THE "NO-AGENTS" SUPERSTITION.

A gentleman who was present the other day at the annual meeting of one of our non-commission life offices, which makes a rule of employing no paid agents, expressed surprise that only about seven persons out of each million of the population of this country had actually insured themselves during the past year with the office in question, and this was the more remarkable seeing that a reference to *Whitaker*, which shows the percentage of expenses of life offices to premium income, must appeal to everyone. Well, we have ourselves often expressed the opinion that if the public really understood the advantages of insurance the life offices would soon be obliged to have an "early door," and as the office with which this gentleman is associated is a particularly fine one it should be one of the first to require this extra accommodation for eager clients.

IGNORING TWO FACTS.

But virtue is not always its own reward, nor do members of the public go to seek a life office as Diogenes went with a lamp in his hand to seek an honest man. Life offices which do not employ agents, however, ignore two facts which govern the affairs of the life assurance business in the present state of society. First, the public will not insure their lives without being adequately canvassed, and second, it does not follow that the company with the lowest expense ratio (even when recorded in *Whitaker*) must be the most profitable for policyholders. Proper economy in the management of a life office is, of course, a most commendable thing, but a low expense ratio does not necessarily mean proper economy. Most people will remember the lady who asked a bishop to explain the functions of an archdeacon, and to whom the bishop laconically replied that an archdeacon was a man who performed archideaconal duties. And perhaps it would not be a bad definition to say that a life office is an office which exists for the purpose of insuring lives. But you cannot insure lives without the proper machinery and equipment any more than you can save lives in danger without the necessary apparatus for the purpose, and it is interesting to record that it occurred to another gentleman present at the meeting that such is really the fact.

A KIND OF SUPERSTITION.

There is, indeed, a kind of superstition that just to the extent that money is saved by paying no commission to agents the profits of a life office are increased. We call this theory a superstitition because it does not happen to square with the experience of the insurance business, which is that some life offices which employ many agents, and even pay them a generous rate of commission, are at the same time and notwithstanding this expense able to pay their policyholders profits as large as those paid by non-commission offices. The explanation of this seeming paradox is a simple one. It is that the results of a life office are made of several factors and not merely of one factor as is implied in the non-commsion expense ratio theory, which theory therefore fails as a complete and satisfying principle in the conduct of a life office. Our non-commission offices are undoubtedly offices of high rank, and worthy of the entire confidence and patronage of the public. But so also are a large number of offices which employ agents and pay commission, and thereby increase the volume of their business. It was said by Emerson that "the world belongs to the energetic man," and similarly the world of insurance belongs to the energetic office. If the man is a benefactor who makes two blades of grass to grow where only one blade grew before, so also is the insurance company a benefactor whose energy has caused two widows to be provided for instead of only one. But this energy is only another word for agents, for without agents the essential work cannot be accomplished.—*Policyholder*, Manchester.

IMPORTANT SURETY JUDGMENT.

The Court of Appeal has rendered a judgment of far reaching importance with respect to the liability of surety companies upon bonds given by them in appeals to that court. The case was that of Foster vs. The United States Fidelity and Guaranty Company, and the facts (as reported by the Montreal *Gazette*) giving rise to the litigation were as follows:

In March, 1912, judgment was rendered for $381 in favor of the Rea Consolidated Gold Mines, Limited, against Antonio Cordasco, a well-known Montreal Italian labor agent. Cordasco inscribed the case in appeal, and furnished a bond of the United States Fidelity and Guaranty Company as security for debt and costs in the event of his losing the appear. The contract on the bond was that the surety would satisfy the condemnation in capital, interest and costs, in case the appellant did not effectually prosecute the appeal, in the event of the judgment appealed from being confirmed in appeal.

After the bond was lodged in the appeal office the Rea Company moved to dismiss the inscription in appeal on the ground that the court had no jurisdiction to hear appeals involving amounts under $500, and the motion was granted. The appeal then stood dismissed.

The Rea Company, and its attorneys, not being able to collect their judgment and costs from Cordasco, called upon the Surety Company, which refused to pay because its contract was to pay only if the judgment appealed from was confirmed, and it could not be held that the Court of Appeal had confirmed a judgment which it had no jurisdiction to discuss. The Rea Company and its attorneys then each brought action against the Surety Company and both actions were dismissed by Judge Fortin in February last. The Company's case is still pending in Review, while the present case has been finally disposed of by the judgment rendered in appeal. The factums on both sides contain decisions and authorities drawn mainly from English, American and Scottish sources, there being but one old case in point under our law, that of Francis vs. O'Leary, which was decided on somewhat similar grounds. In effect the court held that the contention of the appellant was without foundation, that the judgment appealed from was confirmed by reason of the judgment dismissing the inscription, as the judgment of the lower court had not been and could not be, under the circumstances, revised or examined in appeal for lack of jurisdiction in that court to hear the appeal at all. And as the judgment appealed from was not confirmed in appeal, the condition of the bond had not been fulfilled, the surety being within the rights in refusing to be bound beyond its contract.