

were office boys, picked up off the streets and paid five dollars a week, and janitors of office buildings. Anthony, at all events, seems to have been a near relative of this gang. However, to get on to the story and its moral.

WHAT HAPPENED TO AN ELK LAKE POLICY.

"Edward M. Carroll," says the United States Review, "manager of the Insurance Brokerage & Contracting Company, Limited, of Toronto, Canada, came to Philadelphia last week on a drifting chance of collecting a loss from two of the bucket shop fire insurance mutuals of Philadelphia that traffic in gold brick policies for cash premiums under the immunity of charters granted by the State of Pennsylvania. The fact is so notorious throughout the country that crews of small swindlers carry on a cash premium plunder under authority of Pennsylvania charters, with Philadelphia as the base of operations, that Mr. Carroll had a fairly clear idea of the case when he came here, but when he left, after spending a few hours of wasted time, he said the thing that most surprised him was that reputable fire insurance agencies would occupy offices in a building in which concerns of this type were rented space to carry on their schemes.

"Mr. Carroll brought with him two policies which had previously been sent to Philadelphia through the Girard National Bank with drafts attached and returned on May 8th, marked 'Payment refused.' On the back of one of the drafts was written the vague memorandum, 'Will wire.' Up to the time of his leaving Toronto Mr. Carroll had heard nothing of the 'wire.' A judgment against the company and pending litigation was given as the explanation of the refusal to pay the other draft.

"The two policies were issued on June 15th, 1910, to Hugh A. McNeill, and subsequently assigned to Anna M. McNeill, on an opera house at Elk Lake, Ontario, and were the product of noisy circulars with which Frank Anthony, of 44 Court Street, Brooklyn, flooded the upper part of Canada a year ago, as well as some remote parts of the United States, offering 25 p.c. brokerage to any fire insurance agents for business which they had difficulty in placing on account of tariff rates or for any other reason.

"The policies represented by Mr. Carroll were fruits of the circularizing campaign of Anthony, of Brooklyn, and were placed.....on the McNeill Opera House, a *bona fide* risk, which burned last February with a total loss. One of the policies was in the Integrity Mutual Fire Insurance Company of Philadelphia for \$1,500 on building, and the other was in the Columbia Mutual Fire Insurance Company of Philadelphia for \$1,650 on contents.

"To this queer underwriting outfit in Philadelphia, assuming fire risks in remote parts of the United States and Canada under authority of charters granted by the State of Pennsylvania, notice of the fire loss under the McNeill policies at Elk Lake, Ontario, was duly sent, together with the fact that the firm of Stimson, Ring & Company, adjusters, of Toronto, represented the assured, and inquiring whether the companies were willing for them to act on their behalf. Word was sent back for the adjusters to go ahead, and in due time proofs of loss were forwarded."

There are really several morals to this story. No. 1 is that a good article is always worth paying for;

No. 2 is that there is no philanthropy in business and that evidence to the contrary from entire strangers should be regarded with suspicion; and finally there is No. 3:—keep clear of unlicensed fire insurance. Which last is the sum total of wisdom on this subject.

PROSPEROUS LIFE INSURANCE.

Experience of the "Big Three" and other United States Companies entirely favorable so far this year—Large new business, increasing persistency and decreasing tendency to borrow on policies.

That the first half of the present year was one of the most successful periods in their history is the account which field force organisations of the United States companies have returned to their head offices. Insurance actually written has been well ahead of the same time last year. Limitations of agencies and restraints due to the regulations of the State insurance law have alone prevented more business being done. While the number of new policies has been increased and a larger aggregate amount taken by policyholders, increasing persistency is shown on their part by a decreasing ratio in the number of surrenders and less disposition to anticipate their maturities by loans.

And this has occurred, in spite of the fact, as explained by the New York Journal of Commerce, that since the Armstrong investigation, the Mutual Life of New York has had to build up its agency force anew. Its force of well-organized agents was largely disbanded, literally by thousands, and the new business was reduced to about one-half the volume of the previous year. When the agents of the Mutual met in New York at the beginning of the month, they reported that the lost ground had been recovered and that in almost every section of the country the business of the year promised to be up to the permissible limit of new business.

The same conditions of things, it is reported, has been found by the New York Life. During the first half of 1911 its business has been in excess of 50 p.c. of the amount it will be allowed to write this year. The normal achievement of its agency force exceeds even the present legal limitations. During 1910 its expenses for new business were 88.5 p.c. of the amount allowed by law, and its total expenses were 54.9 p.c. of the amount allowed by law. Under the schedule of general expense it will consequently be allowed to write about \$20,000,000 more insurance this year than last. In 1910, it issued insurance on the paid for losses of \$158,330,748, and according to the ratio of expense to business it can this year go to the limit of \$178,000,000.

COMPANIES' EXPERIENCE WITH LOANS ON POLICIES.

The conclusion is drawn from these facts that the recuperation, which has been going on since 1907, is still gathering force. Analysis shows that the increase of business tends towards the taking-out of policies of moderate amounts, such as are within the range of an average income. Moreover, the experience of the companies in regard to loans on policies is of a healthy character. "It is a long time," said an official of the Home Life Insurance Company, "since I have heard 'hard luck' reasons given me by applicants for loans, such as were common enough