

Correspondence

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NEW YORK INSURANCE LETTER

New York, July 3, 1907

New York has lately been torn up with sensations of one kind or another from week to week. Texas news is not exactly New York news, and yet the important tidings from Texas so closely concern New York companies that it may be regarded in that category. Most of the New York companies, as well as several important corporations of other States, have announced their intention of withdrawing from the State of Texas on account of the vicious Robertson bill recently passed, which compels all life insurance companies doing business in the Lone Star State to invest at least seventy-five per cent. of the reserve on Texas policies in securities of the State of Texas or corporations dwelling therein. It moreover greatly restricts the powers of investment in that State. Texas has been a very important field for life insurance companies, both on account of its size and its developing wealth and population. The withdrawal of the companies from the State, while a misfortune for the corporations themselves, will be a much greater hardship for the army of agents employed in that commonwealth and the many insurable people who look to outside corporations for life insurance protection. Insurance Commissioner Milner, who was most active in condemning outside corporations and in promoting their withdrawal, is now finding excuses to persuade the companies to remain, but it is hardly likely that many will do so.

In this connection attention is called to the large number of new life insurance companies which have been organized in various parts of the country since January 1, 1905, mostly since the great investigation of that year. A careful compilation shows that nearly two hundred life insurance companies, and associations for the purposes of life insurance, have been organized in twenty-five States in less than two years. The largest number was organized in Massachusetts, but probably the State of Indiana bears off the palm for the number of new level-premium life insurance companies, twenty-two having been started there, mostly intended to be old line corporations. This increase is due to the expected falling off in business of the New York companies, which the investigation did all it could to bring into disrepute.

The recent reduction in life insurance rates in Jersey City, our principal suburb, brings to mind the remarkable state of things which developed out of the San Francisco conflagration. It was expected that that disaster would be followed by a general rise in rates all over the country in order to make up for the extra loss incurred. A movement was made in that direction, but it very soon fell flat, and instead of an increase in rates, general reductions have been the rule. Of course in specific instances there may have been an excuse for the reduction, but, as a general thing, competition and a lack of backbone on the part of the companies have been responsible for the loss in average premiums where there should have been decided increases.

The surety situation in this city and vicinity is far from satisfactory. As is well known it has been found that many companies were not carrying sufficient reserve, and it has been thought that some of them, if closely bound down to actual legal obligations would be found insolvent. This condition has developed in the case of the Metropolitan Surety Company just examined, and which has been discovered to be impaired to the extent of more than \$60,000. It will be remembered that the Empire State Surety Company underwent a similar experience a year ago. There is a great deal of slipshod surety underwriting, and the rates have been slashed to such an extent that without excellent selection of risks there is little profit in the business. The American Surety Company announces that the era of depression in securities, and speculation incident thereto, has brought with it the usual crop of defalcations, and that it has been called upon to pay claims on an average of two per month since the first of the year. The strong position of the American Surety Company, however, enables it to do this safely.

NOTES.

U. S. Manager A. B. Cilley, of the Norwich and London Accident Association, announces that he has appointed J. H. Dalesderniers & Co., of 80 William Street, this city, as

general agents for the Metropolitan district. He also announces the appointment of Mr. Geo. G. Brown as manager of the liability department of the company. In New York the company will confine itself for the present to liability and individual accident insurance.

A new fire insurance venture in this city is the Excelsior Fire Insurance Company, promoted by the redoubtable P. B. Armstrong, who has been trying to organize an insurance company for many years. It is claimed that the capital and surplus of the Excelsior are now all paid in.

Mr. Franklin J. Moore, U. S. Manager of the General Accident Insurance Corporation, and interested as a prominent official in the Canadian company bearing the same name, has recently returned from a six months' absence after breaking a leg while indulging in the pleasant pastime of roller skating.

It is stated that the Metropolitan Life Insurance Company has concluded to remain in Texas, perhaps endeavoring later on to test the constitutionality of the objectionable Robertson law.

A large number of accident insurance men and insurance journalists will attend the convention of the International Association of Accident Underwriters to be held at the Hotel Frontenac, Thousand Islands, on July 11.

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Stock Exchange Notes

There was an improvement in the tone of the market this week and the range of prices generally shows an advance. With the exception of Dominion Iron Common and Montreal Power, the volume of business was limited. The week was broken into by the Dominion Day holidays and the market week only comprised four trading days. Tomorrow, Thursday, will be a holiday in the United States and all American markets will be closed. Dominion Iron Common advanced and was the leading feature, the sales being over 6,800 shares. There was large speculative buying and the movement was accompanied by rumours of impending changes in the Directorate. A settlement of the differences between the steel and coal companies is confidently looked for within a few days.

C. P. R. closed with 174 1-8 bid, an advance of 3 1-8 points. The stock was inactive and only 102 shares were traded in. The earnings for the last ten days of June show an increase of \$329,000. Soo Common sold up to 108 1-2 and closed with 106 bid, a net gain of 3 1-2 points on sales of 200 shares. Montreal Street made a further recovery to 209 and closed with 208 1-4 bid, an advance of 2 3-4 points, and 204 shares figured in the trading. Toronto Railway closed with 104 bid, a gain of 3 1-4 points and 415 shares changed hands; Twin City sales totalled 125 shares and the closing bid of 94 shows a net gain of 1 1-2 points. Detroit Railway continues to improve and closed with 68 bid as compared with 63 7-8 a week ago and 440 shares were involved in the trading. Illinois Traction Preferred shows a gain of 1 full point, closing with 83 1-2 bid on sales of 515 shares. There were no transaction in Halifax Tram but Toledo figured in the trading to the extent of 110 shares and closed with 25 bid.

R. & O. was firmer and closed with 66 1-2 bid, an advance of 1 7-8 points but only 85 shares changed hands. Mackay Common closed with 67 3-4 bid, a gain of 1 point, but the stock was not traded in. The Preferred sales involved 205 shares and also shows an advance of 1 point, closing with 66 bid. Montreal Power was the second stock in point of activity and 1,444 shares were traded in. The stock closed with 91 1-2 bid, being an advance of 4 1-4 points.

Dominion Iron Common was the most active stock and 6,804 shares were traded in. The highest touched was 24 1-2 and the closing bid of 23 7-8 shows a gain of 1 5-8 points. The Preferred sales only involved 20 shares and the closing of 52 1-2 shows an advance of 3 1-8 points. The Bonds closed with 74 X C bid, equivalent to a gain of 1-2 point, on sales of \$4,000.

Dominion Coal Common improved to 59 5-8, an advance of 4 5-8 on sales of 375 shares. In the Preferred 2 shares changed hands and \$3,000 of the Bonds. Nova Scotia Steel Common was traded in for 95 shares and closed with 66 1-2 X D bid, a gain of 1 point for the week. There