

UNQUESTIONABLY THE TOTAL amount of life assurance written on this side of the Atlantic during 1889 was larger than during any previous year in its history, though the complete statements of individual companies will not be accessible for several weeks to come. Judging, however, from the information at our command, we can think predict with confidence that the total new business reported by all the regular companies of the United States and Canada will show an increase over 1888 of fully one hundred and twenty-five millions of dollars in assurance actually taken and paid for. In "amount written" the figures will go of course several notches higher. In Canada only policies taken and paid for are reported in the new business, which for 1889 will probably reach pretty nearly \$45,000,000 in the aggregate. As the amount of issued and paid for assurance in the United States will undoubtedly aggregate between six hundred and fifty and sixty millions, we may contemplate a grand total for the United States and Canada of about \$700,000,000 as the result of the year's work. These are enormous figures, but are very likely to be exceeded by the increasing business of 1890.

OUR ATTENTION HAS recently been called to a letter published in the *Cornwall Standard*, of Jan. 17, written by Manager Macdonald of the London Mutual Fire Insurance Co., of London, Ontario. It seems that some wide-awake observer had written a letter or two to the papers, calling attention to the significant fact that the company's 1888 report to its policyholders makes the surplus a little matter of \$302,875 more than is shown in the official report of the Insurance Superintendent of the Dominion! The surplus there given, after allowing over \$305,000 in premium notes as a valid asset, is \$75,334. The explanation made by Manager Macdonald of this prodigious discrepancy is entirely original, and unquestionably entitles him to the championship as being the possessor of the largest known area of "sublime cheek." The explanation, coolly made, is that the "reserve on unearned premiums for all outstanding risks," amounting to \$791,541, charged in the Government report as a liability, is really an *asset*! This will be news to the officers and agents of several hundred companies reporting annually to the Insurance department of Canada, and to the forty departments of the United States, where fifty per cent. of the unearned premium is universally charged as a liability against outstanding risks. We do not wonder, however, that a "mutual" company, trying to do business on the stock plan without a dollar of capital, its main asset being a lot of premium notes of uncertain value, should feel very anxious to have a good-sized surplus, even if found necessary to transform a liability into an asset in order to get it. Unquestionably, if found necessary to collect any considerable assessment on their premium notes, their assumed value would dwindle speedily to a realizable value which would wipe out that \$75,334 of surplus several times over.

CONSIDERING THE MAGNITUDE of the business and the number of persons involved, the frauds attempted in prudential insurance are by no means numerous. A pretty bad case has, however, recently come to light in the experience of the Prudential of the United States. Two agents named Falkenham and Fellicki respectively, sub-agents for the company at Utica, N. Y., conspired, it is alleged, with a Dr. Brownell of that place to report the deaths of four fictitious persons purporting to be insured for considerable amounts, and the money unsuspectingly paid over. A large number of policies, reported at fifty, were procured on fictitious lives for an average of \$1,000 each, and about \$150 in commissions realized on each by the swindlers, in addition to the four bogus death claims paid, before they were suspected. The agents fled, but were arrested in New York. Dr. Brownell was also apprehended, and it seems likely that the guilty parties will be severely punished. The loss to the company was about \$10,000.

THE INSURANCE DEPARTMENT of the State of New York has recently completed the examination of the Fire Association, the last of the trio of the companies of which P. B. Armstrong is president and chief factotum. As in the case of the Armstrong Fire and the Mutual Fire, the examination covers the condition of the Fire Association on November 30th last. This examination shows an impairment of \$57,056.52, and as the monthly statement of the company showed a surplus on the above date of \$49,332.48, the difference is \$106,389. As we have heretofore stated in these columns, the scrutiny of the insurance department officials showed an impairment of the Armstrong Fire of some \$23,000, while in the case of the Mutual Fire the alleged surplus, taking no account of some \$441,000 of dividend scrip, was cut down to \$314,819.34, instead of \$433,545.59, as claimed by the company. Thus has official examination enlightened the public, and shown that bluster is not brains nor noisy assumption solid assets. As we stated in our last issue, Mr. Armstrong published a blustering letter, complaining of the unfairness of the examiners in the case of the Mutual Fire, and denying the correctness of the result reached by them. To this they have made prompt reply, fully justifying their conclusions, as we predicted, and in the course of which they say: "Our only reason for refusing to accept his (Armstrong's) statements as true was the fact that investigation showed them to be utterly unworthy of credence." Mr. Armstrong's big show had better retire and dismiss its brass band.

BASING ITS CALCULATION on figures gathered by the New York *World*, the *Insurance News* shows that the fire loss of the United States for 1888 presented very nearly the same ratio to total property value as in 1880, while the percentage of insurance to property value had increased materially. In 1880 the total insurance in force was 16 per cent. of the total property value of the country, while in 1888 the percentage was 20, showing the gratifying fact that property owners insure more generally than they used to.