

ported by the well-known Standard Life Assurance Company, of Edinburgh. The bonus to Equal Scheme policyholders is 30s. per cent. per annum, which means in the case of the numerous Canadian policyholders, \$15 per \$1,000 per annum for the quinquennial period—an excellent showing.

LONDONER.

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Insurance in the United States.

(Exclusive New York correspondence of The Chronicle.)

Centralization in Fire Insurance—Life Companies' Stock Holdings—Foreign Fire Companies Establishing Auxiliary Casualty Companies—Personal and Company Notes.

A strong tendency at the present time seems to be towards centralization in fire insurance. That is to say, many of the smaller companies, on account of an excessive expense ratio, combined with what has proved to be a high loss ratio for the past two or three years, have found the way too hard and are either combining or re-insuring in other and larger companies. While there have been few disappearances of the smaller companies from this city, during the past ten years, yet the mortality among them in twenty years has been very large. An example of this centralization is the recent reinsurance in the North British and the Commonwealth, of the Union Insurance Company and the Insurance Company of the State of Pennsylvania, of Philadelphia. These companies made a brave fight for existence, but it seemed to be impossible under conditions as they were. The great Scotch-English Company, however, is able to take this business and with its large and increasing prestige in the field, is amply able to take care of it. An example of a proposed combining of two smaller companies, is that of the United States Fire and the Peter Cooper, of this city, both old companies, the former of which was organized in 1824, and the latter in 1853 or 58 years ago. The name of the combined companies will probably be the United States Fire Insurance Company, the Peter Cooper disappearing from the field. The new company, if the merger is consummated, will have a capital of \$400,000 and a net surplus of \$250,000. The meeting of the stockholders to consider this proposition definitely is called for May 31st, but it is pretty certain, in advance, that the union proposed by the directors of the two companies will be approved at that time.

LIFE COMPANIES' STOCK HOLDINGS.

Outside of the recent election of Judge Wm. A. Day as president of the Equitable Life, which was mentioned in this paper two weeks ago, the chief topic of interest is the proposed repeal of that portion of the so-called Armstrong law, pertaining to life insurance, which was enacted in 1906, and by whose provisions all life insurance companies of this State were compelled to dispose of all their stock holdings by the end of 1911. Many of the companies found it easy to do this, as their assets

consisted largely of bonds, and all have diligently endeavored to compass the result provided by the law within the time specified. It is now, however, approaching the middle of 1911, and four companies still have considerable stock holdings which, if disposed of at a forced sale, cannot fail to prove a considerable loss to policyholders. These are the Equitable Life, the Metropolitan Life, the Mutual and the Home Life, together with one or two others. The holdings of the Equitable and Mutual are especially large, and it is to be noted that the market value of the shares are very far above the par value, indicating that the assets here represented are profitable, even beyond any other investments which they could probably make with the money realized. As a matter of fact, I doubt whether the law, as passed, was constitutional, but taking it for granted that it was so, the companies mentioned are making a desperate endeavor to have this portion repealed, so that they will not be obliged to unload upon the market some eighty or one hundred million dollars worth of stocks, between now and the end of 1911. As a matter of fact, the stocks held by life insurance companies have, upon the average, always been among the most profitable of their investments, for the companies have been well handled financially and their investments carefully made. This is especially true of the great companies named above. It will be remembered that at the time the law was passed, the other giant company, the New York Life, possessed but a small amount of stock, and it was a simple matter for it to dispose of this several years ago. The problem confronting the other companies is more menacing, and is being brought forcibly to the attention of the legislature of this State.

FOREIGN FIRE COMPANIES ESTABLISHING AUXILIARY CASUALTY COMPANIES.

Worthy of note, is the fact that a number of our large foreign fire insurance companies are establishing auxiliary or related companies, which may engage in the business of casualty underwriting. While the workmen's compensation law was declared unconstitutional in this State, yet the idea is spreading and other States will doubtless take it up and enact laws along the same lines. Workmen's compensation will thus become a matter of importance to the great industrial and manufacturing institutions of the country, and it is likely that they will depend largely upon the companies writing liability insurance (and industrial health and accident), to help them solve the problem. It is, perhaps, the knowledge of conditions which will probably prevail, that has induced the foreign companies to establish these casualty offices. Your correspondent is moved to this reflection, just at present, by the fact that the Liverpool & London & Globe is now considering the question of launching a casualty company, which, of course, will do business in the United States. This great company is about to celebrate its 75th anniversary in Liverpool, and Resident Manager Henry W. Eaton has just sailed for Europe to attend this important function. During the meetings attending this anniversary, the casualty problem will doubtless be thoroughly discussed. Other great companies which have established casualty concerns here, are