

"Betterment of Life Insurance Service" will be the underlying theme of the sixth annual meeting of the Association of Life Insurance Presidents, which is to be held at the Hotel Astor, New York, on Thursday and Friday, December 5th and 6th. The theme will be discussed under three headings, "Problem of Conserving Policyholders' Funds," "Prolonging Lives of Policyholders," and "Fitting the Policy to the Policyholder." As heretofore, men of large public affairs outside the business of life insurance will join with those in the business in discussing different aspects of the problems presented.

E. C. Guthrie, mayor of Mattoon, Ill., is a fire insurance agent and independent adjuster. Knowing the insurance business, he has adapted a number of improved fire prevention methods in connection with the city's work. He has the firemen make inspections of all property and in the past few months has found over two hundred defective chimneys. A notice of this is sent to each property owner, and is followed up by a second inspection. In addition, Mayor Guthrie sends a list of all the defects found to the insurance agents, asking them if they have a policy on the risk to assist him in following it up and securing improvement.—Insurance Post.

A St. Petersburg announcement says that more than 12,000 serious fires have been reported throughout European Russia this year. In a report just published by the Ministry of the Interior it is stated that from 1895 to 1910 there were more than a million fires in European Russia, over 2,800,000 houses were destroyed, and the damage amounted to \$750,000,000. The chief causes of the epidemic, according to the official report, are "carelessness in the handling of fire, which is connected with the great increase of drunkenness." This is the first hint we have ever had that the campaign for fire prevention has anything to do with the campaign for prohibition!

By a decision of the Court of Errors and Appeals of New Jersey, the litigation between the Prudential of America, and the City of Newark authorities, regarding the taxation of the deferred dividend fund of \$23,000,000 is brought to an end. The Prudential is sustained, the Court declaring that this deferred dividend fund is not taxable. The taxes for the years 1909 and 1910, amounting to \$700,000, were paid under protest by the company, owing to the State Insurance Commissioner at that time certifying the fund as taxable. The Commissioner afterwards reversed this practice, and the present court ruling intimates that he should have followed his later attitude from the beginning. The Prudential has thus had to pay \$700,000 taxation on funds held by it for its policyholders, which otherwise it would not have had to pay, but which it cannot now get back.

NON-ADVERTISERS WAKING UP.

Can it be possible? We hear that there is likely to be an awakening amongst certain life offices of the strictly conservative type in the matter of bringing their claims before the public. Only a few days ago we received a pleasant shock on opening our favourite evening paper to find a prominent position on the front page used for advertising purposes by a

centenarian office, the matter being of a crisp and convincing character, and put into the fewest words possible. If rumours that have reached us are correct, other offices of the ancient and severely respectable order will soon be following this lead. Never has more life assurance been required than to-day, particularly among those able to afford policies from £1,000 to £5,000. Some of the oldest of the irreproachably managed institutions should seek to get a better share of the harvest. Suggestions of how to do it are surely not lacking, for advertisement writing has become an art to which many busy and clever brains are being applied.—Review, London.

TWISTING IS REBATING.

The New York insurance department has made an interesting ruling in respect to the business of the Empire Surety company, which was re-insured by the National Surety, but which it appears other companies are trying to get. Twisting is or may not always be rebating, but under the particular circumstances in this case it seems to be, and the department's ruling is as follows:

"The reinsurance of the business of the Empire State Surety Company by the National Surety Company involves the assumption by the National of the obligations of the Empire State. While it would seem that the policyholders of the Empire State have not only lost nothing by the transaction, but have in fact gained additional security therefrom, it appears that certain of the persons insured in the former company are or may be dissatisfied with the insurance afforded them. Such persons may conceivably wish to terminate their insurance and procure other insurance. A termination of insurance in the Empire State (National) can, we assume, usually be brought about by the surrender of the policy, upon which the company would be liable for and presumably pay a 'short rate' return premium. The insured would then be at liberty to procure other insurance at the regular premium charged by the company in which such insurance was sought.

"It further appears that certain surety companies other than the National stand ready to replace Empire State policies upon payment to such companies of sums, other than the premiums specified in the policies so issued, calculated to make good to the insured the loss sustained by him through the cancellation of his Empire State policy at 'short rate.' In other words, the actual payments required or contemplated by these companies upon the issues of their policies in such cases are less than the premiums charged other persons for the same insurance, and specified in the policies, by the difference between the unearned premium at 'short rate' and 'pro rata' upon the Empire State policies.

"The question is raised as to whether or not a transaction of this sort would constitute a rebate under section 65 of the insurance law or a discrimination under section 141 of the insurance law. We can see no escape from the conclusion that the transaction will constitute not only a rebate but also a discrimination. A rebate is, roughly, a secret or special reduction in the price of a commodity from the price quoted and charged to the public generally. The transaction above described involves just this. It seems to come precisely within the definition of a rebate.

"Section 65 of the insurance law provides that 'No insurance corporation * * * or officer, agent, solicitor or representative thereof (shall) directly or indirectly, in any manner whatsoever, pay or allow or offer to pay or allow as inducement to such insurance * * * any rebate from the premium which is specified in the policy.' The prohibition is without any qualification whatsoever. If the transaction constitutes a rebate, it is unlawful.

"Section 141 of the insurance law provides in part that 'No such * * * corporation * * * shall fix or make a schedule of rates or charge a rate which discriminates unfairly between risks within this State of essentially the same hazard.' We can see no difference in the hazard to a company assuming a risk which has previously been insured in the Empire State Surety Company than in assuming the same or a similar risk which has not previously been insured in such company. The transaction is unquestionably the charging of a rate which is less than the schedule rate charged by the same company for like risks and on this account is unlawful, even though the premium actually charged be recited in the policy.