

THE RESPONSIBILITY OF THE AGENT.

We readily admit that the agency system is the backbone of life assurance as a commercial system. The slow growth, or even retrogression, of the non-commission paying offices is sufficient proof of this. But we have further to reluctantly admit that the size of the commission paid to the agent, rather than the actual merit of the company, is the prime factor in the obtaining of business. In spite of the real advance in the education of the public, it is still the man rather than the office to whom business is given. The better the office, the better any able agent will do, of course, but the manner in which out-door appointments are being filled up by even the best offices shows how true this contention is.

It was stated to us the other day that it was impossible to succeed in life assurance and to tell the exact truth; a brilliant comment on the methods of the time. There is, unhappily, a basis of truth to this assertion, to which it is time that attention should be drawn. Life assurance companies issue prospectuses and frame rules for the conduct and guidance of agents, but these are practically rendered of small effect by the wide latitude which is actually allowed. So long as an agent sends in a good supply of new business, very few offices will care to inquire too minutely by what means it has been obtained. In theory the office is responsible for, at least, some of the acts of its agent; but it is the easiest of matters to disown responsibility, and to blame the ignorance or culpability of the agent while taking the fullest advantage of the results of his condemned action.

In recent years a large number of cases have been brought before the courts in which the reckless assertions of agents have prominently figured. It is true that these have been mostly in connection with industrial life assurance, but it would be idle to assume that much of the same thing does not exist among the agents of ordinary life offices. We do not wish to name individual offices or persons, but it will be well within the memory of many of our readers that cases of great importance have occurred in which representatives of most powerful life companies have figured in none too creditable a way. Will it be denied, even by those who are most ready to champion the cause of life offices, that very much business is to-day obtained by gross misrepresentation, amounting frequently to actual lying, on the part of the agent; that much more is obtained by a suppression of material facts; and that more again would never reach the companies in question if the true meaning of certain statements in their prospectuses, regarding bonuses and time of vesting, were clearly understood by the public? Is it an entirely unknown thing for an agent to endorse a policy on his own responsibility, the value of such endorsement being, of course, nil? Who has the power to check the statements made by agents when looking for business? If the companies had the power would they use it? We are not prepared to say so; but month by month the ranks of deceived policy-holders are being steadily swelled, and in process of time an outburst of indignation may be expected, which will be none the less severe for having been delayed. Neither foreign, English, or Scottish offices are as a whole exempt from the accusation of allowing this injurious state of things to develop. There are certainly pronounced cases, but the damage done is done to the whole body. To put the case in its simplest form, a great part of the new business of to-day is obtained by false pretences, and while many insurance companies may suspect, or even know, this to be the case, it is pretty certain that no great effort is made to stop it. Considering the keenness of competition, the readiness of many companies to do business over the heads of their agents, and the apathetic attitude, amounting to condonement or approval, taken up by so many offices, it is not fair to speak too hardly of the agent, who finds the circumstances of the time and the practice of others a sufficient excuse for reprehensible practices. In the haste to find business, companies are overlooking much—far too much. But theirs is the real responsibility, and upon them will the eventual trouble fall.

As to an efficient remedy, this is not too easy to suggest. The true wish of the office will always govern the actual practice of the agents. We do not believe assurance compa-

nies to be either so blind or so ignorant as it is at times convenient for them to appear, and to a very great extent this matter must lie in their own hands. It might be as well if every proposal form contained a paragraph in red ink, on the front, stating clearly and in prescribed form the exact working of the bonus; the full regulations as to surrender and value and other similar matters; and that the declaration should contain a sentence to the effect that the proposer had read these paragraphs carefully. Not much of a protection, perhaps, but something; and some action is beginning to be seriously needed to protect life assurance from threatened scandals of later growth, but great and increasing importance. —*Condensed from London Finance Chronicle.*

THE LIFE INSURANCE AGENT AND THE DOCTOR.

The following verses, by Dr. Henry S. Durand, of Rochester, were read at a recent annual dinner of the Medical Society of the State of New York:

Father Time he plays the fife,
For this march of modern life
With a quickstep, and the hustler is our
proctor;
And amid the jostling throng
Which is hurrying along
Go the life-insurance agent and the doctor.

The life-insurance agent
Declares that life's a pageant,
And reminds us that its ways are growing
rougher;
And with motives all most pure
He entreats us to insure,
That when we die our families may not suffer.

He corners aged men
Nearly threescore years and ten,
And when their waistcoat button he has
pressed
For half a day or more,
He leads them to the door
Of the doctor, for the doctor does the rest.

He knows that clouds may rise
On most propitious skies—
Those fleecy clouds the doctor calls albumen;
He knows the stethoscope
May quickly dash his hope
By the murmurs which may whisper through
its lumen.

His stethoscope is pressed
On a chest that's fully dressed,
Of what he hears he has not e'en a notion;
And so the man is passed,
Though his kidneys have lost oast
And his heart may murmur like the summer
ocean.

And yet what does it matter
If invalids they flatter
And make them half believe that they are
healthy?
The doctor gets a V,
The man a policy,
And the agent—well, the company is wealthy.

And when the man is dead,
And o'er his honored head
A stone is raised with epitaph upon it—
His widow's sable weeds,
By the underwriter's deeds,
May change to blossoms on an Easter bonnet.

LAKE UNDERWRITERS AT CLEVELAND.

Sweeping reductions in valuations and a general advance in rates were the results of the two days' session of the lake underwriters at Cleveland last week. The reductions in the value of lake boats for the purpose of insurance are about 10 per cent. on steel steamers and A1 wooden boats of larger size; on A1½, 15 per cent.; A2 boats, 20 to 25 per cent.; and on A2½ and B1, from 25 to 30 per cent. On the lower classes not only is the valuation cut down, but the limit of policy value is reduced by 10 per cent. more, and then the amount of insurance which owners will be permitted to carry is greatly lessened. For instance, an A2 wooden steamer, which was valued last season at \$50,000, and could be insured for some \$45,000, will be rated this year at \$40,000, with a policy limit of \$36,000. It can be insured for only two-thirds to six-sevenths of that amount.

The aim of the underwriters was to compel vessel-owners to carry more of their own insurance, and thus decrease the temptation to lose boats through negligence. While first-class steel steamers can get full collision liability insurance, yet the underwriters make it an inducement to owners to take some risk themselves in driving their boats through fog by making a rate of ¾ per cent. for three-fourths valuation, as against 1 per cent. for full valuation. The greatest sufferers from the action of the underwriters are the older and smaller classes of boats, and on many of them the new conditions and rates will be prohibitory. As many boats now loaded with grain in Chicago River will go out of commission as soon as they reach Buffalo, trip insurance rates in April were made 10 per cent. of the season rate on policies of whatever kind, and for May 7 per cent. Cargo rates on iron ore, pig iron, coal, and steel rails were advanced about 50 per cent. all around.—*Chicago Tribune.*

PETROLEUM.

So far as we are able to judge at present, the Government has dealt very fairly and considerately with the business. Seeing that changes were demanded, the direction in which these have been made shows the care of the Government not to disturb the existing balance of the workings of the business. The complications of our question can only be understood by those who have lived here through a number of years, but we have a word to say to our friends the farmers now.

The highest oil duty, judged by weight, is about ⅔ of a cent a pound, there being 8 pounds of oil to the gallon.

Our Government taxes butter in the farmer's interest, four cents a pound; cheese three cents a pound; salt beef two cents a pound, and a general tax on fresh meats not otherwise specified three cents a pound. We would like the Patrons of Industry, and other organizations, just to consider these facts. We have been given a most unjust and most undeserved prominence in the whole tariff discussion, and all we want is to be correctly estimated and judged by the facts. We will not say anything about the cheap patriotism of the ignorant ranters who have used our position to give the Government a stab any way. We suppose the froth will always come to the top.

Meantime, we all breathe more freely here. Operations have been suspended virtually for months, and activities will now be resumed, although not to the extent they would be if the question were considered to be finally settled, and beyond the region of an annual excitement. We have plenty of territory to operate in, but it takes years at present values to give a man the chance of making his operations profitable. The sooner we have an assured condition of tariff regulation the sooner we shall get to the period when our old-time energy will assert itself, both in the crude and refined departments of our industry.—*Petroleum Advertiser.*

ARGENTINE FINANCES.—“While the United States of Brazil are suffering from the torments of civil war,” says the *Bien*, Montevideo, Uruguay, “the Argentine Republic is establishing a firmer credit in Europe. The Argentine National Government has, since January, paid in full the interest on the gold bonds. Up to that date, this interest has been paid at 63¼.” The greatest authority in Germany on the subject of foreign loans, the *Frankfurter Zeitung*, says the Argentine Minister of Finance has informed the committee of Argentine bondholders in Frankfurt that he is about to pay \$2,000,000 on account of the two years' arrears of guaranteed railway interest, amounting to \$7,500,000 in the aggregate.

—In Inverness there lived a retired officer who possessed the odious habit of asking people all sorts of inquisitive questions. One day, when out for a stroll, he met Duncan, the town's “character,” and the following colloquy took place: “Well, Duncan, you're dressed brawly to-day. Where are you going?” “Just to the castle, captain,” proudly replied Duncan, as he touched his cap by way of salutation. “And what have you got in that basket?” further queried the captain. “Faith, sir, I hadna the impudence to ask?” coolly returned the wit.