

THE HARTFORD LIFE AND ANNUITY INSURANCE COMPANY.

This company, as most of our readers are aware, has for some years been doing business chiefly on the co-operative or assessment plan. It was founded in 1867, apparently with the hope that it would be able to reap the benefit, to some extent, of the success which other Hartford companies had achieved, both in the fire and life insurance business, by business ability and long and hard labor, and which had made the city which gave them birth famous over the whole continent as the home of successful insurance enterprise. These companies were known among a large section of the public merely as "Hartford Companies," and the Hartford Life and Annuity sought to take advantage of this ignorance of the public, and to gain thereby a standing which it was not entitled to. Its success in this direction, however, has been but very moderate. Its assets even now amount to but little over a million dollars.

Seeing that their Company was thus comparatively a failure, its officers looked around for some other way by which they could draw money into their coffers. They decided to begin the co-operative or assessment business, and to make use of the funds they had gathered in the business of legitimate life assurance as a bait. The public are not aware that the large figures which they see advertised are not available for the protection of the holders of the co-operative policies. There is a "Safety Fund Department" from which alone these claims must be made. And some of our American contemporaries have pointed out that even this much-lauded "Safety Fund," from which so much is expected, has not been honestly administered, for a large deficiency exists in it already.

When will the public learn that assessment societies are no more magicians than Life Assurance Companies are. They cannot make money out of nothing. If all the members of the Hartford or any other co-operative society are to receive \$1,000 at their death, it is evident that on the average they must pay \$1,000 each, if they keep up their membership till death. There is no other place for the money to come from. There are no reserves with the compound interest on them to help it out. A young man of twenty is expected to live about forty years, and to make up the \$1,000 he must pay for death assessments alone an average of \$25, which will be increased by the expenses to at least \$30. A life Assurance Company would be willing to issue him a policy at a uniform premium of about \$14. Where is the inducement then to go into a co-operative?

Inducements are held out, however, in the direction of greater cheapness. And for the first few years the policy holder does pay somewhat less, but he has to pay dearly for this cheapness before he is through. Among a lot of recently selected lives the mortality will of course be light, but in a few years the benefit of this selection wears out, and at the same time the age of the members increase. Deaths become more numerous and assessments heavier. Fewer new members join now than formerly. Claims become heavier, and at last the healthy members find they can get assured even in a regular life company for the rate they are now paying. The membership consequently falls off rapidly until only the old and sickly members remain. The Society falls to pieces, and those who have paid most, and those who have lost their chance of assuring in a regular company are per-

haps ruined. What inducement is there then to join a co-operative? A regular Company in reality charges less and gives *assurance* while a co-operative gives only promises.

But it is not with the financial soundness or rottenness of the Hartford Life and Annuity Company or of its plans of Assurance that we have to deal particularly. It is an American Institution, and if it confined its operations to the United States we could safely leave our American friends to deal with it. But it is well known that it is doing a large business in the Maritime Provinces of the Dominion. It has of course made no deposit with our Government or in any way complied with our laws, made for the protection of Canadian assurers. Its agents are therefore liable to the penalties imposed by the Consolidated Insurance Act of 1877, viz., \$1000 fine, or six months' imprisonment, or both, for every policy delivered or premium collected by them. Prominent among these agents in Nova Scotia is, we believe, an ex-clergyman. It is a great pity that such men should by their actions so bring the name of religion into disgrace. For in the case of such a man there are only two suppositions possible. Either he knows that he is acting in direct and flagrant violation of the laws of the land, and that he is moreover doing so for the purpose of drawing them into a company which offers them no security and by which they are almost certain to lose; or, if he does not know this, he is criminally ignorant. Let him choose which horn he will have.

We would strongly recommend our life companies to unite and make an example of some such man. It would be beneficial both to the business of legitimate life assurance and to the public. We believe that from a legal point of view the case would be very strong indeed. The subterfuge by which co-operatives generally escape the law is that they are not Life Assurance companies but benefit societies; but this cannot be said of the Hartford Life and Annuity: by its own charter, name, and general business, it is declared to be a Life Assurance company. The courts of its native state, as well as those of others, have also, we believe, declared this to be so. Why, then, do not our life companies unite and stamp it out in this country? We see no reason why they should not, and we strongly urge this course on them. Shall petty jealousies be allowed to prevent action for the general good?

THE STANDARD FIRE INSURANCE COMPANY OF HAMILTON.

Another instance of the exquisite sense of honor displayed by this Company, is its treatment of the municipal business tax, imposed on and paid by all Fire Insurance Companies doing business in this city. The annual tax is \$400, and \$57.50 additional was charged as the tax on the property occupied as offices by the Agent of the Company.

Mr. Black, the City Treasurer, informs us that the Company not having paid this amount, a seizure had to be made on their office; the result, so far, being that out of \$457.50 they realized the large sum of \$27.50.

Now if a wealthy Corporation like the City of Montreal fails to get more than about 5 per cent. of the amount owing to it, even after proceeding to law, what proportion may a private individual expect to realize? We notice that the City of Montreal is not on the list of Corporations which "endorse" the Standard Fire Insurance Company.