

utmost to rejuvenate, inspire and upbuild the agency relation in the field.

"We are told that the restrictive features of the New York law will not allow companies, in connection with agency expense, to go to the necessary expense of creating or upbuilding the agency system. If this is so, then the law is faulty, worse than faulty."

Summing up, Mr. Edwards put the cause of the demoralization which exists, jointly on the agent who does not do his duty, and the law which does not permit proper and adequate expense allowance. He stated that he was entirely confident that if Governor Hughes were shown any logical reason why the law should be revised, that it would be revised, in so far as the restriction upon agency expenses is concerned. Either the manager is essential or he is an excrescence. The purpose of the law was evidently to strike at certain conditions which existed, where general agency contracts were farmed out of relations and favorites; where large fortunes were made without effort or intelligent direction. The statute should be revised in so far as to permit of competitive plans of insurance, whereby interest is stimulated and effort is quickened. There should be recognition of the broad principle that full and complete publicity and accountability, rather than statutory dictation will conserve and protect the rights of all policy-holders, if companies are left free to offer legitimate plans of insurance to meet the wishes or fancies even of insurers.

In particular, the speaker urged that there should be a revision of the statute regarding compensation which may be paid on endowment policies. At present probably over 80 p.c. of the life insurance business was being written in the United States on the life and term plan. The result is an adverse selection against the company, for which there must be some relief. Mr. Macaulay in his address before the Toronto convention pointed out the absolute seriousness of this condition, indicating a mortality on term policies of 123 p.c. of the expectancy, and on endowment policies of only 67 p.c. Undoubtedly the Actuarial Society will themselves bring this condition to the attention of the New York legislature, and pray for a revision on this point.

Mr. Edwards stated that he was confident when the reports of the various companies doing business were filed with the insurance department, and the evidence was all before Governor Hughes, that he would take some such action as conditions warranted. With such a commission composed not only of members of the senate and assembly, but of practical agency men, of actuaries and officers whose fairness and broadness of mind cannot be questioned, he believed that proper reforms could be worked out.

In the meantime, however, let each agent recognize that it is his duty to make progress; not to rust by waiting for some future condition. Every man in his own community who is producing business to-day is respected and looked up to by his neighbors. They know he has had a struggle and that he has won out. The greatest honor with which any man can be invested is the respect of his fellows. That all the world hates a quitter, and everybody loves a stayer, was President Edward's closing message to his hearers.

## THE DUTY OF COMPILING FIRE STATISTICS.

Reference was made last week to the compulsory classification of Minnesota risks proposed by Insurance Commissioner Hartigan of that State, and to the objections against and futility of any such local requirement. A personal communication to the commissioner from a prominent New York fire underwriter has recently been made public. The writer of the letter contends that it is upon the State, not upon the companies, that the duty of compiling fire statistics primarily devolves.

Extracts from the communication follow:

As one who has been following and studying the fire insurance business for over forty years, and done business in your State over thirty years, and as one who has ceaselessly been endeavoring to obtain reliable statistics regarding the fire record of the country, and who has been instrumental in getting what little uniformity there is in the National Board's fire record of the principal cities of the country, I respectfully appeal to you to desist from making 140 or more companies classify their risks according to a system not adopted by any of them; a system which will be of no value to you, or to citizens of the State, or to the insurance companies, but which is a great expense to the companies, which, in turn, the policy-holders must pay for with from 35 to 45 p.c. added expenses for collection.

Allow me first, therefore, to show you why the statistics which you contemplate forcing the insurance companies to make will be of no value. I take it that the whole object of asking for these statistics is to disclose whether rates obtained by the insurance companies are extortionate or reasonable. To be able to tell that, you will need two factors:

1. The number of risks in the State and their value.
2. The number of risks and the values annually destroyed.

Every State, to legislate intelligently and beneficially concerning fire insurance, must have a knowledge of the number and kind of its dwellings, the number and kind of its mercantile establishments and the number and kind of its manufacturing establishments or industrial risks.

Secondly, it must have the record of every fire, and loss in consequence of fire, however, great or small, that happens in the State. With these two factors it would be an easy matter to determine how much to assess on the values at risk to cover the destruction.

Regarding the first factor: It must be very evident to anyone reflecting on the subject that the insurance companies have not the first data, nor can they get it, having no authority to obtain such statistics. They have only information regarding such risks as are insured, and regarding those they have only very partial information, and not continuous, frequently only the fact that they have an amount of insurance on it; but they have no knowledge as to whether the insurance is below or in excess of the value. Where policies covering the whole plant, buildings and contents—factories, offices, repair shops, stables, etc.—are written in one amount, it would be impossible to classify.

As to the second factor, the number of risks and the value annually destroyed: Information to be obtained from insurance companies on this sub-