

NEW YORK INSURANCE LETTER.

New York, April 2, 1902.

In fire insurance the rate question is, of course, the all-absorbing topic just at the present time. It is hoped and expected that the increase in rates, while not nearly so extensive as usually supposed, will bring the receipts of the companies up somewhere near to the point of profit. It is to be remarked in passing that it would seem that the companies are committing a grievous error in raising the rates in this city any more at the present time. The rates here have been gradually advanced, and this field has been so profitable for the last two or three years that a further increase would probably be neither safe nor expedient.

The "Union" meeting which recently occurred in Philadelphia, does not seem to have been of great importance, about the only thing accomplished being the excepting of the territory of Oklahoma from the rate increase. It has been a problem, by the way, in the minds of some as to how the advance in rates by the Union companies would affect the business when looked at from the non-Union point of view. It is gratifying to note that, so far, almost without exception, the non-Union companies have put forth circulars instructing their agents to increase tariffs along about the same lines as on those ordered by the Union. This, if adhered to, will prevent friction and will do much to strengthen the position of both classes of agents in their efforts to secure more premiums.

The Connecticut Commissioner has squarely backed down from the position assumed last year as regards the surplus of the Equitable Life. In his report of 1901 he went so far as to assert that the Equitable tontine surplus was not surplus at all, inasmuch as it must some time or other be divided up among policyholders. In his last report, however, he acquiesces in the position and claim of the Society that a surplus is not a liability until it has been specially decided just what portion of it shall be declared as a dividend. The Equitable Society naturally considers this a victory for its point of view.

The recent official changes in the United States Life Insurance Company will be regarded with interest by your Canadian readers. Mr. George H. Burford, who retires on account of ill health, had been connected with the Company for many years, nearly twenty years as chief executive. Dr. John P. Munn, who succeeds him, has been one of the Company's chief stockholders for perhaps a quarter of a century. He was an intimate friend and physician of the late Jay Gould, and is a man of wealth and affairs, being connected with many important financial enterprises in this city. While the Company has always been safe and conservative, it is thought that the present change will be of considerable advantage in several ways.

The recent absolute and complete failure of the German American Real Estate Title Guarantee Company, with the total loss of its capital, makes it an open question as to the character and standing of several other of the title insurance companies in this city. It was not supposed that the German American was insolvent, and it is thought that it might be well to have an investigation of some of the other concerns before further losses occur.

A new life company recently started at Newark, nine miles from this city, and already the home of two noble life insurance institutions, is the Lincoln National Life Insurance Company, with a capital of \$100,000, to be conducted upon the legal reserve plan. Of course, the amount of capital is preposterously small, as no life company at the present time can hope to succeed without sinking many times that sum in expenses, both for organization and in getting its first business. We look to see

the new Lincoln speedily swallowed up by some of the older and hardier of its kind.

LONDON LETTER.

March 20, 1902.

FINANCE.

As I have before indicated, the boom in Kaffirs has proved to be premature. After soaring up in December, January and the early part of February, prices of South African shares have now fallen away again in a manner which has been disastrous alike to jobbers and the speculative public. Half a dozen failures have, within recent weeks, been recorded on the Stock Exchange, and thousands of people have got loaded up with poor, if not worthless shares at top prices.

The measure of the relapse is indicated in the following examples: Chartered shares have fallen from 4 7-16, the highest price recorded this year, to 3 9-32; Barnato Consols from 4 3-8 to 3 1-2; De Beers (old shares) from 47 to 41 9-16; East Rands from 10 to 8 13-16; Gold Fields from 10 1-8 to 8 25-32; Modderfonteins from 14 9-16 to 12 11-16 and Rand Mines from 12 11-16 to 11 5-16.

These are the most prominent and best supported South African mining shares. The fate of the host of "cheap" shares has been oblivion. These have no intrinsic value, and will only be resurrected when the next boom time comes round.

It really looks as though our second greatest textile combine, the English Sewing Cotton Company, were going to take a turn for the better. The Company's career so far has been a journey to deeper and deeper depths, until, from having been at a premium of a hundred per cent., its ordinary shares fall to a discount of over sixty per cent. The English Sewing Cotton Company have the misfortune to antagonize its god-father, Messrs. Coats, of Paisley, the greatest and only successful textile combine in the United Kingdom. Now, however, a committee of investigation is at work, and the support of the Paisley house has again been secured.

Another market which the public here has resolutely set its face against for the time being. The last fall of all comes on top of a long series of previous falls, and the run of bad luck during the past seven years, say, can be seen in the following comparative prices. The lowest prices registered by the Great Western Ordinary and the London and North Western in 1894 and 1901 respectively were 159½ and 161½ in the former of these years and 131 and 158½ in the latter. The comparison with 1894 is with a year of terrible depression in British railways. From the lowest of last year there has been some slight recovery in the early part of the present year, but the general level is still lower than the worst of the worst of other recent years.

A large amount of speculative interest continues to be shown here in Grand Trunks and Canadian Pacifics. The Thirds of the former railroad are reckoned peculiarly gambling counters, Firsts and Seconds are being bought to hold.

INSURANCE.

Although the Manchester Assurance Company may not be so well known in the regions beyond the Atlantic as are some others of our British offices, especially now that the whole of the liabilities of the American branch company have been reinsured this office is making vast strides in the direction of prosperity.

Dating from 1824, the Manchester is no chicken, and during its career it has absorbed a good many other offices.

Looking at the report of the Accident Insurance Company itself, one's mind is insensibly carried back to those distant days when, there being no other companies transacting the same kind of business as this pioneer, the need for a distinctive name was not felt. The dividend for the past year was 12 per cent., and the premium income has reached over six hundred thousand dollars.

It almost seems as if some insurance offices had approximated to that state where people live by taking in each others washing. For the laundry read "re-insurances" and a somewhat misty remark may become clearer.