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The Budget

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W. CAMPBELL, *Editor*.

W. B. CAMPBELL, *Manager*.

All communications for this Journal should be addressed—THE BUDGET, 64 Bay Street, Toronto, Ont.

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THE DIFFERENCE.

WITHOUT wishing to re-state here THE BUDGET's position in respect of assessment life insurance, we desire to correct statements pretty positively made by assessment advocates, namely, that the assessment system gives insurance cheaper than the old-line plan gives. Such is not the fact, because what is given by the one and the other are not the same thing. They differ pretty much as do single and double entry in book-keeping, or as a part differs from the whole. The assessment system, as compared with the old-line, gives less insurance than does the single entry system give of sound book-keeping as compared with the double entry system. We do not say that the old-liners cannot lower the cost of insurance, for we think that they could safely do so, both in their own interest and that of the public, and thus promote the universal adoption of life insurance. We think they should lower the cost to a minimum with all due expedition. This, we are glad to say, they are wisely doing through the numerous concessions that are constantly being made to the insured in various ways. But we at the same time frankly admit that they cannot cheapen life insurance to the price of the assessment article, simply because the old-line article is worth much more. It is full, complete insurance. The assessment article is not that, hence it is less valuable and should not sell for as much as the old-line article. Why then speak of the two as being the same, and especially when comparing them, why claim the preference for the semi-real over the real article? Why speak of the less as being equal to the greater, or of the part as greater than the whole? We have all along admitted that assessment insurance has its value and its place, but we insist that neither in value nor place can it be ranked with insurance afforded on the old-line plan. It is therefore disingenuous to disparage the old-line plan as assessment advocates generally do. We mean this as a suggestion kindly made to all assessment institutions of whatever name or stripe, and we hope that they will accept and act upon it in the future by desisting from the unfair comparisons as between old-line and assessment insur-

ance, so common on their lips, with the unjustifiable inferences and erroneous statements that old-line insurance is inferior to, at same time that it is more costly than, that afforded by the assessment system. These are statements that the facts will not bear out, and which no candid inquiry into, or sound reasoning upon, the two systems will substantiate. Properly conducted, and understood by those who patronize it, assessment insurance is commendable as a step in the right direction, but only a step—towards insurance. To those who will not or cannot procure straight insurance we would say, Take the assessment form—much better than none.

THE REMEDY FOR THE COMMISSION EVIL.

ONE of the many good things THE BUDGET has done for insurance is the series of letters and interviews upon the state of the business, published in our last issue. We have reason to believe that the opinion of the gentlemen, who were good enough to favor us with an expression of their views, have been read with great interest not only throughout Canada but in the British and American head offices which have now, or hope soon to have, representatives in this country. With not less pleasure than any other part, we publish the good-natured criticism of THE BUDGET by the respected general agent of a leading English company. This gentleman, in speaking of the commission evil, gave THE BUDGET credit for having opposed the system, but said that he did not remember having seen in THE BUDGET any practicable substitute, or even any substitute at all. From remarks made by others, and from the tone of letters we have received expressing much the same view, it is quite evident that we have been remiss in not reiterating with sufficient force the remedy we propose for this great evil, the root of all evil in insurance.

THE BUDGET has certainly proposed the remedy. Whether it is practicable or not may be a matter of opinion. Let us again state the remedy, and give our reasons for believing it to be practicable. In the very first issue of this journal, published exactly seven years ago this month, appeared an article on the subject of commission, from which we republish the following:

What then is the remedy? Simply and briefly this: Do away with the present system of paying agents by commission solely and let their remuneration be by salary or guaranteed income, made up in part of commission fixed at a moderate rate on the premium, according to circumstances, and a bonus on the profit of agencies, the remuneration inclining largely in the latter direction.

It may be said that this is merely saying that the best way to make a change is to make a change, and the *how* it is to be made is still left in darkness. But, before assuming that to be the case, we would ask our readers, managers especially, to consider carefully the remedy proposed. It is impossible to go into details in reference to a plan for general adoption, for the reason that the details must vary with different cases.