

to escape from fire they supposed had started. In the crush several were injured. There was no fire in any part of the building.

**NEW BUSINESS RATES.**—In view of the fact that the legislative insurance investigating committee will strongly recommend the reduction of the cost of "new business" when its preliminary report is laid before the State Legislature, the Mutual and the Equitable forestalled any action on this line by announcing a considerable reduction in this line of business. The Mutual made it known that beginning with the first of the year it would reduce its commissions on deferred dividend policies from 75 to 60 per cent. on new business.

Paul Morton, president of the Equitable, has taken a firm stand against the practice of rebates, and in a letter forwarded to all the agents of the Equitable he practically says: "Stop it!" Although the letter was not made public it was said to review the evils of rebating in the effort to secure new business in very forcible language. Attention was directed to the rules of the company against the practice, and every agent from Texas to Maine was advised to carry them out to the letter.

Along this line it was learned that it had been suggested to Mr. Morton, and that he now has the matter under consideration, that the only way to stop rebating is by placing a clause on the company's policy to the effect that the man who accepted a rebate was just as much in error as the agent, and if it became known that a rebate had been given the policy would become void. It was said that the suggestion would find favour among the agents, as it would relieve them from the pressure of competition.—N. Y. "Commercial Bulletin."

## Correspondence.

We do not hold ourselves responsible for views expressed by correspondents.

### NEW YORK INSURANCE LETTER.

New York, Jan. 3, 1906.

There is a sharp contrast between the experience of the fire and life insurance companies in this city and country during the year just closed. Fire insurance has been unusually prosperous, with freedom from conflagrations or an excess of destructive fires, while rates have been fairly well maintained and a large premium income assured. There has been, of course, the trouble in Arkansas, compelling the retirement from that state of most of the companies, and there have also been a number of minor troubles, such as the conflict between Union and non-Union companies with the problems of separation and the various local annoyances, which are bound to occur. On the whole, however, fire insurance has had distinctly a year of prosperity, and there is every prospect that the annual statements will show good increases in assets and surplus. This will be helped along by the strength and steadiness which has prevailed during the year in the prices of securities which have held up wonderfully and apparently without inflation, owing to the general prosperity of the country.

It is unnecessary to refer in detail to the troubles which have beset life insurance, for they are a matter of record in all the countries of the world which have a newspaper press. The large companies, of course, have suffered the worst, but the system as a whole may be regarded as the victim of the general attack. Whatever evils and abuses have been disclosed, life insurance has stood the onslaught remarkably and its innate strength has been developed to a wonderful degree.

Writing briefly in detail as to the present situation, there

seems to be considerable dissatisfaction as to the turn taken in the affairs of the Mutual Life. The election to the presidency of an entire outsider, ignorant of any knowledge of insurance and perhaps merely representing a big financial and industrial monopoly is not favorably received in many quarters. It is thought that it would have been much more to the credit of the board of trustees to appoint to the presidency a man well and widely known in life insurance, and it is freely said that the company itself contained talent which would have been available.

The employees and officials of all of the three giants feel as though they were sitting upon a volcano whose forcible and sudden eruption might occur at any time.

As would naturally be the case there has been a great number of life insurance companies organized since the investigation with its publicity began. It is said that throughout the country no fewer than thirty-one new companies have been organized since the first of January. These companies will, of course, find success very difficult, but the multiplicity of them indicates the confidence which they have in the adverse influence upon the public of the recent investigation.

#### NOTES.

Ex-Vice-President James H. Hyde, of the Equitable Life, has sailed for Europe, but declared before his departure that he intended to return and become once more identified with the Equitable Society.

The Caledonian Insurance Company announces that beginning with the new year its agents in North and South Carolina will report direct to the New York Office.

It is expected that under the management of U. C. Crosby the Royal Exchange will branch out and enter several Western States in which it is not now operating.

Many of the employees of the London & Lancashire have left New York to take up their residence in Hartford, following the removal of the working quarters of that company to the Orient Building, in the Connecticut capital. The financial headquarters of the London & Lancashire will remain in this city.

Much interest is manifested here in the absorption of the Conservative Life, of Los Angeles, by the Pacific Mutual Life of San Francisco. The latter company has been represented here for some years and has done a fine business. The Conservative Life has never ventured East, although it has advertised here largely for agents. It is whispered that in its own territory the Conservative is not so highly regarded as in places where it is not so well known. However this may be, the Pacific Mutual is abundantly able to take care of its new accession of business and the merger may be better for the policy-holders of both companies.

QUERIST.

### LONDON LETTER.

London, England, Dec. 23, 1905.

#### FINANCE.

The announcement that Mr. Labouchere, M.P., would retire from Parliament at the end of the present septennial period—practically meaning that he will not seek reelection in January—recalls the fact that as proprietor of the well-known social, financial and political weekly newspaper "Truth" he has always been a fervent "bull" of Canada and Canadian investments. Week by week, in season and out "Truth" has preached the gospel of Grand Trunks, Trunk Pacifics, Canada's, Hudson's Bays, Calgary and Edmonton, Canada Northern, and all the other financial progeny of the Dominion.

#### INSURANCE.

The most outstanding feature of the week's insurance news is the passing away of the man, above all others,