

heroic measures, if need be, for the permanent sheathing of the rebate knife which cuts so "dangerously near the bone." As a tonic, calculated to still further strengthen the laudable purpose of the reforming officials, we have thought it well to present in a condensed form from the official reports the steady climbing up of the expense of life insurance management in the United States for the past thirty years. We have consulted the New York Reports, and base our conclusions on the experience there recorded of the companies, as a whole, excluding, however, the industrial companies. And first, as to general management expense to total income. In this expense we have included, as compared with total income from all sources, all expenditures, excepting such as have been incurred on policy account, such as death claims, endowments, surrendered policies, dividends on policies, etc. We give results for five-year periods as follows:—

Year.	Total Income.	Total Expenses.	Ratio.
1862	\$ 7,440,491	\$ 871,867	11.72
1867	56,481,997	9,480,443	16.78
1872	117,306,029	18,006,861	15.35
1877	86,162,144	13,327,565	15.46
1882	85,070,134	13,338,788	15.67
1887	123,629,820	22,349,836	18.12
Total....	\$476,090,615	\$77,375,360	16.25

This is the record for twenty-five years. Going back, however, to 1859, the date of the first of the New York insurance reports, and making a total average down to 1887, we find as follows:—

29 Years.	Total Income.	Total Expense.	Ratio.
1859 to 1887	\$ 1,734,589,860	\$ 273,004,920	15.73

As will be seen, expenses in 1887, five years ago, began to increase, and have moved upward until, in 1892, we have an average ratio of 20.12, against the average of 16.25 for the above 25 years. The record for each of the past five years is as follows:—

Year.	Total Income.	Total Expense.	Ratio.
1888	\$ 138,458,050	\$ 25,669,712	18.54
1889	158,669,960	31,174,291	19.65
1890	175,381,318	35,255,311	20.10
1891	187,935,560	37,629,712	20.03
1892	198,667,954	39,961,461	20.12

It thus appears that in ten years the average ratio of expense has increased almost five per cent. for all the companies, while, if the records of certain individual companies of leading positions were considered alone, the increase would be found to be greater. That this increase is due to agency expense will appear from the following comparisons of the expense on agency account to total premiums for three periods:—

Year.	Total Premiums.	Agency Expense.	Ratio.
1883	\$ 70,529,158	\$ 7,766,980	11.12
1887	93,933,550	12,589,943	13.29
1892	137,808,116	22,014,975	15.98

Now, here is an increase in commissions and agency expenses in eight years of nearly five per cent., and since 1887 of more than two and a-half on more than a hundred millions of premiums. And the increase of agency expense to *new premiums* has been a good deal larger than to *total premiums*, showing where the increasing burden belongs. This will appear on further examination. Now, if we allow five per cent. on all-around renewal premiums as a legitimate charge belonging to agency expense, we think we shall be mak-

ing a very liberal allowance, for we doubt if the average renewal commission now reaches that figure. In 1887 the renewal premiums amounted to \$69,525,957, and the new premiums to \$24,407,593. Deducting 5 per cent. on the renewals from the total agency expense of the year, which expense was \$12,589,943, and we have remaining \$9,113,646 commission and agency expense of getting the \$24,407,593, of new premiums, or 37.34 per cent. Treating 1892 in like manner, and we get the following comparison for the two periods:—

Year.	New Premiums.	Share of Agency Expense on New Premiums.	Ratio.
1887	\$ 24,407,593	\$ 9,113,646	37.34
1892	33,345,311	15,801,839	47.35

Here, then, we have since 1887, soon after which the great strain for "big business" commenced to intensify, an increase of about ten per cent. in the commissions and agency expense of getting new business. That the business of life insurance will not stand such an increasing mortgage on its resources is, we think, finding pretty general recognition, and that in some influential quarters there is a disposition to get back to a safe and legitimate ratio of expense is a hopeful sign of the times. Agents begin to realize that their own interest, as a matter of dollars and cents, lies in accepting from the companies such compensation as can safely be allowed, and *getting the benefit of it themselves*, instead of getting an enormous commission and giving away half or two-thirds of it! We are aware that the actual expense of getting new business stands at a higher average than the above, but owing to generalizations in the statements of many companies, by which certain agency expenses are hidden, we can only treat with definite figures as stated. For the purpose of comparison, however, the above figures tell a true story.

#### THEFT AT AND AFTER FIRES.

The following query has been propounded to us, and an opinion upon the subject requested:

Will you kindly inform the writer as to the liability of the Insurance Company where goods were stolen during the progress of a fire in a building wherein the stock of a country store was insured; one of the conditions of the policy was as follows: "Not liable for loss by theft at or after a fire." After the fire, quite an amount of the stock was missing, which evidently had not been burned. Would the insurers be liable for such missing property?

In response to our querist, we would say that "losses by theft at and after a fire" constitute a very perplexing question for the adjuster, because of the difficulty of ascertaining just what portions of a stock may have been burned and what were stolen. The probable amount of stolen property at fires will depend materially upon the kinds of property at risk, and the facility with which it can be concealed, and carried off, undetected, and the vigilance of the police force and owners at the time of the fire. Large amounts are frequently thus stolen out of broken stocks, as clothing, boots and shoes, and such like, and especially in cases of liquor and cigar stocks, which everybody seems to look upon as public property, and to help themselves accordingly. In the days of volunteer fire departments the firemen were accustomed to help themselves freely to anything that they could find. We call