Our New York Letter

The Future of the Eastern Underwriters' Association and the Lowering of Fire Expenses—The New Workmen's Compensation Law—Personal and Business Notes.

The important question among fire insurance men in this locality is still the possible continuance of the Eastern Underwriters' Association, which practically went to pieces some six weeks or two months ago. The fact is, that the companies found themselves, as it were, "between the Devil and the deep sea." Through the tendency of the times they are being harassed and heckled to reduce expenses on the supposition that this will reduce the cost of insurance to the public. Every one knows, however, that the chief expense in fire insurance is in the form of commissions to agents and brokers. The reduction of expense, therefore, if it must be made, would have to begin there, and the very thought of such a thing raised a howl of indignation and protest among the brokers and agents such as gave the Association pause in its efforts towards re-organization. Besides that, much depended upon the action of the two great companies, the Continental and the Fidelity-Phenix, both of which are under the same control. If these companies would join the Eastern Underwrifers' Association under the proposed plan, it might be made a success. Upon the return of President Evans, from Europe, however, he announced that his companies were distinctly and traditionally in favor of operating on a profit-sharing basis, that is, on the plan of contingent commissions. Many of the companies which compose the Eastern Underwriters' Association did not, however, believe in this plan, and it looks very doubtful now whether any permanent re-organization can be effected. It is certain that the brokers will not submit to a reduction of their commissions without a wild storm of protest, and how the matter will work out it is hard at the present time to foresee. The final meeting to settle whether there shall be any Eastern Underwriters' Association will be held some time this month.

The New Workmen's Compensation Law.

Much consternation has been created among companies writing employers' liability insurance by the passage of the Wainwright-Phillips Workmen's Compensation Law in this State, which greatly disturbs the calculations of the companies as regards their rates, and their relations to the employers. These laws practically provide for the re-imbursement of every workman for all personal damage which he may sustain as the result of his employment, it being assumed that for all practical purposes the employer is in every case to blame. It can readily be seen that the working of this law must establish an entirely new relationship between the employers' liability companies and the employers of labour, who have heretofore merely had contracts with the companies to defend any suits which might be brought by workmen for real or supposed injuries. The whole matter is very complicated, and while some believe that the workmen's compensation laws are economically sound, others are quite at variance with this belief, and it is evident at any rate that employers' liability rates must be greatly increased.

Notes.

The most important piece of company news just now is the prospective discontinuance of the western department of the North British & Mercantile Insurance Company, which, it is announced, will after June of next year be operated from New York. This department has been under the charge of Mr. W. J. Littlejohn, and in referring to Mr. Littlejohn's retirement United States Manager E. G. Richards writes in a manner which is both appreciative and pathetic.

The Greenwich Insurance Company is shortly to resume business with a capital of $200,000, and a surplus of $50,000.

The North German Insurance Company which retired from this country some years ago is about to enter the field again.

Vice-President George T. Wilson, of the Equitable Life, has returned from his visit abroad, and will address the International Association of Life Underwriters at its meeting in Detroit early next month.

It is now understood that the Continental Fire Insurance Company will shortly enter the Canadian field.

Among recent visitors in this city was James W. Going, vice-president and general manager of the Shawnee Fire Insurance Company, and generally supposed to be author of the famous rate-making laws of Kansas.

We learn that United States Manager A. G. McIlwaine, of the London & Lancashire, has been made president of the Insurance Institute of Hartford.

A visitor in this country at the present time is General Manager Cook, of the Scottish Union & National.

Among those who have recently sailed for the other side, or are about to depart, are, President George F. Seward, of the Fidelity & Casualty Company, President Wm. B. Joyce, of the National Surety, Manager Post, of the Caledonian, A. M. Thorburn, of the Sun Insurance Office and Chas. H. Boyer, industrial manager for the General Accident Fire & Life, of Perth, Scotland.

It is just announced that the Royal Insurance Company will organize a casualty corporation in this country, with capital and surplus of $1,000,000 divided into equal amounts. The new concern will transact all classes of miscellaneous business allowed by the statutes of the State, and will avail itself of the agency plants of the Royal and the Queen.

President Paul Morton, of the Equitable Life, returned on the 25th inst., from Europe, where he has been making a prolonged stay.

QUERIST.

New York, August 31st, 1910.

JULY EARNINGS of the Canadian Pacific Railway are as follows:—

	1910	1909
Gross Earnings	$8,869,214	$7,140,029
Working Expenses	5,384,594	4,660,159
Net profits	$4,484,619	2,479,876