

THE EXAMINATIONS OF THE NEW YORK LIFE

Our readers will not fail to notice the addition of a large number of closely printed pages to this issue of the CHRONICLE containing *entire* the report of the New York insurance superintendent and his deputy, on the affairs and management of the New York Life insurance company. The examination by the Insurance Superintendent was begun on June 21 last, and was completed on the 9th of January, almost seven months having thus been given to the investigation. Though it was generally expected by the public, and by Deputy Superintendent Shannon himself, that a much shorter time would suffice for the examination, it is not surprising, when the ground covered is considered, that a thorough survey should be the work of many months. The value of real estate owned, the condition of mortgage loans, the investments in stocks and bonds, the buildings owned, the valuation of policies, and many other features of the financial condition, had to be examined into personally and by expert deputies, not only at home but in several foreign countries. Added to this financial quest, an investigation extending over a series of years into the definite and formal charges of mismanagement by the company's officers, as made by its former cashier, was required.

As we have predicted, and well posted people have confidently expected, the financial condition of the New York Life is found by this official examination to be entirely sound and satisfactory. On June 30 last, the total assets are found to have been \$120,710,691, while the liabilities were \$106,002,015, leaving as surplus \$14,708,676. Of this amount \$8,670,540 belongs to *ton-tine*, and \$6,038,136 to other policyholders. The above assets are nearly \$5,000,000 more than reported by the company on Jan. 1, 1891 and the liabilities show a like increase, whatever slight reduction is apparent in surplus, as compared with the January report, being mainly due to reduced real estate values in the Superintendent's report. That official congratulates the public and the policyholders on the condition of the company as found by the examination, and pays a deserved tribute to its possibilities for the future. In view of this official announcement of its thoroughly sound condition and strong position, both agents and policyholders who are wise will give the company their unreserved confidence, and not allow themselves to be alienated by interested rivals. It will serve the best interests of all concerned to do so. It will be seen that the Insurance Superintendent, while endorsing the strength and soundness of the company, finds cause for severe censure of Mr. Beers, the president, and other officials responsible for its past management, in connection with the agency department, some special expenditures, and the manner and extent of stock and bond purchases. We can but share the widely expressed conviction, in view of the cold facts set down in the report, that mistakes have been made and repeated by the management for some time past, and that unfortunately they are such mistakes as a critical public will be slow to overlook. In view of facts as

they now stand, and the necessity, which must be apparent to every reflecting mind, that this splendid company shall continue to hold the general confidence which its condition merits, we believe that some changes in the management, including the presidency, should take place. We think that Mr. Beers himself will come to recognize this fact, and that an amicable arrangement will be made by which he may honorably retire after his long service. Unquestionably the present strong condition of the company is largely due to the energy and planning of Mr. Beers, who for many years has been connected with it, and his retirement can hardly be contemplated as one would contemplate the discharge of a clerk or a cashier. Any reconstruction of the managing force should evidently be conducted with an honest desire on all hands for the company's good, with a view to the least possible disturbance of the existing organization, and having due consideration for those who may retire. It gives us pleasure to believe, that in due time such changes as the occasion demands will be quietly and pacifically made, and that the New York Life will go on enjoying the unreserved confidence of the public and growing stronger year by year. In the event of a change in the presidency, we suggest that it would seem desirable, if such a man is found available possessing the required qualifications, to select for that position some one now connected with the company and well acquainted with all its methods of working and past experiences. The mistakes which have been made may easily be retrieved and the company in the future stand even stronger than before. This must be the wish of every right-minded man or woman, and whatever is necessary to such a result will be welcome by all who are not its wrong-minded enemies.

THE ÆTNA INSURANCE COMPANY.

The old Ætna Fire Insurance Company of Hartford, which has so long stood at the head of the long list of American fire insurance institutions in more senses than one, presents its annual statement for 1891; and after seventy-two years of acquaintance with the public again demonstrates its ability to cope with a year's experience of unprecedented losses to the country in general, without being in the least disturbed. A little falling off in surplus there has been; but as the net surplus still reaches \$3,702,019, and its loss-paying ability, including its \$4,000,000 of cash capital, stands at about seven and three-quarter millions of dollars, the company is prepared to go on furnishing insurance that insures beyond all contingencies. With a total income for the year of \$3,789,391 and total expenditures of \$3,597,751, it has been able to add to its large volume of assets a respectable sum, swelling the total to \$10,659,139—a gain for the year of \$201,642. Its underwriting experience for such a year as the one just closed must be looked upon as a favorable one, for with net premiums amounting to \$3,326,488 and losses paid amounting to \$1,844,990, the loss ratio is but 55.46 on the total fire and inland business, and about 57 per cent. on the fire business alone. This shows the exercise of that good underwriting ability which has long been