

Insurance in the United States.

(Exclusive Correspondence of The Chronicle.)

Problems of the Workmen's Compensation Business— New York Likely to have Proper Building Code— The Prudential's Surplus—Personal and Company Notes.

The subject looming most largely in insurance circles in this city and country, is that of employers' liability and workmen's compensation. Owing to influences and experiences brought to bear from the other side of the water, this country is stirred to its foundations upon the question of the relationship between employers and the workingman. As is well known, heretofore the matter of compensation for employees in case of injury has been taken care of through employers' liability insurance. It looks now as if the various States would many of them adopt the same kind of law which has been passed in the State of New Jersey, and which is rather a workmen's compensation law than a question of employers' liability. However this may be, it is undoubtedly true that the companies will still be called upon to do the actual insuring, and while it is now uncertain on what basis the business may be established, it is likely that sooner or later a fair arrangement will be made between the companies and the large employers of labor.

PROPOSED BUILDING CODE FOR NEW YORK.

It is very gratifying to the fire insurance men of this city that a building code is likely to be adopted which will be satisfactory, safe, and which will practically embody the main ideas originally proposed by the fire insurance men. As we have before stated in this correspondence, the matter of the passage of a proper building code for New York City has been held up at various times on account of reasons political and personal, and which largely concern manufacturers and dealers in various kinds of material who brought their influence to bear upon the common council. As stated, however, it seems likely now that an ordinance will be passed compelling the adoption of building regulations which will be satisfactory to the underwriters, and which will very greatly add to the safety of the public.

AN IMPORTANT DECISION.

A recent notable event in life insurance circles is the decision of the courts to the effect that the Prudential Insurance Company, well known all over this country and Canada, will be allowed to distribute something like \$20,000,000 of its surplus to policyholders. This plan was proposed by the company several years ago, but an action was brought by certain stockholders to prevent this distribution on the ground that a surplus should accumulate for the benefit of those who own the shares of the company. This now places the Prudential in a very favorable position so far as its policyholders are concerned.

NOTES.

The annual meeting of the National Board of Fire Underwriters will be held in this city on May 23. In consideration of his services to the fire insurance business, Mr. U. C. Crosby, until lately United States manager of the Royal Exchange Assurance, has been elected to honorary membership.

Among recent visitors in this city, was Mr. H. T. Lamey, manager at Denver for the Western and British America Assurance Company, of Toronto.

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Manager E. G. Richards, of the North British and Mercantile Insurance Company, is making a Southern tour, following his attendance at the meeting of the Western Union, at Atlanta.

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Among recent departures for the other side are President John R. Hegeman, of the Metropolitan Life, Manager John A. Kelly, of the General Accident, and P. D. McGregor, of the Western Department of the Queen Insurance Company, of New York.

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Vice-President E. H. A. Correa, of the Home Insurance Company, is absent on a trip to the Pacific Coast, where he will spend several months.

QUERIST.

New York, May 7, 1912.



THE INSURANCE OF LARGE VESSELS.

(The Times, London, April 19.)

In view of the fact that most marine insurance companies have considerable lines on the hull of the Titanic, some interest attaches to the views of the London underwriter of a Canadian office, who, though he had, under a contract, lines on the Titanic and other large vessels, had been steadily re-insuring them for several years.

Asked yesterday to crystallise his views, the underwriter stated that he always had a dislike to hull insurances on very large vessels more particularly because stranding must necessarily bring about a heavy claim on the policies, as there are no tugs afloat that could take such an enormous weight off the ground. He considers that the question of docking was also a vital matter, as he believed there were no docks on the other side of the Atlantic capable of taking a vessel of such great size as the Titanic—and very few docks in Europe. Again, if a vessel such as the Titanic had got into trouble which entailed docking, she would probably have a list which would make the process of docking a very hazardous one.

His third reason for reinsuring was that "these mammoth passenger liners have such an enormous amount of electricity in use all over the vessel that an accident of any sort might lead to over-running or short-circuiting, which might cause a fire sufficient to bring about a serious claim, if not a total loss of the vessel, especially if the fire raged in the portion of the boat devoted to the first-class passengers."

These views are interesting, and that insurances on very large vessels are not considered to be without drawbacks is shown by the fact that at the meeting of the Alliance Assurance Company on Wednesday, it was stated that the office had only £5,000 on the hull. It is by no means certain that many other important insurance companies would see any advantage in disclosing the extent of their liabilities. It should be remembered, however, that there are disadvantages in every risk, and that underwriting is really a question of quoting suitable premiums to meet the estimated amount of risk.