

MUNICIPAL HAIL INSURANCE IN THE WEST.

It is estimated by the chairman of the Saskatchewan Municipal Hail Commission that claims amounting to \$1,000,000 or over will have to be paid to the farmers of the province by the Commission as a result of the hail storms which occurred in the early part of August. Probably these claims will absorb the entire revenue for 1916.

Details of the working of this system of insurance in Saskatchewan are given in a recent issue of *Canadian Finance*. It seems that up to this year the Hail Commission limited its indemnity to \$5 an acre. This year, however, the Hail Commission has started through a separate branch and on the mutual plan, the writing of extra insurance up to an additional \$5 an acre, at a rate of 5 per cent., which is one per cent. lower than the stock companies' rate. The \$5 extra protection furnished by the Hail Commission is not, however, absolute, but subject to *pro rata* reduction if the year's premiums are insufficient to cover losses. Apparently many of the Saskatchewan farmers when seeking "extra" protection prefer the absolute assurance afforded by well-established stock companies to the subject-to-reduction \$5 an acre under the "additional insurance" plan of the Hail Commission. The provincial insurance commissioner has recently expressed himself as not fully convinced of the soundness of the plan under which this supplementary insurance is being written, particularly as sufficient provision is not made for accumulating a reserve.

Particulars are also to hand of the operations of the Alberta Hail Insurance Board operating under the Municipal Co-operative Hail Insurance Act. It appears that in 1914, the severe drought left many municipalities unable to pay their assessments, and only half the claims were paid, the remainder being paid at the end of 1915. Last year was a very bad one for hail in Alberta, and the Board were only able to pay 75 per cent. of the awards. The other 25 per cent. has been carried over, and an addition made to the 1916 assessment which, it is stated, should enable the Board to clear everything off in full. At present there is no reserve and the raising of one will necessitate either a raising of the assessment or a reduction of the indemnity.

On the whole, it seems that those Western farmers who carry their hail insurance in well-established stock companies are not so badly off. At least, with the companies the farmers are certain of having their losses paid promptly when they occur, which is more than can be said for these Commission experiments.

A Pennsylvania minister who got hurt while moving a heavy ornament in his church has made application for indemnity under the State workmen's compensation law.

Whiskey distilleries in Kentucky are being turned into alcohol manufacturing plants, owing to the war demand for alcohol. This looks like a hint to Canadian breweries and distilleries hit by the prohibition wave.

Supervision of insurance by the State should be reduced to its simplest terms, conducted at as low an expense as is feasible, and taxation of insurance premiums should be wholly done away with or reduced to a minimum.—*N. Y. Spectator*.

THE POOR MAN'S INVESTMENT.

In the final valuation of the late J. Pierpoint Morgan's estate, stocks of a nominal par value of \$7,000,000 were returned as worthless. The total assets were returned as \$78,000,000, exclusive of property outside the State of New York, so that the worthless stocks were in the proportion of about 9 per cent. to the whole estate in the State of New York.

There was probably no shrewder or better informed financier on this side of the Atlantic in his day than J. Pierpoint Morgan. If he could go so far wrong occasionally, how much more liable to go wrong in the matter of investment is the poor or only reasonably well-off man, without special knowledge of finance and perhaps without any business training. For such, life insurance is the only safe investment at all times and in all places. Only through life insurance in a well-established old-line organisation can the poor man obtain a fairly remunerative investment for his savings with absolute safety. Mr. Morgan's estate could well afford the loss of seven million dollars; the poor man cannot afford to lose seven hundred. Yet in how many thousands of cases do poor men speculate, without any desire for it and simply through ignorance, with the result of the loss of their hard-earned savings? Through life insurance, the poor man can avail himself of the knowledge of the financial expert and can participate in the average results obtained by the most skilful investment of immense funds. "The rich man can speculate, the poor man dare not" is a well-established financial maxim. The best way in which the poor man can avoid the danger of speculation is by investment in life insurance.

STATE FIRE INSURANCE FAILURE.

Considerable attention has from time to time been attracted by the State Fire Insurance scheme in Wisconsin—a State which in recent years has been a vigorous leader in all kinds of "advanced" legislation. The State fire insurance experiment has been going on for thirteen years, and at the end of that period the Fund is bankrupt. Cash in hand at July 1, 1916, amounted to \$72,985, while the liabilities were \$84,216, a deficit of \$11,231. The amount of property insured on the same date was \$42,990,749. The experiment was begun in 1903, and from that time up to July 1 of the present year, the total premium receipts have been \$521,734, while the losses for the period have been \$516,190 and the expenses \$10,608, a total of \$526,888. The Fund has also against it other liabilities amounting to \$6,078, and consisting of unearned premiums, \$5,753; advance premiums collected, \$125, and unpaid losses estimated at \$200. Once before the Fund was also bankrupt, two years after its inception, grants amounting to \$78,000 then being made from the State general fund to meet the deficiency and this money has not since been repaid. By this time those in charge of the Fund—and the taxpayers who have been footing the bills—must have a lively sense of the precariousness of profits in the fire insurance business. Only the State property is insured by this scheme, and in consequence the amount at risk is insufficient to provide for the conflagration hazard. It is a \$130,000 loss on a Normal School which has on this occasion knocked the State Fund out.