

Insurance and Finance

CHRONICLE.

OFFICE:
1724 Notre Dame Street.

MONTREAL, DECEMBER 1, 1892

SUBSCRIPTION:
\$2.00 per ANNUM.

THE Insurance and Finance Chronicle.

Published on the 1st and 15th of each month.

AT 1724 NOTRE DAME ST., MONTREAL.
R. WILSON SMITH, Editor and Proprietor.

A. H. HULLING, Associate Editor.

Annual Subscription (in Advance) \$2.00
Prices for Advertisements on application

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

IT CERTAINLY IS high time that a general protest from the citizens of Montreal took such a form as to be heard in the City Council, with reference to the network of electric wires, or rather cables, which disfigure our principal streets. As a feature of disfigurement, purely, the ugly poles and multifarious wires ought to stand condemned—the latter to dwell where they belong, underground; but when we add to this defacement the constant obstruction to the working of the fire brigade, the wonder is that the present system, generally abolished elsewhere, should be tolerated for a single month. The extreme difficulty and delay attending the operations of the fire brigade at the Notre Dame Hotel fire on Thursday of last week, and which unquestionably materially increased the loss, only illustrates what is a frequent occurrence in this "metropolitan" city of the Dominion. The presence of these overhead wires costs the insurance companies and property owners a good deal of money every year, and are a constant menace to the safety of both property and life. It is quite time for underwriters to lead a vigorous campaign against them.

THE PACIFIC COAST underwriters seem to be waking up to a realizing sense of the evils of long credit, rate cutting and rebating. Following the new rules of the Pacific Insurance Union destructive of long credits, if enforced, to which we referred in our last issue, we notice that the fire insurance brokers, city agents and solicitors at San Francisco have organized an association under the name of the "Insurance Associates of San Francisco." Every member deposits \$100 with the treasurer, subject to forfeiture for violation of the rules, which are stringent. Real estate dealers transacting insurance business are admitted, but must deposit \$250. Every member signs an agreement that he will

collect from the insured the full amount of the premium, that he will not directly or indirectly return to the insured at any time any part of the premium collected, and that he will not ask or receive any larger commission than that allowed by the rules of the Pacific Insurance Union. Forfeiture of his deposit and suspension from membership are the penalties for transgression, on the decision of the executive committee. We shall follow the working of this association with interest.

TO THE ARGUMENT, that the practice of rebating in life insurance is unjust to the great body of policyholders, inasmuch as a portion of them are given advantages of which the others are deprived, objection is sometimes made as being unsound. Says the confirmed rebater: "If I choose to give away to A a portion of the commission which is mine as truly as my horse or house is mine, how does that concern B, inasmuch as the company in either case receives the regular premium, less the same rate of commission?" Now, that looks very plausible on its face, but like all half truths blossoms under examination into a full grown untruth. It is to be remembered that dividends to policyholders come from surplus, and that surplus is in part made up of savings from the loading of the premium for expenses. When a company allows, as some are doing, a commission so large that not a cent of margin is left from this loading, it is clear that dividends must be cut down accordingly, alike on A's and B's policies. But the former has already received a big bonus in his rebated premium, while the latter gets nothing. That is discrimination pure and simple. One man buys his insurance for \$100, and another at the same age pays for the same article \$150, and yet, as to *future* benefits, both get exactly the same treatment. That is rank injustice, and primarily the company is responsible.

A TIMELY MOVE has been made, according to the *Investigator*, by the Sovereign Grand Lodge of Odd Fellows in the United States, by the issue of an edict announcing that no life insurance organization doing business in the name of the order will be permitted which does not strictly confine its business to members of regular subordinate lodges; has complied with the