

salary. He runs no risk of loss of reputation by loose underwriting, and pockets a profitable commission on large insurances. The injustice of this demoralizes the active agent, who sees the cream of his business, which should be the reward of his hard work in other lines, going to outside parties. It can be little wondered at if, to make up the deficiency caused by the loss of this profitable business, the genuine agent loads his Company with an undesirable class of business which, though it may enhance the volume of their receipts, will, at the same time, increase their loss list. A little consideration would show that this policy of duplicate agents is not a sound one, for though it may enlarge the receipts in one direction for a certain Company, another Company, by a similar system, encroaches upon them at some other place; whereas, if business were allowed to flow through its legitimate channels, which channels are the practical insurance agents, the result on the whole to Insurance Companies would be the same, while this energetic class of men would receive just remuneration for their labor. The foregoing remarks are the embodiment of sentiments expressed to us by many active agents throughout the country, and they form a complaint in which there seems to be much reason. There is, doubtless, a managerial side of the question which we would be glad to hear.

#### INSURANCE ON PROFITS.

A species of fire underwriting known as "insurance upon profits" lately came under discussion and received rather a severe handling at the late Convention of Fire Underwriters in the United States, and, as almost all questions that affect Insurance in the neighboring republic have a similar weight in Canada, it may not be out of place to note the subject here. No one will question the danger that must attend a branch of insurance that guarantees a business profit on the capital invested in the property insured. So far from any profit being allowed in the settlement of losses for damages by fire, it has been the common custom to make the assured a deeply interested party in guarding against loss, by leaving him the assurer of from one-third to one-fourth the value of his property. In cases where goods are held on storage, in Marine Insurance, and other exceptional cases, it is customary to issue policies covering the full value of the goods, as, in these cases, the property is for the time being beyond the owner's control. We do not wish to impugn the honesty of the commercial or any other class, but it is quite certain that in a case where a man's property is well or fully insured, he betrays less anxiety about its fate, and less activity in saving it from destruction. How much greater this would be under a system of "assured profits" can hardly be estimated. The custom of insuring rents of buildings may by some persons be looked upon as a species of insurance on the profits, and be used as an argument in favor of the system, but the cases are widely different. In the former the property is a permanent investment, and its destruction will only

necessitate its restoration, and the payment by the Insurance Company of the stipulated rent for a limited time; whereas the main object in the investment of money in merchandize is to secure the quick return of the capital for further investment, with the profit usually accompanying such business. We understand that in Europe profit insurance is practised to some extent, because fire hazards are not considered so great, but this does not seem to be any strong argument in favor of it. In the United States we learn that many Companies are doing this class of insurance "upon such mills as are included in the Mutual Fire Insurance Companies' system, for these Companies are careful in providing means of fire prevention, and in scrutinizing the moral hazards critically." As this class of business is largely experimental, it is impossible to pass a final judgment upon it; but from the present experience in the ordinary methods of insurance, it may be looked upon as dangerous, and can hardly be recommended to Canadian Underwriters until more fully proved a success in other countries.

#### THE UTILITY OF LIFE INSURANCE.

With reference to the question whether Life Insurance insures, the *Insurance Journal* collates from official returns some figures which assist to an intelligent opinion upon the subject. The figures give the experience of twenty-four prominent Life Companies, from the date of their organization down to January 1, 1880. The record of the transactions of those Companies, whose existence extends over terms varying from twelve to forty-five years, shows that in the aggregate they have received for premiums \$942,764,263. The total amount which they have paid to policy-holders and their representatives is \$642,780,171, or 68 per cent. of the premiums; and there still remain, invested in policy-holders, \$390,373,770. That is, these Companies are shown to have paid back to their policy-holders 68 per cent. of the money which they have received from them; and they have still in hand for them \$90,388,678 more than the other 32 per cent. The income from interest, therefore, in the case of these Companies, has paid all the expenses of administration, and has, in addition, turned in over \$90,000,000 toward the residuary estate.

#### SOME GLITTERING PRIZES.

There is probably no profession which presents so many incentives to pushing, energetic, clever young men as the Insurance business. The prizes within the reach of those who are lucky enough to have opportunities afforded them of proving their abilities are many and brilliant. Mr. Hyde, of the Equitable Life, came to this city twenty-five years ago without a cent, and now makes, it is said, \$75,000 a year. These Companies pay fine salaries for good ability, and the men worth \$5,000 a year and upwards are far more numerous relatively in Insurance than in Banking or kindred pursuits. One of the lucky men is Mr. Martin Bennett, Jr., of Hartford, who has secured the management in the United States of the interests of the Lion, and Scottish Union and National Companies. Both are old and respectable British Companies which have pluck enough to pay him \$15,000 a year salary and ten per cent. of the net profits. Mr. Bennett made his mark in insurance by taking hold of the Connecticut Company when it was much run down and making a success of it. Ability of this sort is quickly recognized and richly recompensed these days.—*New York Letter, Gazette.*