

people accept them as being true, and it is as hard for the truth to overtake a lie about insurance as it is any other kind of lie.

SEVERAL WEEKS AGO we called attention to the new enactments of the Legislature of New Brunswick imposing a provincial tax upon fire insurance companies, whose principal office is not in that province, of one per cent. on all net premiums and an additional lump tax of \$100 each. Also the taxation of life companies \$250 each. In another column will be found the action of the New Brunswick Board of Fire Underwriters, recently, with reference to this additional tax burden, the substance of which is, that as rates have already been fixed at the lowest possible point the only just way to meet this additional expense is to add it to the rate. That is the proper solution of the question concerning the numerous municipal and provincial tax levies which are constantly being added to the Government taxes and fees required. It is quite time for the insuring public to understand that when their representatives make laws unduly taxing insurance, either fire or life, the cost of their insurance is being increased accordingly. It is the only way out for the companies, and though really a tax on the prudent forethought of those who insure their property or lives, the parties responsible for this are the law makers and not the insurance companies.

AMONG OTHER FEATURES of reform in the methods of late pursued by the life insurance companies to get business, we are glad to learn that the estimate evil is likely to find a place. Not that estimates of results reasonably expected under a given kind of policy may not be perfectly legitimate and proper in honest canvassing; for if made strictly on the basis of actual experience, due allowance being made for the interest-earning ability of the company in the future as compared with the past, and other modifying conditions, an estimate of the outcome of a policy at maturity cannot be justly criticised. Heretofore in many cases, such as a correspondent in another column refers to, not only have estimates either been furnished by the companies or winked at by their officers which were purposely deceptive and absurdly impossible of realization, but dishonest canvassers have not unfrequently played a confidence game with these estimates by treating them as *guarantees*. Companies cannot too soon get rid of such agents, nor can they too soon prohibit the use of any estimate whatever not emanating from the home office, and made on a basis of conservatism as to results and of honesty as to purpose. Any other kind will prove to be curses which like chickens, will surely come home to roost.

IT MAY BE remembered that at the annual convention of insurance commissioners of the United States in September last, a committee was appointed to consider the advisability of recommending a change of the reserve standard of life assurance companies from the present four per cent. to a three and a-half per cent. standard. At the recent convention at St. Paul, the committee reported having obtained the views of thirty-two

life companies on the subject, a large majority of whose officials replied that in their opinion the present and prospective rate of interest realized and realizable does not require any change from the existing standard those favoring a change agreeing that any new rate should apply only to future business. In this the committee concur, and seem to see no immediate necessity for a change. They therefore simply reported progress and the question was postponed till next year. In view of the very palpable fact, which we have more than once pointed out, that the diminution in the interest rate realized for the past half dozen years in the United States has been slight, and that the general average now realized on the total invested assets is more than 5 per cent., the convention did well to hang the subject up for contemplation and discussion rather than action.

WILD TALK ABOUT "INSURANCE COMBINES"

We are not at all surprised to find the *Daily Witness* of this city falling into the chronic habit of a large portion of the newspaper press, which periodically sets up a man of straw called "combination" when dealing with the subject of fire insurance, and pounds away at it with more valor than discretion. It is not to the credit of the daily press of our day that it neglects to become informed upon the important subject of fire underwriting, and yet essays to blindly indulge in criticisms and draw conclusions entirely erroneous and unjust to the companies, under the delusion that it champions the cause of the public. In commenting upon the recent fire insurance deal with the city of Montreal, and the circumstances which led up to it, the *Witness* for June 20 has a sling at the Fire Underwriters' Association, calls it an "insurance combine," and expresses satisfaction that the city secured the insurance from a portion of the companies belonging to the Association through brokers, without treating with the alleged "combine." As our contemporary is compelled to admit that the rate to be paid is precisely the same as was named by the Association at first, the grounds of satisfaction do not appear to the average mind, excepting on the theory that the said Association, being a combination detrimental to the interests of the public, should be treated as a common enemy whenever possible. A little more knowledge of the subject would, however, teach our friends of the daily press that fire underwriters associations are combinations in the direct interest of that same public.

And first of all, it ought to be understood that selling indemnity for fire loss is a very different thing from selling a yard of muslin or a ream of paper. In ordinary trading transactions the cost, and therefore the selling price, is a simple question of primary arithmetic, refreshing in its definiteness. What it will cost an insurance company to carry the risk on twenty or forty million dollars worth of property, scattered over a wide area of country, made up of scores of different classes, and having widely varying conditions as to surroundings, is a very intricate and difficult problem, and can only be solved, if at all, by a knowledge of the combined experiences of many companies for many years over a wide area. Fire insurance performs its