

more innocent form of assurance which, on the above theory, obviates the moral hazard. But, however, this may be, as the moral hazard consists in the chance of an applicant concealing something which affects the risk, it is most unlikely that in one form of application he will be honest and in another form a deceiver. It seems more natural for a man who knows his health to be precarious to be anxious to get a paid-up policy as early as he can, and a man conscious of having a strong constitution and income resources to last through his life is more likely to prefer a whole life policy as being cheaper. The moral hazard, therefore, arising from an applicant's desire to get endowment assurance seems to be more likely to exist in a person of a weak constitution and uncertain health than in one who is vigorous and expectant of reaching a great age. But there are such strange anomalies in human nature, such unconscious self-deceptions as to health, conditions and longevity prospects, such changes and chances in life that it is an exceedingly difficult problem to analyse, and detect moral hazards in life assurance.

ADVANTAGES AND DISADVANTAGES FOUND IN FIELD PRACTICES.

A highly interesting address, entitled as above, was delivered before the Harrisburg Association of Life Underwriters, on 14th June last, by Mr. Daniell, vice-president, from which we cull the following passages:—

"Years back, when the business was in its incipency, when plans were few and easy to comprehend, it did not require a mathematician to write an application, and the standard of a life insurance man was not high. This has all changed. To-day it requires brains, argumentative ability, energy, a judgment of human nature, good address and general business qualifications. If we possess these qualifications we shall write insurance and we shall deliver the policies, too. But were we skilled with the wisdom of Solomon and endowed with the ambition of Napoleon it would strain our intellect disastrously to find a means which would remedy the evils that are practiced in the life insurance field to-day. As honourable, straightforward and reputable writers we should not forget that by acting out a principle that maintains the profession on a high standard we help ourselves individually and collectively. It does not pay to depreciate a rival company nor its representatives. It is an established principle that successful solicitors for business should never voluntarily refer to a competitor unless put on the defensive, and then to tell only what is known to be the truth. It would be far better to falsely say something to the advantage of a competitor than lie to his disadvantage. This applies to any kind of trade, but especially to life insurance. There are plenty of figures and official reports to disprove false claims, and they are not hard to get. It is my opinion that the best kind of prosperity in the field to-day is the result of skilled mental ability, honourable competition, seriousness in what we say, and a thorough understanding of our company, with a fair knowledge of the contracts of other companies, and claiming nothing for our own company that we cannot prove and letting the other fellow take care of himself, always remembering that he knows something, too,

and though his company may not show up as large in assets and surplus as ours, yet his contracts may be fully as well backed and his policy consequently equally as strong; and if he will let us take care of ourselves and we let him take care of himself, I think we can both do honourable business.

It has been said that the general meaning of competition is that some one is after your scalp and you are trying to keep him from getting it. I do not think anything of the kind. Competition does not mean to rob a man. When a writer has obtained an application and has it signed we have no right, in the true sense of the meaning of competition, to steal it away from him. He has succeeded in defeating his competitor by getting that signature. Competition really ceases when he has obtained a written request to his company to have a policy written. To even try to get business after that request is given to some other writer is purely making an effort to steal away the profit another has acquired, and we have no more right to do that than we have to his watch or necktie. In Europe war is a business. I sometimes think that in this country insurance men imagine that business is a war, and what we want to do is to disabuse our minds of that idea by showing each other that it can be done on an entirely different platform, and that platform must be uprightness, honour and justice. Some of us are ready at a moment's notice, or by the slightest provocation, to show a fiery front and say bitter things and display silent contempt for certain individuals, and show indifference to their presence that it is embarrassing for those that are otherwise inclined. As long as such conditions exist our field practices will not be as they should be, and our profession will continue to have an unenviable name among those who hear these unfriendly sayings."

Notes and Items.

At Home and Abroad.

OTTAWA CLEARING HOUSE.—Total for week ending July 10, 1902: clearings, \$2,283,960; balances, \$583,409.

THE METAL OUTPUT OF COLORADO last year had a total value of \$46,303,239, made up of gold, \$27,679,445; silver, \$10,761,365; lead, \$6,419,131; copper, \$1,303,297.

THE IRISH CATHOLIC CHURCH PROPERTY INSURANCE CO. has just been registered, the head office being in Dublin. The capital is \$500,000 in 20,000 shares of \$25 each. The title indicates the business sought for.

WHAT HAS BECOME OF THE SUITS against 107 fire insurance companies in Illinois, instituted some time ago by the Attorney General of that State? Has he discovered that he is barking up the wrong tree?

NEWFOUNDLAND'S mineral production last year was valued at \$1,211,163. The iron ore amounted to \$738,296; copper ore, \$360,094, the balance being chiefly stone and slate for building purposes, some of which went to England.

BRITISH FIRE OFFICES have withdrawn from Peru owing to demand of Government that \$100,000 out of their deposit of \$200,000 must be invested by each company in local real estate, which is an outrageous proposition, and that no company must write any one risk exceeding one-fifth of its total deposits in the country. The Government of Brazil also proposes to start an insurance department. The commerce of that State is conducted almost wholly by Germans, British and Italians, who are incensed at their insurance being withdrawn.