

laws of the State where organized; has filed its annual statement with the secretary of the grand jurisdiction where located, and also with the Sovereign Grand Lodge; and has obtained from the latter, as well as from the Grand Lodge, a certificate of recognition. The organization is also required to print upon its policies the statement that all the foregoing requirements have been observed. Extensive operations have heretofore been carried on by life insurance associations in the names of Masonry and Odd Fellowship, though neither confining their membership to these orders nor in any way officially endorsed by them. Similar regulations to the above, if promulgated by the supreme bodies in Masonry, would at least serve to draw the line between actual and pretended insurance for the benefit of the fraternity. The world does not take kindly to misleading labels, even though they may chance to enclose a fairly good compound.

THE LIFE UNDERWRITERS' ASSOCIATION of Philadelphia has done two good things: It has defined the term "broker," as applied to life insurance, to be "a man whose chief business is other than life insurance, and who obtains applications for life insurance only occasionally." Having fixed the status of the broker, the Association then laid down a basis of commissions proper to be allowed, by recommending a flat commission of 35 per cent., plus one fifth of the difference between that figure and the flat commission paid respectively by the companies or their general agents to regular agents. Thus, it will be seen, that if regular agents receive 50 per cent., one-third of the difference between that commission and 35 per cent. will be 5 per cent., which makes the broker's full commission 38 per cent. The agents' rate being more or less, the brokers' rate will be in the above proportion. The recommendation was ratified by the signature of every company's representative in Philadelphia. This uniform definiteness ought to work well elsewhere.

IN THESE DAYS of sharp competition and multiplied hazards it requires genuine underwriting ability, born of actual experience and native talent, at the head of an insurance company, whether fire or life. Figure-head presidents and titled directors, chosen on the theory that "prominent names," irrespective of insurance knowledge or experience, will be potent to conjure success, are turning out to be very poor investments, and for that matter always have been. More than one insurance company which has joined the long procession of "has beens" could be named as having died mainly from ponderous figure-headism. The ability to write magic initials after one's name or a title before it does not help a president or a director in the least to understand the intricacies of hazard and rate problems or mortality tables, nor endow him with executive ability. Insurance figure-heads, we are glad to say, are not so common as they once were, but there are still a few left, specimens of mummified respectability, who occupy official positions, look wise, draw big salaries, and though posing before the public as the

responsible heads of companies, trust the real management, about which they know nothing, to subordinates. As some one has aptly remarked, cypher-head perhaps would be a more accurately descriptive term for such than figure-head.

THAT INORDINATELY LARGE commissions are at the root of the rebate evil is too apparent to require demonstration. The evil has grown in exactly the same ratio that commissions have grown. Just here we desire to whisper in the ear of the agent, that when we advocate a reduction of commissions as a remedy for rebating, we are incidentally working also for the distension of his pocketbook. We should like to have him realize, what sometimes he strangely seems to forget, that a moderate commission of \$100, retained, will buy a good deal more bread and butter than half of a \$150 commission will, which is quite as much as the average rebater puts into his own pocket. The glory of being "in the swim" for an enormous new business, so as to beat the "other fellow," may have its attractions, but as few men can afford to work for glory—especially of somebody else—hard cash is better. On the authority of the Massachusetts reports, the *Weekly Underwriter* says, that in 1891 the expenses of the life companies to mean amount insured were ninety-six hundredths of one per cent., against sixty-nine hundredths in 1876, a relative increase of nearly ten million dollars. Does anybody doubt that most of this increase was due to increased commissions? Did the agents profit by it? Ask them. We have not observed that the average agent is making any more money than he did fifteen years ago. Then why play at this foolish game of give-away?

AS WE ANNOUNCED at the time, the present board of trustees of the New York Life insurance company last summer refused to pay the pension of \$37,500 voted to ex-President Beers in February last upon his retirement from the presidency of the company. After various negotiations between the parties, it was mutually agreed to refer the case for decision to the New York Supreme Court, general term, and that tribunal has now announced its decision, which is adverse to the claim of Mr. Beers. The court holds that the compensation, which was under a contract not for a stated term but for life, was beyond the powers of the board of trustees. If they had power to make a life contract with Mr. Beers, they had the same right to make similar contracts with every clerk and other employee of the company. Under its charter the entire board is changed, through annual retirement of a certain number, every four years; the trustees represent the whole body of policyholders, and have the right to pass upon appointments and methods of administration from time to time, and a particular board cannot forestall their right of action. Besides, the compensation was clearly intended for services already rendered, for which the recipient had received \$75,000 a year, and not for adequate service to be performed. Neither could Mr. Beers be a party to a contract with himself. Though not voting as trustee,