

Considered in conjunction with the results for the preceding decade (1888-97 both inclusive), the situation is certainly such as to warrant very great apprehension as to the future.

TEN YEARS, 1888-1897.				
Total for all Companies	Rate per cent. of premiums received			
Premiums	Losses	Losses	Expenses	Total
64,216,670	41,126,891	64.04	32.50	96.54

"The offices are face to face with a condition, not a theory, and the figures grimly attest there is something wrong in Canada. If fire underwriting be closely akin to an exact science, and not a pure game of chance, as some contend, then we must concede the principle of cause and effect, be it simple or complex. If simple, then an expression of opinion from one of the rank and file may be acceptable, and in this hope I venture the assertion that the general demoralization of recent years is largely due to the system of compensating agents by flat commission, and that so long as this system obtains no marked improvement in the Canadian field is possible.

"I shall assume, for the purposes of this paper, that the cause is not organic; in other words, that the rates in Canada are not inadequate; for on what other ground can we account for the fact that the companies have empowered local boards, composed of commission paid agents, largely recruited from the mercantile ranks, to fix their own rates? That these gentlemen, for example, see no incongruity in granting a three-year "minimum" rate for a non-hazardous risk in the centre of a congested business block, creates no consternation, apparently, on the part of the offices; therefore, it is only reasonable to suppose the rates are satisfactory to them. But the business of fire insurance is not altogether a question of rates.

"The commission agreement for the provinces of Quebec and Ontario (the cities of Montreal, Quebec, and Toronto excepted) provides a maximum flat commission with optional equivalents embodying contingency features; but it may be safely said that any method savouring of deferred profits has little or no attraction for the man who is soliciting as a *dernier resort*. It would be unreasonable to contend that the whole wage of any man should be subject to such a contingency as fire, but unless there be a profit-sharing feature in the remuneration of the average fire insurance agent, it is absurd to suppose he will not be more concerned in the immediate gain to himself than in the result to the company. The average fire insurance agent is human, and the average fire insurance broker intensely so; therefore any system of compensation which is tantamount to putting a premium on the suppression of facts material to the risk must be false to the paramount interest. I boldly reaffirm, however unpalatable it may be, that the system of flat commission is one of the most sinister influences now affecting the fire insurance interests in Canada.

"I must leave it for some abler pen than mine to say to what extent the lack of *esprit de corps* on the part of the local agent may be ascribed to the dissipation of commission through such channels as building socie-

ties, loan companies, trust corporations, and other institutions having mortgage investments, and to the appointment, now so frequent, of bank managers, grain dealers, large property owners, distilling and other manufacturing firms, as agents, the legitimate representative being thus deprived of the means which possibly enabled him to give his services in securing a share of the smaller and perhaps more desirable risks in his field. How are we to reconcile this with the edict of the associated offices: "No member of this association shall, directly or indirectly, or through their agent, allow any rebate or discount from tariff rates, or divide commission with the assured, or any of his employees." Thou shalt not rebate! Forsooth! I leave it to those in authority to say to what extent the loss columns reflect these grave abuses. That there are still men in the ranks who have been, despite all, true to themselves and their trust, none will deny. They are the salt of the earth.

"Co-operation seems to be the secret of much of the success achieved in other walks, and it might profit the stock companies in Canada to be less indifferent to, or display a greater interest in, the pawn known as the local agent. He is not such an insignificant factor in the game as many suppose, but his value will always be pretty much what the player determines."

Obituary

THE LATE H. R. HAYDEN.

It is with extreme regret we record the death, on the 2nd inst., of Mr. Henry R. Hayden, the well-known insurance journalist, and editor for many years of the "Weekly Underwriter." The New York "Journal of Commerce" in publishing a sketch of his career says:—

"Mr. Hayden was one of the brightest and most reliable writers on insurance topics, and won the respect even of those he most sharply criticised. He was both fearless and honest, and his death removes from the ranks of insurance journalism one who had earned the high reputation he had won.

Mr. Hayden was born at Seneca Falls, N.Y., November 23, 1836, and resided in the town of East Hartford, Conn.

Mr. Hayden was at the time of his death the editor and publisher of the "Annual Cyclopedia of Insurance." He was a representative in the General Assembly of Connecticut in 1876, and was re-elected in 1877; was nominated again in 1881, but declined, and was the nominee of his party for State Senator in 1884. He had been a trustee and president of the Raymond Library of East Hartford, since its foundation, a member of the Hartford County Horticultural Society, and an occasional competitor at its exhibitions.