

WHY THE PUBLIC "ADJUSTER?"

The recent announcement of a prominent fire insurance "adjuster for the companies" that he had formed a partnership with a well-known "adjuster for the assured" brings forcibly to the front, the question: Why the public adjuster or the adjuster for the assured? There is absolutely no reason why a policyholder who suffers a loss should be compelled to hire a shyster lawyer or other intermediary in order to secure the indemnity due him under his contract. If a company does not intend to deal squarely with its patrons it will not be influenced to do otherwise by the fact that an "adjuster for the assured" is on the job. Nothing short of an order of court will make such a company *tote fair*.

No reputable fire insurance company will employ an adjuster who would deliberately seek to gain its favor through making an adjustment unfair to the assured. Such practices are very rare indeed, and with reason, for if an adjuster will agree to swindle the assured for personal gain, he will as readily mulct the company. If the assured has a dishonest loss or is making claim for exaggerated values he at once seeks the "adjuster for the assured" and often the companies settle for an amount in excess of their liability rather than incur the cost of defending a suit. But you may be sure that the excess does not reach the assured; the "public adjuster" must have his pound of flesh. Therefore, we may with propriety class the "adjuster for the assured" with shyster lawyers and ambulance chasers.

A RELIC OF DAYS PAST.

It might be said in defense of the "adjusters for the assured" that if it were not for them the adjustment would be one-sided as the company adjuster is in its employ and therefore bound to keep the adjustment as low as possible. Even if this were the truth, which it is not, how does the employment of an "adjuster for the assured" affect the result? Neither class of adjusters can claim so exact a knowledge of destroyed or damaged goods as the assured himself and he has only to produce the evidence on which he bases his knowledge in order to secure a prompt and fair adjustment of his loss. In recent arson cases that were tried in the Chicago courts the "adjuster for the assured" was shown to have played an important part in every case.

The feeling held by many property owners that the adjusters for the companies are hired only for the purpose of swindling loss claimants is a relic of the days when the fire insurance business was conducted in guerrilla fashion and the lack of co-operation in the matter of rates, forms and adjustments made it possible for conscienceless adjusters to bulldoze unfortunate policyholders into accepting unfair settlements. For many years the competition between companies has been confined largely to the question of service, aside from the personality of the agent, and business is secured and held on the strength of reputation gained only through giving policyholders square and liberal treatment. Those who are in a position to know can easily point out the "loss shavers" and most of them will be found straggling along among the weaklings, being just lucky enough to keep a few jumps ahead of the sheriff. All the successful fire insurance companies enjoy a high reputation among property owners for dealing squarely with their policyholders and it does not require the wisdom of a Solomon to distinguish the cause that produced the effect.—*Argus*, Chicago.

TWO VIEWS OF A BIG FRATERNAL.

The practically insuperable difficulty in the way of placing the larger fraternal orders on a sound financial basis becomes apparent on a study of the report of the joint examination made by the Massachusetts and Connecticut departments of the Royal Arcanum. Apart from the fact that its members have been paying inadequate rates for their insurance, this fraternal has been well conducted. Its death claims are paid promptly and the examiners found no abuses for adverse criticism. But this large and well-managed fraternal is practically hopelessly bankrupt. A comparison of its financial condition with that of one of the legal reserve life companies which approaches it in the amount of insurance in force is instructive. At the close of last year the Royal Arcanum had, in round numbers, \$488,000,000 of insurance in force and admitted assets of \$7,250,000. On the same date, the Penn Mutual Life had, in round numbers, \$565,000,000 of insurance in force and admitted assets of \$135,570,000, that is to say, its insurance in force, greater than that of the Royal Arcanum by less than one-sixth, is protected by resources more than eighteen times greater. Furthermore, while the liabilities of the Royal Arcanum are steadily increasing its assets are diminishing, notwithstanding the revision made in its rates in 1905. In each of the past three years its losses have exceeded its receipts, so that, instead of setting aside a reserve fund to meet future liabilities it has been obliged to draw upon its already inadequate funds. To place these funds upon an adequate basis would require such an increase in rates as would be prohibitive. The day of reckoning may be staved off, but it has to be faced some time.—*Boston Standard*.

The recent examination of the Royal Arcanum by the Massachusetts and Connecticut insurance departments only serves to verify the prevalent opinion that its rates are inadequate. It has been the usual practise of fraternal orders to secure from competent actuaries a table of rates that would provide absolutely safe life insurance if they were put in force and the savings allowed to accumulate on a scientific basis. Before adopting rates, however, the fraternalists, through ignorance or intent, foolishly reduce the scientific charge to one that may be defended only on account of its alleged "cheapness" as compared to the legal reserve rate, entirely ignoring the quality of the protection given. This has been the course of the Royal Arcanum and many other concerns operated on the assessment plan. The inevitable result is failure with its attendant suffering on the part of those who have been misled by men whom they trusted as "brothers."—*Argus*.

The Virginia Insurance Commissioner read a paper at the Insurance Commissioners' convention advocating the abolition of underwriters' agencies through a legal requirement that all risks assumed by a company be taken in its own name and evidenced by its own proper policy.

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For the first time, Canadian supervisors of insurance were present at the annual convention of Insurance Commissioners of the United States. Both Col. Gunther, of British Columbia, and Mr. A. E. Ham, of Manitoba, attended the Burlington, Vt., gathering.