

representing so important a business interest, should be relegated to other than the first place in the associations of the country. By the mingling of insurance men and business men the more will the latter appreciate the former, and the more value will consequently be attached to the deliberations and conclusions of the C. F. U. A.

The following companies were represented at the meeting:—

American.....	J. Boomer
Ætna.....	F. W. Evans
Alliance.....	A. M. M. Kirkpatrick
Atlas.....	P. M. Wickham
British America.....	M. C. Hinshaw
Caledonian.....	P. H. Sims
Commercial Union.....	L. Lewis
Connecticut.....	J. McGregor
Guardian.....	J. E. Clement
Hartford.....	E. P. Heaton
Imperial.....	P. A. McAllum, Toronto
Lancashire.....	W. S. Robertson, Montreal
Keystone.....	G. R. Kearley
Liverpool and L. and G.....	I. G. Thompson
London and Lancashire.....	J. J. Kenny
London Assurance.....	G. F. C. Smith
Manchester.....	A. Wright
Mercantile.....	F. W. Evans
North British and Mer.....	E. A. Lilly
Northern.....	J. Boomer
Norwich Union.....	A. Wright
North America.....	T. Davidson
National of Ireland.....	R. W. Tyre
Phenix of Brooklyn.....	J. B. Laidlaw
Phenix of Hartford.....	J. E. Clement
Phenix of London.....	M. C. Hinshaw
Quebec.....	A. M. M. Kirkpatrick
Queen.....	E. V. Chaplin
Royal.....	R. McD. Paterson
Sun.....	W. W. Welch
Union.....	Geo. Simpson
Waterloo.....	H. M. Blackburn
Western.....	T. L. Morrissey
	F. Haight
	J. J. Kenny

THE SCANDAL OF MODERN LIFE ASSURANCE.

A New Crusade Against Rebating.

Upon several occasions THE CHRONICLE has devoted its space to discussing the demoralizing practice of rebating in connection with life assurance. A few months ago, in a series of articles under the above heading, we pointed out that, unless the companies deal courageously with the question, stringent prohibitory laws are of little use in removing the scandal. The measures adopted for the extinction of rebating are at last being denounced as useless, and some of the companies frankly acknowledge that the means employed for the prevention of the pernicious practice have proved fruitless. If the invitation extended to other companies by the Equitable Life Assurance Society to unite upon a just and equitable compensation for agents is accepted, the system of rebating can no longer thrive. It will certainly be better for the character and permanency of the business transacted by any and every company when an adjustment of the first and renewal commissions upon a more scientific and business-like basis renders rebating less possible be-

cause less profitable; when the agent's compensation, instead of being in the form of a commission upon all new business obtained, assumes the shape of a continuous source of income; when, instead of the employment of an army of rebating agents, the companies reduce their staff to officials whose remuneration for new policies issued will no longer be upon such a generous scale as to admit of any division of the premium with the party assuring.

By throwing overboard the plan set forth in the useless compact entered into by the life insurance companies when wrestling with this question in 1895, and by making it known that any company which, in future, has to offer a rebate as a bribe to get business is a good one to avoid, the directors and managers will be paying the way to the complete eradication of the rebate evil, and ensuring a return to the ordinary business principles which should regulate life assurance.

In the following letter the president of the Equitable Life frankly, if reluctantly, admits that the incentive to rebating exists and must be removed by the companies themselves. He notifies his co-workers of the profession of what the Equitable proposes to do, and asks them to co-operate in making the relief universal and complete. If the response of other companies is what fair-minded men will hope for, there would seem to be a bright prospect of effectually removing the scandal of modern life assurance. The letter of President Alexander is addressed to the Hon. Thos. B. Reed, referee for the life companies, and is as follows:

"Deeply impressed with the necessity of taking new and drastic steps to abate and so far as possible eradicate the evil of rebating, this society has carefully examined the subject as well as the state of affairs existing at this time. We are reluctantly compelled to admit that neither legislation nor the compact between the companies has been effective to anything like the extent hoped for. Furthermore, we are advised that embarrassing legal questions may at any time arise under the agreement entered into between the companies.

"The conclusion that we have reached is that there is but one way to stop the evil, and that is by removing so far as possible the incentive. Bonuses for given amounts of business, and the high rates of commission that have prevailed on first year's premiums, seem to make rebating easier than it should be, and the cure would appear to lie in a discontinuance of bonuses, and such re-arrangement of commissions as would make it against the interest of anyone to buy regular assurance with a view to dropping it at the end of the first year. Even if this reform involved the possible risk of losing a certain amount of new business, and, therefore, a sacrifice of apparent volume (which we seriously doubt), nevertheless, believing that it is a step that should be taken because it is right, and further believing that the business we get will be better and more permanent, we have determined to adopt the policy above indicated—in fact we have done so, and we are glad to say that our agents have approved of our action. The new conditions will be in operation on January 1st next, and the compensation to be paid in connection with first