

that a fight against the Insurance Societies would involve. With regard to the existing laws, the trouble was that representatives of benefit associations went about soliciting candidates for membership, and thereby encountered Insurance Agents.

The following telegram was read to the meeting by Mr. Charles Lanning, H. C. S., Ancient Order of Forester:—

OTTAWA, FEB. 14, 1882.

To Charles Lanning:—

Government do not intend to interfere with Canadian societies.

JOHN A. MACDONALD.

Mr Lanning also read the following letter addressed to him from Sir John A. Macdonald:—

OTTAWA, Feb. 13, 1882.

Dear Sir,—I have to acknowledge the receipt of your letter of the 10th inst. asking if the Government intends to bring in a Bill controlling the affairs of friendly and benefit associations. This subject is under the consideration of the Minister of Finance, to whom I have sent your letter. You may depend upon it that, if the Government should conclude to bring down a measure, you will have an opportunity of being heard.

I am, dear sir, yours truly,

JOHN A. MACDONALD.

Mr. WM. BURGESS, Toronto, said that many members of the Government were large stockholders in some of the insurance companies and it would be to their interest to protect and benefit them.

DR. ROWE, Georgetown, thought they were too premature in the matter. They should appoint an inspector to watch the action of the Government.

MR. GREEN, of the Royal Templars of Buffalo, addressed the meeting. He said that the benefits connected with the associations was the work of God in helping widows and orphans, and there was no doubt that it would prosper. This was the first trial the societies had had to stand. In the United States the societies were under the inspection of the Superintendent of Insurance, and if they did not do right they were reported to the proper authorities. They should not "go a cent" on any Insurance Company that did not have regular lodge meetings, and which had not their responsible officers placed under bonds, as was done by the benefit associations. He concluded by placing before them the constitution under which benefit societies in the United States were carried on.

A GLANCE AT THE EVILS OF

STATE INSURANCE SUPERVISION.

BY STEPHEN ENGLISH.

Condensed from an Address delivered before the Insurance Journalists' Association of the United States, January 26th, 1882.

Governmental Supervision of Insurance Companies is desirable for several reasons, the principal of which are the protection of the public against unsound and fraudulent corporations; the enforcement of publicity as to the transactions and condition of all companies engaged in insurance, and the stoppage of all whose corporate vitality is being exhausted, and whose active continuance is dangerous to the people. There exists, however, no sufficient reason why these duties should be assigned to a separate department, or that they should be made as onerous and expensive as possible, instead of being conducted on a strictly economical principle. If we had a good system of law on insurance, and its provisions were faithfully and fully enforced, we should have no need of separate insurance departments. The existing ones were created to remedy an evil which had grown to be almost intolerable; the whole land had become infested with wild-cat insurance companies of the worst description; the sound and honorable companies found themselves in the most dishonest

and disgraceful company; next door to a first-class life, fire or marine office, or in the same building, and with quite as attractive a show, was often located as baseless a swindle as ever cast discredit on insurance. It made statements, issued circulars, and sent them broadcast throughout the land, containing figures of the most imposing magnitude. How was the seeker of insurance to discriminate between the captivating fraud and the substantial reality? The report of one company appeared as good and truthful as that of the other, and if there was an advantage on either side, the false and seductive concern presented the most plausible and inviting appearance.

When the first State Insurance Department was established in Massachusetts in 1854, there was little or no check whatever on the creation, spread and operation of wild-cat insurance schemes. The well-meaning, regular and honorable underwriters of this country first agitated the question, and petitioned the Legislature for government interference to protect the guileless people and the upright companies against the abomination to which I refer. Were they wrong or were they right? At the time they acted conscientiously, and with every semblance of wisdom. It was, I presume, impossible for them to foresee the consequences. They did not look so far into the future as to discern what an incubus a score of State Insurance Departments would be to the underwriting interests of the country. They did not imagine for one moment that they would become mere instruments of taxation, of extortion, and even of blackmail.

The New York Board of Underwriters, who originated the Insurance Department at Albany and took so much pains to set the machine going, never dreamed that the position of Insurance Superintendent would become a political prize, awarded by the successful party to one of its active and subservient members. It has, however, been nothing else than a part of the spoils dispensed by the political victors, and the example set by New York has been followed by every other State which has an insurance department. The men appointed have therefore been merely partisans, ignorant of insurance, and no more fitted for their special duties than a backwoodsman is to command an ocean steamer. Even were the present State Supervision of Insurance correct in theory and principle, the facts to which I refer would render the whole system abortive, useless and pernicious. We are employing as adepts at the heads of the Insurance Departments men who do not understand and cannot perform the tasks assigned them, and who are, consequently, sinecurists whose incapacity, dishonesty or greed suffices, almost in every instance, to make their office as useless as it is burdensome.

State insurance supervision has been equally inefficient in preventing insurance companies from declining so deeply into the vale of weakness and insolvency as to be unable to repay their policy-holders the amount due them. On the contrary, our Insurance Superintendents and Commissioners have gone on from year to year indorsing the solvency of many a bankrupt company, and have thus helped to delude the policyholders and the public, and to load them up with heavier loss. As a guide and a protection they have, to all the interests concerned, proved a failure.

To what shall we ascribe this utter inefficiency? To incompetence, to indifference, sloth, stupidity, conceit, or corruption? We have had but one or two State Insurance Supervisors really competent to fill their stations by virtue of training, capacity and uprightness. In some instances Insurance Commissioners have been so inflated with conceit as to imagine, because they were appointed to the office, that they knew more about insurance and its requirements than all the underwriters in America combined. On this ground they instituted such regulations, and secured the passage of such laws, as rendered the business of insurance in their territory exceedingly dangerous, and almost impracticable. Our State Insurance Supervisors imagine