainly of their own institutions it is high time that they required a little looking after on this side of the line.

INSURANCE SUPERINTENDENCE.

The majority of our subscribers are no doubt aware that at the last session of the Dominion Legislature an Act was passed, authorizing the appointment of an Insurance Superintendent. We had intended to have given in this issue a synopsis of this Act, and of what the person holding this important position is required to do; but press of business has prevented our carrying out our intention. We would only now say that many companies are wondering that not a single visit of inspection has yet been made, although the incumbent has held his office for several months at least. How many inspections, if at all thorough, he expects to make before Parliament meets, we are at a loss to know. We refrain from making any further remarks at present, but we certainly shall look for some action on the

part of the Superintendent. Either there is work to do in inspecting, or the office is useless.

PHOENIX MUTUAL LIFE INSURANCE COMPANY.

In consequence of the publication of sundry letters and criticisms on this Company by the *New York Spectator*, the general agents in this city wrote to Mr. Stedman, the Insurance Commissioner of Connecticut, for his opinion as to the position of matters, and received the following satisfactory reply—

OFFICE OF THE INSURANCE COMMISSIONER,
STATE OF CONNECTICUT.

HARTFORD, Oct. 4th, 1875.

Messrs. Simpson & Bethune, Montreal.

GENTS,—The Phoenix Mutual Life Insurance Company of this city is *sound and reliable beyond all question*. The management has my entire confidence, and I am satisfied will have that of every one doing business with them.

Yours truly,
JOHN W. STEDMAN,
Insurance Commissioner.

Messrs. Simpson & Bethune understood the whole matter, and were satisfied there was nothing in it to affect the Company financially, and took the above course to satisfy the public.

In the *New York Times* of the 5th and 10th inst. we have observed that the *Spectator* is spoken of as "levying toll" on Insurance Companies, and a receipt is published from them for \$5,000 from the Knickerbocker Life Insurance Company of that city. The Knickerbocker having been *written down*, was *written up* by the *Spectator* for the above consideration. We understand that the whole loss (if any) to the Company will not exceed \$50,000, and they have made a gain in investments one way or other of upwards of \$70,000, so that there will be no real loss arising out of the transaction, which was a mortgage loan in Washington, D. C. The Company's last statement, January, 1875, shows over \$10,000,000 of assets, and a surplus, after providing for reinsurance and every other liability, of nearly a million—in which case the loss cannot possibly have any injurious effect.

The Phoenix has done business in Canada now for nearly ten years, and has paid over \$200,000 in death claims with promptitude and satisfaction. There is a deposit at Ottawa for \$130,000 in United States Bonds, redeemable in gold in 1881, and it has loans on policies in Canada for nearly as much more.

In 1871 the *Spectator* made a violent attack upon one of our leading Life com-