

THE OVER-CAPITALIZATION BUSINESS is dealt with by Judge Grosscup severely: He recently said, "It has come to the point where three or five gentlemen can assemble in a room, lay a silver dollar on a table, call it assets, capitalize at a million dollars, get a state seal on a charter, pocket the dollar, and go on with the enterprise. Five gentlemen gather to consolidate their enterprises. They place values on their properties, each is suspicious of the other and puts an estimate on his property, so that it will not fall below that of the other gentlemen. This is called actual assets."

THERE is a good deal of public misunderstanding about the clause in an ordinary fire policy, which says that the insurance covers "goods held in trust or on commission for which the insured is responsible." Jewellers, furriers, coach-builders and the like often insure for a sum in excess of their own requirements, believing that they thus protect the interests of their customers, and that, in the event of fire loss, goods held for repair will be paid for. This is a complete mistake, and no such claim will be recognized unless the insured has formally assumed responsibility, either by special contract or by general advertisement. Many Fire Offices now hold their ordinary house furniture policies as covering goods sent to all sorts of places, for repair, washing, storage, etc., and this concession is sure to grow more common, but as yet it is far from general, and tradesman should see that they understand their actual position.—"Ex."

CHEAP FIRE INSURANCE.—The arrest of a swindler in New York, who has been offering through the mails to sell cheap fire insurance, only serves to illustrate again the fact that the gullibility of a not inconsiderable portion of our fellow countrymen is imperishable. For the man is said to have taken in a good many thousand dollars as premiums in the very short time he has been operating from this center. His victims are principally in the remote sections of the West and South; but it is difficult to understand, even admitting that the victims are natural born fools, that they could be so taken in by a simple printed circular as to send their good money to the advertiser. Trading on the name of a reputable company is an old device of the insurance swindler, but there is no locality in which there is insurable property that an insurance agent cannot be found. We can inform his neighbour of the character of companies applying for business, if the information is sought. It seems that in the case of this particular rascal, who is unfortunately out on small bail, which he may jump, the prosecuting authorities are anxious to secure documentary proofs against the accused. Agents, therefore, who know of cases in their vicinity in which the policies of the fraudulent Phoenix have been received will serve the cause of justice by sending them to the District Attorney's office in New York.—"Weekly Underwriter."

INSURANCE HOCKEY.—The first meeting of the Guardian Etna Hockey Club was held on 2nd inst., in the Guardian Association Company's office, when the election of officers for the ensuing year took place. The club has secured the Crystal Rink for regular practices one night in each week, and it is to be hoped that the attendance will be up to the expectation of those interested. The following are the officers duly elected: Mr. T. H. Christmas, manager; Aetna Life Insurance Company, president; Mr. Wm. Smith, secretary; Guardian Assurance Company; vice-president; Mr. Ernest Christmas, captain (unanimous); Mr. G. A. Sherritt, treasurer; Mr. A. H. Shorey, secretary.

Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

NEW YORK INSURANCE LETTER.

New York, Dec. 2, 1903.

This year, or at least, on January 1, 1904, the Canadian companies in general, will have an advantage over American companies, and those foreign institutions whose assets are made up largely of American securities, when it comes to putting forth annual statements. In reality, the great insurance companies will not suffer much, so far as the intrinsic value of their holdings is concerned, but apparently, the amount of their funds will be considerably diminished from what they should be, on account of the great falling off in the market values. It is hard to say just what has caused the principal declines in Wall Street values, because many of the best dividend-paying stocks have suffered about as much as those of less merit. The true cause is probably on account of the sympathy felt with the great slump in industrials, and the withdrawal of speculation on account of the timidity and lack of confidence on the part of the public. It will be found, we think, that those companies whose assets are more largely in bonds and real estate mortgages will suffer less than those which have a larger proportion of stocks listed upon the various exchanges. Bonds have suffered somewhat, but not to so great an extent as the so-called speculative securities. It is not expected that any company will be actually impaired, but the showings made will be less brilliant than they would have been, had it not been for the recent continued financial disturbances.

There is a general feeling that many of the penalties imposed by the New York Fire Insurance Exchange are not so severe as they ought to be. The rules and regulations are numerous enough, in all conscience, but the punishment for violation in many cases is merely nominal, and not much more than an incentive to a breach of the rules. For example, a company may break a rule five times, paying a fine of \$20 for each time. It is still ahead of the game if by reason of these violations it has managed to secure premiums to the amount of \$1,000. The Exchange is a useful institution, but there is free comment on the fact that much improvement could be made in the manner in which its business is carried on.

Still another foreign company will shortly enter the United States, and like a number of the companies recently arriving here, it will write only a reinsurance business. The company referred to is the Rossija Insurance Company, of St. Petersburg, and its manager will be Mr. Chas. Sturhahn. The Rossija is a large Company with a capital of \$2,000,000, and a total income last year of nearly \$9,000,000 in all departments. Its assets amount to nearly \$27,000,000.

The latter part of 1903 has developed considerable dullness in the fire insurance business in New York, on account of the repeated and prolonged strikes in the building trade and other lines of activity. Building has been unusually stagnant and the new building risks in the market have been few and far between. A little impetus has been given to premium-getting by the addition of stocks for the holidays, but the increase for the six months, if any, will be considerably below the normal, on account of the reasons stated.

NOTES.

Manager Charles H. Post, of the Caledonian, is visiting the home office in Edinburgh.