

in Canada. This, we presume, will largely depend upon whether there is a sufficient number of such risks to make it advisable to hold them at the rates. At all events the matter is well worth considering, especially as that class of risk is gradually increasing. In adopting this course the companies would merely be following in the footsteps of their confrères in the States.

The vexed question of commissions and rebates upon the grain business in Manitoba was a knotty point to settle. Manitoba is outside the jurisdiction of the Canadian Fire Underwriters Association, and the same offices are alleged to take different stands in Montreal or Toronto to what they do when they transfer themselves to Winnipeg. Some sort of an agreement was come to at the meeting—a kind of "Remedial order;" but whether it will amount to anything when it reaches Manitoba remains to be seen.

The election of officers closed what may be regarded as a very successful meeting. Mr. F. W. Evans, of the *ÆTNA* and *LONDON & LANCASHIRE*, was elected President; Mr. P. H. Sims, of the *BRITISH AMERICA*, became 1st Vice-President; and Mr. E. A. Lilly, of the *LONDON*, 2nd Vice-President; while Messrs. Robert McLean and A. W. Hadrill were, of course, re-elected Secretaries.

A resolution was passed to provide Mr. McLean with an assistant, in consideration of his advanced years.

HAS REBATING RECEIVED ITS DEATH BLOW ?

A little over two weeks ago, in the city of New York, an event took place which Insurance Commissioner Merrill of Massachusetts has said was the most important event in the history of life insurance which has occurred during the past forty years. We refer to the adoption of a plan and the signing of an agreement by the executive officials of 24 life companies, including the three largest New York companies, to suppress the practice of giving rebates of premiums to the assured. Our readers are familiar with the history of the rebate evil which has gradually grown to large proportions during the past half dozen years, starting in the United States and extending to the Dominion, the large companies in their great strife to lead in the volume of new business written leading in the movement. The other companies, great and small, have been forced either to see the business go to the rebaters and to fall behind in their record as business getters, or, with perhaps two or three exceptions, urging self defence as an excuse, to fall in with the current. When the magnitude of the evil became apparent, a crusade, led by the insurance press, and later taken up by the various associations of life underwriters composed of general and special agents, which rapidly formed in various localities, was entered upon against the practice. Resolutions condemning the evil were passed by the associations, the company officials were profuse in regretting the evil, smooth and well sounding words in condemnation were uttered, and still the big commissions and bonuses were kept up, and rebating went on unchecked. Then came an era of legislation, assented to by the companies, and in twenty-one of the States of the

American Union stringent laws were enacted, led by Massachusetts, the agents in Canada talked anti-rebate, and a few companies on both sides the line honestly endeavored to inaugurate reform. These laws, with stringent penalties, have, however, as a rule, been dead letters, and while, during the past two years, the evil has been lessened by the moral influence of the agents' associations and the insurance press, the legal remedy has been a farce. Perhaps a half dozen prosecutions out of thousands of offences have been attempted, and yet, less openly but quite effectually, the agents have bid for business by giving rebates. Of course expenses have increased and dividends to policyholders have steadily diminished, as we have repeatedly pointed out in these columns, while demoralization has become widespread, inducing a lapse ratio unprecedented in the history of life insurance.

A few weeks ago, as we noted at the time, Insurance Commissioner Merrill issued a circular letter to all the companies doing business in Massachusetts—29 of them telling some plain truths and proposing a convention of the officials of the various companies to take concerted action of a practical and binding nature designed to suppress the evil. Favorable responses were received from a majority of the companies, and, taking them at their word, the commissioner called a meeting in New York city for the 12th of October. As we happen to know, there is an interesting inside history to the pressure brought to bear upon certain half hearted company officials, profuse in professions of reform, but disposed to dally as usual with any practical plan of reform, and as a matter of fact, as before stated, twenty-four companies agreed on a plan outlined by Commissioner Merrill, and signed a compact, strong and explicit in its provisions, to contribute money for the detection of offenders and for their prosecution under the existing laws. An executive, acting for the companies, but having no official connection with any of them, and designated as a "referee" in the agreement, was chosen, whose functions are to examine into all charges of rebating, and whose decision in each case shall be final as to the truth of the charges, and who is also empowered to see that violators of the law against rebating are prosecuted by the proper authorities, an expense fund of \$10,000 being placed at his disposal.

The first article of the agreement entered into by the companies declares for each company subscribing, "That it will not itself pay or allow, nor will it permit any person connected with it in any capacity to pay or allow, any rebate of premium in any manner whatsoever, directly or indirectly," and this pledge is made effective by the agreement that any person connected in any manner with the company, and who shall be declared guilty of rebating, "shall be immediately dismissed from the service of said company, and shall not, for a period of one year thereafter, be employed by any company or party hereto." Here, is a systematic plan, backed money, for the judicial determination of offences, supplemented by an iron-clad agreement that the offender, when discovered, shall be banished for at least one year from the ranks of high insurance workers. The