

Dhananjayrao Gadgil Li



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ADDRESSES AND PAPERS

ON

INSURANCE



X81
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By

RUFUS M. POTTS

Insurance Superintendent, State of Illinois

[Printed by authority of the State of Illinois.]

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INTRODUCTION.

This volume contains a few addresses, remarks and papers of Insurance Superintendent Rufus M. Potts selected from the files of the Insurance Department of Illinois. These deal both with the fundamental and present-day conditions in various branches of Insurance. They were usually delivered or written in connection with special investigation of the respective subjects dealt with.

They are of such importance to the insuring public, and copies have so often been requested, that it is deemed necessary to collect these public documents in a single volume for free distribution.

The papers and addresses herein have been arranged according to the historical and logical relationship of the topics treated instead of the chronological order of delivery. Consequently, "The Altruistic Utilitarianism of Insurance", which deals with the history and general theory of insurance, is first. This is followed by groups of addresses on Mutual and Fraternal insurance, on Workmen's Compensation, on Life Insurance, on Welfare or Social insurance, on Vital Conservation, on Fire insurance, fire insurance reform, fire prevention, recommendations concerning insurance legislation, etc.

The administration of Superintendent Potts marks a distinct and progressive period in the history of insurance, both in Illinois and the United States. A reading of these addresses and papers will give a vivid and comprehensive understanding of present-day conditions in the various branches of insurance, and the necessity for reform of the insurance business.

Springfield, Illinois, January 1, 1917.



RUFUS M. POTTS
Superintendent of Insurance
State of Illinois

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THE ALTRUISTIC UTILITARIANISM OF INSURANCE

Address Before Forty-fifth Session of National Convention of Insurance Commissioners, September 17, 1916,
Asheville, North Carolina.

No man has any more choice concerning the place and time, the circumstances and conditions of his entry into life than he has over the coming of spring. After having attained manhood, he may fondly imagine in the fullness of his powers that he controls his fate: that he is master of his own destiny, but this is largely an illusion. Man has multiplied to such enormous numbers and his paramount faculty of reason has given him such a tremendous advantage over all other living creatures on earth that he has conquered them all. Modern civilization and invention have rendered the world such a safe and comfortable place in which to live that it is little wonder that such an illusion beguiles all mankind.

Few, however, are permitted to enjoy for their lifetime this pleasant dream. The vast impersonal forces of the universe in their irresistible courses crush many, while those not thus destroyed are disabled or become diseased, so that their bodies are filled with pain and misery and their souls with despair. The ways in which humanity is injured or destroyed are innumerable. One man is struck down by the lightning's deadly bolt; another is crushed by a tornado; another is drowned by a tempest at sea; some are mangled by the giant machines which they helped to construct; others, as they delve beneath the earth for minerals, are crushed by the rocks which fall upon them, or burned by the fiery gases given off from the coal they dig; millions are stretched lifeless on their beds by the invasion of their bodies by countless myriads of deadly disease germs, while, worse than all, other millions are killed by their fellowmen in the frenzies of organized murder, called war; and at last, those who by fortune and by chance have escaped premature death by disease or violence, have their existence ended by the slow enfeeblement resulting from the cumulative effects of the inherent imperfections of their own bodies, which we call old age.

Consequently, when a reflective mind contemplates the career of man and considers his uncertain and transient existence, ever liable to be overwhelmed by the giant forces of nature, he beholds human life stripped of all its everyday disguises and illusions; and sees it, a puny thing, emerge from nothingness, and

¹Immediately following the preparation of this address, Mr. Potts became seriously ill and was unable to attend the convention, and the address was not sent in time to be included in the official proceedings of that meeting.

stand shivering a brief period on the desolate shore of infinite existence until the moment when, caught up by the ceaseless whirl of the elemental forces, it is again swept back into nonexistence like a snowflake into the surging ocean.

"Like a swift fleeting meteor, a fast flying cloud,
A flash of the Lightning, a break of the wave,
Man passes from life to his death in the grave."

HUMAN REASON AND HUMAN WELFARE.

"What then," you ask, "Are we to weakly abandon ourselves to despair and become helpless puppets of fate; apathetic sufferers of the stings and disappointments of calamity?"

No! I do not preach any such doctrine of ignoble resignation. Rather than come with such a message I would shroud myself in the silence of despair. Although none can wholly escape disappointment, trouble and misfortune, by harkening to the counsels of wisdom and reason, every brave man finds that he can elude many of the misfortunes which afflict mankind and repair the effects of many others. I wish to call your attention to insurance as the plan which is the supreme achievement of human reason for preventing or mitigating the welfare-destroying effects of misfortune.

Reason is the divine faculty, which, during the long dim ages preceding history, enabled man to finally conquer the stronger wild beasts which occupied the world before his coming, so that they either became his domesticated servants or were destroyed from off the face of the earth. More recently, being further developed, reason has enabled man to master one by one the subtle and mighty forces of nature and compel them to serve him: the wild winds turn his mills and propel him in his ships wherever he desires; turbulent steam toils ceaselessly for him in factory and mine, on railroad and steamboat; fire, the dread destroyer, humbly cooks his food and warms his house; combustible gases work for him in millions of automobile engines; electricity flashes his thoughts in the twinkling of an eye across continents and under oceans, and lights his cities and buildings with a radiance rivaling the sun; mighty waterfalls generate for him a tamed and domesticated lightning to perform not only many of the tasks of his older slave, steam, but also innumerable other indispensable services. Within the memory of children still in school, the restless, impalpable air has been conquered, and man now soars in it higher than the eagle; rushes through it swifter than the swallow.

Reason has even enabled man to measurably master his own quarrelsome traits and predatory instincts, the wretched inheritances from savage ancestors, so that he is now able to live together in great communities with a fair approximation to general peace and friendship, and with a minimum of thievery and violence, which encourages us to hope, that when the wild outburst of senseless frenzy now causing the great nations of Europe to destroy each other has subsided, this same reason will attain to supreme control over human passion and folly and inaugurate an era of permanent peace between all the nations of the world, resulting from the reign of a complete and fair

system of international law, just as peace now exists between the individual men composing nations, because they are all under the rule of just national laws.

FORMER METHODS OF RELIEVING THE UNFORTUNATE.

Having accomplished so much, may we not hope that the exercise of this same faculty of reason will enable man to also solve the great outstanding problem of modern times and secure his universal economic welfare by making complete provision against want and misery resulting from accidents, disease and other misfortunes which are beyond the control of the individual?

That which happens to a man as the foreseeable and probable result of his own acts is a punishment, not a misfortune. It is an absolutely necessary means of educating him to obey the laws of nature. It is different with true misfortunes. These can not be foreseen or avoided, even by the greatest care and prudence, and the question of the ages has been and still is: What way, what method, is there for relieving the incessant, widespread and undeserved misery caused by them?

The innate sympathy of the human heart has constantly asked this question since mankind rose above the savage stage, and has also partly answered its own question by rendering neighborly assistance, and by wider charity to victims of disaster. For ages these have been the only succor of the unfortunate and distressed. It is an ancient and honorable method, but owing to the immense increase of the populations of modern nations, neighborly assistance alone has become entirely insufficient. In a century, the population of England has increased from 10,000,000 to 36,000,000; of Russia from 115,000,000 to 174,000,000; of the United States from 7,000,000 to 91,000,000. These immense and rapid increases in the numbers of mankind are unparalleled in history.

Furthermore, the complicated modern industrial system has separated a majority of mankind from the soil and other direct means of support, and at the same time increased the possibility of misfortune, and especially the liability to unemployment, so that general charity has become wholly inadequate. Moreover, it is a sad but incontrovertible fact that liberal and indiscriminate charity may even produce bad effects, having an irresistible tendency to pauperize able-bodied recipients.

THE MODERN METHOD OF RELIEVING MISFORTUNE.

It would indeed be grievous if one of the consequences of modern civilization was that misfortune and distress were less effectively relieved and prevented than in the earlier stages of social progress. But this is not true. Calamity and affliction are much better provided against than formerly, although general charity and friendly assistance have become less adequate for that purpose.

You naturally ask: "How can this be explained?"

In this way: Concurrently with the rapid advance of civilization in the past two centuries there has also been developed an effective plan for the methodic and systematic relief on business principles

of sufferers from disaster and misfortune. This is the modern system of insurance in all its various branches—marine insurance, fire insurance, life insurance, accident insurance, health insurance, and many others.

The word insurance and the names of its principal branches are known to everyone, but the basal principles on which its successful operation depend are understood by comparatively few, even among those directly connected with that business. Consequently, I beg your indulgence while I recall very briefly the fundamental principles on which insurance is based, because a clear comprehension of them will, more effectually than is otherwise possible, implant a realization both of its present benefits and the desirability of a much wider extension of the methods of insurance. Such extension is, I earnestly believe, the most important social problem before the civilized world to-day.

INSURANCE COOPERATIVE FORESIGHT.

The primary fact of human nature which renders insurance possible is the possession of foresight—that is, anticipation of and care for the future. This is the essential feature of civilization; the higher the civilization, the more extensive is its function. The savage lives only in the present. He feasts one week, but starves the next. He basks comfortably without clothes in the warm sun of summer, but is chilled to the bone when the snow-laden blasts of winter strike his naked body. Civilization began when men migrated to those parts of the earth where the cold of winter compelled them to store up food for the time when the productiveness of nature would be suspended by frost, and also to provide clothing and build a shelter against its biting blasts. This is why civilization originated and has made most progress in the temperate zone, where sharp alterations of the seasons occur, and is also the reason there has been so little progress in the unvarying tropics where natural supplies of food can be gathered throughout the year, and where there is no need of artificial covering as a protection against the cold.

As mankind in the course of long ages spread farther and farther into the cooler regions of the earth, the faculty of forethought grew stronger and stronger by exercise, and naturally came to be applied to many other purposes than the mere storing up of food and clothing to render life possible during the winter. As wisdom increased, it was gradually realized that foresight could be usefully applied not only to provide against certainties, such as misery from hunger and cold in winter, but also, by the method of insurance, to relieve and prevent unexpected suffering from uncertain and unforeseeable happenings, such as fire on land, shipwreck at sea, accidental injury, or sickness, or premature death. As increasingly favorable results were attained, insurance methods were extended to provide indemnity against such things as burglary, theft, breach of trust, failure to fulfill contracts, or realize expected profits. It is now made use of in practically every relationship and activity of civilized mankind, and has become an absolutely necessary part of the economic organization of all modern nations.

THEORY OF INSURANCE.

Why this great historical development of insurance has occurred, and how it is able to accomplish the good which has brought about its universal use, can not be fully apprehended without understanding the theory of insurance. Successful insurance against the effect of uncertain contingencies rests on a certain fundamental fact, discovered only after knowledge had accumulated, so that a record and comparison was possible of the everyday experiences of individual men under the conditions prevailing in civilized communities. When these began to be made, it was at first dimly and, as knowledge grew, clearly realized that, although the occurrence of particular disasters and misfortunes was most uncertain in relation to any individual, that in relation to the total population of any community of considerable size, some were certain to happen to somebody, and above all, that the number of occurrences, taking communities of considerable extent and over considerable periods of time, was approximately regular. Consequently, if all persons subject to a certain contingency contribute a small amount, according to the average frequency of such contingency, to a fund faithfully guarded by a trustee and used for the purpose of reimbursing the losses of those to whom the contingency occurs, we have a financially practicable and effective method of securing means for relieving all victims of that kind of misfortune among such contributors. It is on this simple basis that the vast structure of modern insurance is erected. Its development has only been possible through the accumulation of the experience of millions of men in relation to many different kinds of disastrous uncertainties in many countries extending over periods of hundreds of years. The final result has been that insurance against occurrences, very uncertain from the standpoint of the individual, can be carried on as business enterprises of great stability and soundness. In fact, modern insurance companies when managed by honest men, and not merely used as a safe and easy method for stealing as they frequently were in the past, are among the most stable and profitable of all business enterprises. There have been fewer failures among insurance companies in the past 50 years than in any other equal division of business.

THE ALTRUISM AND UTILITARIANISM OF INSURANCE.

But insurance is not only a successful and indispensable business enterprise, but it is an effective application, under the conditions of modern industry and finance, of the great moral law enunciated by Christ himself in the command "Bear ye one another's burdens." There can be no question in the mind of any man acquainted with modern commercial, industrial and social conditions that the many existing branches of insurance, even in their present imperfect and needlessly expensive form, are very useful and frequently indispensable. In other words, insurance is highly utilitarian; but being also an effective method for carrying out Christ's altruistic command to bear one another's burdens, insurance is also strongly altruistic in character. This is the sufficient justification of the big words of my subject—"The Altruistic Utilitarianism of Insurance"—which ex-

presses more concisely and completely the beneficial effect and fundamental nature of insurance in fewer words than could otherwise be done.

Utilitarianism is the doctrine that the greatest good of the greatest number should be the end and aim of all social and political institutions. There no doubt exists in the minds of some persons a feeling that utilitarianism is something strongly imbued with sordid self-interest. This, however, is not the correct meaning of the word. The greatest good of the greatest number is one of the highest ideals, being the nearest approach to a universal ethical law which it is possible to enunciate for great numbers of human beings, subject to conflicting interests and animated by antagonistic desires.

All correct theories of social organization or action must justify themselves in actual use, so that I believe we can profitably devote a few paragraphs to the history of insurance in order to find whether its history and progress confirm the correctness of the theory upon which it is founded.

HISTORY OF INSURANCE.

Although even before the Christian era, in the Assyrian and other early civilizations, there is said to have been employed something like present insurance plans for making provision against the results of fire, shipwreck and other calamities, the immediate origin of our present insurance institutions is found in the middle ages of European history. The first form of insurance used was marine insurance against the perils of the sea, which began to be used about the year 1300 in Belgium, somewhat later in Portugal and Lombardy, and in the 16th century in England. The first insurers were private persons, but such insurance lacked the benefit of large aggregations of capital, and also of a sufficient number of policies to create a law of average which would render the business financially secure. The insurer who took one or a few risks, being without the safety arising from the law of averages resulting from combining a large number of risks, might be crushed by a large loss. To avoid these dangers, the practice early originated in London of the men who were engaged in marine insurance meeting together and each assuming such part as he desired of any risk offered, by writing his name for a certain part thereof *under* a statement of the conditions and amount of the risk. It was on account of this practice that insurers came to be called "Underwriters." About the end of the 17th century these meetings of insurers in London were commonly held at Lloyd's Coffee House. From this grew up the great Lloyds system of marine and other insurance, still in operation.

Among the perils insured against in marine insurance, was destruction of the vessel by fire. It was an easy step to grant insurance against damage by fire to buildings or other property on land. It is also claimed that fire insurance had an independent origin among the guilds in Teutonic countries. The prevailing modern form of fire insurance by joint stock corporations, unquestionably originated in England soon after the great fire of London in 1666. Thence it spread to European countries, and later to the United States, the first

American fire insurance company being organized in 1752 at Philadelphia.

Life insurance is probably also an offshoot of marine insurance, originating in the practice which grew up among ship-owners of insuring the lives of their captains and supercargoes as well as the ship and goods, as upon the lives of these, the favorable results of a voyage so largely depended. After the success of commercial, corporate fire insurance became unmistakable, some fire insurance companies enlarged their scope by issuing life insurance policies. Corporations for the sole purpose of life insurance were first organized in England in 1699, and in the United States in 1759, but their business was small, and it may be said that modern life insurance really began with the organization of the still existing Mutual Life Insurance Company of New York, in 1842.

Accident insurance began in 1849 in England. The other more highly specialized branches of insurance originated later, and their expansion to present enormous amounts has occurred within the past 50 years.

We see, then, that insurance is essentially a modern institution. Though its use to limited extent began a few centuries ago in centers of commerce, the mass of mankind until recently had no knowledge of its existence and usefulness. Its popular appreciation and general application to the needs of common men only began in the first half of the nineteenth century and has multiplied a hundredfold within the memory of men still living.

ENORMOUS EXPANSION OF INSURANCE.

In Illinois, only one out of 48 states, there was collected during the year 1914 over \$27,000,000 in fire insurance premiums; more than \$66,000,000 for life insurance, and in the other branches sufficient to bring the total up to \$110,000,000. In the whole United States there was collected in the same year, over \$430,000,000 for fire insurance premiums; over \$883,000,000 for life insurance, and in the remaining branches sufficient to make the total insurance premiums collected over \$1,485,000,000. In addition to this, the insurance corporations derived immense incomes from investments of reserves and other funds contributed by policyholders, so that their total income for a single year is approximately one and three-quarter billion dollars. While the amount paid in the United States is probably greater per capita than in any other nation, still the aggregate amount paid for insurance in the remainder of the civilized world, of course, greatly exceeds that paid for this purpose in the United States.

This immense growth vindicates insurance historically. It has increased because it fills a pressing need. In scriptural words, "It is justified by its works." Our present vast and complicated industrial and commercial system could not be carried on without its aid. I do not believe that modern civilization would have been able to attain or continue its present splendor without its widespread aid. It has done more than charity and preachers to foster a general feeling of common interest and human brotherhood.

IS INSURANCE NEEDED IN MODERN TIMES?

Certain doubtful points in relation to insurance may, however, occur to your minds.

Is the method of relief embodied in insurance really necessary at the present time?

If the world managed to get along with only charity and neighborly assistance through all the stormy earlier ages of history, would not these suffice now?

Have not the modern improvements in living conditions rendered the need for assistance so infrequent that insurance should not be regarded as a necessity or even desirable?

The reply to such questions is that, taking into account the much higher standard of living now prevailing, misfortunes produce relatively as disastrous or even more disastrous effects on the welfare and happiness of the individual now than formerly. I will explain how this occurs.

While it is, of course, true that human welfare does not depend altogether on a supply of commodities—that is, things to eat, wear, and supply other bodily needs—nor on what amounts to the same thing, a supply of money with which these commodities can be purchased, it is nevertheless also true that a sufficient and regular supply of such commodities is an indispensable prerequisite to human welfare. Bare existence is not possible without such fundamental necessities as food, clothing, shelter and fuel, and for life to be pleasant and desirable, there must be a wide variety and ample supply of commodities.

The method by which civilized man secures all the commodities desired by him is through the widespread and complex system of modern industry and commerce in which, instead of each family working chiefly to produce the things necessary for its members, productive work has become highly specialized, and each individual works all the time at producing one or a few commodities, or even does only a part of the production of one commodity. This is true, though in a lesser degree, even in farming. The one or few commodities thus produced are exchanged through the medium of money for all of the great variety of commodities the worker and his family need or desire. This cooperative method of production and exchange has immensely increased the productiveness of labor and so that the total amount of commodities that one man's labor will enable him to secure is greatly enhanced.

The progress of civilization itself is essentially an increase in general human welfare, which has usually, if not always, arisen from improved methods of cooperation. By reason of these improvements, ordinary people now have more and better food and clothing and other necessities, enjoy more luxuries, and live a safer and more comfortable life than did kings and nobles a few hundred years ago.

Unfortunately, however, the present world-wide and complicated industrial system not only suffers from serious inherent defects, but the very fact of the complexity of the system, the minute subdivision of labor and the wide separation of the producer from the consumer

which it brings about, produces the effect that, if for any reason the worker is unable to work, destitution and distress affect him more immediately and intensely than under more primitive conditions. Suffering is more immediate because when each family was almost self-sustaining, there would likely be some store of supplies on hand to furnish subsistence if the labor of the worker ceased, or other members of the family would probably be able to keep the domestic system running for some time and perhaps permanently. This is still true to a considerable extent of farming. Distress is relatively more intense because the standard of living of the masses is now much higher so that if a family falls into want, they fall farther and suffer more. Consequently, not only are means of self-help less available to those afflicted by misfortunes under modern conditions than in former stages of civilization, but the frequency and power of such occurrences to produce misery are increased.

This is the unfavorable side, the apparently unavoidable result, of our modern industrial and commercial system which in other ways has produced such splendid improvements of living conditions. The welfare of the masses of our population is now higher than ever before but is more uncertain. Those overtaken by misfortune are, relatively to present-day standards of living, more affected than in former ages. Consequently, what is imperatively needed is some means, method, or system by which the welfare of all of the individuals composing the great masses of our population can be rendered certain and secure. The only way in which this can be accomplished of which I have any knowledge, is through insurance and particularly those branches of insurance such as life, health, accident, old age benefits and unemployment insurance, which are concerned with maintaining the personal welfare of all the individuals making up the Nation by supplying means of support when this has been lost through sickness, accident or premature death. If anyone knows any better method, let him come forward and give his invention to humanity. He will be acclaimed as the greatest benefactor of mankind. But I do not believe that any better plan is possible, so that it seems to me that what is most urgently required is diligent study to improve insurance methods, and to free it from extortion, so that it can be furnished to the people at cost, and above all, to render its benefits universal even by compulsion where necessary, so that its protecting shield will be over the welfare of each man, woman and child in the United States.

BENEFICIAL INSTITUTION ABUSED AND PERVERTED.

There is a good reason why insurance has not already become universal as it should be. Insurance like every other beneficent institution, has not escaped being abused and perverted by unscrupulous men to serve their selfish ends. Just as evildoers and hypocrites have crept into the churches and used them as a cover for the attainment of their selfish purposes, so extortioners and parasites have fastened upon the altruistic institution of insurance and used it as a means of amassing immense unearned riches.

In the earlier stages of insurance, many companies were deliberately organized as a safe and easy means of larceny by methods now

called "high finance." Such evils have been largely remedied by law enacted in the various states and in all other civilized nations, closely supervising and regulating the insurance business. Although immediate satisfaction of the contemptibly selfish desires of dishonest and predatory men through such criminal perversion of insurance institutions is thus prevented, they now attempt to gain their ends by means of extortion through excessive rates for insurance which they are able to exact by creation of insurance monopolies. This is easy in the absence of laws regulating rates because insurance in many of its branches has become absolutely necessary under modern commercial and economic conditions. It is, of course, proper that those who give their time and efforts to the insurance business should be paid a fair compensation similar to that gained by similar efforts in other branches of human endeavor, but it is wholly wrong for the institution of insurance which has grown up and exists solely for the relief of misfortune to be seized upon by extortioners in the persons of captains of "big business" as a means for making fabulous undeserved profits. Such conduct is as contemptible as a thief who steals money out of the poor box of a church. It is as wicked a perversion of an altruistic institution as the turning of the Temple of God into a shelter for money-changers. In 1914 some fire insurance companies paid dividends to their stockholders as high as 50 per cent; salaries of \$50,000 to \$100,000 annually are paid to officers of many insurance corporations.

EXPENSE OF CONDUCTING INSURANCE SHOULD NOT EXCEED EXPENSE OF CONDUCTING BANKING.

Insurance is essentially a trusteeship for the collection of contributions from great numbers, and the disbursement of the trust fund so created to those suffering the disaster insured against. Aside from the slight additional expense necessitated by inspections and examinations of the person or thing insured, there should be no greater expense connected with the business of insurance than with the business of banking, which is similar in many respects. Everybody knows that the banker is very willing to care for funds free of charge, being amply remunerated by the profit which he makes by loaning a part thereof. The funds collected for insurance are retained in the hands of the trustee much longer on the average than the deposits in a bank, and if rightly conducted, the interests on these funds should suffice to pay the expenses of the insurance business, including the expenses of necessary inspection of risks of all kinds, both property and human.

The insurance business was originally conducted in the same way as banking, that is, the person desiring insurance came to the insurer and made application for insurance in the same way that a man desiring to deposit his money comes to the bank and makes his deposit. Unfortunately, owing to greed for larger shares of the very profitable business of insurance, there grew up an absurdly expensive and cumbersome competitive agency system comprising innumerable rival solicitors, so that to pay the commissions of these and the salaries of a whole hierarchy of supervisors and detectives necessary to keep the

system in working order, almost one-half of the premiums received from policyholders, and also the interest income from vast trusteeship funds, are absorbed. In fire insurance this proportion, taking the United States as a whole, has been almost exactly one-half for decades. In ordinary life insurance, it is somewhat less than one-third. In other branches of insurance, the expense of the business in some is a little less and some a little greater than one-half. This is the greatest wrong of modern times.

CORPORATION INSURANCE AN ECONOMIC LOSS.

On account of one-half of the premiums being thus consumed by the expense of carrying on the business, insurance is a great economic loss to society as a whole. For example, the annual fire loss in the United States is about \$215,000,000 but insurance against fire costs \$430,000,000. If there was no such thing as fire insurance \$215,000,000 would be saved from the national economic standpoint. It is the same in other branches of insurance. It is a startling thought that this enormous expense of conducting the business makes an institution which is beneficial to the individual even under present enormously expensive methods, an economic loss to the Nation at large. There is absolutely no justification for such monstrous results. The benefits of insurance to the individual are so great, that rather than do without it, he will endure the extortionate expense of corporation insurance, but better insurance than that furnished by corporations can be provided without any expense loss whatever if proper action is taken.

STATE INSURANCE ONLY SOLUTION.

I have given the wasteful economic results of insurance careful attention and thought. In my opinion, there is only one way now in which this enormous and needless waste can be avoided. This is by the carrying on of all branches of the insurance business by the Nation, and making certain branches of them, particularly those branches directly concerned with human welfare, compulsory on every able-bodied person, unless a certain minimum provision has been otherwise securely made by each man for himself and his family whenever they may happen to be affected by accident, sickness or other contingency. Such optional other provision might be by a transferable but inextinguishable property lien analogous to a homestead, or by such other method as might be approved by an insurance commission. I regard some such option as a very important feature of a compulsory system of state insurance, for it will prevent any clash with the individualistic instincts which are very strong in a large part of our people, but would also make certain that provision was made for every citizen against the results of misfortune.

So far as fire insurance, most kinds of casualty insurance, surety insurance, burglary insurance, and some others are concerned, there would be no need of legal compulsion. They are compulsory already under modern conditions where credit is an integral part of the commercial system. Moreover, in most of these not only would the cost

of insurance be reduced by approximately a half, but in fire insurance for example, the cost would be still further reduced, because if carried on by the state, with proper supervision, inspection of risks and limiting of insurance so that it would not be profitable to burn out, the fire loss could be immediately cut down greatly, perhaps one-half, so that the total insurance cost would be less than one-fourth the present charge. Similar results would be obtained in other branches of insurance.

The people will have to fight for state insurance, and after it is obtained, unceasing vigilance will be required to defend it from dishonest, grafting politicians, but such defense can and will be effectually accomplished. This danger of political corruption is the only objection which the corporations have been able to allege against state insurance, but this supposed danger should not cause us to cease for a moment our strivings to obtain the priceless advantage of universal state insurance at cost for the people of this great Nation. After the people have once enjoyed its priceless benefits, they will not allow sacred insurance funds to be despoiled by dishonest politicians. Because the postoffice department touches directly and vitally all the people, there is practically no dishonesty or inefficiency in its administration. It would be the same with insurance.

The caution and interest which the guarding of their insurance funds from political dishonesty will arouse in our citizenship, will be a tremendous help toward reform in all departments of politics and government. Government is the most ancient and necessary form of cooperation, being for the purpose of securing safety of life and property. Though we have unfortunately become somewhat hardened to abuse by dishonest, contemptible parasites of governmental institutions, they should be held by all as a sacred trust. I sincerely believe that the assumption of universal insurance functions by the state would help immensely to secure honesty and efficiency in all other branches of the government.

ECONOMIC OPPORTUNITIES EQUALIZED.

A general system of insurance reaching and protecting every individual would tend most powerfully to equalize economic opportunities, and render the welfare of each member of society secure by providing for his support when he was rendered incapable of self-support by the effects of the many accidents and emergencies of life. At the same time, if properly guarded, it would not contribute to degradation and pauperism as does indiscriminate charity, but on the contrary, would be the strongest incentive to self-support by the individual because it would make unavailable the excuse now so glibly offered by shirkers that their idleness, though in reality due to their own disinclination to work, is owing to the imperfections of society.

The daily income of the masses does not leave sufficient margin, particularly under the high living cost now prevailing, for the common people to pay the cost of a complete system of insurance to make secure their welfare unless all excessive and unnecessary expense is eliminated. If the feature of unnecessary and prohibitive expense of

carrying on the business of insurance is remedied, then the way will be clear to an immediate and immense widening of the use of insurance for making secure the welfare of all those who are not now protected by insurance or in any other manner, which still includes the great majority of our people. This extension of insurance, until it becomes universal, is the most important present-day problem concerning human welfare. The correct mathematical principles and scientific theory of insurance have now been well worked out, but on account of high cost, its inestimable benefits are still accessible to comparatively few, and those not the ones who most need it.

The accumulated experience of decades has rendered it possible to make estimates in advance very closely approximating the amount of insurance premiums required to be collected to pay losses which thereafter occur. The result has been that the business of insurance has become reliable and trustworthy, so that even under the present excessively expensive methods of carrying on the business it accomplishes great good.

Insurance is urgently needed by everyone not independently wealthy. Indeed it may be just as useful even to the wealthy, for riches are proverbially uncertain and always liable to take wings and fly away. Who is so miserable as the one rich man sick or disabled; and who are so helpless as the family of such an one? Insurance, therefore, is needed for all, rich and poor alike, particularly life, health, accident and similar insurance which are directly concerned with providing funds to protect personal welfare.

BENEFITS OF UNIVERSAL INSURANCE.

Every year hundreds of thousands of actual instances demonstrate the altruistic utilitarianism of insurance. If its benefits are so great to the comparatively few who are able to take advantage of it, what must be the result if insurance was made universal? It would prevent practically all the sorrow, misery and suffering in the world resulting from want of means of support. The outcome of universal insurance for making secure their economic welfare will be nothing short of a revolution in the living conditions of the masses. It will replace the terrible tortures of lifelong insecurity by the joys of security and contentment. It will drive out the demons of destitution and misery which haunt so many million homes and bring instead the angels of hope and confidence. Life can only be complete and satisfactory if reasonable confidence and security exist. The economic security of the independent farmer and other members of the so-called middle classes is the reason for the longing with which their situation is regarded by other classes. In reality they work harder and exercise more self-denial than any other class.

Insurance furnishes the only practicable method by which reasonable security in the means of livelihood can be guaranteed for the masses of the people under modern industrial conditions, where the great majority of the workers are wage-workers and do not own the industry in which they work. In fact, on account of the present specialization and minute subdivisions of modern industry and

commerce, insurance would be just as desirable even if all industries were, as they should be, conducted on an entirely cooperative basis, the workers being the shareholders, and so the owners of the business. Therefore, I maintain that insurance is an absolutely necessary and fundamental means of securing to every person the benefits of modern invention, civilization and progress. It is worse than a mockery for a man to be surrounded by all of the commodities and pleasures furnished by modern industry and invention, when misfortune has stripped him of means to purchase them. Such an one endures in real life the fabled tortures of Tantalus.

FURTHER SOCIAL PROGRESS DEPENDS ON UNIVERSAL INSURANCE.

It seems to me that our present-day civilization has practically reached its limits under present economic conditions; that social progress has come to a standstill; and that the new factor of general insurance at cost, and particularly universal welfare insurance, is needed to furnish economic security for every worker, before there can be any further progress.

Advance in the sciences, the foundations of invention, and in the arts and professions which are directly concerned with human welfare, and also progress in literature, music and other arts which minister to the pleasure of life and make it worth living, can only take place if existing industrial and economic systems furnish a regular and ample supply of food and other necessities. It was so in Egypt, in Tyre, in Greece, in Rome, in Carthage, in ancient Mexico and Peru, in France, in England. In those nations, science, art and literature only developed after a regular supply of fundamental necessities had been made fairly secure.

TALENT AND GENIUS PERMITTED DEVELOPMENT BY INSURANCE.

The proportion of talent thus set free has constantly increased in modern times, but is still comparatively small. Inborn ability is not confined to any one class of society, but is diffused throughout the whole population. A genius is as apt to be born into a farmer's or a workman's family, as into an aristocratic household. Welfare insurance, by making secure during life the necessities of existence, will enable and encourage workers endowed with natural ability to devote a part of their time to higher things, thus affording all talent and genius opportunity for development, rather than forcing all men under threat of poverty and misery to strive only to amass money to provide against misfortune and old age. This fear now leads nearly all men of superior ability to devote their entire attention to selfish money getting which deprives society of their services in higher fields. Instead, then, of society having the benefit of the talents and genius only of the few men and women who happen to be born into a favorable environment, and also possess native ability or genius, it will receive the services of all of the potential scientists, inventors, educators, statesmen, writers, artists and architects who come into the world. This will

make possible and bring about an unparalleled further advance of civilization which will bless every class and condition of mankind.

HAPPIER WORLD UNDER UNIVERSAL INSURANCE.

When I consider all the possibilities potential in a general system of insurance, which will make secure and permanent the welfare of all, ignorant and educated, rich and poor alike, the vision of a new and happier world rises before me, a world flooded with the sunshine of universal happiness, where the people of all the nations of the earth live in undisturbed contentment, and where peace reigns secure because the time has come foreseen by the great poet:

"When the war-drum throb'd no longer,
and the battle-flags were fur'd,
In the Parliament of man, the Federation of the world
And the kindly earth shall slumber,
lapt in universal law."

But in this blessed future there will not only exist security of life for all the people of the world by reason of universal peace, but there will also exist security of economic welfare and freedom from poverty and misery by reason of universal insurance.

This vision, although it may not be fully realized in my lifetime, or yours, should be for us an inspiration and a sufficient recompense for our efforts, however humble, in the bitter struggle now going on, and which must continue in order to shake off the innumerable vampires and leeches which have fastened upon the altruistic institution of insurance, where they not only now greedily suck as their shameful sustenance a large part of the funds which should flow to the completer relief of human misfortune in all its various forms, but also, by their brazen demands for parasitic subsistence from proposed wider extensions, render impossible the needed expansion of insurance to furnish universal protection to all humanity instead of only to a comparatively small number as at present.

If we do not become discouraged at the tremendous power they have acquired and the insidious, shameless devices these parasites employ to perpetuate their extortion, but keep up the good fight until the people realize how they are being oppressed, and deprived of priceless benefits, then insurance enlightenment will surely come, and with it, a firm determination to be no longer duped. Then right and justice will triumph, and insurance, freed of its parasites, cured of its faults and made universal in application, will remain forever after the present imperfect and unjust system has decayed into dishonorable oblivion. Then a happy world will enjoy the complete benefits of the altruistic utilitarianism of insurance. What is now required is persistent spreading of information of the scientifically and mathematically correct and financially trustworthy theory of insurance, and its transcendent practical benefits until all men know of and desire to partake of its blessings.

PERPETUITY OF FRATERNALISM.

Address Before National Fraternal Congress, Minneapolis, Minnesota, August 25, 1915.

There are associated with the position of insurance superintendent certain honors and privileges which come to one, both as an official and as an individual; therefore, I feel that the honor of having been invited to address you should be shared both by my State and myself. I find that some of these privileges and honors subject me to the hazard of having to talk upon topics on which I am not always fully informed. I am not sure, but that such a hazard now confronts me, consequently the burden of any casualty resulting therefrom must be borne by you, because of the indiscretion of your program committee in extending the invitation to me.

On every public building of Paris, whether house of parliament, court of law, school or church, are chiseled the words, "Liberty, Equality and Fraternity." This has been required ever since the time of the great revolution by which the people of France gained their freedom from despotism.

Since that bloody revolution there have been many vicissitudes in France and periods have occurred during which despots have succeeded in again fastening themselves upon the French nation, but these words have still remained engraved upon their public edifices and their spirit still strives for expression in the life and government of that people.

In our fortunate land these supreme principles have suffered no such mutation, and, while they are not engraved on our buildings, they are nevertheless indelibly imprinted on the heart of every true American. They are, and we hope always will be, the basic principles of our social and political fabric. Liberty and equality are woven by constitutional provisions into the fundamental laws of the United States and of the individual states. But fraternity, the embodiment of the beneficial spirit of both liberty and equality, extends beyond the mere scope of the law. It arises as an expression of native sympathy and brotherly love, inviting mutual aid and protection, and is the concretion of humanitarianism. That fraternity is not the least of these three in the United States is fully proven by the enormous membership of our people in fraternal societies.

My subject is the "Perpetuity of Fraternalism." I shall limit the scope of fraternalism in this address to its function in fraternal insurance, because it is the acknowledged fundamental principle upon which has been built the grand institution of fraternal insur-

ance, and is the nucleus of that institution. How practical fraternalism can be made to effectuate its full purposes, make certain its promised benefits and become enduring, are the questions I am expected to answer.

The institution of fraternal insurance has graduated at the great university of experience. It must now be treated as sufficiently prepared and experienced to accompany progress in serving its mission. In its travels its fundamental principles have survived all tests and tempests and were uniformly strengthened rather than weakened thereby. If it has failed to fulfill its mission the institution, as such, can not be charged with the failure, but any shortcoming has resulted from imperfect application of its basic principles, perversion of its purposes, and from defective or unscrupulous management.

Fraternal insurance is with us to-day as the evolution of the demand of the people of our country for a practical manifestation of the idea of fraternalism. Fundamentally and theoretically it is perfect, and we must deal with its ability to meet social and economic requirements in a material way. Experience has shown with sufficient clearness the existing evils and with the removal of these evils, this beneficent institution will become permanent and entirely fulfill its mission.

Public confidence in any institution is either established or shaken by the decisions of our courts thereon. Courts will abandon former decisions when found to be erroneous or unjust, and this applies as well to the great court of public opinion.

Fraternal insurance has many times been on trial before this court of public opinion, which takes as its testimony its own varying sentiments, and public confidence is established or shaken accordingly. In measuring the efficiency of all institutions public opinion does not search for underlying causes, but renders judgment against the institution as it exists. Therefore, we must eliminate the evils and defects and accomplish desired ends before we may expect a favorable decision from this court and receive the reward of widespread public confidence.

NECESSITY FOR INSURANCE.

In order to fully understand our subject, it is necessary that we first briefly consider the underlying conditions out of which the need for all life insurance arises. We are living in an age of complicated industrial and commercial organization which has forced the great majority of the people away from the land where they could, by their own efforts, supply the larger portion of their needs. So long as the bulk of the population lived upon farms, the want and distress resulting from premature death were not so severely felt, and the opportunity for self-sustenance, together with the natural methods of relief by the assistance of relatives and neighbors, were much more adequate. With the change in occupations caused by the development of the modern industrial system, has come the massing of the people in towns and cities, accompanied by unfavorable conditions, thus weakening these nat-

ural methods of relief and self-aid. In most cases the family is supported only by a daily or weekly wage, which is consumed as fast as earned, so that, if death or disablement occurs, there is no reserve in the family upon which to draw, nor any in the families of relatives and friends similarly situated. Consequently, war and suffering follow. It is then essential that the wage-earner whose income is subject to these demands or perils must provide by some trustworthy and regular method, against such disaster. There are three principal ways of supplying food and other necessities for those left dependent by the death or disablement of the breadwinner. These are:

1. Charity, both private and public.
2. Savings and investments by the individual.
3. Insurance.

Each one of these can and does accomplish much to relieve want, but experience shows that neither charity nor savings, nor both of them combined, are able to even approximately fulfill this purpose. The fund available for charity is comparatively small and, if long continued, its effect is demoralizing to its recipients. Savings and investments are highly commendable, but few accumulate sufficient funds for required purposes.

Consequently, we must consider some form of insurance as the only safe method of making provision for the inevitable misfortunes of the masses. Insurance accomplishes what the individual alone can not. It may be said to be a method of providing money where it is most needed when it is most needed, and so it is a source of economic security and industrial efficiency. It follows that insurance is a social and economic function.

The principal branches of insurance for the purposes now under consideration are:

1. Ordinary life insurance by the regular stock and mutual companies.
2. Industrial insurance, also mostly carried on by such corporations.
3. Fraternal insurance and mutual cooperative associations.

As the result both of reform from within and progressive legislation, ordinary and industrial life insurance has become generally reliable. The feeling of security created has been the chief factor in the tremendous recent expansion of corporation insurance.

Ordinary life policies average about \$2,000 each, covering all classes of persons, but the larger percentage of these are in more or less comfortable circumstances. Industrial policies average less than \$150 each, and are taken chiefly by wage earners on account of the convenience in method and amounts of payments. The purpose is usually to furnish burial funds. On account of the excessively high cost of industrial insurance, protection of dependents is almost entirely prevented.

Fraternal organizations occupy a middle ground with benefit certificates averaging over \$1,200, and are the means by which the

working and middle classes of our people provide not only burial funds, but protection for dependent families.

With the field of fraternal insurance practically unlimited, its necessity established and the demand ever increasing, its permanency is assured, subject only to the hazard of unfavorable influences from within. These unfavorable influences result from well-defined evils and defects which may be grouped under two heads.

1. Lack of standardization.
2. Commercialism.

To the lack of standardization can be traced the financial insecurity, imperfect business administration and the failure of societies to fulfill their obligations.

My experience as insurance superintendent has brought to my attention many instances of the failure of fraternal societies to meet their promises and discharge their obligations. Although builded upon fraternalism, yet the insurance feature demands the most consideration of the various purposes of your organization, but unfortunately the development of this feature has not been uniform or scientific. Reliability and safety of insurance has not been sufficiently considered. Some of these organizations have apparently striven to satisfy temporary demands of the public by working upon the spirit of fraternalism without due regard to mathematics of mortality experience. Professor Charles K. Henderson, than whom no better friend of the common people ever lived, says:

"It would seem that the majority of the members of the brotherhoods have made themselves believe that the laws of gravity, the multiplication table and economic forces and laws may be successfully set at defiance, if only men love each other enough that such commonplace matters as table of mortality, and interest rates are only applicable to the insurance of rich men."

Another writer on fraternalism says:

"There is no fundamental antagonism between the noblest aspirations of fraternity and the demands for absolute safety and permanency on the part of benefit features of fraternal societies; indeed, without the latter the former may become an illusion capable of drawing multitudes in bitter disappointments, if not worse."

It is only by combining business methods and experience, scientific knowledge and actuarial standards with fraternal spirit and efficiency, that the full purpose of these organizations can be attained.

There is no inherent sanctity in fraternal method, nor will high esteem for its leaders alone commend the system to the public.

Fraternalism can only earn the gratitude of society by the permanent good which flows from it. (1) By fulfilling its fraternal duties. (2) By keeping its promises and maturing its benefit certificates, and these things can not be accomplished without the complete and comprehensive standardization of every feature of its business.

The constant tendency to commercialize fraternalism is the one blemish upon the character of fraternal institutions. Commercialists, of whatever kind, are money changers in the majestic temple of fraternalism. Would that as of old a Supreme Being would come and drive them out with the irresistible scourge of Divine Wrath.

Comparatively few men undertake the work of organizing fraternal societies solely for the good of their members. Too often the prime motive is the creation of easy and profitable employment. The administration of the business affairs of a fraternal insurance society is a legitimate business vocation and is indeed a high calling. It is not expected that those who give their time and thought to the development of their society shall do so without proper remuneration.

Officials occupy a fiduciary relationship to the members of their respective societies. They act as the trustees of the joint funds, and administer the business affairs of the society for the sole benefit of the members and without profit or emolument to any person. They are in honor bound to give to their respective societies the highest degree of efficient service, adhere to the fundamental principles of their branch of insurance, and maintain the honor and integrity of their respective societies. Any perversion of these purposes to commercialism is a betrayal of the trust reposed in any such officer and brands him as a traitor to the society that has honored him and to the beneficent institution which he is presumed to serve.

One of the most disastrous perversions is the growth in many fraternal societies of a most damaging and contemptible system of fraternal politics for the purpose of controlling official position and attendant emoluments. This is a most disheartening feature associated with fraternal societies of to-day, and is the entering wedge of complete disruption of many societies as well as having an unwholesome effect on public sentiment and discrediting the system of insurance.

Having grouped under two general heads the principal evils to be found in the existing fraternal system, it is now incumbent upon me to advance a remedy. I have said that fraternalism by its very nature, being founded upon brotherly love and mutual help, is above entire control by law. In the practical manifestation of fraternalism by the operation of fraternal societies, there have been created certain legal safeguards for the protection of the members. One of the most uniform of these legal requirements is that the management of the society shall be controlled by a representative form of government. The societies, then, are composed of the members, operated for the members and by the members; therefore, reform of existing evils must come from within.

Voluntary standardization on uniform lines by individual societies acting separately is not practicable. Your congress being the organized body of the fraternal institutions of this country is

must assume the duties of standardizing every feature of your business and eradicate commercialism, thus eliminating the defects and evils associated with your branch of insurance.

Your organization has accomplished much and is eminently worthy of the commendation universally bestowed upon it. Its possibilities of great work are limited only because its powers are advisory. The recommendations of this body can be accepted or repudiated according to the desire of the officials of any individual society. Perhaps one of the greatest barriers in the way of your accomplishments is the knowledge upon the part of those who do the work that there is no material assurance their recommendations will ever be acted upon. They do not have the sense of responsibility and inspiration that comes with a knowledge that they are the arbiters of a special destiny of fraternalism. Nevertheless, I believe there is no other way of securing the remedies which I have to suggest except through your congress.

The by-laws of every fraternal society should give to this congress full power to investigate exhaustively into its condition of membership, assessment rates, financial solvency and business conduct, to prevent extravagance and inefficiency in management and acts of commercialism, and this congress should be given power to work out and adopt standards to which all societies affiliated therewith must conform. If you can not induce all societies to become affiliated with this congress, you can in any event place upon the certificates of your associated societies the trade mark of your congress, which must mean that each society has qualified and shown its ability to carry out the full purposes of fraternal insurance. There can be no objection upon the ground of public policy to investing your organization with such powers or with the power of adopting standards for rates, business methods and practices, as all societies affiliated with your organization are not organized for profit, but to administer an insurance fund at cost for the sole benefit of the members. Thus cooperative work and power granted for that purpose can only result to the good of the public.

One of the greatest menaces to the success and the future development of fraternal insurance is the failing condition and insolvency of certain existing societies. Conservation of such societies demand that they coalesce with or transfer their members to other societies. A department or bureau of your congress should be created with full power and authority to administer the assets and business affairs of those societies which have failed to conform to the established standard of your congress. This bureau could accept the trust of administering the affairs of only such societies as are voluntarily transferred to it, yet when the purposes of this bureau became fully understood, failing societies should welcome the opportunity to be transferred to the hands of this bureau.

In the administration of the affairs of such societies, and in the amalgamation of either societies or memberships, a careful

institution which can never be appraised and valued according to any mundane standard.

In addition to the enormous money reserves accumulated through the insurance feature of fraternal beneficiary societies, we have equally as great and as valuable an asset in the social feature of these societies. This asset is a reserve that can never be estimated in figures nor will it be found among the ledger assets of a society. Although intangible it is a most potent factor; it is the woven fabric that holds societies together, brings new members, extends an opportunity for social intercourse and intellectual development; and bestows the benefit of brotherly love, visitation and aid in sickness. This attribute, found only in this system of insurance, is as great a blessing to humanity as the financial aid given by the insurance feature. This is an asset that can never be capitalized or supplanted by money; it must not be abused nor tortured into submission to commercial demands. It is the enemy of none and the friend to all.

The general attitude of this congress toward fraternal insurance is unimpeachable, but it is not impeccable. This congress to accomplish the standardization of its branch of insurance, its ethical course, assume moral leadership and bring about effectuation of the spirit of fraternity, and it must bear the burden where it fails in any of these. Every officer associated with this congress, and every officer chosen by every fraternal society, should not only be a great exponent of fraternalism but a living example of the fraternal spirit. Each and all should think and act fraternally, speak fraternally, act fraternally and live fraternally. For words, possess and demonstrate a fraternal mind, and any man not possessing a fraternal mind is unworthy to participate in the activities and expressions of either this congress or of the fraternal societies.

If to-day we cast our eyes beyond the borders of our beloved country, they rest on a sad and stricken world, on myriads of fresh graves which entomb the flower of manhood of the great nations of Europe; on millions of broken families affected by poverty and misery; on desolate homes and the smoking ruins of once prosperous cities. This is a horrifying spectacle, and the end is not yet. If we were compelled to believe this causeless, senseless war to be the genuine expression of the masses of the nations scourged by it, then we should have no rational hope for a continuance of civilization. But this is not true. If the common people of Europe could have controlled their destiny the spirit of fraternalism would have directed its course and the world's peace would still be unbroken.

I am not one of those who would have peace at any price. I do not sympathize with those fearful, cowardly souls who would submit despots to deal with us according to the dictates of their cruel and barbarous wills, in order to avoid war. Slavery is worse than war. Every patriotic American fervently desires peace, but peace with honor, and I hope, from the bottom of my heart, that this will be our portion.

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The lesson of this dreadful and destructive war should make us value beyond all price the spirit of fraternalism—the direct antithesis of militarism.

The universal application of the principles of fraternalism would mean the perpetuity of peace.

In our country, where fraternalism knows no nationality, no religion, climate, locality, political or sectarian organization, it will know no disaster. Its suppression is impossible and its life everlasting, and, with the cleansing of the institution of fraternal insurance, the perpetuity of this institution is assured, and it becomes one of our country's greatest mediums for human good.

Other insurance organizations may be greater in number, greater in volume of business and greater in strength, but fraternal insurance is the greatest of all in its moral power, its beneficent service and its wholesome administration of human helpfulness.

RESPONSE TO TOAST "ILLINOIS."

At the Banquet of the Illinois Woodmen's Social Club, Hotel Sherman, Chicago, Illinois, February 12, 1916.

The opportunity to sit at this banquet board and share its bounties with the officers and members of your society, has been a great pleasure to me. I regard it as an especial honor to be called upon to respond to the toast "Illinois," for she is one of the greatest and most glorious in the fair sisterhood of states.

When we become members of any one of our many fraternal orders, we assume an obligation to protect each other, bestow kindness, inculcate moral principles, be charitable and promote good fellowship. These are well-known duties divinely enjoined upon all men, but they are apt to be neglected unless stimulated and encouraged by obligations to some social organization such as yours, which helps to make each one of you better members of the grandest fraternal order in the world—the God-ordained brotherhood of man. All other orders are but subordinate lodges of this divine fellowship whose obligations rest on every human being. As the soul of man in death cries for its Savior, the soul of man in life cries for human brotherhood, and your society is a splendid answer to that cry.

Your society was born in Illinois and, always making its home in our State, has grown to be the greatest fraternal order in the United States. Consequently it is appropriate that we to-night for a few minutes recall the history of our State and consider her future.

Within two years, Illinois celebrates the one hundredth anniversary of her birth. A century is but a day in the life of nations, yet in that time, our beloved State has reached unparalleled development and achievement. From less than fifty thousand at her birthday in 1818, the population of Illinois has grown to more than six millions at this time. There must be some substantial cause for this tremendous increase of population which corresponds to our general agricultural, industrial and commercial development. When we pause to consider the reasons for this enormous and rapid growth, they are easily understood. In the first place, our State is located in the center of the temperate zone, which is the most favorable part of the world for human endeavor and material prosperity. The rainfall is ample and fairly regular so that a complete crop failure never occurs. It is true that our central location has a tendency to make our winter climate somewhat fickle and changeable. We are apt to suffer one week from a raid of the frost king, who with the artillery of a blizzard bombards us with snow and sleet. The next week the south wind gains the mastery and turns these missiles into water and mud. But in spite

of all this, our climate is after all one of the best in the world for agricultural purposes and healthful for human beings.

But a favorable climate is not all. When white men came to this State they found the most fertile soil in the world, spread out in broad prairies which did not require years of labor with axe and saw and firebrand to render it fit for agriculture. All that was necessary to grow bountiful crops was to turn the sod and plant the grain. Under such circumstances, it is no wonder that the 56,000 square miles of territory of the State were populated with unparalleled rapidity and became one of the most productive agricultural regions in the world.

But its productive prairies are not the only natural wealth with which Illinois is endowed. Thirty-six thousand square miles of its fertile plains are underlaid with rich coal deposits, and in addition the oil pumped from beneath the surface of a few counties only, place Illinois third in petroleum production in the United States. But this is not all. We not only possess the almost immeasurable riches derived from the products of our farms and mines, but we also enjoy an opulent income from our great manufacturing and commercial establishments. The City of Chicago owes a large part of its immense wealth and population to the fact that it is the commercial distributing point, not only of Illinois, but also the major portion of the other states of the Mississippi Valley, the richest territory in the world.

Illinois is also preeminent in its regard for intellectual things. We have one of the greatest and most progressive educational systems in the world. Our public and private schools, colleges and universities are nowhere excelled, and the graduates from these institutions take rank in educational efficiency with those of any state or nation of the world. As the crown of our educational and cultural system, we have a great public press, which includes the rural weekly as well as the great metropolitan daily. The press molds public opinion and thereby sways the public affairs of the commonwealth.

When we remember all these national advantages, our immense population, our wonderful material prosperity, our great educational and intellectual achievements are not surprising; but we should nevertheless be exceedingly thankful that we are the highly favored beneficiaries of the rich bounties of Providence. But great as is the material prosperity and the financial, commercial and educational achievements of the people of the State of Illinois, they do not surpass what has been accomplished by them in other fields of human endeavor.

The original make-up of the population of our State was peculiarly fortunate. Its first settlers came partly from the New England and other northern states, partly from the southern states. It was the energetic, the adventurous, the hardworking, who left their homes in all these states to settle on the fertile prairies of Illinois. Later there came a great immigration from the European countries, and in this Illinois was also particularly favored. The flood of foreign immigration flowed strongest into this State at a time when this immigration comprised the best elements of the best countries of Europe. As might have been expected from the amalgamation of such magnificent

strains of intelligent, energetic, law-abiding men, Illinois has taken a leading part in the affairs of the Nation. At the time of the Revolution there were no English speaking settlers here, so that, as a political division, we had no part in the achievement of independence; but when, 85 years later, another supreme crisis occurred in our national life, then Illinois gave to the Nation a world hero, the immortal statesman and patriot, the great Lincoln, the anniversary of whose birth we celebrate to-day. Mankind has already assigned him one of the very highest places in the temple of universal fame. To his tomb at our State capital constantly come pilgrims from all parts of the civilized world to venerate his memory. The remembrance of his life and services have become the imperishable treasure of our State. When we mention Lincoln, it is with pangs of sorrow that we recall also the great Civil War in which a million brave men lost their lives and whole states were made desolate. Our pride is not on account of the defeat of the South, but for the victory of the principles of justice and human liberty. Another victory must soon be won, and that is the dethronement of militarism and autocracy throughout the world. Each nation participating in the present devastating war in Europe prays to Almighty God in its own behalf. God alone can melt militarism of the warring nations and change their enormous armies into peaceful citizens of a world republic.

When we recall all the blessings and achievements of the great State of Illinois, we are filled with joy and thankfulness. I believe that every citizen of the State should occasionally pause and ponder these things well, but not merely in a spirit of pride and vanity. If the sole effect is to arouse only such ignoble emotions in our minds, we will soon find ourselves on the downward path which leads to the destruction which overtook the splendid but corrupt civilization of Rome.

Our magnificent agricultural and industrial production, our honorable history, our unparalleled educational facilities should not lead us to believe that no further effort is necessary on our part. To-day civilization is more rapidly advancing than ever before in the world's history; and if we do not by continuous and strenuous efforts keep pace with this progress, we will fall into stagnation, which will be inevitably followed by decay. This thought seems to me so supremely important that I seize the opportunity even on this festal occasion to call your attention briefly to some things we must do if we are to longer remain deserving recipients of the bounties of nature in this fertile State, and worthy heirs of the liberty which the heroes of the past achieved for us.

Our wonderful prosperity has been of such rapid growth, that there has not been a proper adaptation of our political, industrial and social systems to the wants and necessities of our citizens at the present time. On account of the absence of an entirely just social system which would distribute to each man a fair share of our prosperity in correct proportion to the value of the work which he performed

toward creating it, strong, cunning, ruthless men have seized the opportunity, chiefly through the instrumentality of great corporations, to grasp for themselves an undue portion of our prosperity, leaving to the larger part of the workers and producers—to the farmers and the laborers of the State, but a meager livelihood, secured only by constant and arduous toil. The ultimate tendency of our present industrial and social system is to produce a small group of millionaires and an immense class of meagerly compensated workers. This tendency has been resisted and partially nullified by various means, so that there may still be found a large number of prosperous people of moderate wealth in our State, but the deleterious tendency, nevertheless, exists and continually operates, day after day and year after year.

The bold and crafty men who are its beneficiaries never rest; they hesitate at no effort; they relentlessly achieve their aims one by one. If our country is to avoid declining into the social and economic condition of European civilizations in which the population is separated into a small titled or monied aristocracy and a great peasant or wage-earning class, we must consider earnestly what can be done to counteract this evil tendency and act accordingly.

I believe the best way of counteracting this downward drift is for the masses of people to understand the value of cooperation, learn its methods, and apply them in every line of human activity, but at present more particularly in distribution. The people must help themselves. If they depend upon others to do the work of distribution for them, these others will become their masters and will absorb all the surplus above the bare necessities of life for the producer. There has been a beginning made in this movement, but it is still only a beginning.

Another great movement for the benefit of the masses of our citizens is social insurance. This is comparatively new, but I sincerely believe is of greater importance to the wage earner and the masses in general than any other question before the people of this State to-day. Social insurance, if wisely organized, will enable the citizens of this State to provide against privation and poverty for themselves and their families from the inevitable contingencies of accident, sickness, unemployment, premature death and helplessness of old age. As population becomes denser and the factory system of industrial production is further and further developed, the opportunities of an independent livelihood, and even of the worker living in his own home, is more and more diminished, for he must frequently move from place to place to get employment. Consequently, what is needed is an institution into which, during their productive years, all classes, but particularly the working classes, can pay their surplus earnings and be absolutely secure that when overtaken by accident, unemployment or premature death, or rendered helpless by disease or old age, a fund is provided to support themselves and their families.

I can not, of course, at this time, and at this place elaborate as to details of the establishment of either universal cooperation or of social insurance; but I do beg every one of you who has the interest of the teeming, toiling millions of the people of the great State of Illinois at heart; every man who admires the example and emulates the acts of

that great man whose birthday we celebrate to-day; to ponder well these subjects in his spare moments and to use his influence to have them become beneficent realities in the near future.

Although, as we earnestly endeavor to descry in the dim future the further course of our beloved State and Nation, it may appear to be overshadowed by clouds and threatened by tempests, still I am supremely confident that by divine favor it will survive them all and, like a well-steered ship, continue its stately progress for evermore on the infinite river of time toward the haven of eternity. I believe this because in the past there has arisen in the United States of America, during every crisis which has confronted it, a man equal to the emergency. During the Revolutionary War this patriot was George Washington; during the Civil War, our own Abraham Lincoln; during the World War, Woodrow Wilson. Freedom was gained under Washington, preserved under Lincoln and will be made permanent under Wilson.

But above all, let us humbly remember, when we recall the greatness of our State's greatest man that, when he lived, he was but one man of its two million people; that our great State is but one of forty-eight making up our greater Nation; that our Nation is but one among those that crowd the earth; that our earth itself is one of the least among the myriads of twinkling stars which bespangle the firmament of the universe; and that after all for us as human beings enjoying therein a brief existence, the greatest thing in the world is the divine principle of love as manifested in the spirit of the brotherhood of man and exemplified in such fraternal organizations as those to which you all belong.

MUTUAL INSURANCE.

Address Before Farmers' Grain Dealers' Association of Illinois
at Bloomington, Illinois, February 10, 1916.

Mr. President and Members of the Farmers' Grain Dealers' Association of Illinois:

I assure you that I am greatly pleased, as well as highly honored by having been invited to address your association at this, its twentieth annual convention. The word "farmer" brings to me visions of the first twenty years of my life. We all have many heartstrings which tie us to the past, and one of these which is never broken, is the memory of our boyhood days. During these days many of us felt that we were beset by hardships and privations, but the experiences of maturity teach us that these were simply foundation-building, man-making days and that human development can not be effectuated so well under any other condition. My boyhood days were spent on the prairies of Illinois and I not only long for the return of those days which will never return, but hope to retire to a farm where I may again live that free, cheerful and healthful life, which is unknown in the strenuous career of the professional man. In my professional career, however, of more than twenty years, both in public and private life, I have learned the one great lesson that this life teaches, which is, the man who serves the public well, also serves himself well.

In the practice of law we learn the intricacies of government in all its branches, and appreciate well the needed service. We see and know the unjust divisions of society into classes, with the advantages usurped by one class and the disadvantages suffered by the others. In our efforts to serve the public, we strive in public and private life for the administration of justice, while the class holding the advantage frequently makes the administration of justice to the other impossible. But we still hope that our efforts are rewarded by public appreciation and a knowledge that class equality will some day come in this free Republic. Among these classes, the farmers have been extremely slow in asserting themselves by cooperative work and so gaining their rightful economic independence. One of the grandest examples of what the farmers can do when they are seized with the proper determination, is the results accomplished by the various Farmers' Grain Companies in this and other states. Your cooperative achievements are the first victories of a movement which holds tremendous possibilities of advantages and benefits to not only the farmer but to humanity in general.

RESULT OF INDUSTRIAL DEVELOPMENT.

As the population of the world increases and the system of modern transportation and industrial factory production is more and more

developed, it becomes imperatively necessary that some plan be devised by which exchange of products of the farm or factory can be carried on by the producers themselves. Otherwise, this exchange must be carried on by speculators and middlemen who reap the profits and are infinitely better off than the toilers who assume all risk and endure all the hardships associated with production. Exchange of products under present industrial conditions is the supreme necessity and must be carried on by somebody, and the public must submit to the exactions of avaricious traders, until they perform this function for themselves. All that is necessary is that the people learn how to work with each other and for each other—they must cooperate—one man by himself in such matters is helpless.

Cooperation means union of the efforts of different individuals for the accomplishment of a common purpose. It is working with others for a common benefit. One of the oldest examples of cooperation is the family, where the efforts of all its members are directed toward the maintenance and happiness of the entire group. In industry and commerce, cooperation means the carrying on, at cost, by producers and consumers themselves, the functions now performed by capitalists and middlemen, for profits.

Cooperation takes two forms; productive and distributive. There exists only a relatively very small amount of productive cooperation at the present time anywhere in the world, but there has gradually developed during the past sixty or seventy years, a large amount of distributive cooperation, though, I am sorry to say, much less in the United States than in several of the European countries.

HISTORY OF THE MOVEMENT.

Since the Civil War there have been a number of attempts to apply the methods of cooperative distribution by farmers in various parts of the United States. Examples are the Grange, the Farmers' Mutual Benefit Association, the Farmers' Union, the Farmers' Alliance, and numerous more restricted organizations engaged in producing special crops. You are, of course, familiar with the history of farmers' elevators, which began with the organization of a farmers' grain company at Rockwell, Cerro Gordo County, Iowa, in 1889. Although the latest, the farmers' grain companies are the most successful of these farmers' cooperative organizations.

Because your association is composed of comparatively recent cooperative agricultural organizations, I believe a brief sketch of the general principles of agricultural cooperation will be helpful in the way of an introduction to the subject of "Mutual Insurance." During the period since the Civil War, a great many of the agricultural cooperative organizations for both general and special purposes have failed. These failures are in marked contrast to the history of agricultural cooperation in many other countries, as well as with the history of cooperation among persons engaged in other occupations in the United States. Consequently, I believe it will be profitable to see if we can find the reasons for these failures. Economists agree that the frequent failures in agricultural cooperative enterprises have usually arisen from three causes.

FARMERS AND COOPERATION.

In the first place, cooperation has only been employed by farmers as the result of pressing necessity. As long as they receive profitable prices for their products and their returns are sufficient to comfortably maintain their families, they have endured burdens rather than attempt cooperation. Taken as a whole, American agriculturists, at least during the past two decades, have been fairly prosperous, and therefore, not easily interested in cooperation. Furthermore, by means of political agitation, the farmers have, from time to time, obtained the passage of laws which have done much to ameliorate the evils from which they theretofore have suffered.

In the second place, the marked individualism of the American farmer is a stumbling block in the path of organizers of cooperative institutions. The farmer of the present day is only one or two generations removed from the enterprising and ambitious pioneer who, coming into a fertile country, each individually worked his way up in a majority of cases to a moderate competency. As might naturally be expected, the descendants of these energetic, independent and self-sufficing men have not taken kindly to the limitation of individualism, which is necessary to the successful operation of cooperative enterprises.

In the third place, the physical isolation of the farmer, necessarily separated from his neighbors by some distance, as well as the long hours of labor and difficulty in assembling regularly, are all factors hindering the development of agricultural cooperation.

DEVELOPMENT OF COOPERATION IN EUROPE.

The course of cooperative development in European countries has, however, been more favorable, and I believe that we can profitably consider the history of the movement, and what it has accomplished in some of these countries, because we can derive therefrom valuable lessons in relation to making cooperation successful in the United States.

There was little, if any, cooperation anywhere in Europe before the year 1850. Prior to that time the nations of Europe were recuperating from the long series of devastating wars which grew out of the imperial ambitions of Napoleon Bonaparte. Many of these countries were the theatre of destructive military operations as they unfortunately are at the present time, so that settled social and political conditions necessary to the inauguration of cooperative movements were lacking prior to the middle of the nineteenth century. But once a beginning was made, progress was rapid.

DENMARK.

A recent writer who has visited and studied agricultural cooperation in Denmark, where it has attained better results than in any country in the world, gives the following account:

"We are taught to believe that efficiency can only be secured by monopoly. It is assumed that any cooperative control of industry must be wasteful. Yet the million and a half farmers of Denmark disprove this. On their own initiative, they have organized themselves into

every kind of cooperative business, to carry on transactions which run into the millions of dollars every year. They do it with the economy and efficiency of the most highly organized, private business. And they do it through cooperation, and not through socialism. They buy what they need at wholesale and they sell to themselves at retail, in the same way. Thus the farmer gets all that he makes. He has got rid of one middleman after another, and deals almost as directly with his customers as did his ancestors a hundred years ago at the village fair.

"I found cooperation everywhere. The movement is only thirty years old, but in that time Denmark has been changed from a barren country, in which the peasants were not different from those of Germany, into the world's agricultural experiment station. Little by little I learned the story of the transformation; a story that makes poverty seem a crime in a country with the resources of our own; a story that suggests a vision of the unfathomed possibilities and talents of the ordinary man. Further than this, it shows how easily poverty can be cured by law rather than by charity, and this is the big thing this little country teaches to all the world."

BELGIUM.

Although the development of cooperation in Belgium took place along different lines than in Denmark, nevertheless, the results have been largely the same. Most of the soil of Belgium is not naturally fertile, but has been made perhaps the most productive per acre of any nation in the world by thorough culture and fertilization. This has been the result, as in Denmark, of a dissemination of scientific and technical agricultural education among the actual tillers of the soil, and also by the very wide use of cooperative principle. For example, among the farmers of Belgium, there exists sixteen hundred societies for the insurance of live stock. There are also a large number of mutual credit societies organized on the model of Raiffeisen banks. The railroads and other means of transportation are under the control of the government and, therefore, operated solely in the interests of the people, so that transportation is cheap and efficient. There is little question that the marked degree of prosperity which the agriculturists of Belgium enjoyed prior to the German invasion of 1914, was due very largely to the agricultural cooperation in almost universal use in that country. It is said that the effect of this cooperation has not only been exceedingly favorable in the economic sense, but that it has likewise exerted a remarkably favorable influence on the social and intellectual life of the people of that little country. Agricultural cooperation is also successfully conducted in Germany, France, Holland, Norway and Sweden.

FUTURE OF COOPERATION IN AMERICA.

It seems to me that in view of the example of successful agricultural cooperation in European countries, and from the fact that in 1913 in the United States and Western Canada, the business done by cooperative associations exceeded three hundred million dollars, there is no longer any doubt that agricultural cooperation will soon be successfully adopted in the whole of America. One of the chief

reasons why general cooperation has not met with greater success in the United States is, that it has too frequently been mixed up with social, political and sometimes religious movements, not necessarily incident to the cooperative effort, and upon which there inevitably existed marked differences of opinion, thus bringing disintegration to such organizations.

The last session of the Illinois Legislature passed a new cooperative organization act, which should encourage the organization and upbuilding of cooperative associations. Knowledge of this law should be spread throughout the State and the people urged to organize cooperative enterprises in all fields of endeavor under it.

MUTUAL INSURANCE.

Mutual insurance is the oldest of any of the existing cooperative institutions. All insurance in its very nature is cooperative; that is, it is a method of distributing losses which occur to certain individuals, so that they are borne by the whole community. This is accomplished by means of a fund created by the payment of comparatively small sums as premiums by each person who is to be indemnified out of the fund if loss occurs to him by the particular kind of hazard insured against.

Insurance is chiefly effected in two systems: (1) by private corporations or other private organizations for the purpose of making profit. (2) by organizations not for the purpose of making profit such as mutual insurance companies, interinsurers, etc. It is the second class only, consisting chiefly of mutual companies and interinsurers, that are cooperative in the sense in which this term is generally used, and this is the kind of insurance in which you should take a deep interest.

The earliest forms of insurance were purely mutual. About the ninth century in England and other European countries, there existed organizations or associations of merchants and artisans usually termed "guilds," exercising various functions, among which was that of relieving the distress of members caused by accident and other casualties, among which were losses by fire. In the various Teutonic countries, the fire insurance function of the guilds was later assumed by organizations called "brandgilden" which were in effect mutual fire insurance associations. These existed also in England, but appeared to have died out there long before the great London fire which occurred in 1666. The brandgilden were succeeded in part in Germany and several other European countries by public institutions which were in the nature of state insurance organizations, sometimes carried on by an entire nation, sometimes by a province, or municipality. These state institutions are substantially cooperative in principle, not being operated for profit. In all of these countries also mutual fire insurance companies have continued and are in existence to-day.

BEGINNING OF MUTUAL INSURANCE IN THE UNITED STATES.

The first fire insurance companies of any kind organized in the United States were mutual companies, the first being the "Philadelphia Contributionship" formed February 18, 1752, of which the great

patriot, Benjamin Franklin, was a founder. This company, however, after some unfavorable experiences, decided that it would no longer insure houses which had trees in front of them, because these made it more difficult to fight a fire. Consequently, in 1786, the "Mutual Assurance Company" was organized to insure houses with trees in front. Both of these companies are still in existence and doing business. Following this, there were numerous fire insurance companies organized, both joint stock and mutual, in the United States.

EARLY FIRE INSURANCE IN ILLINOIS.

Although the records of this State are silent concerning it, there is no doubt that some fire insurance business was done in Illinois by companies from other states long prior to the formation of the first Illinois fire insurance company, which was a joint stock company known as the "Alton Fire and Marine Insurance Company," organized February 7, 1835, under a special charter of the Legislature. At the next session of the Legislature, a mutual company was chartered known as the "Pike County Mutual Fire Insurance Company" with headquarters at Griggsville, and at the succeeding session of the Legislature, four more mutual companies were chartered; the Illinois Mutual Fire Insurance Company with headquarters at Alton; the Fulton County Mutual Fire Insurance Company with headquarters at Canton; the Rock Island Mutual Fire Insurance Company with headquarters at Rock Island; and the Green County Mutual Fire Insurance Company without city headquarters.

The organization of insurance companies in Illinois by virtue of special charters granted by the Legislature continued until 1869, when a general act was passed by which both joint stock and mutual companies were organized without getting special permission of the Legislature for each company. Up to this time, special charters had been granted to one hundred and ninety-seven joint stock companies and forty-seven mutual companies. It is a fact worthy of remembrance, that out of these one hundred and ninety-seven joint stock companies, not a single one is still in existence, while out of forty-seven mutual companies, twelve are still in existence and doing business, which shows that the mutual principle is more enduring and reliable than any other. Mutual insurance has consequently had a continuous and steady growth in this State in the particular fields to which the present form of mutual organizations are adopted. These fields are, local township and district mutuals for farmers, where the members are mostly known to each other, and class mutuals insuring particular lines of risks such as elevators, flour mills, lumber yards, drug stores, and factories of various kinds. In these class mutuals, much attention is paid to fire prevention, and every risk is examined by competent inspectors. In this way, the loss by fire is greatly reduced.

MUTUALS SUCCESSFUL IN ILLINOIS.

There were two hundred and thirty-two township, district and county mutual insurance companies doing business in Illinois in 1915, and forty-six State-wide mutuals. There was in force in the year 1914 (the latest for which the figures have been received) three hundred

and six million, seven hundred and twenty-five thousand dollars of mutual farm insurance, which cost the policyholders at the rate of 19 cents for each \$100 of insurance. The larger part of this insurance was fire and lightning and tornado combined. Fire and lightning insurance combined would have cost in the stock fire insurance companies approximately \$1 per hundred, or over five times as much as the cost of similar mutual insurance. The stock company rate for the fire and lightning alone is 60 cents per annum, or more than three times the cost of mutual insurance, a large part of which also included tornado insurance. There were also a number of mutual farm companies which insured against windstorms only, the cost to the members averaged 12 cents per \$100 as against a cost of 50 cents per hundred to policyholders for insurance against windstorms only in the joint stock companies.

I am advised that the mutual companies carry practically all of the insurance on the farmers' elevators and that they have been able to return each year to the policyholders 50 to 75 per cent of the premium charged, which original charge is the same made by the stock companies; also that the stock companies charged \$2.70 per \$100 of pay roll for Workmen's Compensation insurance in elevators which the mutual companies have been carrying at a net cost of about \$1 per hundred of insurance.

NECESSITY FOR STATE FIRE INSURANCE.

To the larger part of the citizens of this State, however, the benefits of mutual insurance are not now available. Under present-day commercial and industrial conditions, fire insurance is practically compulsory. Commercial credit can not be obtained without it, nor can money be borrowed on real estate or chattel security unless the buildings and other property are fully insured against fire. Insurance is, in effect, a tax, and no tax should be levied for profit. A loss by fire is a misfortune, indemnity for which should be supplied to the people at cost. This can only be done by some form of cooperation. It is my opinion, which I have already presented in a special report made in 1914 to Governor Dunne, that the State of Illinois should create an exclusive system of State fire insurance, which properly organized and operated would greatly reduce the number of fires which occur annually in the State, and at the same time reduce the premium to about one-half of that now collected by stock companies, because at the present time, over one-half of the premiums collected by the joint stock fire insurance companies are paid out for expenses and profit. If the business were done by the State, the expenses would only be a small fraction of that which is now consumed under present wasteful methods of stock companies. Such State insurance would not interfere with mutual insurance in the least unless it was able to grant the insurance at still lower rates than the mutuals, in which case there would be no objection to it by the members of the mutuals, because the members make no profit out of the mutual fire insurance business, but conduct it solely for protection.

RURAL CREDITS BY COOPERATION.

On account of my present official position, I happen to be better acquainted with cooperation as applied to mutual insurance than other forms of cooperation, yet, my early life and experience in the country and my permanent and deep interest in the farmers of Illinois and everything that affects their welfare, impels me, before I close, to venture to say a few words to you on another branch of cooperation which is just beginning to attract attention in this country. I refer to the subject of rural credits which I believe possesses great possibilities of benefit to a large part of our farmers.

In most European countries, there are numerous cooperative credit organizations, such as Raiffeisen Banks, Credits Foncier and State Land Banks for the sole purpose of furnishing money at low interest rates to such farmers as need to borrow. On account of the high price of land in Illinois, and short time of real estate loans as at present made, as well as high interest rates, it is practically impossible for a young farmer, without an inheritance, to raise a family and pay for a farm. What is needed is the opportunity to borrow money on short time loans at a low rate of interest to pay current expenses, buy stock for fattening, or hold crops for better prices; or for long periods—ten to fifty years—to buy land, with provisions for repaying the principal in small installments each year with accrued interest.

It is stated that the total indebtedness of American farmers is approximately six billion dollars on which there is an annual interest charge of five hundred and ten million. This borrowed capital could be furnished at much cheaper interest rates and on more liberal conditions by proper cooperative credit associations, than is done at the present time by existing financial institutions. The aim would be to have a perfectly safe organization in which anyone, including farmers who have a surplus, could place their money and receive a higher rate of interest than they could secure from time deposits in local banks, while those needing either temporary or long-time loans could secure same at lower rates and more favorable terms than from the banks. This would prevent the money of Illinois farmers deposited in banks being sent to Wall Street to be used in speculation, detrimental to the farmers, while money needed by other farmers must be obtained on harsh terms from outside financial institutions.

SCHOOL INSTRUCTION IN COOPERATIVE METHODS.

You should also use your influence with school boards and the Legislature to have regular instruction on the subject of the benefits and methods of cooperation given in all of the schools of the State, both rural and urban. This will be a great aid in educating the coming generation to carry out successfully cooperative enterprises in every department of human activity. Under our form of government, no movement can be successful which the masses of the people do not fully understand and approve. Consequently, the first thing is to convince our people of the advantages of cooperation and educate them in the methods and details indispensable to success of all kinds of cooperative enterprises.

In connection with education in cooperation, the only safe and successful plan is to take up the various branches of cooperative endeavor, one by one, and establish each firmly on the solid ground of social service and financial success, before attempting another.

CONTINUAL BATTLE FOR ECONOMIC FREEDOM.

If this cooperative movement is energetically supported and prudently guided, I am confident that most of us will live to see the time when cooperation will accomplish as much for the farmers of Illinois as it has done for the farmers of European countries. When that time comes, instead of supporting, as they now do, a horde of useless middlemen, Illinois farmers, together with all other Illinois producers and workers, will completely enjoy the abundant fruits of their labors, reap the full profit of their toil, be entirely emancipated from economic oppression, and not only possess the political freedom guaranteed by the Constitution of the United States and of the State of Illinois, but economic freedom from commercial extortion which they have suffered for the past century.

**REMARKS BEFORE NATIONAL CONVENTION OF
MUTUAL LIFE UNDERWRITERS**

Third Annual Session, Hotel LaSalle, Chicago, Illinois, October
25, 1915.

Mr. President and Gentlemen of the Convention:

I assure you that I am honored by having been invited to address your Convention.

Early in January, 1915, I made a number of recommendations for insurance legislation to the Forty-ninth Illinois General Assembly, among which was one relating to assessment insurance. That recommendation represented my position then, and I quote it now:

"The operation of assessment insurance under the present system is faulty and unsatisfactory and demands remedial legislation. Two plans of assessment insurance are in use; one providing for assessments to pay current obligations; and the other providing for a so-called stipulated premium, with a clause reserving the right to increase the rate, if necessary. In the first instance, the burden of payment increases as the members grow older and deaths are more frequent; and in the second instance, the absence of any legal standard does not render certain the accumulation of sufficient reserve. Provision should be made for strict supervision over assessment associations, fixing a legal standard of solvency, and limiting salaries of officers and expenses of management."

That the members of your association were fully alive to the conditions confronting your system of insurance and kindly disposed toward corrective efforts is shown by the comment which appeared in your association bulletin on February 27, following, wherein it stated:

"Rufus M. Potts, Commissioner of Insurance of the State of Illinois, has always demonstrated a friendly and intelligent interest in the welfare of mutual or assessment insurance. We believe that he will work with us along constructive lines. We believe also that insurance commissioners generally will give support to correct effort to place mutual or assessment insurance under the control of just laws, permitting it to build firmly and wisely for the future."

Every careful observer of systems of insurance will admit that there has existed for a long time and still exists a somewhat widespread public prejudice against assessment insurance. Even many state insurance departments have reflected a doubtful feeling

as to this form of insurance. In your president's address at the 1913 meeting, he said:

"Most insurance departments are against us and opposed to our kind of insurance. I regret to say that frequently they are justified in this. I believe the real cause, however, is that we either refuse to or are unable to convince them that mutual insurance is scientific, sound in principle, and sure of protection."

I assure you that I do not now have and never have had any prejudice against the general principle of mutual assessment insurance, or doubt as to its ultimate efficiency, but I, in common with all others who come in contact with this system of insurance, know that many associations operating upon this plan have been conducted in a crude and unscientific manner, while some of them seem to have been designed for the sole benefit of their promoters. The inevitable failure of such associations has resulted in the loss to members of their hard earned savings, which is not only criminally unfair to these unfortunate members and to healthy and honestly managed associations operating under your system, but a distinct loss to the whole community. The dependents are not only deprived of the death benefit and the anticipated protection, but of the premium paid.

Any such failure causes a marked loss in prestige and public confidence to all systems of insurance as well as all legitimate insurance organizations, hence the stability and integrity of all insurance systems and organizations, and particularly assessment insurance, whose field of operation is largely among wage earners, is a matter of much public concern.

It is my sincere desire that whatever I shall say in this address shall be truly constructive in character, and hope it will be an aid in retaining the reliability and permanence which is imperative if associations operating under your system of insurance are to fulfill their proper functions.

I appreciate the fact that the best minds in your association have long recognized that there have been marked deficiencies in the past operations of many assessment life companies, and I will not be presenting any new features when I mention these matters. In fact, when glancing over the proceedings of this body in past years, my first thought was that it would be superfluous for me to attempt anything along such lines, as necessary reforms had been strongly urged from within. It occurs to me, however, that a brief discussion of some of these matters may be of some assistance to you, and may aid those brave and far-seeing leaders among you who have been and are now urging such reforms as will make your system of insurance sound and entirely serviceable.

To determine reforms, we must first discover and analyze the defects which demand them. Every child born, is, by the irrevocable decrees of a relentless fate, subject to a sentence of death. The number of years is fixed by the unalterable laws of nature; and although the actual length of an individual life can not be foretold, nevertheless the average span of human life can be accurately cal-

culated from a sufficiently wide experience, and mortality tables can be constructed on which a system of life insurance may be securely founded. This mortality experience or rule of average must not be defied or disregarded in the plan of any insurance organization. The defect from which the characteristic and serious troubles of assessment insurance have nearly all originated, is that the method employed to accumulate funds was not always based on mortality experience. In the primitive forms of mutual assessment associations, a flat assessment was levied on each member for the purpose of paying the promised benefit whenever a death occurred. No distinction was made between the young and the old. It was not long before the unfairness of this method was plainly demonstrated; the younger members were grossly overcharged and the older members received much more protection than they paid for. It was realized that this plan must fail, and a step in advance was made by the grading of the assessments according to age, but these assessments were only collected as they became necessary to pay expenses and death benefits. If the rate of deaths would only remain uniform or approximately uniform, this would be the ideal plan of conducting your system of insurance, because there would be no reserves necessary, and the expense after a member was secured would be very low. Unfortunately, however, such a condition of uniformity has not yet been reached in real practice. Take any group of members united in any society, the average age of the members was certain to increase, and this was accompanied necessarily and inevitably by an increase in the death rate. This, of course, necessitated the levying of more frequent assessments, which soon discouraged sustaining members and operated as a bar to new members. With the slackening or cessation of the influx of new members into the society and the frequency of assessments necessarily increasing, soon a point was reached where they became too burdensome to be longer borne by sustaining members, and bankruptcy and dissolution followed, even on this improved plan.

However, if a mutual or fraternal society could continue in existence long enough, and maintain a membership so that it would not fall below a given number, the members dying being replaced by new members of approximately the same age as those dying were at the time they joined, then after the lapse of the necessary period, the greatest length of which could not theoretically be more than the difference between the youngest age at entry and the oldest age at death—and in practice would be probably a much shorter period—a time would come when the assessments would attain a very close approximation to mathematical uniformity. Thereafter no reserves would be necessary, —the excess paid by the younger members would balance the deficit occurring in the amount paid by the older members and would meet this deficit continuously. In such cases bankruptcy could never overtake an honestly-managed society. In fact, assessments would tend to grow lighter because of the now well-known truth, that owing to im-

proved conditions of living, the virtual conquest of many of the most deadly diseases by medical science, and the mitigation of the ravages of others, the average term of human life is gradually increasing, particularly in this highly favored country of ours. This attainment of uniform death rate is not a mere dream, but is an actual possibility. Unfortunately, however, all the conditions through which such loss of uniformity may be brought about have not yet been attained, even by the most successful fraternal and mutual societies, and what is necessary to make such organizations sound and trustworthy is some plan which will carry them safely through under existing conditions, until sufficient time has elapsed and it is possible for the law of insurance average to bring about in each society or association able to maintain its membership, the condition of an approximately uniform death rate and consequently a uniform rate of assessment.

It should be observed in this connection, however, that the fact that mutual societies will, under certain conditions, reach a time when the rate of assessment will be approximately uniform, does not mean that when such time is reached the rates will be notably lower than the rates required at the present time to create a sufficient reserve, to make a level premium rate possible for each separate member.

Other conditions remaining the same, the uniform annual assessment at each entrance age incidental to a uniform annual death rate, would be the same as the annual assessment rate at each entrance age now necessary to make a level rate for life for each member through the creation of a reserve from the excess collected in his earlier years, sufficient, with accumulated interest to pay the deficiencies accruing during later years of his probable life. The only way in which the amounts absolutely necessary to be collected to pay promised benefits to all members whenever they may die can be reduced, is either by lengthening the average human life period or by lowering the expense of conducting the business, or both.

Therefore, there would be no difference between the rate which must now be paid by any member to create an adequate reserve, and the rate of a similar aged member at some future time when the society will have a uniform assessment rate, on account of attaining a uniform death rate, except any loss that may occur in the reserves through bad investments or dishonest management.

I wish I were able to propose some marvelous plan—to invent some magic formula which would enable your system of insurance to provide adequate reserves without requiring larger assessments to be made than were actually needed to pay current losses, but this is not possible in a world governed by infallible natural and economic laws, which can not be changed by statutes or altered by the most fervent wishes. Consequently, the only plan I am able to suggest in this connection is one which has already been urged by prudent members of your association, which is, that sufficient rates be collected to create a reserve that will insure uniformity of assessment to each member for life, scientifically computed, and taking into account the age at which the member joins, and which will make certain that the beneficiaries will be paid the promised benefits when death calls the member.

It seems entirely impossible as an enduring system of assessment insurance, to maintain such associations under a continually increasing rate of assessment. However, I am not altogether justified in saying that this is impossible in a fraternal or labor society where there may be ties binding the members to each other and to the society other than the insurance feature, but it is not possible in a society based on business ties alone. Adequate rates and reserves are your only safety.

There is no Monte Cristo hoard available, nor is there power existing to put into your hands an Aladdin lamp, which would furnish inexhaustible treasures, as a reserve which could be drawn upon to pay increasing death losses, instead of collecting it dime by dime, dollar by dollar from millions of members. Such miracles of romance do not occur in the plain everyday world of the twentieth century. Consequently, you must provide against disaster to your system of insurance and avoid loss to present members by making the adjustment actuarial science has shown to be necessary, adopting such rates as will, with careful and economical management, pay the losses that are absolutely certain to come, as the endless procession of days, months and years continues its majestic march into eternity.

It is neither necessary or proper for me to go into the matter of detail as to how this should be accomplished. You can do this better than any State official, but I wish to urge that you proceed earnestly and at once to work out a standard of solvency and safety. This may be accomplished completely by voluntary action of all organizations affiliated with your association, and you should endeavor to agree upon some plan actuarially and economically correct, secure its voluntary adoption as widely as is possible, and then turn your efforts towards securing legislation compelling all associations to measure up to a proper legal standard, so that those whose business is sound will not be exposed to the unfair competition of "wildcat" institutions.

We must have complete standardization of all systems of insurance and every institution connected therewith. We need uniform and standardized insurance legislation; standardized insurance departments; standardized systems of insurance. From these, standardized insurance benefits will necessarily follow, through which the safest and cheapest insurance protection will be furnished, and then the great institution of insurance will be able to fulfill its highest promise to humanity by becoming practically universal. Unless standardized insurance methods accomplish this result, state insurance must and will come. The state is the natural protector of its people, and if those attempting, through private institutions, to furnish insurance, fail to completely fulfill its universal purpose, then the state must step in and furnish the protection to which its people are rightfully entitled. While state insurance has not yet been called into action except in a few states, it only awaits the call. If it is called, it will be because private institutions have failed to take advantage of the opportunities generously offered to them, and its stay will be permanent.

There are, of course, some minor defects to be corrected in your system of insurance, and other remedies to be supplied, but if the funda-

mental reforms which I have outlined can be accomplished, the others will follow naturally and in due time, and your system of insurance render an efficient and desirable service to the public.

There is no wider field of usefulness than is open to you when your system attains proper standardization. The public does not take the initiative in seeking insurance, and will not take advantage of its benefits until they gain a knowledge of these benefits, and attain a realization of the sound economic principles on which insurance is founded. Until a course of study embodying the fundamental principles of all branches and systems of insurance is made a part of the curriculum of the common as well as the higher schools and colleges of this State, the economic value and beneficent purposes of insurance must be taught the public in some other way. At present the chief method of instructing the public in insurance matters, is through the work of insurance agents. In this educational campaign lies the only justification for the enormous acquisition cost of all systems of insurance. Under proper management, your method of insurance should be able to effect a considerable reduction in this cost. A vast number of our citizens are either unwilling or unable to pay the rates collected by the "old line" companies and do not desire the investment and similar features so strongly exploited by these companies. What these people most need is "pure protection" through systems of insurance that make certain that the death or disability benefits promised will be paid, and this protection supplied at the minimum of cost. If you accomplish this purpose at a cost which is so much lower than your business competitors that the difference is worth while, and do it on a safe and sound basis, your future will be one of continually expanding usefulness. If you do not accomplish absolute reliability, then your system must meet an inglorious fate.

Assessment insurance has for its object the worthy purpose of furnishing insurance to the people at as near actual insurance cost as operating expenses will permit; it should not fasten upon the beneficent institution of insurance the sordid demand for financial tribute; nor should it attempt to capitalize the noblest instinct of man which persuades him to provide protection for his family. The moving spirit of this great system should in itself be a sufficient inspiration to urge and compel you to build securely and well, so that your accomplishments may be fully in keeping with the loftiness of your purposes.

WORKMEN'S COMPENSATION AND LABOR CONDITIONS.

Address Before Via Christi Study Class of Woman's Missionary
Social Union, Springfield, Illinois,
October 27, 1913.

Members of the Via Christi Study Class:

I feel honored by having been asked to address you, and I take great pleasure in expressing my views upon the subject you have assigned me. The selection of this subject evidences the keen interest you are taking in humanitarian and progressive movements that are fast shaping industrial and economic life into new forms.

Providence contributed much toward humanity's welfare by making a portion of human beings women. Women are fast discovering their various missions in life. They have an inalienable right to be heard and participate in all governmental, social and economic affairs, which carries with it a duty to assist in the advancing of all humanitarian movements.

We are in the midst of an era of conservation and preservation of all that affects human welfare. Our National Congress has dwelt much upon the conservation of all national resources, which course is enthusiastically supported by every American citizen. Waste in the use of our timber, depletion of our soil, useless expenditure of our mineral wealth, immense water-power waste from neglect of our waterfalls, with the existence of many other sources of continual waste, has compelled Congress at last to act to prevent irreparable national loss, so that as a nation we are now making efforts toward protecting our forests, making fertile our barren farms, economically working our mines, and harnessing our water power.

The conservation of inanimate resources has become a recognized national policy, and yet we have in the past as a nation closed our eyes to the greatest of all drains upon the wealth of our country, which is the loss of and injury to human lives, through what has been modestly termed "industrial homicide," by treating as a necessary incident to industry this great waste and sacrifice of human beings.

It is estimated that in the United States, industry kills between thirty and forty thousand persons each year, cripples five hundred thousand, and otherwise injures two million. This grim catalog of dead and injured indicates the magnitude of our industries, and the human sacrifice necessary in the past to maintain our industrial supremacy. To this national question the answers are accident prevention and workmen's compensation. Whether this enormous

human sacrifice is due to the fault of the employer or the employee, or is merely incidental to industry, it is now uniformly admitted that compensation in each case should be made and charged to the cost of production.

Workmen's compensation is only one of the humanitarian movements necessary to conquer the ills that flow from industry, the other and chief one is accident prevention. The most valuable property of our Nation is its human beings, hence, men, women and children are our greatest asset; without them all other things are of no value, for through them all visible as well as intangible wealth is created. While compensation to the injured and for the dependents of the dead will forestall poverty and distress; yet no human agency can make whole the maimed body, nor fully recompense the dependents of the dead for the loss they have sustained. Hence, accident prevention and workmen's compensation must work hand in hand in overcoming this industrial sacrifice. Through these humanitarian movements, a systematically organized effort for the prevention of industrial accidents must be enforced, and a campaign of education in accident prevention must be waged. Through this it is estimated that more than 50 per cent of the accidents that are now recorded as incidents to industry, will be prevented. For those that can not be prevented, compensation will be made.

The public now realizes that it is better to prevent than to cure; that it is wiser to avoid waste than to replenish. It is by far more humane to save lives, to preserve the worker's limbs, and prevent physical injury, than to extend solicitude to the victims, and charity to the widows and orphans. Hence, the guidon of industry should be accident prevention; those falling victim to unavoidable accidents being cared for by a system of compensation.

Twenty-nine foreign countries have adopted workmen's compensation acts, with most of which are associated industrial insurance features. These include the largest foreign countries, some of the laws dating back as far as 1875. Each country has, generally speaking, legislated with marked deliberation. The chief point has been to bring about the widest system of distribution of the compensation burden, thus lightening its effect upon each employer, and at the same time bringing the greatest security to the workmen. In many countries the employer pays the whole of the compensation; in some the employer pays a portion and the workmen pay a portion; while in others the employer pays one-third, the workmen one-third and the state one-third.

In 1910, the doctrine of workmen's compensation sprang across the Atlantic Ocean like the leaping flame of a great fire, and has since been adopted by our National Government and twenty-five of our states. Within a few more years all states will have adopted some form of workmen's compensation law. This humanizing economic doctrine at first met with very pronounced opposition and was subjected to severe criticism on the part of many employers throughout the United States, while others were

at least skeptical; but time and practical experience soon turned skeptics into friends, and critics into champions. All opposition and hostility have now been swept away and the wonder is how and why former conditions were ever tolerated.

Through workmen's compensation, industry has been taught that industrial progress requires the human touch between the employer and the employee, and that, no matter whether the enormous sacrifice is due to the fault of one or the other, compensation should be paid therefor, and the cost charged as overhead expense. If an iron shaft is broken in the manufacturing plant, the owner at once repairs it, pays the incident expense and charges the price to the cost of production. If a human limb is broken, it must at once be repaired, and the cost should be paid by the employer and added to the overhead charge.

The spread throughout the United States of workmen's compensation laws, with that of its inseparable mate, accident prevention, stands preeminently above all other progressive movements labor has ever known. We have a Federal compensation law, covering many branches of government employment and twenty-five of our states have adopted some system of workmen's compensation. The amount of the compensation and the industries to which it applies are somewhat similar throughout the United States. Some of the states provide for compulsory compensation laws, others provide such a law as makes the operation of it practically compulsory, while some make it elective.

Before the adoption of these laws, each state appointed a commission by its respective legislature to investigate labor conditions, and every state that reported thereon, decisively condemned the old system of Employers' Liability law, and universally found that only a small portion of the injured received any remuneration under the then existing laws. These legislative commissions criticised in the harshest terms stock liability companies that were then insuring employers, and in consequence in some states they are not now permitted to do business. However, in most states insurance is permitted to the employer in one of four different ways; through mutual organizations or interinsurers exchanges; compulsory or elective insurance under state administration; state insurance; and insurance in casualty companies.

In addition to compensation benefits, the benefit from accident prevention, workmen's compensation laws have resulted in the conservation of business stability, greater prosperity, improved standards of living, harmonious relations between the employer and employee, fewer injuries, and prevention of poverty resulting from injuries. All labor has thus been elevated, and work is performed with such a feeling of self-security that every employee puts forth his best efforts for his employer.

In the field of workmen's compensation laws, Illinois stands quite prominent. Its first law became effective on May 1, 1912. A new act was passed by the last Legislature, greatly improving the old one, so that we now have one of the best workmen's com-

pensation acts of any state of the Union. A liberal compensation is provided for all injuries resulting to the employee in the course of his employment, the law being administered through an industrial board which fully effectuates its purposes. This act is not compulsory, yet the employer who does not accept its provisions is denied his three principal defenses, known as the "fellow-servant," "assumption of risk," and "contributory negligence" rules. This makes it practically impossible for an employer to successfully defend damage suits which may be brought against him under the old Employers' Liability law, so the new act is very generally accepted.

During eight months' experience under the Illinois Workmen's Compensation Law, there have been reported to the Bureau of Labor Statistics, 183 fatal accidents, with compensation so far allowed in 102 cases, the total amount paid being \$221,502, with many other cases yet to be acted upon. Of nonfatal accidents, there were 8,730 reported during this period of time, of which 8,548 cases received compensation in the sum of \$492,584. These payments have been made without litigation and as soon after the accident as the claim and proof could be made, the payments being weekly in most instances. From these figures we can understand something of the value of this humanitarian movement to the working people of our State.

In dealing with the wage earners, I wish first to speak of "wage-earning" women. I understand that the Census Bureau in enumerating the population of the United States in respect to sex and occupation, shows as women "wage earners" only those who are employed in gainful pursuits, and reports women employed in home-making as having "no occupation." The women found in homes are the country's greatest asset from every point of view; it is in the home that the poet has found her and the artist has painted her. While home-making and home-saving may not be classified as one of the gainful pursuits, yet it is the steady mind, the daily performance of home duties and the quiet thinking of the home women that solve all home questions, which are the primary solution of all questions.

Physical limitations, in a great measure, decide the employment of women, which, in many instances, make their lives unromantic, and full of grim realities. An industry absorbs the sex which will be most advantageous and profitable to it. The number of women employed in gainful pursuits, I find by statistics to be estimated at six millions, and that the home women number twenty millions. The home woman is not listed as participating in gainful pursuits, and by omitting her in estimating the economic production of our country and determining the value of labor produced by women, a false balance is unquestionably struck. The home women are not wage earners, but the things they do, and the results they achieve, can not be estimated in dollars and cents, so that it is fundamentally wrong and economically unjust to figure standards and establish laws for women, and then say that wage earners employed in gainful pursuits are the only women who work.

Briefly referring to general labor conditions in Europe, I wish to say that Europe experienced a marked improvement in labor conditions in 1900, but there was a recession, followed in turn by another advance which reached a high point in 1907, which was succeeded by still another recession. Advancement again became general in 1911, reaching its high point in 1912 when the remuneration to employees was greatly raised and a marked reduction made in the number of hours of employment each week. The number of hours seemed to be considered by the week in the old country, rather than by the day as in our country. Industrial conditions in Europe have not been altered by the introduction of such highly improved machinery as is adopted in the United States, hence, in the United States, the daily output of one employee in some industries will reach that of three employees in many parts of Europe.

The introduction of the Lloyd-George Act shows marked progress in the improvement of labor conditions and care for laboring people in general, which if carried to its full purposes, will remedy many of the ills associated with the laboring people in Britain.

The experience of this country in shortening the day's work has proven to be of immense value to the laborer without any loss to the employer. The extra hours for mental improvement and physical recreation have secured substantial gains in industrial efficiency. The industrial competition of this country is becoming a competition of labor efficiency rather than of institutions engaged in a particular business, so by benefiting the labor the ability of the institution to withstand competition has been increased.

The battleship *Connecticut* was built by 8-hour labor in the government shipyard; the battleship *Louisiana* was built by 10-hour labor in a private shipyard; the labor efficiency on the former was 24.48 per cent higher than on the latter.

Shorter hours are also justified by the fact that, with the introduction of new machinery, the intensity of the exertions of employees is greatly increased, the physical strain more pronounced, and, consequently, the conservation of the physical vitality of the employee demands fewer hours than while working under the less strenuous conditions heretofore existing. One of the interesting questions that is now being considered is whether or not future efforts looking to improvement in industrial matters should be turned toward increasing the efficiency of machinery or increasing the efficiency of labor.

One of the disturbing things in industrial conditions and labor affairs is the ever-occurring strikes and lockouts. To prevent them seems impossible, and to settle them when started is difficult. The great mixture of nationalities working in almost every industry brings forth a leader for each nationality. This divides the striking forces into a number of factions, which makes it difficult for them to agree. Their association with unions of the workers of all other industries carries with it an inter-relation which complicates the difficulty. Employers by uniting into associations, add to their power of resistance, but this disturbs the best judgment of individual employers in dealing with their employees. A solution of this matter must come

from state and national commissions, invested with fullest power that can legally be given them, and acting in conjunction with State and national departments of labor. Immediately upon the occurrence of any strike, the commission should take charge of the situation, maintain order under the police powers, compel respectable obedience to law and order, and in this manner save to the people of the United States millions of dollars, and avoid the poverty and distress that follows all strikes.

One of the greatest needs of the wage earner is to be legally assured that an income in case of accident, sickness, invalidity, old age and death of the bread winner has been provided. There are three known ways of making such provisions—relief by general laws for the poor, savings and investment by the individuals, and by providing proper insurance. Charity has always played a most important part in protection against poverty, but it should not be permanently relied upon; the method of individual savings is commendable, but it has been found to be an insufficient system for maintaining relief; insurance, by simple cooperation which means both collective and self-protection, is always available in legitimate institutions, and affords the most complete remedy.

It is difficult to persuade the working man to lay by money for a rainy day, much less for the long dreary days of old age. The horror of being out of work constantly confronts the wage earner, for the hour he stops work, his income ceases. Many good men have been transformed into embittered advocates of social and political revolution by reason of unemployment. There is in every state and locality, a large supply of casual labor. This is chiefly because parents do not require their children to select some particular line of employment or vocation; also because skilled labor is being supplanted by machinery; because there is a large number of vocations that require labor intermittently on account of the volume of production being irregular; and because certain lines of employment can be conducted only in the summer months, and others only in the winter. These inherent conditions in the labor world make steady employment in many occupations impossible, and from them come casual laborers. These people can not support their families during their idle times from their earnings during period of employment. This condition of intermittent idleness brings on national disorder, a cure for which is difficult.

One of the methods for overcoming this disorder is the establishment of cooperative employment bureaus, under a stringent system of state regulation. This bureau may be considered as a clearing house for labor efficiency, with the laborers divided into various classes according to their vocations and efficiency. Each labor agency would rate each employee impartially upon merit, employment and efficiency, so that any employer of any line of labor may secure efficient help upon a moment's notice from this bureau.

Benefit funds collected by private institutions by labor organizations or by the state, could be maintained for the purpose of caring for the unemployed by weekly payments during the period of unemployment. There should be collected a premium from the total wage

of all employed to take care of all the unemployed. This should cover unemployment from any and every cause and reason, except such as are traceable to ill habits and violations of the laws, and should be applied only to persons having an established residence and duly registered with the labor bureaus.

Old age poverty exists in the United States to a small degree as compared with European countries. In this country, we have numerous old men's homes, old ladies' homes and homes for aged couples, which are supported by private charity, and while they are insufficient to meet the demands, yet they are of sufficient number to relieve much old age poverty. Our county almshouses and soldiers' homes also aid much in caring for our senile dependents.

Whatever our conceptions may be in regard to the formation of habits of thrift and industry in early life, so as to prevent old age poverty, these do not solve the question. In Europe, there are old age pensions or annuities, with 65 years of age as the dividing line. In Great Britain and Germany, however, the age limit is generally 70 years.

Clearly, the only method of safeguarding old age against poverty is through some plan of insurance; old age is a risk to which all are liable, but which a small number actually experience. According to the American Life Tables, nearly two-thirds of those who survive the age of 10 die before the age of 70.

In many establishments in the United States there are old age pensions for employees who have been in their service for a certain number of years, and the benefits therefrom are immeasurable.

A system of voluntary savings throughout life should be established for all men. This would produce two very pronounced benefits; one the prevention of poverty from unemployment or old age, and the other the avoidance of the formation of the reckless habit of spending both earnings and life's vitality, that are so firmly fixed in most of our youths of to-day.

There is a peculiar form of insurance, unknown in the United States, but found in some form or another in almost every country in Europe. This is maternity insurance. Financial assistance during this sickness is of inestimable value, and tides over crucial periods in the history of most families. In case of death from childbirth, an increased benefit is allowed to meet funeral and other expenses.

I beg your indulgence for having gone into this matter in such detail, but I hope it has furnished you some information you did not before possess. I assure you of my appreciation of this opportunity to discuss with you these matters which are not only connected with my official duty, but are a part of my religion.

ADDRESS OF WELCOME.

Delivered at the Annual Convention of the Health and Accident Underwriters' Conference at the Hotel LaSalle, August 18, 1915, Chicago, Illinois.

I assure you that it affords me great pleasure to welcome the members of the Health and Accident Underwriters' Conference to Illinois. Illinois is and has been a rich field for your business. The premiums paid by citizens of Illinois for health and accident insurance, during the year 1914, were a little over three million dollars, being exceeded only by the states of New York and Pennsylvania.

You have embraced the extraordinary business opportunities tendered by the people of my State, and your success establishes the fact that we appreciate your service and that you are worthy of the confidence we have placed in you. Hence, in my address of welcome, it is only necessary for me to put into words a formal expression of the favorable reception the people of Illinois have heretofore generously tendered you, and to say that I trust they will in the future be equally, if not more generous in accepting your service. This, perhaps, should be the extent of my remarks on this occasion, but my interests as a public official in health and accident insurance, and my belief in the remarkable opportunity now existing for its further development prompts me to go beyond the usual limits of an address of welcome.

I realize, as well as you do, that as Insurance Superintendent, who must supervise the vast insurance business of Illinois, which comprises all kinds of insurance and insurance organizations, and produces an annual premium in round numbers of a hundred million dollars, I can not attain a full knowledge of the different branches of insurance. On the other hand I believe you will admit, that an insurance superintendent who must deal with all these branches of insurance, and their relations to the commonwealth, the new problems arising through the growth and magnitude of the business, the influence and power associated with the concentration of vast funds, the tendency toward monopoly, and the necessity of obtaining for the masses general insurance without oppression, should accumulate sufficient general knowledge of insurance to warrant a full expression of his views upon the fundamental principles of any branch of insurance under his supervision, and I would be unworthy of your invitation to address you if I failed to express fully my views upon your branch of insurance.

While I am conversant only in a general way with the accomplishments, ideals and purposes of this conference and its predecessors, yet I am sure that this convention has met for the purpose of considering progressive and constructive plans, and that its discussions and decisions will be equally beneficial to the public and to the respective companies.

Accident and health insurance is a topic of ever-increasing interest to those who study the social and economic needs created by our industrial, commercial and social life, as well as the ever-changing conditions associated therewith. These needs are not now fully realized nor provided for, but are fast crystallizing into demands which must be satisfied.

A few years ago the subject of industrial accidents and attendant losses began to draw the attention of the Nation and challenge the talents of our best social students. Insufficient relief to injured workmen and their dependents through the injustice of the old liability laws had become intolerable. Consequently, the Legislatures of many states passed workmen's compensation laws to ameliorate conditions, and meet in some manner the demands of the public. Under these laws the methods of determining the compensation were established and the insurance features somewhat standardized, with the result that relief has been granted in a great measure to industrial workers. However, workmen's compensation is limited to accidental injuries sustained while in the course of employment, leaving a still broader field of protection which is practically undeveloped. This is general insurance against disability caused by sickness and accident, whether in the course of employment or not.

Employers' liability insurance companies had a grand opportunity to anticipate the demands of the public and take the leadership in the fight for workmen's compensation. The undying gratitude of a nation would have been theirs if they had chosen wisely their position. Their knowledge of industrial accidents and insurance systems would have prevented most of the imperfections that have crept into the legislative efforts, if this learning and experience had been employed to help the people. It was an opportunity for distinguished public service which liability men were peculiarly fitted to accept. Their first thought, however, appears to have been their immediate financial interests, and a determined effort to defeat workmen's compensation legislation was made by them. These companies not only thus lost their opportunity to render a great public service, but incurred the hostility of the general public whom they should have served. While these companies are now operating in apparent harmony with workmen's compensation laws, yet they have paid a penalty for their indiscretion, and the end is not yet.

I refer to the workmen's compensation laws merely as an instance where managers of an insurance system failed to appreciate and satisfy legitimate demands arising from social and industrial progress. I sincerely believe that a similar opportunity is now open to you in the field of general insurance against sickness and accident. For insurance organizations to ever keep pace with industrial, commercial and social life, by anticipating and satisfying all demands for ample and equitable insurance protection, is a difficult task, but the combined wisdom of such a conference as this, should be able to evolve a plan to accomplish this function.

While individualism is a valuable American characteristic, yet its doctrines do not mean that our people will not join to cooperate for

their common good. Single-handed, no man can maintain his balance in economic life. For the average citizen, individualism alone is inadequate to obtain his needs and establish his protection. There are tremendous factors affecting his life which are entirely beyond his individual control. Therefore, it is only through cooperation with his fellow man that he can secure his wants and provide protection for himself and his family. He is a helpless victim of suffering and want caused by injuries received from the mighty forces centering on the life of modern men, as well as of the disabling diseases against which no person is immune.

There are three known methods of supplying needed relief and protection.

First—By public poor laws, by private charitable organizations, or by personal alms.

Second—By individual savings and investments.

Third—By an equitable and adequate system of insurance.

The first method, whatever form it may assume, is charity. From it prompt relief can not always be secured, and it is frequently insufficient. If long continued, the effects on its beneficiaries are absolutely demoralizing. Individual savings are most commendable, and should be consistently encouraged; but such provision is uncertain and frequently inadequate. Private funds are subject to so many calls for frivolous purposes that they are usually low or exhausted at the time when most needed.

Insurance—simple cooperation among all mankind—is the only effective method of providing relief. It has every element of certainty; every commendable attribute of individual savings. The man who saves to insure will save for other purposes. Insurance has all the advantages that may come with any other means of protection, but no disadvantages.

General insurance is the complete and equitable distribution of all loss through casualties incident to human existence; it is the millennium to be sought by the insurance world. If your system of insurance can not be the instrumentality through which this condition can be reached or approached, then another system will be devised. If you can not bring to your patrons their insurance salvation, less experienced hands will take up the task, and, although it may be imperfectly done, yet it will be done.

If you have met here for the serious purpose of rendering the public the best possible service, at the lowest minimum of cost consistent with safety, and at the same time upbuild your business and eliminate the existing evils therefrom, then your efforts will be crowned with complete success; but if you have met here to argue long and ponder deeply upon the wording of some technical policy provision which may be used to escape liability, your failure is certain.

Modern business demands have tended to subordinate the managers of insurance companies as servants of the companies only, rather than the administrators of a trust fund for the benefit of the public. Men controlling the business must lend their learning and a due share of their time and effort to the common good. You must remember

that the insurance business does not consist merely of writing a contract and paying a loss. Your experience in this field should be utilized for the benefit of the public, as well as for the benefit of the business; you must serve the interests of the public in legislative matters as conscientiously as you serve your companies; you must support and uphold the purposes and intents of your system of insurance as persistently as you do the written letter of your contracts. Conservation in its broadest sense should be the guidon of your business. While insurance organizations are necessarily created to satisfy economic demands, yet you should not lose sight of the fact that insurance is fundamentally benevolent.

It occurs to me that the principles now applied to life insurance, in so far as can be made applicable, should be embodied in health and accident insurance. Statistics are available which will furnish information for an experience table of sufficient accuracy upon which to base a level premium for this protection up to a certain age limit and justify the issuance of policies accordingly. Variations to cover the additional hazard of any occupation below the standard can be made under such a system, and be equally as reliable as the present plan. Such a system would add prestige to every company, eliminate much of the premium waste caused by the present high lapse ratio, and would incidentally be a potent factor in eradicating the practice of "twisting," which I believe has its inception in the temporary nature of your policies.

I also wish to state, that my experience as a supervising official warrants me in condemning the general use of the so-called limited accident and health policies. There may be some reasons for their existence and there might be a field where they supply a real need, but the dissatisfaction that has been created by their present use more than offsets any possible benefits they may bring. When a policyholder presents a claim for disability, he is neither convinced nor satisfied when you tell him he should only expect limited coverage for so small a premium, nor does he forgive you when you blame the agent for misrepresenting or failing to explain the policy. It does not help for you to inform him that a study of his policy would have disclosed its exact scope and limitations. On the other hand, the hostility of a rejected claimant to whom you refuse benefits for a real injury, even though such refusal is fully justified by your contract, casts a distinct odium on your business in his community.

During the last few years, the accident and health insurance business has been disturbed and kept in a state of uncertainty by a practice that to-day is the greatest single problem to be solved in the operation of your individual companies. This is the offense of "twisting"—a practice all the more dishonorable because of its insidious nature and difficulty of control by law. Let it grow unchecked and you will find that this evil, like a parasitic growth, will consume the profits of your business. Your best efforts and the most of your acquisition expenses will be wasted in fighting for your competitor's business and in resisting his onslaughts on yours,

without advantage to either, and with irreparable loss to both. Public distrust is engendered by the attacks of one company upon another when both should enjoy equal public confidence and business peace.

By its very nature this evil is one for remedy by the companies themselves, involving, as it does, your mutual honor and good faith, which are difficult things to enforce by law. It may be possible that the evil is directly traceable to some old and established custom of your business, and can be best cured by abandoning the custom. It is not unlikely that the temporary nature of your policies lends itself to the practice. A most effective way to prevent any misdeed in business, is to make it unprofitable. If your present custom of large original commissions and bonuses for new business is an incentive to an agent who can profit by "switching," then a change in this custom to make such rewards apply only to business not on the books of other companies, is advisable.

The institution of insurance is not served, but hindered, in its progress by a fight for business already written by some company. The extension of your protection to cover those who are not now insured should be your ambition in the upbuilding of your business. The new risk is much more apt to be permanent than the one who has already been transferred one or more times.

I urge that you unite in the adoption of methods that will reduce premium waste and expense; make the premium charges closer to the average amount returned to the policyholders; make plans for the extension of the scope of your business and the rendition of greater public service; exchange through a central organization information and statistics gathered from your individual experience, which may be used by all, and let the public share the benefits therefrom; eliminate, by mutual agreement, unfair and objectional means of competition, and place upon a sound and common basis those features of your business which depend, in the absence of law, upon ethical rules, and the business honor of your members.

The test to be applied to all alliances of business enterprises, is the recognition of public interests and the promotion of public good. Do not permit your organization to step outside the bounds of legitimate mutual dealings, and while you should safely provide for ample profits to stockholders, commensurate salaries to officers and employees, and reasonable commission to agents, yet do not sacrifice the public interests or your ultimate business, by countenancing any form of extravagance, or tolerating any system of extortion or oppression of the insuring public.

Men everywhere have selfish instincts and the knowledge of the possession of power is at times a sore temptation to abuse that power. The greater the latitude assumed by you in your cooperative work, the greater the opportunity for public service through cooperation; but such latitude likewise gives you greater opportunity to gratify selfish motives and serve private ends. Remember, if you are tempted to believe your business can only be suc-

cessfully conducted as a monopoly, that public interests demand that the State shall control and operate all monopolies.

In conclusion, permit me to suggest that this conference go upon record as tendering its aid to all insurance departments in eliminating every illegitimate insurance organization operating within your field. And every insurance department should go upon record as offering to you every possible aid in the legitimate operation of your companies.

General insurance against disability from accident and sickness will come. Yours is the first chance to provide this protection. Let the history of this conference show such constructive and progressive action as will guarantee that you will effectuate, upon a sound, proper and equitable basis, the full purposes of your branch of insurance, and make the close of this conference mark the dawn of a new era in the business of accident and health insurance.

My greetings are accompanied by my best wishes and hopes for your success in qualifying for the work ahead of you, and that the wisdom may be yours with which to grasp the unparalleled opportunities that await you.

THE LIFE INSURANCE AGENT OF THE FUTURE.

An Address Delivered Before the Life Underwriters' Association of Chicago, January 6, 1916.

One of the noblest conceptions of Scandinavian mythology is the miraculous ash tree *Igdrasil*. It is the mystical tree of life which unites the three worlds. Its roots are in the underworld; its trunk supports the earth; its branches stretch over land and sea; its summit reaches into the heavens; its myriad leaves are the separate individual lives in the world. The serpent *Nidhogge* gnaws perpetually at its roots, so that the tree is continually injured, and constantly and silently the yellowed leaves fall, but the tree itself never dies, for it is daily sprinkled by the Norns with a magic water which renews its vitality and makes its life eternal. This legend of mythology is of interest in the study of the mysteries and grandeur of human existence; to us all, the tree of life is the most wonderful entity in the universe. Its manifestations are surpassingly interesting, supremely important and eternally significant.

Your profession deals directly with the tree of human life, the practical side thereof, and is therefore one of the most important of all professions and carries with it almost unbounded responsibilities. In assigning me the subject of the "Life Insurance Agent of the Future," I fear you have overlooked my limitations, although any subject involving the future is at least alluring to me. The past, for most of us, has been crowded with disappointments and strewn with regrets; the present is too often thronged with anxieties and overcast with clouds, but under the ray of hope, the future always shines beautiful and serene. While we may gaze enraptured upon its beauty, yet looking into the future is not merely an idle pleasure. The vision is not always clear. To clearly portray the future one must raise the curtain which divides the present from that which is to come, and this no living man can do. Historians can accurately trace the happenings of the past and artists sketch things as they are, but the future—that, God, in His wisdom, has deemed best to hide from our ken.

However, your subject permits me to choose whether I shall don the robes of Isaiah and prophesy as to what the life insurance agent of the future will be, or whether I shall be dogmatic and impress you with my views as to what he ought to be, or whether I shall outline what I believe the trend of the times points to his being. By combining the three, I feel warranted in predicting that the life insurance agent of the future will take rank with the

minister, the lawyer, the doctor and the teacher, both in the value of the service rendered and in community standing.

The life insurance agent will be graded by the public in proportion to the ability, honesty and efficiency exhibited by him in fulfilling the functions of his profession. The public needs him as much as he needs the public, but only when he meets the public needs. The best medium through which the life insurance agent may be made to reach and maintain the high standing of the other honorable professions is through such organizations as yours, the Life Underwriters Association of Chicago. The success of your association means the success of the agents affiliated therewith, and the success of such agents means that the public is availing itself of the benefits of life insurance, and a well-insured public means commensurate "preparedness" and a dependable people.

The life insurance agent daily performs some of the functions of the other well known professions. He teaches the fundamentals of insurance; he acts the part of the doctor in selecting acceptable risks; he becomes the prospect's lawyer and advises the kind of contract he should purchase; as a minister he is the emissary of family conservation. Then why should not he take rank with exponents of these worthy professions? The duties of his profession brings to the surface the noble qualities of manhood, and no one can long be a successful life insurance agent unless noble qualities are inherently within him.

The people are beginning to appreciate the fact that our Nation is composed of family groups and that these groups must be protected; that the great majority of these groups have no other means of support than the wages of the head of the family, from which family maintenance, education of children and provision for support in old age must come. As long as the breadwinner of these groups lives, all is well, but when death takes him, disruption of the family, misery and want follow. That the fundamental needs of the family is some guarantee against privation following the death of the producer, that life insurance furnishes such a guarantee, and is a sure method of protecting dependent families, is admitted by all. It is also admitted to be true that in addition to the financial benefits flowing from life insurance, the efficiency of the breadwinner is greatly increased by being insured; worry is eliminated; saving encouraged; thrift stimulated; household harmony promoted, and the family enriched with the feeling of peace and security. It is life insurance that is the general family upbuilder, and when we upbuild the family we upbuild the community; when we upbuild the community we upbuild the state and the nation.

The life insurance agent can justly claim the credit for this increasing public appreciation of the benefits of life insurance. As such agents you are entitled to this credit. It has been the never-ceasing educational campaign that you have waged, and the financial benefits the public has received, that has brought to you the priceless medal of public appreciation of your efforts. While my knowledge of your

efforts and success comes chiefly from my association with you as your supervising official, yet all others who know your work, as well as do I, will accredit the fruits of your efforts as the most potent factor in maintaining society's economic balance.

In my references to life insurance agents, I have in mind the man who thoroughly informs himself in the principles of life insurance and legitimate salesmanship; the man who obeys all laws controlling, and ethical rules upbuilding his profession; the man who understands and heeds his obligations and responsibilities to the public, to his company and to himself.

And only such a man can become the life insurance agent of the future, and only such a man should be the life insurance agent of the present, and only such men should be admitted to membership of your association.

Your legal rights and duties in relation to your occupation are to be found in our statutes, but your ethical mandates must emanate from custom or recognized organizations controlling your operations.

It is my duty to enforce the insurance statutes of my State, some of which are somewhat lax and uncertain, but all ethical edicts are exclusively within your observance and control. Owing to our lax agency statutes, observance of ethical discipline in the agency field is of the utmost importance as a safeguard against injurious salesmanship and vicious practices indulged in by unscrupulous agents, who can not be reached by law.

It gives me pleasure to state that during my term of office I have had no complaints of violation of the laws against members of your association. Your loyal observance of the laws regulating your profession, your obedience to departmental rulings and recognition of ethical business customs, convinces me that your association is striving hard to render the greatest possible service to the people of my State and to increase your power and prestige for public good.

While we all understand that no business can be entirely encased within a legal strait-jacket, yet additional legislation regulating and standardizing life insurance agency work in Illinois is imperative. There must be sufficient elasticity in all laws to permit every business to improve and grow and to keep apace with general progress. Where a business consists largely of service, as is true with the business of life insurance, ample latitude must be allowed in our insurance laws for opportunity to render the highest degree of efficient and wholesome service. Strict statutes must be enacted and enforced controlling the administration of insurance companies, safeguarding its funds and protecting the public, yet it is difficult to provide, by statute, such laws as will meet the emergencies ever arising within the agency field. In recommending additional legislation, I fully understand that such legislation can not supply every deficit found in the agents' work; therefore, it is equally imperative that all agents come under the discipline of well known and wholesome ethical customs, in addition to being amenable to existing statutes.

Among the recommendations I wish to urge is a law preventing "twisting." "Twisting" in any form is a vicious practice. Such anti-twisting measures should provide for the revocation of the license of

any agent participating in such practice, and authorize proceedings to be brought against any company acquiescing in or tolerating such practices upon the part of its agent. The necessity of insurance has reached a point where no man can well afford to be without it, hence, the field is large enough for all insurance organizations to obtain new business without attempting to disturb or "twist" existing policyholders. The offense of "twisting" lies in the injury to the insuring public through bringing about public dissatisfaction and loss of confidence in all forms of insurance.

I believe that a reasonable agents' qualification law would aid materially in making the insurance agent of the future measure up to the demands of the public. We are fast approaching an era of human efficiency in all occupations and professions, and an efficiency test is in harmony with the advanced doctrines of "safety first." Such a test is required of other professions where the responsibility is much less than those enjoined upon the life insurance agent.

Among the existing laws which seem to be disregarded by some companies and agents is the antirebating statute. Every insurance company or agent participating or acquiescing in the practice of rebating should be vigorously prosecuted. This form of discrimination is so indefensible that leniency to its offenders should never be granted. It gives the sharp bargainer an advantage over the honest and trusting small insurer, which business conduct utterly defies every rule of common decency and justice. The day is fast approaching when the rebater must leave Illinois.

In depicting the life insurance agent of the future, I see him as an expert in his profession. Not only an expert in the art of salesmanship and in knowledge of the fundamentals of life insurance and its principles, but an expert in being able to fit a proper contract to his customers. He must sell his customers the kind of policy which best meets their needs and is best adapted to their conditions and ability to meet the premium. To sell a customer an insurance contract not in harmony with his needs nor with his ability to pay for same, will bring about an inevitable lapse. Any method of life insurance salesmanship which results in the lapsing of policies is a fundamental mistake.

Another important feature in connection with the life insurance salesmanship is the selling of a contract that will be of best service not only to the policyholder but to his beneficiary. It is stated upon responsible authority that 60 per cent of all the money paid by insurance companies to beneficiaries is spent within six years after same is received, so instead of the anticipated support of the policyholders' families, in 60 per cent of the cases the fruits of his self-denial are soon lost through inexperience or extravagance of his widow and children. The beneficiaries in life insurance policies are usually women who have limited financial experience. The investment of funds to furnish a steady and certain income is not a simple matter for man or woman, hence inexperienced women frequently lose all or part of the proceeds of the life insurance policy. This has happened so frequently that it is sometimes urged as an effective argument against taking life insurance, yet this unnecessary waste of funds by beneficiaries can be en-

tirely avoided by selling a policy making its payment in annuities or other periodical installments. Even if the policy is so small that the installments will only continue over a comparatively few years, this will give the family time to adjust itself and find other means of livelihood, and will be infinitely better than having the insurance lost in bad investments or dissipated in foolish extravagance.

Life insurance companies may contribute much toward the proper molding of the future life insurance agent. The imperfect production that is now scattered throughout the field is small and can soon be eliminated by proper activities upon the part of the companies. When any life insurance agent, after being given a fair trial, fails to qualify under the required standards of ability, integrity and efficiency, he becomes the sediment of the profession, and should no longer be permitted to menace the public good by attempting to sell life insurance. The company that continues in its employ an inefficient, incapable and unethical agency force is wooing disaster.

The life insurance agent of the future will in all probabilities not be modeled from any architectural design I may now present you. Like all other men who succeed, he will be designed by necessity, hammered into form by experience, welded with knowledge, fertilized with success, and finally crowned with public appreciation, as one of society's benefactors.

THE KIND OF LIFE INSURANCE SALESMAN WHO APPEALS TO ME.

Address Before Life Insurance Agency Executives of Legal Reserve Companies of America, October 16, 1916,
Hotel LaSalle, Chicago.

The universe, an incomprehensible unity, with its myriad of worlds revolving in space according to fixed laws, maintains a perfect adjustment, and will operate eternally without destruction. It may be that the operation of this great system, which is beyond human conception, is so controlled that any damage is automatically repaired, or possibly the Creator in His infinite wisdom has introduced an element of daily repair, beyond our ability to perceive and appreciate.

Maladjustment enters into all subordinate existence and is always plainly perceptible. Correction of this maladjustment has challenged the intellects and efforts of philosophers and students. The feasibility of any plan or method adopted in an attempt at such correction must be governed by its adaptability to the existence dealt with.

The adjustment of physical to spiritual existence, has been attempted for centuries, by sages and students of ancient and modern times, with encouraging success, but in a great measure this maladjustment still exists. The church, as the central controlling institution, with religion as the impelling force, has brought men within its influence to live in harmony with the teachings of the Saviour, and spiritual adjustment is thereby accomplished. Next in importance, comes social and economic adjustment, which includes the relations and activities of all humankind.

Maladjustment in these fields is pronounced and destructive. Adhering to the utilitarian principle, which is the extending of the greatest good to the greatest number, we are brought face to face with the necessity of relieving and correcting existing maladjustments within these fields. Powerful and beneficent agencies are at work for the accomplishments of these purposes and great results have already been attained. Since the organization of our government, political parties have offered and urged methods and remedies in an attempt to solve the varying phase of this broad problem, but maladjustment still continues, thus proving that the ultimate correction of social and economic defects does not lie within the scope of expressed political precepts.

There is one great and beneficent institution that makes all mankind kin, effecting a kind of solidarity of social and economic effort. This great institution has so far contributed much toward social and economic adjustment. It is the one instrumentality capable of worldwide readjustment of social and economic conditions. This institution

is insurance. With the extension of insurance the social and economic balance automatically becomes more stable, and when insurance becomes universal in all its branches, then social and economic conditions will have most nearly reached perfect adjustment.

For the great institution of insurance to effectuate social and economic adjustment, every organization based on that principle, must be of a substantial character and conducted upon an equitable and honorable basis, with its affairs administered by skilled and capable hands. Under such auspices only, may the full purposes and efficiency of insurance as an economic equalizer be realized.

Having trustworthy mortality tables and generally accepted legal standards, the progressive influences in life insurance companies must be directed toward the working out of correct systems and the perfection of methods, for securing practical efficiency and economy in operation. We should not assume, at this period in the evolution of the insurance business, which is comparatively new to civilization, that it has reached the stage of ideal perfection. It suffers from some abuses and is burdened by mistakes, for which remedies are being speedily applied. The present agency system demands our attention, as a feature of great importance, in the elimination of elements of waste and in the interest of efficiency and improved conditions.

It is the purpose of your association, as I understand it, to eliminate every feature of inefficiency and waste from the present agency system. Such action is in the interest of the great body of agents, as well as of the great institutions of insurance, because it will either exclude the incompetent agent or compel him to meet these standards of his profession upon which his real success depends. It is likewise to the interest of the insurance companies, because elimination of the waste and loss from incompetent and unserviceable agents, which may be accomplished by your efforts, must bring insurance closer to those most needing its protection.

Having, then, the great institution of insurance available, and embodied in adequate and efficient insurance organizations and systems, the messenger bringing the benefits of this institution to the great common people, for whom it was ordained, must be a disciple of all that it exemplifies. He must be a model of honesty and integrity, a representative of human upbuilding, a faithful employee of the insurance organization and a servant of the people. Such a man is "the kind of a life insurance salesman who appeals to me."

To be this kind of a man he must be fundamentally a good man, and, with this groundwork, other qualifications are easily acquired. An inexperienced and unskilled life insurance salesman exerts ill-balanced and misdirected energy, but these are only incidents of minor importance in his early career. They are defects that are easily corrected, impediments that are easily overcome, experiences that are helpful in the mastery of a business. The life insurance salesman must have a confidence born of the mastery of his profession. He must be a man imbued with human emotions and warm sympathies, that he may comprehend the high purposes

of insurance; broad conception to appreciate the economic need for insurance; discernment and judgment to fit the kind of insurance to the necessities of each prospect. He must have business ability and aggressiveness to meet the practical demands of his vocation; and this man is, "The kind of life insurance salesman who appeals to me."

A life insurance salesman should meet the qualifications provided by a legal standard, determined by a well defined, broad and effective agents' qualification law. He should pass such a test as to his qualifications as will justify a license. A state license granted by the insurance department should be such a letter of credit, that all who accept his service may do so with the utmost confidence in the company he represents and in his ability to advise any prospect as to his insurance needs. He will then become an efficient medium through which the present maladjustment of social and economic conditions will be infinitely improved. The company employing the salesman must make it worth his while to represent them unselfishly, by due recognition of faithful service and full compensation for efforts expended. Insurance is like the grace of God; it only covers those who accept it, and the insurance salesman is the minister of the economic gospel, deserving rank with the minister of the spiritual gospel. The insuring public should receive him in manner and in keeping with the great institution he represents and with full appreciation of the great service he renders. He should be accorded that welcome and that consideration which is given to the minister, the teacher, the doctor and the lawyer. When the great institution of insurance gives to all mankind that protection which safeguards against poverty, misery and suffering and elevates all humankind to a point where health, comfort and happiness prevail; when insurance organizations become the unselfish exemplification of the beneficent insurance principle; when the insurance salesman effectuates this great purpose by bringing to the public that protection—then we have found the kind of insurance, the kind of an insurance organization, and the kind of an insurance salesman, that appeals to me.

STATE INSURANCE.

Address Before Conference on Life Insurance and Its Educational
Relations at University of Illinois, April 3, 1914,
Urbana, Illinois.

In discussing state insurance, I am by no means breaking fresh ground, but rather disking soil of unknown fertility as well as sowing unassorted seed which may produce an uncertain harvest. In focusing my lens upon this question, I find my vision stretches far beyond both my experience and my knowledge of this subject; and, while I am in no sense confessing any present doubts as to the correctness of the conclusions I have reached, yet my study of this question has by no means been sufficient to exhaust all doubt.

At the outset, I must beg your indulgence for venturing beyond the expected limits in this discussion, but this subject is interwoven with so many economic axioms, that I must draw therefrom to support my conclusions. Besides, it is not my intention to handle this question with a view of presenting clinching arguments, but rather to state principles from which deductions may be made and upon which my opinions are based.

State insurance is unquestionably a progressive idea, but there is associated with it an uncertain echo. All advanced ideas are progressive; the present is merely the progress of the past, and the future but the evolution of the present. The mere fact that an idea may be progressive is not sufficient reason for its adoption, but it should be carefully graded by public conditions; its acceptance must come, if at all, after mature consideration and must be based upon conservative judgment. Such consideration and judgment will be the product of public agitation. Therefore, I shall treat this subject as one ready for agitation rather than ready for adoption.

That the state insurance idea will be advanced and resisted by powerful influence is certain, and under such conditions it is questionable whether the public vision in the immediate future will be brightened or blurred. It must be studied, discussed, and analyzed soberly and intelligently, with its eventual success problematical to say the least. Posterity alone can gauge the wisdom of those who now advocate or oppose state insurance, and of the soundness of their views.

Genuine insurance—that is, insurance without frills—is to the physical existence what genuine religion—I mean religion without frills—is to the spiritual existence; one covers the physical being, the other the psychic shadow; both serve as the dropnet that saves. Next to religion, insurance is the most indispensable possession of the human race. No human being should exist without either, and in insurance, as in religion, the insured should have the widest latitude in choosing any

wholesome brand his judgment may dictate. In dealing with general lines of insurance, the state can no more legislate an insurance short-cut to protection than it can legislate a religious short-cut to salvation.

Sociological and economic conditions are so co-related and interlocked as to maintain a forced balance. From them emanate certain inherent laws which can not be neutralized, upon which all insurance systems must be based, and around which they must revolve. Such laws become the warp and woof of the insurance fabric, and may be influenced by standardizing these conditions. Progressive legislation towards the standardizing of these conditions will automatically remedy insurance ills, but no statutory enactment can be enforced that will, through direct pressure alone, attempt to twist the inherent laws without first improving and remedying these conditions.

Insurance is now classified as a science and a branch of economics in its practical sphere and operation. It is a contract, a business, a protection, and a service. Insurance implies the equitable distribution of burdens, and to do this there must be a system and insurance organizations. Insurance organizations spring directly from desirable investments of capital, the choosing of an occupation, and the spirit of charity, depending upon the temper and purpose of the individuals composing them. From the fact that it is now recognized that insurance upon life, health, and possessions is indispensable to individual success, as well as an economic necessity, phenomenal progress has attended the operation of all systems of insurance organizations. In many insurance systems are established and maintained by classes of individuals in order that they may have such protection as is compatible with the peculiar conditions that beget their several classes, and it is not infrequent that such insurance organizations bring greater benefits to members and provide as complete protection as that furnished by the most powerful insurance institutions of our country. In all general lines of insurance, the public need and weal demand the widest latitude in establishing insurance systems consistent with legitimacy and safety. No barrier should be erected or permitted in the insurance field that could, under any circumstances, tend to stifle competition or prevent insurance from being placed and carried in an open and unrestricted market. Every person should be given an opportunity to select his insurance at a premium within his reach, consistent with safety, and of the character that best suit his needs.

Imperfect insurance conditions result chiefly from lack of public knowledge of insurance fundamentals, and a consequent failure to appreciate its sphere and service. The elementary principles of insurance should be taught in our common schools and its intricate and technical problems in our colleges and universities. Insurance should be taught not merely as a vocation which the student may desire to follow, but as a great economic institution of which no individual can afford to be ignorant. When insurance is included in our school curriculum as is history, geography, and mathematics; then a permanent foundation will be established upon which more effective insurance and more stable insurance institutions will be constructed and may forever live.

Insurance is a subject that yields quickly to education, and as insurance education increases, so will insurance increase, and with universal insurance education will come universal insurance. As insurance increases, poverty and its consequential ills will proportionately diminish. The era of universal insurance will usher in a period of marked economic efficiency. When insurance education begins to bear fruit, the enormous waste that now keeps insurance out of the reach of those most in need of its protection and service, will be eliminated; universal insurance will be applied to life, health, and possessions, and society will accept with favor its duty of equably bearing its burdens.

Universal insurance being necessary to balance economic conditions, we next face the question of how it can best be brought about and through what medium this insurance can be most efficiently and advantageously administered. However, we must keep in mind the fact that the sovereign power of the state is invested in the masses; that the administration of all institutions, whether private or public, in which the people have a direct interest, is done by its citizens; and that the administration of insurance institutions must be in the hands of the people either as state officials or as private individuals.

Insurance is not among the usual and customary functions of a state and should not be assumed or appropriated by the state unless the public as individuals has failed to utilize or abused its privileges; or, unless there are certain economic conditions associated with classes of individuals or lines of industry, by reason of which the state must recognize and assume a special responsibility and grant relief through the administration of a system of insurance. Under such conditions, the state is fully warranted in taking over the business of insurance. Where conditions exist that bring about social ills to certain classes of individuals, or cause economic loss in particular occupations, if such ills can not otherwise be cured and such loss otherwise prevented, it clearly becomes the duty of the state to furnish this relief by compulsory state insurance to the exclusion of all other insurance organizations.

We are in the midst of an era of conservation and preservation of every public and private right conducive to human welfare. The conservation of our natural resources is now fully recognized as a national and state duty and an accepted policy. And yet, until recently, as a nation we closed our eyes to the greatest of all drains upon the wealth of our country, which is the loss of and injury to human life through what has been modestly termed "industrial homicide," treating as a necessary incident to industry this great waste and needless sacrifice of human beings. The most valuable property of our Nation is its men, women, and children; they are our greatest asset; without them all other things are of no value, and through them all visible and tangible wealth is created and produced. Hence, state interference in preventing this national waste and the attendant economic effect is now demanded. In accident prevention, compulsory workmen's compensation laws and compulsory state workmen's compensation insurance lies the remedy for this most inexcusable and long neglected condition.

Poverty in old age and old-age benefits are social problems for state solution; unemployed and relief for the unemployed and their families present conditions demanding state consideration; welfare insurance is imperative for certain classes, and this with the conditions that bring certain classes of our citizens within this necessity, is likewise a state question. Maternity insurance, common in Europe, but unknown in this country, is a subject in which the state is vitally concerned, and which it should not overlook. Firemen who sacrifice their lives to save the lives of others and prevent devastation of property are entitled to the consideration of the state, and their dependents should be provided for by the state. Pensions for school teachers is a public question, ready for decision, and manifestly within this division of insurance. Especially is this true with our sisters in that profession. The very nature of their employment results in the consecration of their lives for human betterment and advancement; their daily life is an unuttered prayer; their work bears the impress of inspiration; their continued service is stamped with self-denial; their vocational future is perilously uncertain. At an age when experience counts as an asset in other callings, an uncharitable public has decreed for them an age limit and requires the substitution of younger blood; they are then cast into a field of competitive labor without experience, disheartened and shorn of ambition. They are admittedly underpaid. Should we not appreciate the grandeur of their work and bring to their old age a beauty of peace, rather than poverty and a struggle for existence, by granting to school teachers a suitable pension after they have reached the age limit decreed by the public.

The need for relief necessitated by these conditions imposes a duty upon the part of the state to society. This relief can best be extended by a system of state insurance which may be classed not only as social but as shelter insurance. By administering such insurance the state only performs an obvious public duty. Unquestionably, the accumulation and distribution of the necessary insurance fund, to meet such needs, can be better and more safely done by the state than by private insurance institutions.

The administration of social insurance by the state is manifestly an economic and social necessity; still the actual exercise of this state function, so that the greatest possible good may be obtained without resultant harm, will challenge the tact and genius of our greatest social students. It must be so conducted as not to lead those within the scope of its relief to treat it as an eleemosynary institution; it must be administered in such a manner as not to destroy ambition, thrift, and industry; the shiftless and the idle must not anticipate protection in any event—and therefore disregard methods of economy and shun labor; it must be so administered as not to permit the young man to recklessly spend his earnings, energy and vitality with the assurance of protection to be furnished him in old age; it must be so administered that the benefits will come as a protection deserved and not as a matter of charity.

There appearing sufficient reason why social insurance should be administered by the state, then there arises the question of determining the line of demarkation between social insurance, in which it is the duty of the state to engage, and general lines of insurance in which the state should not invade. In any event, the state should not absorb the business of insurance except in so far as public welfare demands it, and this to be determined by the necessity and extent of service required by society, and the duty of the state to serve it. While the terms "public welfare insurance" and "social welfare insurance" rather imply than define "social insurance," as I have used it, yet they aid in determining the dividing line.

There appears to be no reason why general lines of life, fire, casualty, and surety insurance, etc., should be invaded by the state, as public welfare does not seem to require it; and as such insurance can safely and properly be furnished by private insurance institutions, under careful supervision and regulation, at reasonable premium rates with efficient service, without the state assuming paternalism.*

Advocates of State insurance are not uniform in their views or demands. The agitation for state insurance raises many questions, such as these: Shall the state wholly absorb the business of insurance; or, shall it engage only in certain divisions of insurance; or, shall it enter into open competition with private insurance institutions? Again, shall state insurance be compulsory, or optional; also, shall there be no responsibility upon the state other than to administer the insurance fund; or, shall it assume financial responsibility for its policies?

In discussing this question, I shall assume that the state, if it undertakes to furnish insurance covering the general lines of life, fire, casualty, surety insurance, etc., will supply all public demands and requirements. If it does not do this, it will fall far short of its purposes in its undertaking. An elastic system of insurance entirely adaptable to the ever changing conditions of social and economic life is imperative.

There is no granary of benefits at the beginning of state insurance. It is not like unmined ore that lies hidden away awaiting discovery and development. There is no magic fund merely awaiting distribution among the public. The fund which is finally to be distributed as benefits through state insurance must first be created and accumulated. It must be safely kept, wisely invested and equitably distributed. These things are inherent in all systems of insurance, whether state or private.

Compulsory state insurance, covering the general lines named, is clearly beyond the province of the state and an unwarranted encroachment upon private rights. Optional state insurance covering such lines is at a marked disadvantage in competing with the private plan as its risks must necessarily be confined within state boundaries, thus limiting its field of operation, making insecure

* On page 200, of this compilation, will be found a matured opinion as to the desirability of state fire insurance.

and unserviceable existing experience tables, and creating a chaotic condition in a highly technical field of endeavor.

Competitive state insurance would require the state to adopt as efficient business-getting methods as are employed by private insurance institutions. The state would have to tender the same ingenious policies and offer the same diversified forms of protection as are now furnished by the private plan. In fact, to succeed it would have to lead in the field of competition. To do this, it must have an adequate agency force, and if no separate agency force is established, then such officers as come in direct contact with the public, as collectors, assessors, etc., would of necessity have to become duly authorized insurance representatives. No one has so far been able to devise a successful system of optional state insurance without an equal cost for acquisition of business to that of private institutions. It follows that any curtailment of necessary expense in business acquisitions is attended by a proportionate decrease in business produced, which results in a corresponding economic waste caused by loss from the uninsured. To warrant state insurance there must be insurance ills. If state insurance is to be relied upon to correct these ills, then its operation must be broad enough to effectuate fully its purposes, but if when adopted, a restricted and imperfect operation follows, it will bring to the field of insurance new and greater ills.

One of the necessary attributes of insurance is service. The best service emanates from the ripest experience and from undisturbed business methods. Owing to the ever changing political conditions the opportunity for efficient state insurance service can not exist, and can not favorably compare with the usual service of private institutions.

There is no justification for a state becoming an insurance experimental station, unless some existing conditions affirmatively demand it. Such conditions do not now exist, and there is nothing to forecast such conditions in the immediate future. While every benefit sought by the most hopeful advocate of state insurance, covering the general lines I have named, can be brought about in an open field of competition by private insurance institutions, yet as a word of warning to the life companies, the substandard or rather near-standard risks must have an opportunity to obtain protection, while this protection can best be furnished by private insurance institutions, yet an opportunity must be given this class of risks to obtain insurance.

In considering this question, the danger from paternalistic assimilation of private rights of citizens by the state should not be overlooked. The ordinary functions of a state should be broadened and state activity in behalf of its people should be encouraged; however, this may be done without the state becoming ultra-paternalistic. Restriction of human endeavor and the absorption of legitimate vocational pursuits of private citizens is contrary to the fundamentals of our Government. The state's activity should not extend into visionary fields or unfathomed channels in the

adoption of unnecessary, burdensome, impracticable, and unwieldy projects. Arbitrary limits of the functions of a state can not at any one time well be set, and must depend and shift with the status of society; but, unless there are some restrictions against its useless invasion of forms of economic life, a state is apt to become officiously paternalistic to a very marked degree.

State insurance means the death of fraternal insurance. Fraternal insurance should neither be commercialized nor killed. The spirit of the brotherhood of man has been truly exemplified through fraternal insurance institutions throughout the country. Through the inter-relation existing among all fraternal insurance organizations, this spirit has pervaded the masses, and its reflection is far reaching in every channel of social existence; hence, its destruction should be averted.

Fraternal insurance has always been the closest insurance to the public, and the purest method of bearing its burdens. Kindly association, visitation in sickness, sympathy in distress, brotherly help in every-day life, assistance and consolation at the grave, are benefits incident to fraternal insurance that premiums can not buy, but which are given in addition to the full payment of benefit certificates.

Fraternal insurance societies have been the messengers that have primarily carried protection to the uninsured and taught him insurance. They have importuned him to become associated with their organizations and have brought him to a realization of his duty toward his family. In doing this, they have cultivated the insurance field and have contributed much toward educating the insuring public to a realization of the necessity of carrying insurance, and have made the pathway easy for the rapid progress of their legal reserve brother.

Recent years have brought a marked fertilization in the development of insurance institutions, and a general awakening in the arena of insurance. Many unwieldy, impracticable, and imperfect systems of insurance have been supplanted with such systems as now make the business safe, steady, and surefooted. With the insurance business in the general lines I have named, being operated in perfect harmony with its purposes, fully in the stride of progress, and with its stability and permanency established, I can see no reason for revolutionary ideas upon the insurance situation at this time. No extraordinary conditions have arisen to cause a general pronouncement against present insurance methods. There appears to be no need of insurance being fundamentally worked over; it simply needs careful and judicious supervision and regulation. With proper regulation and supervision of all insurance institutions, we will then have state insurance to all practical intents and beneficial purposes without the state assuming financial responsibility, and without the confiscation of private property.

It is true that insurance, like all other lines of industry, is invaded with shrewd and crafty criminals, continually plotting to deceive public officials and perpetrate fraud upon the insuring

public, whose entire operations are destructive to the insurance business. But in Illinois the closing day upon this class of insurance pirates is fast approaching, and I predict that within one year they will have sought safer fields for their operations. On the other hand, men of the highest intelligence and purest motives have applied their genius and devoted their energies to insurance as a life vocation. They have solved its technical and intricate problems; they have scientifically compiled experience and liability tables in obedience to the inherent laws of insurance; they have standardized the business; they obey the statutes of the states and cooperate with supervising public officials in bringing to the public the greatest possible good.

No insurance institutions can be made better than the law of the state in which it is domiciled or operates, but proper state supervision will make it as good as the law that permits and controls its existence. There is a present-day duty that all supervising insurance officials of all states must not overlook that is, they should unravel the insurance laws of their respective states, work out their inconsistencies and enigmatical provisions, and present to their respective legislatures a reconstructed insurance act embodying all necessary reforms, as well as all progressive methods of protection, making the statutes of the various states as nearly uniform as can be, consistent with the constitutions and local conditions of the several states.

With insurance being the answer to economic ills, and with the policyholders relying upon departmental supervising officials to protect their rights, then the work of the supervising official must be done with a search light. It is not sufficient to check up the annual statements filed with the departments by insurance institutions, nor to verify the correctness of the figures tendered to the departments; but a thorough and complete verification and investigation of every book, record, and document that may in any manner disclose the exact condition of each insurance institution is imperative, and must be made. If any insurance company is found lax in its business methods, operating under a system that is in defiance of the state status or inherent laws of insurance, then such action as may be within the legal power of the supervising officials should be taken to protect the public and bring such institution within these laws.

Careful supervision and investigation of insurance institutions will strengthen and not disturb them. The trend of the times is not toward state insurance; but strongly toward proper state insurance supervision, and regulation; not that such shall extend to the substitution of the judgment of the supervising official for that of the executives of insurance organizations, so long as such organizations comply with the statutory enactments, the inherent laws of insurance, carry out their purposes and remain solvent; but supervision should extend to that point where, when a company is licensed and its annual statement approved by the insurance department, a deaf, dumb, and blind applicant for insurance can accept its policy with the full assurance that the contract given will be honestly and faithfully fulfilled.

REMARKS BEFORE THE LIFE ASSURANCE EDUCATIONAL LEAGUE.

At Hotel LaSalle, Chicago, October 17, 1916.

Mr. Chairman and Gentlemen:

I assure you I am pleased at the opportunity to be with you. Having just reached your meeting, and not being advised as to its purposes, except as disclosed by the introduction of the chair, I fear that I can not contribute much toward its success. Major Vail, however, wrote me some time ago, in relation to the organization of an association for the advancement and extension of life insurance through educational channels, and I understand that this meeting is the outgrowth of his efforts.

Life insurance provides economic relief against the effects of human misfortunes. In biblical imagery, we can say that the great institution of insurance is the vine, insurance organizations the branches, and insurance protection the fruit. Education stimulates and renders more effective all lines of human endeavor. Insurance education brings knowledge of the institution of insurance, the methods by which it is conducted, and the benefits accruing therefrom, to the public.

In the United States we are as one people, with a single purpose, which is to extend the greatest good to all. When one citizen suffers, all suffer; when one is benefited, all are benefited. When the interests of humanity are at stake, the cost is paid or the gain shared by all. Humanity is a great brotherhood, which should no more be divided into social and economic classes than the members of a church separated into ranks according to wealth. Any effort at such a segregation, from either the social or the economic point of view, is a fundamental mistake. Every social and economic measure must be considered and applied to meet the needs of all.

In America the sovereign is the people. The time has come when this sovereign must extend protection to all. The chief instrumentality through which this can best be done is universal insurance, but universal insurance can only come from universal education concerning the institution and benefits of insurance.

Men and women are not born to pass their lives in poverty and distress, as the result of misfortune. A life of poverty and distress in this country, where institutions are available to prevent destitution, is both inexcusable and intolerable.

Beginning with the fundamental assumption that the structure of society must be built from the bottom, like an edifice of brick and stone, and that social and economic edicts must be applied to the masses, as well as to the classes, we find that insurance is the greatest

instrumentality for preserving, unmarred, the human units which make up society. Universal insurance can only be accomplished through the education of the whole of society concerning the plan and benefits of the institution. The time has now arrived when social and economic justice demand universal insurance, and education is the means by which this end may be attained.

The limitations of man's intellect, education and moral perceptions, are factors that impair his judgment and cause him to neglect or refuse insurance. Unless complete education brings about universal knowledge and appreciation of insurance, a compulsory insurance law must be adopted, as insurance is such an economic necessity, under present conditions, that the whole of society must be protected by it.

The problems of production and distribution have long been studied by economic students from the material, moral and ethical standpoints, chiefly for use in determining, the wage scale of all workers, manual or otherwise, but the questions involved have not been satisfactorily answered. Labor and industry should receive rewards which will provide the laborer and his family with sufficient means so that he and his family may be maintained according to the American standard of living, and also be able to carry insurance against loss from accident, sickness, unemployment and old age. The present method of determining the share of each worker in the enormous productions of the great institution of modern industrial society, by a wage rate fixed by the employer at the lowest point which will bring him enough workers, is wholly erroneous. The workers themselves should own all factories, mines and other industrial enterprises, and operate them strictly on the cooperative plan, which would give each worker the entire product of his labor. This, supplemented by universal insurance, to provide against the emergencies and misfortunes to which all human beings are subject, would enable the workers to maintain a high standard of living and enjoy constantly their journey through time to the goal of eternity.

When this condition is reached for all wage earners; when insurance becomes universal, either through education or compulsory law, then each wage earner will become an independent being in relation to industrial affairs, as he now is in political affairs. Under such conditions it will be recognized that the capacity to labor gives its possessor rights which are of equal dignity and value with those belonging to the owner of material property.

The life and energy of the worker constitute his producing power, which are at least as valuable as the money and real estate of the idle rich. This producing power, which may be reduced or lost by misfortune, can be protected by insurance until it is permanently lost by old age; then old age benefits should sustain the life of the individual until death.

Universal insurance is the economic defense against the destructive forces which threaten the individual every day of his life. By its aid prosperity will become general, ambition and hope will be stimulated, and the sense of moral responsibility augmented.

Every disorder of social and economic existence can be traced to some fundamental defect in human nature or to injurious environmental factors, which result in disease and disorder in the social and economic organism. By educating the public to the necessity of universal and adequate insurance we will make plain how such social disorders can be mitigated and, perhaps, ultimately cured.

In the administration of every code or law controlling human rights it is easier to point out where harm will be done than where good will be produced, but as to the business of insurance there is no way in which it can be pointed out that harm can come from its use.

Where the advance of civilization brings prosperity only to the small portion of mankind which has mastered the forces of nature sufficiently to secure for themselves welfare and comforts, leaving the balance of humanity to struggle for life in unremunerative toil, helplessness and poverty, afflicted by misery, vice and crime, we are forced to conclude that civilization has not of itself advanced, but has merely stretched. If this continues long enough, the breaking point will be reached, and hopeless disaster ensue. The only bond that has sufficient strength to withstand all stretching of civilization is the great institution of insurance. Under a comprehensive system of universal welfare insurance all the members of society who strive to improve their condition will be able to enjoy wholesome living and permanent prosperity, which will probably be as near the millennium as mortal man will ever be permitted to approach.

**WELFARE (SOCIAL) INSURANCE—TO WHAT EXTENT
IS IT DESIRABLE AND FEASIBLE IN THE
UNITED STATES AND BY WHAT MEANS
CAN IT BE ACCOMPLISHED.**

Address Before Forty-seventh Session of National Convention of
Insurance Commissioners, September 28, 1916,
Richmond, Virginia.

[In order to give this address fully, it is necessary to include that portion of the official proceedings of the National Convention of Insurance Commissioners referring to same, which is as follows:]

The PRESIDENT: If there is no further business, we will proceed with the regular program. The first thing on the program after communications and reports is a paper entitled "To what Extent is Welfare or Social Insurance Desirable and Feasible in the United States and by What Means can it be Accomplished," by Hon. Rufus M. Potts, Insurance Superintendent of Illinois. [Applause.]

Mr. POTTS of Illinois: MR. CHAIRMAN AND GENTLEMEN OF THE CONVENTION: Before beginning my address, I want to express my high appreciation of the paragraphs included in the address of the president on the subject of Social or Welfare Insurance. I appreciate the president's able discussion of this subject, for several reasons, principally because he differs from me as to the method of effectuating this system of insurance. I may be wrong. My study of, and enthusiasm for this subject do not necessarily prove that I am right. With youth and earnestness I have delved into this question, but with the advantages of age and the experience of the president in dealing with economic, social and insurance matters, his judgment is well worthy of serious consideration.

I may err in my judgment upon this question. I may err in my departmental rulings in dealing with this subject, and both will be of but little consequence, but our Government can not afford to make a mistake in its dealings with this branch of insurance. My theory of the administration of this insurance is through the National Government—the central body. I am convinced that Federal administration is the only method of effectuating welfare insurance, so as to reach the masses and carry out its full purposes, but I have the public in mind only when I arrive at this conclusion. Insurance is in its infancy today, if the theories in which I believe are put in full operation. Insurance, to meet its economic and social demands, must become universal. To be universal it must be compulsory. When insurance becomes universal, insurance premiums then become a tax, and every system of taxation and the administration of tax funds should be through governmental mediums, and, in order that no tax becomes burdensome or oppressive, the cost of collecting and disbursing same

should be accomplished without emolument or profit of any kind or character, and some government agency must be employed in order to do this.

This additional and far-reaching governmental function, with its great army of employees, whose service extends to the supervision of a compulsory insurance system, covering the entire masses and granting benefits to every phase of human existence, may carry with it such additional governmental power and public control, that our great Republic might assume autocratic functions. The political party in power at the time that the function of conducting the great institution of insurance is assumed and made effective by the Government, might perpetuate itself. The perpetuation in power of one political party, under a republican form of government, is not only unwise but extremely dangerous. If this should occur, systems of party administration of public affairs would grow up, until it would become a monarchical party, subject only to constitutional limitation, and then our system of government would become a constitutional monarchy, instead of a free republic. While I am convinced that my theory of effectuating welfare insurance is the only and correct method from the standpoint of the people, yet I sometimes ponder over this question, as to its possible effect upon our Government.

Being chairman of your committee on Social Insurance, and also by reason of the inherent importance of the subject itself, I have become greatly interested in universal insurance for the purpose of making secure the economic welfare of every worker and citizen of the United States. I believe it to be the most weighty problem of our time. I think that we can most readily obtain a correct understanding of the subject by considering very briefly its origin and growth.

In Germany, beginning about 1870, there grew up a movement for insurance by the government of workmen against accidents, and sickness, and of their families against results of premature death. There had previously been in Germany and in other countries, voluntary associations for these purposes, but for various reasons, the larger part of the working classes, comprising those who most needed such insurance, would or could not take advantage of it, so that when accidents, sickness or premature death occurred, destitution resulted, which could only be relieved by charity. The result of the movement was that in 1883 a law was enacted in Germany providing a governmental system for insuring workmen against accident and sickness. The scope of the system has been much widened in later years in Germany, whose example has been followed to a varying extent by different European countries, England having enacted the most comprehensive system of such insurance in 1911.

Owing to the main purpose of this insurance, being the relief of workers, it was at first collectively called "workingman's insurance," or "industrial insurance." When the scope of this insurance was gradually widened with success, it became apparent that the terms workingman's insurance or industrial insurance were not appropriate, because such insurance was needed and used by

many others than manual laborers, who are generally understood to be designated when the words workingmen or industrial are used. Consequently, the name social insurance was proposed and has come into quite general use. It has, however, always been apparent, whenever this name was given attention, that it was inaccurate. The association of ideas causing its use is rather far-fetched; and it also has, for the general public, an erroneous association with the name of the political party called Socialists. The effect of the name social insurance tending to produce a hostile attitude in the minds of members of other political parties is the same as if it were called Republican, Progressive, Democratic, or Prohibition insurance. For these and other reasons, I believe it highly desirable to have a new collective name for these branches of insurance, and I have heretofore proposed "Welfare Insurance." This name is accurate, for it describes fully and correctly the aim of the kinds of insurance included, and does not have any prejudicial associations with the name of any political party. Welfare insurance, then, is the use of insurance principles and methods for the purpose of supplying pecuniary resources necessary to maintain each citizen of the United States in a state of well-being throughout the various misfortunes and emergencies of life which would otherwise destroy his well-being and cause in its place destitution and suffering.

I believe that the substitution of "welfare insurance" as the collective name for the branches of insurance commonly included under the term social insurance would aid greatly in securing full and impartial consideration of the included branches of insurance as effective methods for making provision against the pecuniary effect of the calamities and disasters which are liable to befall all human beings. The adoption of this name will free the subject from embarrassing associations and prejudicial implications and leave it free for a full, frank and impartial discussion on its merits from which alone a correct determination can be reached as to its desirability and feasibility in the United States.

We have seen that the purpose of welfare insurance is the creation of a fund to provide the means to maintain the well-being of each productive member of the community and his family, in spite of misfortune and disaster. There are many kinds of misfortunes which destroy the well-being of the individual, but the varieties of insurance needed to counteract the effects of calamities, can be grouped into a few general classes, such as accident insurance, sickness insurance, life insurance, maternity insurance, unemployment insurance and old age annuities. It is wholly unnecessary to give detailed definitions of these different branches of insurance because they are familiar to and well understood by all members of this convention.

The first question which presents itself in connection with my subject is: "What need is there for welfare insurance in the United States at the present time?"

I am not one of those pessimistic souls who believe that the world is on the down-grade, headed for some terrible disaster; that the con-

ditions of the people are getting worse and worse, so that life will soon be intolerable. On the contrary, I believe that the world is progressing upward toward a better day, although not so rapidly as we might wish; that the living conditions and the welfare of the masses of the population of the world is higher than ever before in its history, and that among the nations of the world, the people of the United States are the most prosperous and enjoy more favorable conditions than in any other nation. At the present time, in all civilized nations excluding, of course, the terrible effects of the great war now raging, the life of the individual is safer and food and clothing are more abundant than ever before. Many of the great infectious and contagious diseases have been almost entirely eliminated, and others are partially curbed so that the average length of human life has been greatly increased. Education is free and universal; opportunity for recreation and travel are available to greater numbers than ever before, and there are many pleasures and even luxuries within the reach of common people which were unattainable by the kings and nobility of former ages.

In spite of all this, however, there unhappily prevails throughout every country of the civilized world an entirely unnecessary and unjustifiable degree of poverty and the bitter suffering which results therefrom, and this is true even in the United States. The estimates of the actual number of persons affected by poverty in the United States range all the way from one to ten million. This wide difference is due to the fact that little or no attention has been paid to the collection of such statistics in the United States, and also to the fact that the estimates were made by persons having divergent sympathies and holding different definitions of poverty.

There are two main causes of this poverty. First, the results of idleness, drunkenness, vice, and other improvident or evil conduct of the individual himself. These are personal causes and can not be eliminated by any system of insurance. The poverty resulting therefrom can only be relieved by personal reform from religious teachings or other means of regenerating the fallen. Indiscriminate financial aid from any source to those whose poverty arises from these personal causes will only perpetuate and increase such poverty.

Another variety of the personal causes of poverty is lack of education and particularly want of proper training and preparation for earning a livelihood. This, in a large measure is due to the absurd and imperfect school system in the United States, and can be remedied whenever those in charge of our educational institutions cease stuffing the helpless pupils in our common and high schools with dead languages, abstract knowledge, and similar intellectual trash, and educate them how to live rightly, and in ways and means of earning a livelihood.

The second main cause of poverty is calamities which occur without the personal fault of the sufferer, such as accident, sickness, premature death of the breadwinner, involuntary unemployment, and old age. The bitter sea of poverty which submerges millions of our people is largely fed from these non-personal sources.

An examination of the great amount of discussion concerning

the desirability of the different branches of welfare insurance shows that most of the dispute has arisen because there has been an unconscious confusion of these two main causes of poverty. On the one hand, we have those who, being strongly impressed with the importance of the effects of personal causes, believe that there is little poverty excepting that which arises from willful idleness, drunkenness, immorality and vices of the worker, and that therefore, insurance to relieve such poverty is unjustifiable. On the other hand, there are many well-meaning but sentimental social students, who are so affected whenever they see any suffering that they jump at the conclusion, that it is all unavoidable and should be relieved by insurance so generous as to afford instant and ample relief to every sufferer. It will be found, I believe, after careful survey of the whole field, that both classes of causes contribute heavily to the sum total of poverty, and that neither can be left out of account in working out a plan for relief, but that careful attention must be given to the devising of such a well-guarded plan, that the benefits of insurance will only be granted to those whose poverty is not the result of personal faults and vices. Any plan which places a premium on idleness, immorality and vice, by giving sufferers from these causes the same relief as is extended to the sufferers from unavoidable misfortune, will become repugnant to the conscience of the community, because it will amount to taking from the thrifty and hard-working a part of the earnings of their labor and prudence, and using it for the support of the idle, improvident and vicious. No greater moral or social wrong could be committed than this, and such misuse must be most carefully guarded against.

The existence in our times of accidents, sickness, involuntary unemployment, old age and premature death as prolific sources of suffering will, of course, be admitted by everyone, but it requires statistics to afford a realization of the enormous number of people actually affected every year.

According to the best estimate made by the United States Bureau of Labor Statistics, there occur annually in the United States about 82,520 deaths from industrial accidents, that is, accidents received in the course of the workers' occupation. Using the carefully kept accident statistics of the State of Illinois as a basis, we are able to make the trustworthy estimate of 208,000 nonfatal industrial accidents annually in the United States, each sufficiently severe to cause more than seven days' loss of time. On the same basis, it is estimated that the total number of nonfatal accidents, both industrial and nonindustrial, annually in the United States of equal severity would be 687,000. These estimates are confirmed by the statistics regarding accidents in Germany, Russia and Italy, and are very conservative. The actual number of fatal and nonfatal accidents actually occurring in the United States very probably considerably exceeds the totals I have just given, which however, are sufficient to convince anyone that from accidents alone there must result an immense amount of destitution

and suffering, and further that some method is urgently needed to furnish relief from the economic results of accidents in the United States at the present time.

Great, however, as is the total number of accidents, and widespread as is the suffering therefrom, these are far exceeded by sickness. Complete statistics concerning sickness have never been collected for the whole United States, but it is possible to make trustworthy estimates on the basis of other carefully kept statistics. These show that there must be in the United States over 3,000,000 persons seriously ill all of the time, of whom 1,200,000 are men and women between 25 and 65 years of age, the working period of life.

There were in the United States, according to the census of 1910, 33,500,000 people who were engaged in remunerative work. Making an estimate from all available statistics, including those kept in Germany, it appears that there are probably, among the working people of the United States, 13,400,000 cases of sickness annually, entailing a total loss of time of 284,750,000 days. The losses in wages placing the average at the low figure of \$2 a day, and omitting Sundays, would be \$488,142,852. These enormous totals show what immense economic disturbance and financial waste from loss of time alone is inflicted by sickness. This necessarily causes an incalculable amount of destitution and misery from lack of necessities of life, aside from the terrible direct physical suffering from disease. In addition to all this, sickness compels the expenditure of immense sums for physicians, medicines and hospital bills.

Accidents and sickness do not, however, by any means exhaust the human contingencies which cause destitution and poverty, and consequent suffering. If the father or other breadwinner of the family is prematurely stricken down by death, the family, in a great majority of cases, will suffer from poverty. It is not commonly realized what immense numbers annually are exposed to suffering from this cause. In the census year of 1910 the total number of persons in the United States between the ages of 15 and 65 was 58,354,551, of which 33,500,000 were workers. Assuming that the same proportion of deaths occurred among the workers as among the general population between the ages of 15 and 65, then the number of premature deaths which occurred in that year among the workers at various ages was 608,000, the details being as shown in the following table:

Ages.	Deaths.	Ages.	Deaths.
15 to 19.....	33,396	40 to 44.....	66,657
20 to 24.....	50,247	45 to 49.....	64,559
25 to 29.....	54,519	50 to 54.....	73,432
30 to 34.....	54,358	55 to 59.....	73,673
35 to 39.....	61,000	60 to 64.....	81,398
Total	253,520	Total	354,719
Grand total	608,239		

Let us assume that there were dependent families left in one-half of these premature deaths, and that two-thirds of these families were left entirely unprovided for by the death of the worker, then there would be 202,000 dependent families left unprovided for annually. This alone is an immense and urgent problem worthy the earnest attention of every humane and patriotic person. But this is not all.

A man and his family may be entirely exempted from the effects of accident, sickness, or premature death, but if the breadwinner is not able to obtain work, destitution will certainly afflict that man and his family unless some provision is made against it. There are practically no general statistics regarding unemployment in the United States. As a matter of fact it is a thing which varies widely from year to year. At some periods, as is fortunately true at the present time, there is practically no involuntary unemployment, because every man willing to work can get work. But we all know that there are constantly recurring periods of industrial stagnation called "hard times" when there are hundreds of thousands, and perhaps millions of men willing and able to work, but not able to secure employment. A man is not like a steam engine which, when unemployed, can be allowed to grow cold and stand idle without expense until work comes again, but constant supplies of food, clothing and other necessaries of life are required. If the human machine once stops and grows cold, it can never be started again. Consequently, unemployment is also a thing which must be taken into account in providing for the welfare of the people.

There is another feature which must be remembered whenever we consider poverty and the means necessary for its relief. This is that owing to the immense industrial development which has occurred in all civilized countries in the last century, the like of which never occurred before in the history of the world, and also of the consequently unprecedented increase in the populations of the civilized countries of the world, the power of misfortune and disasters of various kinds to immediately produce suffering, has been greatly increased.

The industrial revolution has separated more than half of the workers of the world from the soil and has crowded them into industrial towns and cities, where, when any interruption of employment comes, want and suffering begin immediately, because all food is brought from a distance and must be purchased at high prices. In the times preceding the industrial revolution, when the great masses of the population lived directly on the land and were engaged in agriculture, although the general welfare was not as high, still actual suffering for food did not begin as quickly upon the occurrence of misfortune, because there was nearly always some store of food on hand or relatives and neighbors could and would furnish it. Moreover, the standard of living of the masses was not so high, so that if calamity interrupted, their means of support, their downfall was not as quick or disastrous as at the present time.

The frequency also of the occurrence of catastrophes which interrupt the welfare of workers has probably increased in modern times from several causes. The innumerable, powerful machines in use render accident from that cause much more common. The enormous and widespread industrial operations with the use of explosives, such as mining, railroad construction, and the erection of high buildings, also result in more numerous and destructive accidents. In short, the immensely increased complexity and extent of the modern industrial organization inevitably bring about an increased proportion of accidents. Liability to periods of unemployment is also increased by this complexity. We see then that unfortunately modern progress has not done away with, has not diminished, but on the contrary, has relatively increased the destitution and suffering of those afflicted by unavoidable misfortune.

Naturally the next question then is; "What is the best way of relieving this suffering?"

In former ages the only method was neighborly assistance and wider general charity, frequently through the church. These still have their field of great usefulness to-day, but are entirely insufficient to adequately care for all such suffering. The only other method of relief that has been discovered, that I have any knowledge of, is through insurance methods.

Successful insurance against the effect of uncertain contingencies rests on a certain fundamental fact which was disclosed only after knowledge had accumulated, so that a record of the living experiences of large numbers of individual men under the conditions prevailing in civilized communities had been made, thus permitting a comparison of these experiences. When this was done, it was found, although the occurrence of disasters and misfortunes was very uncertain in relation to any particular individual, that, in relation to the total population of any country of sufficient size, their occurrence was approximately constant and regular. Some of these were certain to happen to somebody, and taking considerable periods of time, approximately the same number would occur in each period. Consequently, if all persons, subject to a certain contingency, contribute a small sum according to the average frequency of such contingency, to a fund held by a trustee and used for the purpose of reimbursing the pecuniary losses of those to whom the contingency occurs, we have a financially practicable method of securing the money needed for relieving all the victims of that kind of misfortune among the contributors to the fund.

It is on this very simple basis that the vast structure of modern insurance has been erected. Its development has been possible only through the gradual accumulation of the experience of millions of men in relation to many different kinds of calamities. The final result is that insurance against occurrences very uncertain from the standpoint of any one individual, can be carried on as a business enterprise of stability and financial soundness, so that insurance has become one of the most reliable and profitable of all modern business enterprises.

We see then that in insurance we have an available and adequate method for relieving the widespread suffering and poverty from the economic effects of unavoidable accidents, sickness, unemployment, and other misfortunes.

A knowledge of the existence of this suffering is, however, no new thing, nor is insurance a recent invention. Its beginning dates back several centuries, and it has been in widespread use in all civilized countries for a large part of the past century, but nevertheless, suffering continues. Consequently, the mere existence of systems of insurance is not sufficient and something more than present methods are necessary before the desired result—the complete relief of undeserved suffering—can be accomplished in the United States.

I do not think it will require any extended argument to convince this audience that the systems of accidents, sickness and life insurance now in operation are wholly inadequate and reach only a small portion of the total population of the United States. The chief reasons why these do not reach all those needing insurance are as follows:

(1) The enormous expense of conducting the business, which, added to the large amount actually required to be collected to make up the fund to indemnify the losses resulting from the contingencies insured against, makes the total cost prohibitive to the larger part of our citizens, particularly wage workers.

(2) The lack of foresight and improvidence of many which leads them to spend all the money they earn for the satisfaction of immediate desires and fancies. There may be other drawbacks, but these are of controlling importance in most cases. What is needed is a plan which will meet both of these difficulties. Anything less will be incomplete and unsatisfactory.

This brings me to the consideration of the desirability and feasibility of extending welfare insurance until it is universal for the purpose of affording complete relief to all victims of unavoidable misfortune and their families.

It does not seem to me that there should be any difference of opinion among humane men concerning its desirability. Charity for this purpose is both inadequate and detrimental. Unless suffering from hunger and cold, and unless lack of all pleasures and comforts of life, are good and beneficial to the unfortunate, then the only plan which holds out any promise of preventing such wants and distress is surely desirable.

No welfare insurance funds should be wasted on those whose destitution is the result of their own vices and improvidence. Aid to such only encourages the repetition of the evil conduct. For the vicious and improvident, the only course that will at the same time protect society and bring about reform of the offender is to allow him to suffer the full consequences of his acts, with only such exception as the best interests of society may demand. Toward those, however, who are honest workers, and who make a sincere effort to support themselves and families, but who are overtaken by unavoidable misfortune, justice and humanity require an entirely different attitude

The next question is: "Is universal welfare insurance feasible—that is, practicable—in the United States?"

That the *theory* of welfare insurance is sound and its operation practicable, is proven by the fact that it has been and is in extensive use not only in many other nations, but also in the United States. The existing systems of accident, sickness, and life insurance in the United States are all welfare insurance. Their successful operation under very unfavorable conditions proves conclusively that *some* welfare insurance is feasible.

But is *universal* welfare insurance feasible?

There is absolutely no reason why if partial use is practicable that universal use will not be also, if the cost can be reduced to the point where every person can pay the necessary premiums and means of compulsion are available to make all those do so who are too improvident or obstinate to do so voluntarily. Those not able to work should be provided for by charitable methods, and those not willing to work, when they are able to do so, which comprises the great army of able-bodied beggars, tramps, criminals and prostitutes, should be placed and kept in farm colonies, workhouses or penal institutions according to their character, and there compelled to work at least enough to produce what is needed to sustain their useless existence.

This brings us to the final part of my subject—How can welfare insurance be best carried on?

I have, I believe, considered and weighed every plan and suggestion that has been made in this connection, and I am obliged to say that so far, I have only found one plan which holds out substantial promise of accomplishing the desired purposes. This is the carrying on of a comprehensive system of compulsory welfare insurance, in all of its branches by the National Government. While, of course, some reduction of the expense of conducting the insurance business under existing systems might be brought about by economy and efficiency, still with the excessive acquisition and administration costs, by reason of high salaried officials and a great army of middlemen, the cost will always be exorbitant. A compulsory system of welfare insurance carried on by the National Government, will not only reduce the expense of operation to a minimum, so low that it will be negligible, but will render it feasible and proper for the Nation to contribute, in behalf of those earning low wages, a part of the dues necessary on actuarial calculations to pay for complete welfare insurance. Above all, only by a National system can the compulsion be employed necessary to force the improvident and obstinate to make provision for their families and themselves when overtaken by misfortune. The insurance of all the workers of the United States would include such enormous numbers that an almost unvarying law of average would result which would render the business as stable and certain as agriculture. The Nation would be entirely justified in paying the expense of conducting the business and of making such contributions of a part of the premiums should same be found necessary, in case of those receiving a low income, because of the increase of production through greater individual and industrial efficiency, and also because it would greatly diminish the necessity for charitable relief.

There would also be the same justification for the expenditure of funds raised by taxation for this purpose, as for spending such funds to support the Department of Agriculture, the Fisheries Bureau, the Mining and the Geological Bureaus, and the maintenance of lighthouses and making of harbor and waterway improvements. They all contribute to the general welfare of the people of the United States which justifies their existence.

It is admitted that the compulsory element of a welfare insurance system implies that there is a considerable proportion of the people who do not have sufficient self-control, foresight and thrift to voluntarily take advantage of the benefits of welfare insurance, even when the plan includes contributions from employers and subsidies from the government. This is unfortunate and discreditable, but is an unalterable fact of human nature which must be taken into account in considering social plans, because in modern times, even the thriftless and reckless can not be abandoned to perish by starvation and disease when unable to earn their own support. Therefore, compulsion should be applied to the thriftless, to force them, at least, to assist in making provisions for the emergencies which will certainly later occur to many of them.

It is coming to be generally admitted by those most competent to judge, that for any branch of welfare insurance to even approximately fulfill its purpose by furnishing protection to the classes most needing the same, that it must be made compulsory on all who can not furnish proof, that they have otherwise made provision for their dependents and themselves against all the emergencies which bring disaster to those without means.

While an essential feature is that welfare insurance be compulsory, this need not mean that a man would be required to insure with the National Insurance Office, if he could show that he had in some other way made secure provision for himself and family. This might be either by insuring in a reliable and approved insurance corporation, or mutual association, or by the possession of sufficient property for that purpose. In the latter case there should be some provision by which sufficient property, either real or personal, would be required to be set aside for this purpose similar to a homestead, so that it could not thereafter be alienated or divested by judgment or otherwise, unless other property was dedicated to the same purpose in amount sufficient to afford protection to the individual and his dependents equal to a certain minimum of insurance.

In this connection, I desire to briefly call attention to the little understood, but extraordinary results, which can be obtained in the way of old age annuities through the payment by the individual himself of comparatively small sums of money early in life, provided an absolutely secure and inexpensive institution is available to receive, care for, and disburse the funds. This arises from the remarkable accumulations effected by compound interest in connection with the lapse of a great number of years.

There are two plans for such self-provided old age annuities. One is the "reserve-capital plan," in which, if the person dies before the date at which the old age annuity would begin, his heirs receive back the money which he has paid. The other is the "alienated-capital plan," in which no money is returned excepting to those persons who attain the given age. For example, on the "alienated-capital plan," *one* payment of \$100 at 20 years of age will secure an *annual* pension of \$97.27 for life after 65 years of age, while on the "reserve-capital plan," *one* payment of \$100 at 20 years of age will secure an *annual* pension of \$70.58 for life after 65 years of age. In the latter case, if the person making the payment dies before attaining such age, the payment he has made will be returned to his heirs.

If a parent wishes to provide for the old age of his children, still more remarkable results can be obtained. *One* payment of \$100 at 3 years of age will provide each year for life, after attaining the age of 65 years, \$190.32 on the "alienated-capital plan," or \$152.92 on the "reserve-capital plan."

There is no excuse for every able-bodied man not making provision for his old age and if married, for that of his wife, in this way, except ignorance or lack of an absolutely secure institution for that purpose. There are practically no able-bodied wage earners who, before marriage at least, do not waste a sufficient sum every year, which in one year alone, if paid for such annuities, would provide an annuity for the worker's entire old age.

A general system of welfare insurance would furnish the absolutely secure institution for receiving the initial deposits and paying out, when the time came, these old age annuities, and hence, any able-bodied man who had knowledge of the extraordinary results of such a plan of providing old age pensions and the opportunity of making such provisions by reason of the existence of a secure institution for that purpose, but nevertheless failed to do so, would have absolutely no right to complain if compulsion forced him to make such provision.

While compulsion in general is somewhat objectionable to Americans, but it can not in any sense be as objectionable as the suffering which results from improvidence, and there should not be any reluctance to apply compulsion to those so reckless, ungrateful and improvident as not to take advantage of either a reasonable amount of insurance in an expense-free government system, or too thriftless to accumulate enough property for protection against accident, sickness, old age, unemployment and premature death.

Compulsion is now used to enforce education, sanitation, fire prevention, food supervision, traffic regulation and in fact obedience to all laws. Sentimental objections to the absolutely necessary compulsory feature should not be allowed to prevent the inestimable benefits of universal welfare insurance.

That a general system of successful welfare insurance is possible, only when carried on by the nation is, I believe, conclusively

proven by the fact that in all nations where it is in operation, it is effected in this way. This is true of the almost complete systems now in operation in Germany and England, and also of the less complete systems of other European countries. This method has been adopted also in Australia, and in the states of Washington and Ohio in regard to workingmen's compensation.

An objection certain to be loudly and insistently urged, is that a national system of welfare insurance would interfere with private business. When a private business which is for the purpose of supplying fundamental needs of the people has failed to perform its function at a reasonable cost, it then clearly becomes the duty of the government to assume the operation of such business. Temporarily some insurance middlemen may lose employment, but no man has a vested right to make an easy living by performing an unneeded function which increases the expense of a beneficent institution. By reason of the great extension of insurance to the whole people which would occur by creation of a compulsory national system, employment will be given to many now employed under the private system who are skilled and capable, although, of course, there would be no \$25,000 to \$100,000 salaries paid to agents or officials as at present. The howl about welfare insurance interfering with private business comes from extravagantly paid men who would be supplanted by government officials at moderate salaries, and stockholders who realize they could not get such enormous dividends on their investments in any other business.

A complete system of welfare insurance by bringing about, as it would, the collection of accurate and complete statistics concerning the occurrence and a study of the causes of accidents, sickness, involuntary unemployment and other destroyers of human welfare, would be an immense incentive to and aid toward preventive measures against all of these misfortunes. This has occurred in connection with accidents insured against by workmen's compensation which is one branch of welfare insurance.

Similar preventive benefits will occur in other branches of welfare insurance. The accumulation of knowledge concerning sickness, premature death, involuntary unemployment and similar causes of distress would certainly result in better human conservation and social upbuilding through a Nation-wide system of sickness prevention, the establishment of a complete national system of employment bureaus, and similar institutions for increasing human welfare. Mr. Miles M. Dawson, an experienced actuary, says that since the extensive social insurance system of Germany went into operation, the average length of life in that country has increased twelve years.

Welfare insurance is a plan whereby all, through the operation of the law of average, help without hardship, to bear the heavy burdens from misfortune that befall the few. The community at large, however, has not grasped the conception or realized the fact that it is possible, by means of a proper system of welfare insurance, to distribute the financial effects of all of the misfortunes which afflict humanity in such a way that they will be easily borne by all. What is needed is educa-

tion of the whole people, until each citizen realizes its benefits and practicability.

Communists as well as extreme socialists, maintain that the present industrial and economic system is responsible for all poverty and destitution, and that if the existing system was destroyed and some plan of their own substituted, that all suffering from lack of means of livelihood would be forever banished from the world. Brief consideration, however, will show the falseness and absurdity of such a contention. As long as machinery is used, as long as sickness and disease have power over mankind, as long as liability to disablement in earlier years and certainty of incapacity to work in old age exists, no change however radical, of our industrial system, or even the destruction of the entire system of private property for productive purposes would prevent the effects of calamities from being heavy burdens for those numerous and unfortunate members of society who happen to be the victims upon which misfortune falls. Nothing short of the miraculous and universal interposition of Divine Power to render human nature perfect, to cause the operation of vast and complicated industrial enterprises with all attendant machinery to become absolutely free from danger, and also to prevent all disease, would be sufficient to avert the recurrence of these misfortunes day after day and year after year, as long as the troubled river of time flows into the sea of eternity. It is possible that some of these misfortunes might be escaped by going back to the savage or barbarous stage of society in which, there being no machinery, there would be no industrial accidents; and where the unmitigated forces of nature would work such an elimination of the weak, that there would be little disease and where, because there was nothing to work for, unemployment would be without terror.

No sane man, however, expects that miracles will be wrought in this age, nor does he desire a return to the savage stage of society. On the other hand, he can not reconcile himself and his ideas of justice to a continuation of present conditions in which, although it can be foreseen with absolute certainty that misfortune in various forms will inflict cruel suffering upon a considerable portion of the community each year, no provision is made against the effects of such misfortune. A universal system of compulsory welfare insurance carried on by the people themselves, through their government, would furnish an equitable and financially practicable system which would at the same time prevent suffering from unavoidable misfortune and preserve the inestimable benefits of our present industrial and social system, while also permitting and favoring gradual changes of that system to adjust it to changing conditions brought about by constant progress.

We must never lose sight of the fact, that the enormous modern increase in the complexity and scope of our industrial and social organization, have unhappily also increased the liability of many unfortunate members of the community, to lose temporarily and even in a few cases permanently, the ability to secure food and other primary requisites of human welfare. This liability renders precarious the maintenance in reasonable comfort of human life which is the fundamental aim of civilization. Visionary and irresponsible persons have seized on the distress and discontent which the existence of such con-

ditions inevitably cause, as an opportunity to propagate doctrines which would mean the speedy disintegration and ultimate destruction of our wonderful modern civilization, which it has taken centuries to build up. They have secured some following and boast they will soon sweep the nation. Consequently, not only as a matter of humanity and justice, but also as a means of preserving our precious civilization and the hard-won liberties we enjoy in the United States, I urge you all to assist in removing all just cause of discontent by rendering the economic welfare of every honest worker secure and stable through universal welfare insurance. This will destroy the power of those demagogues and shirkers whose real motive is to get a chance to feed on the accumulated result of the labor and thrift of others, but who use as a pretext the large amount of otherwise unavoidable suffering growing out of the complexity and defects of modern industrial and social organization.

The PRESIDENT. This matter is now open for discussion and consideration. Mr. Potts, I am sure, will be very glad to have the matter discussed and will be glad to answer any questions any of you wish to ask.

Dr. JORDAN of the United States Treasury Department. I would like to ask the author of that interesting paper how he would expect to accomplish that result. Is it possible, under the Constitution of this country as now written, that that form of insurance could be nationalized, or would it be necessary to secure an amendment to the Constitution to effectuate the plan which he has in mind?

Mr. POTTS. Briefly, I wish to say, that I am thoroughly convinced that the plan suggested in my paper is not only practicable, but is entirely within the provisions of the present Federal Constitution. The preamble, in setting forth the fundamentals of the Constitution, contains the clause "promote the general welfare," and in the body of the Constitution, Congress is required to provide for the "general welfare" of our people and of the United States, and, in my judgment, welfare insurance comes clearly within the present "welfare" provisions of the Constitution.

UNEMPLOYMENT INSURANCE.

Address Before the Forty-first Annual Meeting of the American Academy of Medicine, at Detroit, Mich., June 9, 1916.

The branches of insurance which your association has under consideration this afternoon, are now collectively termed "social insurance," but were formerly called "workingmen's insurance." The latter term, however, dropped out of use, being inappropriate, because such insurance was used by many other classes than manual workers.

I believe the name social insurance is unsuitable also. The association of ideas causing its use is rather far-fetched, but worse, it has, for the general public at least, an unfavorable and erroneous association with the name of the political party called Socialists. The effect of this in producing a hostile initial attitude in the minds of most members of other political parties, is as bad as if it were called Republican, Progressive, Democratic, or Prohibition insurance. For these and other reasons, I believe it highly desirable to have a new collective name of these branches of insurance, and I propose "welfare insurance." This name is accurate, for it describes fully and correctly the aim of all of the kinds of insurance included. Neither has it any hurtful association with the name of any political party or doctrine. Welfare insurance, then, is the use of insurance principles and methods for the purpose of supplying pecuniary resources necessary to maintain each citizen of the United States in a state of well-being throughout the various misfortunes and emergencies of life, which would otherwise destroy his well-being and cause in its place destitution and suffering.

I believe that the substitution of the name welfare insurance for social insurance would be of immense service in bringing about its favorable consideration by the people in general, and its ultimate adoption which can only be secured through their approval.

Turning to unemployment insurance, that branch of welfare insurance which is my subject, we find that in the earliest stages of civilization, there was no unemployment problem. Slaves did most of the work and their complaint was not lack of work, but too much work. In such nations, however, as the ancient Hebrews, where there was little slavery, but where sufficient industrial development had occurred, so that some men could not alone do all their work, but found it necessary to hire others, the two economic classes of employer and employee came into existence and maladjustment between the needs and wishes of the two classes inevitably arose. On the employer's side, this was lack of sufficient workers or of competent workers, and often occurred. On the employee's side the imperfect adaptation was lack of remunerative employment, which attracted attention nineteen hundred years

ago, for it was mentioned by our Saviour in his parable about the laborers in the vineyard as follows:

And about the eleventh hour he went out and found others standing idle and saith unto them: Why stand ye here all the day idle? They say unto him, Because no man hath hired us.¹

It is an industrial phenomenon entirely independent of race or country. Over a thousand years ago, Wang Ngan Shih, a Chinese statesman, enunciated a set of fundamental principles, based on the experience of that nation, which he held should be observed by governments. One of these was:

"A state should insure work for workmen," which shows that unemployment even at that early time, had become a problem in China.²

In considering unemployment then, we are not dealing with a new problem, but the rapid changes in the methods of industry during the past 150 years, sometimes called the "industrial revolution," having caused it to attract more attention from law makers and students of public affairs than formerly. This increased attention is also partly due to the steady growth of democracy throughout the world, and to the invention and adoption of new and more humane and effective methods for dealing with misfortune and relieving or mitigating resulting human misery.

Unemployment is a word which is its own definition, for anyone knowing the English language understands that it is the state of not being engaged in useful and remunerative labor. Unemployment is of two kinds: voluntary, where the individual does not have the desire to work; and involuntary unemployment, where the individual is willing to work and able to work, but can not get work. The first class may be called "won't works," the second-class "can't find works." What proportion of the unemployed belong to the "won't works" and what to the "can't find works," is not shown by general statistics. In the winter of 1913-14, however, a special study was made of two thousand unemployed men in the municipal lodging houses of New York City. From this it appeared that about 35 per cent of those homeless men were unemployable. Some of these were physically and mentally disabled, others habitual loafers confirmed beggars or petty criminals. The remaining 65 per cent were willing and able to work. The proportions of these two classes vary from time to time. In good times, such as prevail at present, the unemployed will be practically all "won't works," while in hard times, a great majority will be "can't find works."

Any extended discussion of measures for dealing with *voluntary unemployment* do not come within the scope of this article. The physically disabled should be relieved by charity. The much more numerous class of vagrants and incorrigible loafers; the vicious and criminal should be firmly dealt with by being placed in farm colonies or other institutions where they can be and will be compelled to work, at least sufficiently, to produce the food and supply the other necessities of their useless existence.

¹ Matthew, 20:6-7.

² China Revolutionized, J. S. Thomson, p. 557.

Our attitude should be very different toward those unfortunate workers who are suffering from involuntary unemployment; who are able and willing to work but can not find work. Our first inquiry as to them should be to find, if possible, what are the causes of their involuntary unemployment.

Unemployment arises from the incapacity of industry to absorb the whole supply of labor at any given time. A brief study of the cause of this incapacity will convince everyone, that the waves of great prevalence of unemployment occurring at intervals of several years called "hard times," as well as the considerable amount of chronic involuntary unemployment, are in the last analysis due almost wholly to the imperfect adjustment of production to demand. The organization of industry is still crude, awkward and full of defects, so that irregularities continually occur in the amount of work offered. There is no inherent necessity that this should be so. If production and distribution were properly adjusted, there would always be a demand sufficient to consume all the time, all the products, that all the workers of the world could produce. You will, I believe, realize the truth of this in a moment without extended argument, if you reflect how practically limitless are human wants and desires. I do not suppose there is any man or woman in this audience, much less in the general population, who is able to obtain all the commodities that he or she desires. Although it is easy to see that every member of this audience is clothed in fine raiment and no doubt each fares sumptuously, and rides in automobiles every day, nevertheless, I doubt not that each of you cherishes unfulfilled wishes, for things someone else could make, and would be glad to make, and sell you.

I know, you know, everybody knows, that even in our own fortunate land which is not afflicted by war, or pestilence, where the most fertile soil produces perennially in rich abundance, there are to-day thousands, yes millions, who can only get scanty and unpalatable food, who can only secure the poorest and coarsest clothing, who in sickness must go without physician's and nurse's care. There are many, many more who have a fair measure of these necessities, yet live barren lives without books, or music or opportunity of recreation or travel and innumerable other things which make life pleasant. This infinite number of legitimate but unfulfilled wishes and needs, proves that it is only by reason of serious defects in our present industrial and social organization, that anyone willing to work to supply these needs, is unemployed.

Subsidiary causes of involuntary unemployment are lack of knowledge of the worker where work is; lack of means whereby the worker can transfer himself cheaply and rapidly from one job to another; seasonal occupations; the temporary displacement of workers by new machinery; lack of adaptability to new work on account of old age or mental or physical weakness; lack of industrial training, either in youth or adult life; over-specialization which confines the chances of employment to small subdivisions and particular operations of industry; and irregular buying habits of consumers. All of these causes of unemployment are absolutely beyond the control of the individual worker and can only be regulated by collective action.

The effect of unemployment and the resulting lack of proper food, etc., upon workers does not require any extended description or explanation, least of all to physiologists. The human organism, unfortunately, is not like a steam engine in which the fires can be extinguished and then allowed to stand cold without expense until put to work again. The human mechanism requires continuous supplies of fuel in the form of food, as well as clothing, and other necessaries. If it once stops and grows cold, the most expert physician in the world can not start it again. Unemployment inevitably causes suffering and deterioration, and is always followed by an increase in pauperism and crime, and so is a direct economic loss. In those cases where the worker has been able to accumulate some money in a savings bank, by investment in a home, or otherwise, as long as such resource holds out, neither he nor his family will endure physical sufferings. But there is a great number who have no such accumulations, and such as do have them, must exhaust them sooner or later, so that poverty and hunger are certain unless some means of prevention or relief can be found.

Before proceeding to the consideration of the methods of dealing with unemployment, we should have some reliable information as to the amount of unemployment during the whole year, and at the particular seasons of the year. When we come to examine this branch of the subject, we find, however, that there are no such statistics covering the whole of the United States, and but little for smaller areas.

Even with all the facilities at the command of the United States Bureau of Labor Statistics, its chief is obliged to say:

To the frequent question as to the amount of unemployment in this country the reply must be made that the statistics do not make possible any estimate of the number of unemployed persons in the United States at any time.⁴

Some statistics have been accumulated in New York and Massachusetts as to unemployment among the members of labor unions, but they cover only a part of the working population and show such discrepant results that no general inferences can be drawn from them.

They have, however, some value as being for two typical industrial states representing the best that has so far been obtained in the line of unemployment statistics in the United States covering as much as a whole state, so that I present them for what they are worth.

It will be observed that these tables show a wide difference between the results in these two adjoining states; I have not seen any reasons given for this and I am unable to suggest any myself.

NUMBER AND PERCENTAGE OF MEMBERS OF LABOR UNIONS IDLE IN THE STATE OF NEW YORK AT END OF MARCH AND SEPTEMBER, 1897 TO 1911.

Years.	Idle at the end of March.			Idle at the end of September.		
	Number in all unions.	Percentage in all unions.	Percentage in representative unions.	Number in all unions.	Percentage in all unions.	Percentage in representative unions.
1897	43,654	30.6	.....	23,230	13.8	.....
1898	38,857	21.0	.....	22,485	10.3	.....
1899	31,751	13.3	.....	9,590	4.7	.....
1900	44,836	20.0	.....	11,460	13.3	.....
1901	42,244	18.5	.....	18,617	6.9	.....
1902	36,710	13.6	17.3	18,377	5.7	6.3

⁴ Bulletin 1909, U. S. Bureau of Labor, p. 6 (1912).

NUMBER AND PERCENTAGE OF MEMBERS OF LABOR UNIONS—Concluded.

Years.	Idle at the end of March.			Idle at the end of September.		
	Number in all unions.	Percentage in all unions.	Percentage in repre- sentative unions.	Number in all unions.	Percentage in all unions.	Percentage in repre- sentative unions.
1903	41,941	12.1	17.6	33,063	9.0	9.4
1904	101,886	27.6	27.1	36,605	9.8	12.0
1905	54,916	15.1	19.2	17,903	4.8	5.9
1906	37,237	9.9	11.6	21,573	5.7	6.3
1907	77,269	19.1	18.3	42,658	10.5	12.3
1908	138,131	35.7	37.5	80,576	22.5	24.6
1909	74,543	21.1	23.0	36,968	10.3	14.5
1910	62,851	16.1	22.6	63,106	13.6	12.5
1911	96,608	20.3	25.6	50,390	10.8	11.2

NUMBER AND MEMBERSHIP OF LABOR ORGANIZATIONS REPORTING AND NUMBER OF MEMBERS AND PERCENTAGE OF MEMBERSHIP IDLE AT END OF QUARTERS. SPECIFIED, MASSACHUSETTS, 1908 TO 1911.

Quarter ending.	Number unions.	Reporting members.	Idle at end of quarter.	
			Members.	Percentages.
Mar. 31, 1908.....	256	66,968	11,987	17.90
June 30, 1908.....	493	72,815	10,490	14.41
Sept. 30, 1908.....	651	83,969	8,918	10.62
Dec. 31, 1908.....	770	102,841	14,345	13.94
Mar. 31, 1909.....	777	105,059	11,997	11.42
June 30, 1909.....	780	105,944	6,736	6.36
Sept. 30, 1909.....	797	113,464	5,451	4.80
Dec. 31, 1909.....	830	107,689	10,084	9.38
Mar. 31, 1910.....	837	117,082	8,262	7.06
June 30, 1910.....	841	121,849	8,518	6.99
Sept. 30, 1910.....	845	118,781	6,624	5.58
Dec. 31, 1910.....	862	122,621	12,517	10.21
Mar. 31, 1911.....	889	122,002	12,738	10.44
June 30, 1911.....	897	135,202	8,927	6.60
Sept. 30, 1911.....	975	133,540	7,527	5.64
Dec. 30, 1911.....	905	125,484	12,167	9.70

An attempt has been made to get some idea of the amount of unemployment by another method. Taking a selected list of manufacturers for the year 1909 according to the reports of the Census Bureau, a table was constructed which gives what percentages the employment for the month of least employment in them all, was of the amount of employment in the month of greatest employment. This list contains 261 industries and shows that on an average the amount of employment in the month of least employment was 88.6 per cent of the amount of employment in the month of greatest employment; that is—11.4 per cent of unemployment in the worst month. The average number employed during the year in the manufactories concerned in the above list was 6,615,046, so that in them the total unemployed in the worst month was approximately the immense number of 754,000.¹

A witness at a hearing before a congressional committee, who testified that she had been engaged in the study of the question of unemployment for eight years in Europe and the United States, says, in relation to the relative amount of unemployment in the United States compared with other countries:

I would like also to say that the problem in America is more serious than in Europe. Not more than 10 or 15 years ago it was the general belief that there was no problem of unemployment in America such as there was in Europe. As a matter of fact, it is a much greater problem here than in Europe. The percentages of trade-union unemployment in New York and Massachusetts indicate that American unemployment rises to heights that

¹ Testimony of Miss Juliet Stuart Poyntz, pp. 52, 60 and 61, Report of Hearings before Committee of Labor, House of Representatives, 64th Congress, 1st Session, on H. J. Res. 159.

are unknown in Europe; that if unemployment is an evil in Europe it is a much vaster and more serious evil in America. It might be pointed out that speculation makes industrial changes much more rapid in this country and that transitions in our industries result in greater fluctuations. There are great fluctuations in all the industries affected by style, as, for instance, in the garment and boot and shoe industries, which are developed in this country to a much greater extent than in Europe. Unemployment is peculiarly our problem. If all the countries of Europe have been interested in this problem, America should be certainly. During the great Crises which have swept over the countries of Europe within the last two decades the trade-union unemployment percentages have rarely risen above 10 per cent, whereas in the United States the general percentage of unemployment has risen above 20 and even 30 per cent.¹

According to the census of 1900, the number of persons unemployed at some time during that year was 6,468,364, of whom 3,177,735 lost from one to three months, and 2,554,923 from four to six months.²

According to the census of 1910 there were in round numbers, 6,000,000 persons who were unemployed at some time during the year, but concerning these figures, the Commissioner of the Bureau of Labor Statistics says:

In regard to the amount of unemployment we know almost nothing. Those figures by the census are estimated, at best. They are taken in the month of April, and in that month the various people interviewed by the various agents of the Census Bureau are required to estimate if they were out of employment during the past year, and if so, how long. Now, I submit that that is extremely precarious data upon which to build any very elaborate superstructure, for those estimates are extremely inaccurate for they include guesses at all unemployment from all causes—voluntary idleness for the purpose of taking a vacation, idleness due to sickness or other disability, idleness due to strikes or lockouts—in short, the census figures include everything that was in your mind, I think, when you put your question, Mr. Congressman.

Nobody knows whether 6,000,000 people were out of employment part of the year 1910, or whether 10,000,000 people were out of employment part of the year, and nobody knows anything about the industries and occupations affected, and nobody knows anything about the periods of idleness of these men and the causes of idleness.³

More valuable information can be obtained from more limited investigations of unemployment. In the early part of 1915, the United States Bureau of Labor Statistics made a complete census of 104 representative city blocks located in various sections of New York City, the less populated as well as the more congested section, and in addition of families living in 3,703 individual tenement houses and residences also widely distributed. This showed that 16.2 per cent of the wage earners in these families were unemployed, and on this basis it was estimated that the total number of unemployed in New York at that time was approximately 398,000. In January, 1915, the Metropolitan Life Insurance Company made a census of all the families which held industrial policies in that company in greater New York through the agents who make the weekly collections. This showed that 18 per cent of the wage earners in the families canvassed (37,062)

¹ Testimony of Miss Juliet Stuart Poyntz, pp. 60 and 61, Report of Hearings before Committee of Labor, House of Representatives, 64th Congress, 1st Session, on H. J. Res. 159.

² Testimony, Dr. B. A. Sekely, p. 15, Rep. of Hearings before Committee of Labor, House of Representatives, 64th Congress, 1st Session, on H. R. 5783.

³ Testimony, Mr. Royal Meeker, p. 29, Report of Hearings before Committee of Labor, House of Representatives, 64th Congress, 1st Session, on H. R. 5783.

were unemployed. The same company also made a similar canvas of its policyholders in northeastern New Jersey adjacent to New York City, including Bayonne, Bloomfield, Newark, Hoboken, Irvington, Jersey City, Orange and Union Hill. In these cities it was found that 14.8 per cent of the wage earners were unemployed. It is, of course, certain that the conditions at present are quite different from those existing at that time. About all that statistics establish is that at certain times there are, in the United States, immense numbers of unemployed workers, sometimes running up into millions. This much is absolutely certain and should be sufficient to convince us that unemployment causes immense undeserved suffering and also to impel us to earnestly seek remedies. The best way to deal with unemployment like disease is by prevention. It is a hundred times better to prevent workers being thrown out of work when possible, or to at once furnish them another position, than merely attempt to relieve their destitution resulting from unemployment.

Since, as we have seen, the fundamental causes of unemployment are defects in our industrial and economic organization and the irregularities of labor demand resulting therefrom, the primary thing is to reorganize our industrial and economic systems so that these irregularities will not occur. This is the great question of the present age, but unfortunately no agreement has been reached about what should be done, or how it should be begun, although numerous political parties have written platform planks about it, and innumerable politicians, reformers, statesmen, philanthropists, religious teachers and philosophers, have given it their earnest attention. I will, of course, not attempt to solve this *problema problematorum* (problem of problems) for you this afternoon, but will leave it for those earnest souls bravely struggling with it. I will only venture to suggest that much has been done to regularize labor demand, by the voluntary efforts of employers to so carry on their factories or other industrial enterprises, that their working people will be furnished employment throughout the year. In those industries where the irregularities arise from the seasonal causes, as in agriculture, construction work, building trades, etc., something can be done by arranging industries so that when one stops another will take its place and furnish employment to the workers. In the building industries, for instance, it ought to be feasible to employ the workers during the winter season in sawing lumber, making structural iron work, brick under cover and other building material to be used by the same workmen in erecting buildings the coming summer. The problem of the agricultural laborer is of course more difficult, but if American agriculture was carried on as it should be, so that the products of the soil were manufactured on each farm into eggs, meat, canned goods, dairy and other finished food products, work could be found for most of the workers throughout the whole of the year, and at the same time the returns to the farmer would be increased, and impoverishment of the land by shipping away the grain and forage raised thereon prevented. These are merely random suggestions. It would require many years of careful study and experimentation to work out a complete system, but I believe it can be done and, in connection with agricultural cooperation, would do more for our farmers, and incidentally for all classes, than any other one thing conceivable.

One of the indispensable prerequisites to such industrial regularization is the improvement and cheapening of all branches of our transportation system. This will aid both in the transportation of workers from place to place, and by the continuous, rapid and cheap transportation of the products of farming and other industries in small parcels direct to consumers, instead of irregularity by carloads and by trainloads, as at the present time, to one middleman after another.

Another, and probably the most important, means of preventing unemployment is the organization of a complete network of efficient free labor agencies covering the whole United States with complete records of all calls for workers everywhere, so that the willing worker can readily find the places where his services are in demand. There should also be some provision, by which a laborer traveling to find work could do so at very cheap railroad fares, and find very low-priced and wholesome board and lodging while doing so. Such a system of labor exchanges has been developed in Germany where it has been of immense service. In the management of the German bureaus are included representatives of all classes concerned, and combined with them are frequently shelter, lunch rooms, waiting rooms, reading rooms, etc.

There is spent in the United States, at the present time, in support of various labor agencies, exchanges, etc., public and private, an amount of money sufficient to support a nation-wide and efficient system, if it was properly organized under one management with full correlation by immediate telephonic or telegraphic exchange of information between all parts of the United States. I believe that this can only be effectively done by the National Government. The labor demand, like commercial demand, is no respecter of state boundaries. In order to find work, laborers must pass freely from state to state, and this they can only do when they have the information covering all of the states available at any labor exchange where they may happen to be, and while, of course, it is theoretically possible to exchange information between state employment agencies, practically, such a system could not accomplish the purpose with any approach to the efficiency of a national system.

Another method of lessening unemployment is the carrying on of such work as building canals, highways, harbor improvement, irrigation and drainage works, reforestation and many other kinds of public work during slack times. This, of course, would involve planning ahead and thorough organization of all of these governmental activities, but if sufficient political and social foresight were used, great relief would be afforded in panics when millions of workers are suddenly thrown out of employment.

Interesting suggestions concerning relief by public works, etc., are given by the recommendations made by the Unemployment Advisory Board of New South Wales, calling for the creation of:

1. A national intelligence department for men and women.
2. Labor depots, where the unemployed can be temporarily sheltered and employed.

3. Industrial farm settlements—an expansion of the labor depot, where the men are given work and technical instruction.
4. Assisted settlement blocks, where the men who graduate from the industrial farm settlements are given farms of their own.
5. Compulsory labor farms for the vagrants.
6. Subsidies to mineral prospectors, advances to settlers, allotment of land to societies formed to settle cooperatively, treasury advances for the establishment of cooperative industries in the assisted settlement blocks, and instructions in agriculture in the primary schools.

Another method of dealing with unemployment is so-called "relief work." This is something done solely for the purpose of furnishing support to the unemployed. It has not been very successful and is usually considered as a disguised form of charity. But in some of the industrial crises such as that of 1907, something of the kind appeared to be necessary.¹

For dealing with such unemployment as remains after a faithful application of such preventive measures as I have just described, instead of charity the most effective way is by insurance methods. I suppose there is not a person here who does not have some understanding of the theory of insurance so I will only need to say that insurance in general is a legitimate and well tested business method which, by collecting contributions from each one of a large number of individuals liable to suffer loss from uncertain occurrences, creates a fund, out of which the losses to such of those individuals to whom the contingency occurs will be paid, and in this way distributes throughout the whole number insured the burden to the few unfortunates actually suffering loss.

The late Chief Justice Ricks, of the Supreme Court of Illinois, in the course of a decision involving the question of the interest of the public in it, gave the following eloquent characterization of the business of insurance which I can not improve on:

The business of insurance is the outgrowth of time and the demands and necessities of the public. It extends into and covers almost every branch of business and all the relations of life, and is applied to all the hazards of business in life where a basis of risk and compensation can be estimated. In all the stages of life, from the cradle to the grave, it asserts an interest and offers succor and aid. In the business enterprises, whether by land or sea; in the possessions of men, from a pane of glass to the mansion or the factory; in his undertakings involving every chance, misfortune, moral turpitude or the act of God, it demands admission and promises indemnity, reward or gain. It poses as the faithful and zealous trustee of his earnings and savings, and promises to the widow and orphan a guaranty against misery and want. It intercedes between principal and agent, master and servant, contractor and owner, and insures against loss from almost any and every cause. It is a public necessity that deals in its own credit for a cash consideration from the assured, and is stamped with public interest, and must yield obedience to necessary and proper regulations by the State in the exercise of its police power.²

Although, there are, of course, difficulties, there is no inherent impossibility in making provision against the effects of unemployment by insurance methods. This is proven by the fact that a nation-wide

¹ A very instructive account of the practical and effective methods in use in Switzerland for dealing with the unemployment problem is contained in an article by Edith Sellers in *Nineteenth Century*, 64:763, reprinted in volume on Unemployment in "Debaters' Handbook Series."

² *North American Ins. Co. v. Yates*, 214 Ill., 272 (275).

unemployment insurance system is now in successful operation in England, with local unemployment insurance systems in various other European countries, while even in the United States this function is to some extent fulfilled by some of the labor unions.

Unemployment insurance may be carried on in two ways: the voluntary and the compulsory. The voluntary form is carried on by associations or organizations of workers in a particular industry or trade, and usually is a part of the activities of an ordinary trade union which collects benefit funds to be paid to its members when out of employment. In some places in Europe these voluntary associations are subsidized or given aid by the state, the city or other political division. This subsidy is usually in the form of a certain percentage thereof added to the contribution made by the organization. This is usually known as the Ghent system because it was first used in the Belgian city of that name. The contribution by Ghent was 60 per cent of the amount contributed by the union. The city also maintains a municipal labor exchange in the management of which the unions and the employers have equal representation. Any workman desiring to obtain the unemployment benefit must report at the labor exchange that he is unemployed and it endeavors to find work for him. Not until the bureau has failed to obtain work for him can the workman obtain money from the unemployment insurance fund. This plan or some modification has been adopted in many of the cities of Belgium, 25 cities in Holland, 20 in France, 10 in Germany, 3 in Italy and 2 in Switzerland.

In favor of the Ghent or similar system, are the ease with which it can be administered through existing agencies of labor unions, and the fact that all claims go through the hands of union officers who are familiar with all the features of the labor market, in the trade in which the applicant works, which diminishes opportunities of fraud, and that it results in encouragement of individual thrift and initiative, because it only helps those who are willing to help themselves.

On the other hand, it is urged by some that it is wholly improper for the government to subsidize labor unions as in the Ghent plan, because, according to their own statement, they are fighting organizations, so that subsidies out of public fund would amount to taxing employers to pay the expense of men who are opposing them, which would be absolutely unjust. Also that the cost of a system of unemployment insurance is very heavy, and if carried on in such a manner, as not to amount to subsidizing idlers and shirkers, would require practices and inquisitorial methods which would create immense dissatisfaction, and probably be impossible under our form of government where the recipients are voters and have political power, which would be ceaselessly exerted in their own favor.

Extreme individualists take exception to the compulsory features which are necessary to make a success of any branch of welfare insurance, but above all, are necessary in unemployment insurance. It is absolutely useless to expect that any form of unemployment insurance will be taken advantage of or benefit a large part of the classes most needing it, unless it is made compulsory in character.

Dr. S. S. Huebner, professor of Insurance and Commerce in the University of Pennsylvania, and one of the leading authorities on insurance in the United States at the present time, in a recent address states that insurance protection for wage earners can not be left to voluntary action either by commercial companies or by the government.

The present voluntary state life insurance plans of Massachusetts and Wisconsin, although sound in principle and safe financially and carried on at cost, have made practically no headway. The reasons for compulsory welfare insurance are the same as those for compulsory education, compulsory sanitary measures, compulsory food inspection and compulsory fire precautions, and are no more an unwarranted interference with the liberty of a citizen than are these and other compulsions to which every good citizen willingly submits because they are for the benefit of the whole community, including himself.

As the density of population and complexity of civilization increases, certain limitations of liberty of action become absolutely necessary under even the freest and most democratic form of government that can be devised. Under even the most attractive and secure plan of voluntary unemployment insurance, and also of other branches of welfare insurance, that could be devised, there would be a large proportion of thoughtless spendthrifts who would fail to take advantage of it to make provision for themselves, or their families. There should be no reluctance for the state to apply compulsion to those so wanting in foresight and sense of parental responsibility as not to make provision for themselves and families, and such a course would not, I believe, offend the strong individualistic characteristics of the people of the United States when once the true purpose and immense advantages of welfare insurance are understood by them.

Against these and possibly other disadvantages of unemployment insurance there are many benefits which, I believe, under a properly planned and safeguarded system, far outweigh the disadvantages. The first and greatest of these is, that it prevents undeserved suffering and destitution. There is nothing which should more strongly engage our sympathies than the spectacle of a man who is able and honestly willing to work, to get the means to support himself and his family, but who is not able to find such work. There is no situation which causes more undeserved, helpless suffering. A system of unemployment insurance, even though accompanied by difficulties which can prevent or even measurably mitigate this misery, is worthy of careful trial.

Another benefit is that unemployment insurance by furnishing support, when none is otherwise available, will preserve the physical health and the moral character of the worker. Good physical health and efficiency can only be maintained by a regular and adequate supply of food, clothing and proper shelter. Men and their families must have something to eat every day; they must have clothes to wear; they must have shelter and warmth, and if unable to gain these through their own exertion, some will be driven to crime; others will become the unwilling recipients of charity. Charity in the proper cases, and occasionally, is perhaps a blessing both to the giver and to the receiver,

but if long continued, as it would have to be to support all the unemployed under modern industrial conditions, would become an insupportable burden to givers, and as I have already maintained, a source of degradation and pauperization to the recipient. Human nature being what it is, it is unfortunately true that there is a certain proportion of men and women, who when they find that charitable relief will be always forthcoming, and become accustomed to receive the same, entirely lose the motive to work and practically cease to work, depending on public or private charity.

This discreditable side of human nature long ago attracted the attention of wise men. The author of the book of Ecclesiastes wrote:

All the labor of a man is for his mouth.¹

And in Proverbs it is said:

He that laboreth, laboreth for himself; for his mouth craveth it of him.²

The hunger motive is the only one that will drive a great many men to work, and if this is eliminated by indiscriminating charity, such men will cease to work at all, and become able-bodied unemployables. Fortunately, as civilization and education advance, a constantly increasing proportion of mankind become amenable to other and higher motives than hunger, but there is still, and will be for a long time, those who will, whenever possible, gain a living by begging or stealing, instead of working, even when abundant work is offered. For this class our scorn and contempt can hardly be too great, and all social plans should take into account this class, and include measures which will compel them to work to support their useless existence instead of allowing them to longer beg or steal, much less furnish them with a pension through unemployment or other welfare insurance paid for by forced contributions from the labor of willing workers.

The effect of unemployment insurance money received by the worker is entirely different from charitable relief. Because he has contributed directly or indirectly to create the fund from which he is paid, there is no loss of self-respect.

Another benefit of unemployment insurance is that it will mitigate industrial crises by maintaining the consuming power of the worker. May I be permitted to say in passing, that I believe that the Federal reserve currency plan now in force has already proven, and will prove in the future, to be an exceedingly important factor in preventing, or at least diminishing, commercial crises, commonly called "hard times." Owing to their immensely greater numbers, the working classes consume by far the greater part of the products of all the industries, and when this consuming capacity is diminished by the unemployment of any considerable part of the laboring classes, by an industrial crisis, such crisis is thereby aggravated. If only purchasing power for the necessaries of life, such as food and fuel, were maintained, it would go a long way to lessen all industrial crises, although, of course, we all recognize that there are many other contributory factors which must be eliminated before their recurrence can be completely prevented.

¹ Ecclesiastes, 8:7
² Proverbs, 16:26.

Unemployment insurance would also operate as a direct preventive of unemployment, because it would be a direct financial inducement to the employer to furnish regular work. In the English unemployment insurance system there is provision made for a marked reduction of the amount of contribution required from the employer if he furnishes regular employment to his workmen throughout the year, and this reward should be a part of every unemployment insurance system. The preventive effect of unemployment insurance will be comparable to that in favor of accident prevention, caused by workmen's compensation insurance.

When we come to consider whether we should choose the voluntary form, or the compulsory form, of unemployment insurance in the United States, we find that practically nothing has been done in unemployment insurance by voluntary methods, excepting through the labor unions. This is a very important and beneficial branch of their work, but it, of course, is impossible for them to aid those outside their membership, and this membership is only a small per cent of all workers. So far as I know there is no hope in any quarter that, outside of labor unions, unemployment insurance would or could be made successful on the voluntary plan. The only alternative is compulsory unemployment insurance. If this is adopted, it must be carried on by the state or United States, for two reasons. First, in order to avoid the excessive and unreasonable expense of all insurance by commercial methods, and in the second place, because the only hope of making unemployment insurance a success is, as heretofore explained, by having it carried on as the integral part of a Nation-wide system of labor exchanges or agencies.¹

As the result of investigation into the subject of fire insurance which I began in 1914, I have arrived at the conclusion as stated in my report on that subject, that on account of the excessive expense incident to the present method of conducting the fire insurance business, and particularly owing to the existence of a nation-wide fire insurance combine, or trust, of the most oppressive kind, which controls practically all of the fire insurance business of the United States and enforces exorbitant rates everywhere, the fire insurance business should be conducted by the different states or by the United States. The fire insurance combine is able to do this, because under modern commercial and industrial conditions where business is largely done on credit, fire insurance is compulsory; practically as much so as if required by statute. This fact enables the trust to enforce its exactions. The same thing would happen if unemployment insurance was made compulsory, but conducted by commercial interests, and the same

¹As chairman of the Social Insurance Committee of the National Convention of Insurance Commissioners I have been carrying on an investigation into the entire subject of welfare and social insurance and I have in preparation an extensive report on the subject. This has not yet been published but extensive extracts from it have been printed as an appendix to my testimony given on April 6, 1916, before the Committee on Labor of the House of Representatives in relation to the joint resolution to create a commission to study social insurance and unemployment. (Hearing before the Committee on Labor, House of Representatives, Sixty-fourth Congress, First Session, on H. J. Res. 159, April 6 and 11, 1916.)

Until the printed supply of the report of the hearing is exhausted, copies of it can be obtained by those desiring a full and detailed discussion of the subject by applying to your congressman.

reasons require that unemployment insurance should be carried on by the state or United States as a part of the general system of welfare insurance. I believe there would be little hope of successful unemployment insurance unless it was carried on by the United States. Of course, there will be strenuous objections from the financial and insurance interests to this being done as well as to any other form of state insurance, but these objections are entirely selfish in their origin and entitled to little consideration from those who have the welfare of the nation and its workers really at heart. The argument is the same as that used 1900 years ago by the idol makers against the great Apostle Paul in the riot which they stirred up when he preached against idolatry in Ephesus.

"Sirs," cried their leader, Demetrius, the silversmith, as the climax of his harangue, "ye know by this craft we have our wealth."¹

The danger to their source of easy wealth is at the bottom of all the outcry of the insurance interests against any form of state insurance.

A typical example of these miserably selfish appeals appears in a recent issue of one of the most widely circulated insurance periodicals in the form of an editorial on social insurance designed to arouse all insurance interests against it, in the course of which the writer says:

Doubtless some agents may find employment as state inspectors and sleuths, but Othello's occupation will be gone for the great majority. *For these reasons every insurance man in every branch is vitally concerned to oppose the "social" propaganda at every step.* For his own safety he should consider himself in the advanced trenches whenever state insurance is proposed in any branch. The strongest lever exerted for any of the "social" branches is that it will "eliminate expense." Expense can only be eliminated in one way. That is by taking the work required to be done away from those now engaged in doing it, and throwing it compulsorily on every citizen.²

In any plan of unemployment insurance, particular attention should be given to prevention of fraud and imposition, and also to prevent the steady workers from being taxed to support the idle and thriftless. This can be effectually accomplished by proper provisions and careful administration.

I am certain that by careful study aided by experience, a plan of unemployment insurance can be worked out which will be just and beneficial to both employers and employees, and of immense advantage to the community in general. This, together with other branches of welfare insurance, I believe, is the most important group of questions before the people of the United States to-day. It contains more promise of increasing their welfare and diminishing their misery than any other movement I know of. I am indeed pleased to learn from the interest which has been manifested in your discussions here to-day on these subjects, that your academy is taking the lead in the movement for social justice by earnestly taking up the subject of welfare insurance, which I regard as the most important means of aiding in this great work. I am greatly honored in having been invited to address

¹ Acts, 19:25.

² Insurance Field (Life Edition), May 12, 1916, p. 8.

you concerning it and hope what I have been able to say, in the short time allotted to me, may cause you all to study and investigate it still farther. Your great profession has already done untold good to humanity by mitigating suffering and preventing disease, and it has the opportunity of further serving mankind by assisting in making welfare insurance a beneficent reality.

JOINT STOCK COMPANY HEALTH INSURANCE.

Address Before the Conference on Social Insurance, December 5 to 9, 1916, Washington, D. C. Called by the International Association of Industrial Accident Boards and Commissions.

Health insurance has already been carefully explained at this meeting and its usefulness and necessity under present social, industrial and economic conditions fully elucidated. Consequently I will not occupy your time with general definitions, but will pass at once to my specific topic.

The most important practical problem in relation to a system of health insurance, is what plan shall be adopted to accomplish, make stable and serviceable its purposes. To me has been assigned consideration of those existing agencies of health insurance, conducted for corporate profit. There are no Lloyds or intersurers engaged in the business of health insurance.

To present fully joint stock company health insurance, I believe it advisable to briefly consider its origin and development. In earlier ages, the emergencies and misfortunes resulting from sickness were dealt with, so far as they were relieved at all, by neighborly assistance and charity. These ancient methods of sickness relief have continued in use to the present time, to a greater extent than in relation to other kinds of misfortune.

The earliest examples of the relief of sickness, by what we now call insurance methods, were by the primitive mutual organizations called guilds, which flourished in Europe during the middle ages. One of the chief objects of these, was the mutual relief of the misfortune befalling members, and among these misfortunes, sickness was the most frequent. With the decline of the guilds, their insurance feature and other functions were assumed by other mutual organizations, approaching in form those still existing. In Germany they were chiefly trade unions. In England they were usually friendly societies, and in the United States, fraternal. The history of these has been ably treated at this meeting by other speakers, and I only mention them because of their association with the origin of corporate health insurance.

The same factors which caused joint stock fire insurance to rapidly develop and to partially replace fire mutuals, also operated in relation to health insurance, but the expansion of joint stock health insurance has been much less, than that of joint stock fire insurance, for many reasons.

In the United States, joint stock company health insurance was first undertaken in 1847 by the Health Insurance Company of Phila-

delphia. A similar company was organized in New Jersey and several in Massachusetts about the same time. These companies soon failed, on account of the crudeness of the plan upon which they were founded and operated. They also suffered from an unfavorable risk selection, so that their losses soon became excessive. The fact of the increase of the frequency of sickness with increasing age had also not been taken into account.

Beginning about 1860, some of the life insurance companies wrote some health insurance business in a small way. About 1894, a rider attached to accident policies, covering eight epidemic diseases, came into use and from this, sickness insurance, as it is now carried on, gradually developed, so that eventually separate policies were issued without any accident feature, and covered practically every kind of sickness.

The conducting of health insurance by stock companies on the industrial plan, with the collection of premiums weekly or monthly, did not begin until 1891. The policies were at first combination accident and health insurance, and they are still in a great measure issued on this plan. Industrial health insurance rapidly became popular and there are at present a large number of stock companies in the United States engaged in this business, besides mutuals and fraternal associations.

Competition soon became very keen, taking chiefly the form of a scramble for agents, with all of the evils attending the practice of "twisting." A combination was consequently entered into in 1901, called the "Detroit Conference," taking its name from the city where it first met. This "conference" corrected some of the evils connected with "twisting," but also resulted, as in the case of fire companies, in a "gentlemen's agreement" concerning rates. Another evil which became very pronounced in the operation of these companies was their unfair practices in claim settlements. In order to secure members, policies apparently very liberal were issued, but which contained numerous masked technicalities. By a strict construction of these defeasance clauses, the companies succeeded in driving many hard bargains. These practices of the casualty companies became so oppressive, that the matter was considered by the National Convention of Insurance Commissioners in 1911, and measures taken which have resulted in the elimination of such practices by all legitimate companies. The activities of the National Convention of Insurance Commissioners also resulted in the preparation and adoption of the so-called "standard provision casualty policy," in a number of states. It is now in force in Illinois, having been passed during the 1915 session of the Legislature.

In early industrial health insurance a flat rate of \$1 a month, or a weekly rate of 25 cents was collected. Later the problem of the classification of risks was taken up and there are now in use a number of classes, with premium rates graded according to the hazard, which constitute a nearer approximation to justice, but the plan is still far from perfection.

With this brief treatment, I pass to the question with which we are most immediately concerned: The merits and demerits of joint

stock health insurance. There is usually an implication that the speaker assigned to treat a particular method of effectuating a branch of insurance, will bring out all the good there is in such method. I am not unmindful of this custom, but must confess that I am not commending unreservedly joint stock health insurance. So far as I can see, it has but one important advantage, which is, that it excels other kinds of health insurance in financial soundness. Since strict supervision by state insurance departments has become the universal rule, there has been a great improvement in the financial soundness of all insurance organizations, including joint stock casualty companies. Because the various insurance departments have had authority to more strictly supervise the joint stock corporations, than the mutuals, the former, no doubt, excel as to reliability; although, I am not prepared to admit that the joint stock plan is in reality more stable and serviceable than a prudently managed and carefully supervised mutual association.

Another general advantage, is that the joint stock companies employ an extensive agency force and by this means write an immense volume of insurance, bringing protection to great numbers.

If we admit the position taken by joint stock companies, that any reliable sickness insurance, regardless of acquisition expense, is a great blessing and privilege to the insuring public, then we must admit the justification of an agency force, although the expense of such force is also the greatest disadvantage of joint stock company insurance, because it prevents approximately one-half of the premium paid from being returned as benefits to policyholders.

As in the case of all other branches of stock company insurance, the chief cause of the excessive expense is that the business is acquired solely through agents. For the payment of the agent's commission, and in the industrial plan, the compensation of weekly or monthly collectors, a heavy percentage of the premiums is absorbed immediately. In addition, there is a heavy expense for the supervisors, field men and others, necessary to keep the agency system in operation, as well as the expenses of general management and the payment of dividends to stockholders.

The results of the total health and accident insurance business in the United States for the past 20 years (the commercial and industrial business not being segregated, however,) are shown in the following tables taken from the Spectator Year Book for 1916 (pp. A-164 and A-165):

ACCIDENT.			
Date and class of business.	Premiums received.	Losses paid.	Ratio losses paid to premiums received.
1915	\$36,977,988	\$17,197,415	46.5
1914	35,509,557	16,105,506	45.4
1913	34,522,481	15,581,234	45.1
1912	29,792,473	13,408,552	45.0
1911	27,851,626	11,837,347	43.2
Totals (5 years).....	\$164,154,125	\$74,130,054	45.2
Totals (1906 to 1910).....	99,549,393	41,206,701	41.3
Totals (1901 to 1905).....	65,572,736	27,985,457	42.6
Totals (1896 to 1900).....	36,444,014	16,156,048	44.3
Totals (20 years).....	\$365,720,268	\$159,478,260	43.6

HEALTH

Date and class of business.	Premiums received.	Losses paid.	Ratio losses paid to premiums received.
1915	\$7,891,030	\$3,705,713	46.9
1914	7,200,367	3,342,553	46.4
1913	6,928,785	3,256,227	47.0
1912	6,339,406	3,126,160	49.3
1911	7,101,668	3,314,301	46.6
Totals (5 years).....	\$35,461,204	\$16,744,954	47.2
Totals (1906 to 1910).....	23,848,719	9,607,381	40.2
Totals (1901 to 1905).....	7,157,396	2,903,787	40.5
Totals (15 years).....	\$66,467,319	\$29,256,122	44.0

These tables show that in the United States the highest proportion of the premiums collected which has ever been returned to policyholders as benefits in accident insurance, was 46.5 per cent for the year 1915, and that the average for the past 20 years has been 43.6 per cent. In health insurance, the highest proportion which has been returned to policyholders was 49.3 per cent in 1912, while the average for the past 15 years has only been 44 per cent. These results show even a smaller proportionate return in benefits than in fire insurance, in which the premium rates charged are universally conceded to be oppressive and extortionate, chiefly by reason of being controlled by a combination or monopoly covering the entire United States.

A special investigation which I recently conducted in connection with my study of welfare insurance in general showed that the amount returned to the policyholders is much less in "industrial" life insurance than in "ordinary" life insurance. With this in mind, I concluded that it would be very desirable to compare the results in "industrial" health insurance where the dues are paid weekly or monthly as they are in industrial life insurance, with the results of "ordinary" or "commercial" health insurance, where the dues are paid quarterly, semiannually or annually as in ordinary life insurance, and proceeded to collect this information.

By an oversight in the heading of the question sent to the companies for obtaining the necessary figures to make this comparison, they were asked to give this information of their accident and health business combined, instead of separately as was intended. Nevertheless the results are instructive. Owing to the short time that was available for collecting this information, replies were not obtained from quite all of the companies engaged in the health and accident insurance business, but they were received from a great majority, and it is highly improbable that the lacking figures would materially change the loss ratios. The combined figures show that the loss ratio in "ordinary" health and accident business for the past four years has been as follows:

1912	1913	1914	1915	Average.
49.46	49.38	46.71	50.89	49.12

And the loss ratios in the "industrial" health and accident business has been as follows, for the same years:

1912	1913	1914	1915	Average.
45.36	46.82	46.45	43.06	45.40

Translating this into cost, for a dollar of insurance received by beneficiaries, we have \$1 of "ordinary" or "commercial" health and accident benefits received by assureds cost \$2.04 in premiums and \$1 of "industrial" health and accident benefits received by assureds cost \$2.20 in premiums.

As I have heretofore frequently declared, the extortion practiced by reason of the monopolistic, cumbersome and excessively expensive systems of insurance, is one of the greatest economic wrongs of our day. If there are degrees in such wrongs, then those of health insurance are the worst of all. In fire insurance, the insurer is a property owner; even in life insurance, the beneficiaries presumably have life and health left to them after the breadwinner is gone. In sickness insurance, the assured by self-denial, attempts to accumulate funds to care for himself and family when disease has disabled him. But in order to accomplish this purpose, he must pay in premiums more than twice the amount returned in benefits. Without imputing any personal shortcomings in this respect to those engaged in the business of corporate health insurance, I can not refrain from characterizing a system which consumes more than half of the premiums paid, in expenses and profits, as not only entirely indefensible, from the economic standpoint, but as grievously wrong morally, and demanding immediate reformation.

Joint stock health insurers attempt to excuse their enormous acquisition cost by comparison with fire insurance, which discloses that their cost is but little higher than that of fire. I have made during my term of office, a careful investigation of fire insurance conditions and rates in Illinois and in the United States. In my fire report for 1915 I published some of the results of this investigation, which clearly show that if the business of fire insurance was conducted in a similar way to the business of banking, without agents, the interest earnings upon the accumulated premiums, paid in advance, would meet all legitimate operating expenses, so that the total amount of premiums would be available for the payment of losses. This would mean that the present fire rates would be reduced at least one-half. Similar results would accrue in health insurance. Interest on the premiums and reserves would be more than sufficient to pay operating expenses, with the possible exception of industrial health insurance, where because the dues are paid weekly, there would be less interest earnings.

In such a health insurance plan, the person desiring to be insured would apply at the insurance office, just as a depositor calls at the bank with his deposit. Consequently, the entire acquisition expense, chiefly agents' commissions, would be eliminated. I recognize, however, that under present conditions, where the insuring public have become accustomed to await solicitation by agents, a joint stock company could not succeed without the existence of an agency force.

Health insurance will not become general until some form of compulsion is applied. But with a compulsory law requiring every man to carry a certain minimum amount of health insurance, its benefits could be made universal at much less than one-half of its present cost, thus bringing more than double return in benefits. It would, however,

be wholly improper to enact such a compulsory law, unless the state at the same time provided a system, by which the insurance could be obtained at actual cost. Whether or not a state health insurance institution is the best plan, considered from every point of view, depends upon the ability and willingness of private corporations to provide equal benefits and render equal service at the same costs.

It is possible that if a state welfare insurance institution were established, of which health insurance would be one of the principal branches, it would be feasible and probably advantageous, to allow individuals to have their choice, as to whether they would carry the compulsory minimum amount of health insurance in the state institution, or in private corporations which were strictly supervised and carefully safeguarded as to management and soundness. The existence of competition from private companies would have a tendency to secure efficient service and capable management of the state institution and compel its operation at the lowest possible cost.

In both Germany and England, where health and other welfare insurance, up to a certain minimum for each person, must be in national institutions, much use is made, for the purpose of local administration, of associations covering limited areas, managed by the assured, or by the assured and their employers, where employers pay part of the dues. Similar provisions form a part of the proposed laws which have been urged before the legislatures of several of the states, under auspices of the American Association for Labor Legislation, and I believe such provisions are very desirable.

It would be advisable, in any compulsory health insurance system, to allow any person, in addition to the option of making provision for himself and family against the economic effects of sickness, by carrying insurance in a state institution, a joint stock company, an approved mutual or fraternal, to substitute for health insurance, such security as might be approved by a welfare insurance commission.

I regard the allowance of all these options as an extremely desirable and even necessary provision in a system of compulsory health or other welfare insurance. They would be pacifying concessions to the strong individualistic instincts of a considerable and combative portion of our people, and would also checkmate those who might attempt to play upon such individualistic traits to defeat compulsory health insurance. No fair-minded man will contend that provision against the economic results of sickness should not be made by everyone, and if he is allowed a reasonable choice between effective methods he can not help recognizing the justice of a law which requires such protection.

In conclusion, I feel fully warranted in stating that joint stock company health insurance is generally reliable and at present performs a useful function, but that its excessive cost places it beyond the reach of the great majority of the people of the United States. And, that measures should be taken as soon as possible, to create a system of health insurance coming within the reach of all and capable of being made universal by compulsion.

FEDERAL COMMISSION TO STUDY SOCIAL INSURANCE AND UNEMPLOYMENT.

[Hearing on April 6 to 11, 1916, before the Committee on Labor of the United States House of Representatives, Sixty-fourth Congress, First Session, upon House Joint Resolution No. 159, providing for the appointment of a commission to prepare and recommend a plan for the establishment of a National Insurance Fund for social insurance and for the mitigation of the evil of unemployment.]

Testimony of Mr. Rufus M. Potts, Insurance Superintendent of the State of Illinois, and Chairman of the Committee of the National Convention of Insurance Commissioners to Investigate Social Insurance, Springfield, Illinois.

Mr. KEATING. Give your name, address, and occupation to the stenographer.

Mr. POTTS. Rufus M. Potts; I am insurance superintendent of the State of Illinois, chairman of the committee of the National Convention of Insurance Commissioners appointed in December last to investigate the subject of social insurance. I reside at Springfield, Ill.

As chairman of that committee I started several employees to work to determine the exact status of the working people and the masses in general, in the United States, and of the European countries that have social insurance, and of countries that do not have social insurance. We assembled every publication dealing with this question that could be reasonably obtained, printed in the English language, and then I had one man who reads, writes, and translates French and German to investigate the publications of those countries dealing with this question. We have assembled all information obtained in the various publications, and now have my report ready to present to the commissioners on the 17th of this month at its meeting in St. Louis. I have the preliminary report with me, but at the present time it stands as the report of myself and not of the members of the committee, as they have not had an opportunity to inspect same, and I do not wish to file it until I have their approval and consent that it be filed.

In the study of this question, I am convinced that it is the most important social and economic question before the world to-day. It is the only medium of effectuating social justice. It is the system whereby individual wage earners are able to capitalize their earning capacity for themselves and with the cooperation of the Government for both the Government and themselves, instead of it being capitalized, used, consumed, and destroyed by their employers as is done in many cases. It not only provides a method of capitalizing the earning power of industrial workers but applies likewise to all producers, breadwinners of moderate means and circumstances. It is serviceable to the laborer in the agricultural districts; in fact, it is indispensable in every field of endeavor where the producer receives less income than is nec-

essary for his proper maintenance and the support of himself and his family or dependents, according to the American standard of living. Therefore it will affect at least 50 per cent of the wage earners of the United States, as more than that number receive less than a sufficient sum to support their families and educate their children in keeping with the American demand for human maintenance, upbuilding, and wholesome living, and accumulate sufficient surplus to provide for accidents, sickness and other emergencies.

Mr. SUMNERS. May I interrupt you right there to ask you to explain how taking care of these sick people would increase the ordinary earnings of the people who are not getting enough in a state of health to take care of them?

Mr. POTTS. Beginning with the fundamental principle that our people are our greatest asset and to produce the greatest good to the greatest number should guide all operations, and that human efficiency is the chief basis of all achievements, then when we establish a system that increases human efficiency by overcoming in so far as possible sickness and all other things that make them inefficient, we are standardizing human surroundings, raising our chief asset to its highest value and are leading toward social, economic and Governmental altruism. The efficiency of our people or lack of efficiency of our people, that is, of the masses, is the greatest and most disturbing problem we have to contend with to-day, and when by a system of social insurance we up-build our greatest asset by giving them opportunity to have human comforts, by making them well, by placing them where wholesome surroundings keep them well, by securing for them sufficient wages so that they may purchase wholesome food, suitable clothing, obtain good housing, we have brought about a most remarkable standardization of the living conditions of our people. This condition we hope will come in the next few years and can only come through the universal adoption of social insurance. When we raise the standard of our individuals, we do likewise of the community, of society as a whole, of our states, and of our Nation.

Mr. SUMNERS. I agree with you there, but what I was trying to get at is, how the insurance of a man against sickness is going to meet the situation, when he is not getting enough really when he is well.

Mr. POTTS. To provide for men when they are sick and to be able to tide them over during the interval of sickness, is a social and economic question that can be worked out as easily and applied as faithfully, as is now being done through sickness occurring to persons from occupational diseases under workmen's compensation. The same method and the same procedure should be followed for that purpose. There is no question but what the fact of the recurrence of illness in communities and to individuals is of such uniformity and certainty, as to be utilized as a foundation for establishing a table of rates whereby a proper premium basis can be obtained that will produce a sufficient amount of money to provide for sickness whenever it occurs. That amount of money, as said by Mr. Dawson, will not be equal to the amount earned by the person to whom it is paid. The question of simulation and malingering will not have a disturbing effect, because

he only gets enough from the insurance fund to tide him over his illness and keep him out of the abyss of poverty, while if working, he gets enough to keep him within his usual standard of living according to his wages.

Another feature which will help to prevent simulation is, that sickness insurance is limited to a certain number of weeks in a year, and it is likewise limited in some countries in proportion to the amount paid into that fund or contributed by the producers themselves. The man who is not a producer contributes but little to that fund, and would be able to secure but little from it in case of sickness, and a man attempting "simulation" who is not a producer under the system of social insurance, will become as much of a disgrace as our tramps of to-day or present idle rich, who exist as inexcusable leeches and parasites on the society of this country. The amount and method of payment in such cases is purely an actuarial problem which actuaries will be able to work out and which will in no sense become burdensome, because the number of weeks is limited and the amount of payment is also graduated and limited.

Mr. SUMNERS. What percentage of this insurance ought to be taken care of by the employee, and what percentage by the employer, and what percentage by the Government?

Mr. POTTS. That would vary somewhat, depending on the manner in which it is administered and the necessary expense attendant to its effectuation.

Mr. SUMNERS. Take our Government here in the United States.

Mr. POTTS. In our country the Government itself should provide for the administration of the insurance either by the payment of a sufficient per cent of the fund or to administer it as a governmental function.

Mr. SUMNERS. In addition to the administration expense, should the Government make any contribution?

Mr. POTTS. If the Government administers the fund itself, which is the only and final solution of this question, I doubt if the Government should make any further contribution to the fund; but if the fund is administered, as is being done now in various parts of Europe, whereby the Government contributes a small per cent, the employer a reasonable per cent, and the employee also a reasonable per cent, local conditions would govern as to the per cent each should contribute. If the sickness results from occupational diseases, it might necessarily be charged as a part of the industry and the whole amount paid by the employer, just as is done now in Workmen's Compensation in this country, and, in that event, under a proper development of this system of social insurance—when it once gets to where it maintains its normal balance, which it will after a reasonable tryout—the Government should administer it, the employee should pay possibly 40 per cent and the employer 60 per cent. In case of trade unions having a considerable number of members, like there are in my State in the miners' union, the estimated payment could be added to the annual wage-scale agreement and cared for as an overhead charge to the cost of production. Likewise, the employer would add his payments also to his cost

of production, and it will extend upward to where the whole of society meets this loss and carries the burden instead of percolating downward, as it does now, whereby it is borne by the wage earners, causing an oppressive condition that is distressing beyond tolerance in the United States.

Mr. SUMNERS. Is it better to have the community as the unit? I hope you will pardon me for asking these questions. These other folks are all wise about this matter, but I am trying to find out for myself.

Mr. POTTS. I am glad to have you ask them, and I will answer them if I can, and if I can not there are others here who will be able to do so. I do not wish to announce a stand on that proposition at this time, because there are so many things entering into it. My judgment is, however, that the final solution will be the whole United States, owing to the fact of the mobility of labor, and that the United States should be the unit in considering this question.

Mr. SUMNERS. I am afraid you do not get me. Here is a community. I may not have your viewpoint and you may not have mine, but here is a community, and in that community there are many vocations.

Mr. POTTS. The community.

Mr. SUMNERS. The whole community?

Mr. POTTS. The whole of the community. It is true that many labor unions are able to serve their own members in a very great and advantageous manner by long-established methods of contributions, but that only relieves the members of a specific vocation of certain oppressive conditions borne by the whole of society, and does not maintain a normal balance of the burdens on the whole of society, which we are morally compelled to do in this country. Our form of government requires that the sharing of burdens and the sharing of profits shall extend to all, but the difficulty is one crowd shares the profits and the other endures the burdens.

Mr. SUMNERS. Which is more economical, to have these funds administered by the people who are the beneficiaries or to have them administered by the Government?

Mr. POTTS. To have them administered by the Government is the only safe and economic way. It may be administered in a reasonably safe and a fairly economical manner through other channels, whereby those who contribute—the State or Government select a certain number, the employer selects a certain number, and the employees select a certain number—each in proportion to their respective contributions, and they jointly acting as a commission may administer the funds with reasonable safety, and on account of being close to those who receive the benefits of the fund possibly some advantages may come from such source.

Mr. SUMNERS. I do not want detailed answers. I am selfish; I am just trying to get it into my head, and pardon my disposition to shut you off when I get it. Where there are two people in the community earning different salaries and making different contributions to this fund, in the event those people get sick, on what basis are they paid?

Mr. POTTS. That would be an actuarial question, to be determined upon an equitable basis. Those who contributed a certain portion should be paid commensurate to the percentage contributed, sharing equitably in the fund.

Mr. SUMNERS. It is not put on the basis of necessity, but on the basis of contribution?

Mr. POTTS. Necessity would make contributions sufficient. I do not mean necessity, but I mean the benefits of this fund in its administration should be such as would make contributions sufficient to meet necessities.

Mr. SUMNERS. You take the fellow that earns \$5 and the man who earns \$6, he is just as sick as the fellow who makes \$6.

Mr. POTTS. That is true; but the amount paid to him must depend in some measure upon his producing capacity, and likewise it must be graded somewhat in accordance with the surroundings that cover each class of industry.

Mr. SUMNERS. But when he is sick it is not merely the dollar he has lost, but the physician that he has got to have and the food.

Mr. POTTS. Those are combined actuarial and economic questions, and are only wheels within wheels. They do not go to the fundamental principle, but in my judgment equitable plans for all industries, taken as a part of the entire industry of the country, can soon be worked out. Wherever possible, a greater producing power would contribute, proportionately at least, to the fund of a less producing power, whereby it would seek its level somewhere, and the work of society must operate and follow some well established and equitable plan for the protection of the entire masses, rather than various divisions thereof.

Mr. LONDON. Before you leave this subject, will you kindly tell us how the commissioners of insurance came to take up the subject of social insurance?

Mr. POTTS. Demands for relief for the poverty-stricken people in the United States, who are suffering from a most imperfect, wasteful, and unscientific method of being cared for, have arisen in a number of the states, and being an insurance problem, has been presented to the various insurance commissioners, and it is the policy of the National Convention of Insurance Commissioners to deal with insurance problems, in so far as possible through committees, and the agitation in the respective states caused the commissioners to appoint a special committee for the purpose of investigating all of these social insurance questions, and such allied questions as are interwoven therewith, and report the result of their investigation to the whole body.

Mr. LONDON. And you are chairman of that committee?

Mr. POTTS. I am the chairman of that committee.

Mr. BROWNE. I would like to ask one question.

Mr. POTTS. Certainly.

Mr. BROWNE. We have state insurance in Wisconsin, the state that I represent.

Mr. POTTS. Yes, sir; you have been administering a state life fund, and also a fire-insurance fund for state property.

Mr. BROWNE. We sell insurance at considerably less than the regular old-line life insurance company.

Mr. POTTS. Yes, sir.

Mr. BROWNE. But we have found this difficulty that I do not know but what would arise under any social insurance: We have to compete with the old-line and the assessment life insurance companies. They have agents in the field that are going about from place to place soliciting insurance.

Mr. POTTS. Yes, sir.

Mr. BROWNE. Now, the State does not do that. It has that insurance law. The people can apply to the State, and it sends out its blanks to the county clerks and county officers around in each of the 71 counties that we have in the State, but we are not writing the insurance that we expected to, because of the competition of these agents that are soliciting insurance and misrepresenting the State insurance policies.

Mr. SMITH. Do they write mutual or stock insurance?

Mr. POTTS. No, sir.

Mr. BROWNE. It is on the mutual plan, I think.

Mr. POTTS. You have two forms of state insurance in Wisconsin. One is the administering of a life fund, and the other is the insurance of the State's property by a fire fund.

Mr. BROWNE. Yes, sir.

Mr. POTTS. The administering of a life fund in the State of Wisconsin has been very ably and carefully established, and is a fund that will itself finally succeed, but it has been abandoned by the present State officials to die. Under the supervision of Insurance Commissioner Ekern, of Wisconsin, that fund was greatly stimulated. The new commissioner appears to be not in harmony with the life fund plan, and it is existing simply without any support whatever. Now, this fund can not compete with the ordinary system of insurance for this reason: Insurance institutions have solicitors, and insurance salesmanship is what brings insurance, and the people have not yet become convinced of the necessity of universal insurance or general insurance sufficiently to voluntarily support that fund. The way to make a state fund successful would be to make the insurance compulsory, making the insurance compulsory and leaving it optional with the insurer as to the institution in which the insurance is to be taken; then under such conditions the state fund will outstride all others in a very short period of time, with permanent success certain.

In Wisconsin it is temporarily impossible for this fund to succeed, because nobody wants it, nobody supports it, everybody is hoping that it will die; that is, the present political power reflects this attitude—with all due respect to the able men who are in—but they were elected with this point in view, and the effort of the present administration seems to want to undo the "Wisconsin idea," as they call it up there, which was established by the previous administration, and the "Wisconsin idea" has been strongly combated by the reactionaries who are in charge at the present.

Mr. BROWNE. I was in the legislature when the fund was established, and I am in favor of the "Wisconsin idea"; but while that insurance was a sort of disappointment in its growth because of the com-

petition of the other companies, and now of course under another administration, with the state administration against it, we do not look for it to succeed.

Mr. LONDON. And then it dealt only with life insurance?

Mr. POTTS. Only with the administration of a life fund. It does not insure but administers an insurance fund, but there is no way of getting anybody in, because the insuring public do not take it upon themselves to buy insurance over the counter, while there is an army of agents after every fellow who is an insurable risk, and every argument is presented and excuse urged why he should give him the insurance and avoid the state fund.

Mr. BROWNE. My point was, would not this insurance of the Government have to compete with all of these agents, like the Metropolitan Life Insurance Co., that is going around and insuring people and getting their 5-cent pieces, etc.?

Mr. POTTS. That is true, but the insurance will go to a National or State fund, for the reason that it is compulsory, and the Government would be able to administer it at a much less expense and is a much safer institution, and grant insurance upon a much more advantageous basis than is possible by any voluntary insurance institution. Therefore, the compulsion to take out adequate insurance will drive the man who makes it to the best possible bargain counter and that will always be his government or state.

Mr. BROWNE. Do you think it would be constitutional to have it compulsory?

Mr. POTTS. I do. A compulsory social insurance act comes clearly within the "promote the general welfare" provisions of the Federal Constitution. The wording of the preamble of the Constitution places a duty upon Congress to "promote the general welfare" of our people, and investigation shows that social insurance is the most serviceable medium of carrying out this duty.

Mr. LONDON. You have been practicing law for 25 years, as I understand it?

Mr. POTTS. Yes, sir; and I wish I had continued at it instead of becoming an insurance commissioner.

There is only one difficulty that occurs in any of these systems of insurance that could, in my judgment, be urged against a system of social insurance, and that is equally applicable to Workmen's Compensation laws, which has been upheld by the courts of several of the states; but the exact point seems not to have reached the Supreme Court of the United States but has reached the Supreme Court of the State of Washington, and there the law was sustained.

There are two of the amendments to our Constitution, the fifth and the fourteenth, I believe, which contain provisions prohibiting the taking of property without due process of law, and when an employer is compelled to insure his employee against loss resulting from negligence exclusively upon the part of the employee, then the question is, when you are compelling him to pay for something for which there is no legal obligation whatever upon his part, is the taking of property without due process of law. When that feature of it is eliminated, or

finally passed upon by the Supreme Court, then all questions involved will have been disposed of. In any event a law could be so drawn to leave a legal option to all concerned, but provide such severe penalties as is now done in Workmen's Compensation laws as to make the law in fact compulsory.

Mr. BROWNE. New York decided that the law was unconstitutional.

Mr. POTTS. The first law they did, but they afterward reenacted a law in conformity with the Constitution, leaving out those portions of the original act which the court decided had contravened their State constitution.

Mr. DAWSON. And it has been held constitutional by the New York courts, and is now before the Supreme Court of the United States.

Mr. KEATING. Permit the Chair to suggest that under our procedure these questions are supposed to be asked after the witness has concluded his statement. They were permitted in the case of Mr. Summers because he had to leave and go to another committee meeting, but I think it would be well to permit the witness to conclude his formal statement, and if members wish to ask questions they should make a note of them and ask them after the formal statement of the witness has been completed.

Mr. POTTS. Continuing further on the point in relation to the constitutionality of this law—of course the Supreme Court of the United States must decide the constitutionality of any social insurance act and our opinions are the "lawyers guess" at this time—but as heretofore stated, under the preamble of our Constitution which creates a duty of promoting general welfare, and under section 8 of Article I, in outlining the powers of Congress the general welfare provision is again included which forcibly indicates that the Central Government should do all things which are necessary to promote the general welfare of our people and of the United States. Hence, a law providing for a national system of social insurance based upon an investigation made by this committee, which investigation determines the necessity for such a law, and the committee report become the basis of the law, such a law could never be held unconstitutional upon fundamental reasons. It is the public policy that remedial legislation shall be based upon some public necessity, and that the public necessity for such legislation should be determined by a committee of the legislative body. For instance, I recall one case where one of the reasons assigned for holding the 2-cent passenger tariff law illegal was that the law was passed by the legislature without having made any investigation to determine whether or not a 2-cent passenger fare was reasonable. In other states investigations were made by proper authorities and the fact determined that the 2-cent passenger fare was sufficient and a reasonable compensation and made the basis of a law which was upheld.

If this legislative committee carries out the resolution, preferably by the committee itself or subcommittee instead of any commission, and makes a thorough and complete investigation of this subject, and from their investigation finds that a system of social insurance will

promote the general welfare of the people, and of the United States, then all constitutional objections will vanish, and this committee will have obeyed the constitutional mandates of "promoting public welfare," and rendered a public service unequalled in the history of our National Congress.

There is another medium whereby national control of social insurance institutions is possible. I would not want to give it as a legal opinion, nevertheless it is worthy of consideration. While our Federal and State Constitutions are not exactly upon the same footing, one being a grant and the other a limitation of power, yet my point is frequently upheld under State constitutions. For example, many things are by statute made a nuisance that clearly does not come within any reasonable definition of the word "nuisance," and the State supreme courts invariably uphold this statutory invasion of constitutional rights by making something a nuisance which clearly is not.

Now, then, the Supreme Court of the United States many years ago held insurance was not commerce, and under a most strained system of reasoning, recently rendered an opinion again upholding its original decision. But these decisions are based upon the ordinary definition of "insurance" and "commerce." The court having difficulty in separating them, in fact, the definitions overlap in many ways. Now, suppose Congress should pass a law defining insurance and designating it as commerce, would not the Supreme Court uphold such a statute, and make insurance subject to congressional regulations as provided by the commerce provision of the Constitution?

Before passing from the consideration of the resolution, I wish to mention that unemployment is given as the prominent feature therein. While unemployment is an important division of social insurance, yet in our investigation we divided the different branches of social insurance by their availability to obtain statistics, and adaptability of administration, placing similar hazards in the same division. In our report we took sickness, accidents, disablement, or invalidity, unemployment, maternity and old age dependency, discussing each separately, and have secured statistics covering the divisions separately. Giving a comprehensive system of social insurance by its various divisions, believing that some branches may be adopted in some states that might rebel against all in one measure, I am convinced that your committee making the investigation of this subject will find it necessary to likewise divide the subject into various branches, but I do not regard it necessary to change the resolution for that purpose.

The United States must compete with every nation for commercial and industrial supremacy on the globe. Our utter inefficiency and lack of general preparedness from every point of view is now apparent to every student of national affairs. In the world's crisis of clashing nations, where efficiency is the test of endurance, those found most efficient, most enduring, and most patriotic are those having the most extensive and far-reaching systems of social insurance. In a few lines of industry our country is now raging with prosperity. The product of this prosperity may be the cause of a clash that will test our national existence, and it will not be those who are reaping the prosperity that

will defend our Nation when the crisis comes, if it does come, but it will be the common people, whom we have for a half century neglected.

In our country of great natural resources and generally prosperous, one-tenth of our population is in poverty. While statistics differ materially as to the number in actual poverty, owing chiefly to the definition given the word "poverty," yet 10 per cent is a conservative estimate. This condition existing among our people is due to the failure to properly distribute the products of labor, and when labor is capitalized for the individual and for the Government, and cooperation between the two is established, then and only then, can we have a distribution of labor whereby those who produce it will receive a commensurate or at least a reasonable income on the capitalization of their producing power..

By establishing a national system of social insurance we can give to the individual the nationalized life protection, the whole life protection. We begin with maternity insurance, by which a reasonable amount of compensation is provided to insure proper care during maternity, so that the child is ushered into this world under surroundings which give favorable opportunity of living, and only a system of maternity insurance can reach the mothers who are now destined to bear the population of our future generations. It is the common people, where race suicide is unknown, to whom we must turn for a sturdy and prolific stock to upbuild and maintain our people and our Nation, and the duty is imperative to care for and look after mother and child, and maternity insurance is the medium through which this may properly be done.

There are two methods of providing old-age annuities by payment of small sums in early youth. One is "alienated-capital plan" and the other "reserved-capital plan." At the age of 5 years, under the alienated-capital plan, by the parent paying for the benefit of the child \$200 to an old-age fund, an annuity of \$350 will begin at age 65 and continue until death. The reserved-capital plan pays less, but if the child dies the original amount is returned, while under the alienated-capital plan nothing is returned in case of death of the child. I give this only as an example. Similar payments in one sum or small deposits can be made with commensurate benefits. A young man can easily purchase an old-age annuity for himself and for his wife—to be chosen later—by commencing payments early and dispose of the dread of old-age poverty for both before marriage.

Under systems of social insurance covering accident, sickness, unemployment, and other hazards affecting the breadwinner during the middle period of life, with maternity and old age disposed of, we then have whole life protection, by the automatic dovetailing of social insurance branches. Actuarial science will determine the exact amounts necessary to be paid to produce the desired benefits, and published tables will make this information available to all. We now look for a safe and convenient depository in which to place the fund not only for safe-keeping but for proper administration, and we naturally and wisely turn to our Government or our State institutions that will not make a profit out of the misfortunes of our people, institutions that will coun-

tenance no excessive burdens, institutions that protect themselves when they protect their people.

Insurance in its final analysis is but a tax. It is added to the cost of production by every producer and middleman, and is ultimately paid by the consumer. It is the distribution of the burden of human misfortunes upon the helpless consumer, and in many lines of insurance the profits are very great, this is especially true with stock fire insurance companies, which maintain one of the most formidable trusts in America. It is a fundamental mistake for any institution to reap profits out of a business created by human misfortune, and especially where the profits increase the burdens of misfortune. It is likewise a fundamental mistake for any institution to profit from a tax imposed by law or commercial necessity upon the whole people. It is contrary to the fundamentals of our Government for any tax to be burdensome and oppressive, hence, an insurance tax which is made burdensome and oppressive by profits, demands corrective legislation. For any insurance institutions to profit out of systems of social insurance would be to legalize the crime of oppression and convert beneficent institutions into gainful occupations. Therefore, the necessity for this resolution must be apparent to all.

When the European war is over and conservation and salvage of humanity supplant human destruction, then the nations of the world will take rank and be measured by a new standard. The rank and standard will be determined by the nations' attitude toward its wage earners—its common people—its masses. All those traditional things which give a false rank and a false standard to nations must now give way to the establishment of a true national life and higher human betterment. National and industrial efficiency will correspond with the degree of efficiency of the people of each nation, and an efficient people can not exist in nations neglecting its wage earners—its common people—its masses, and social insurance is the one and only method of bringing to these people that efficiency that all successful and progressive nations must possess. If our Nation is to maintain a ranking position with the other nations, it must base its eligibility to its assumed rank, on its actual ability to meet all other nations in national, commercial, and industrial contests, and to survive these tests its people must be as efficient as are contesting nations, and our Nation must begin at once to grant our people such opportunities and benefits as will permit them to bring self-standardization and the highest degree of efficiency.

Social insurance is objected to by many on account of its name, and it is unfortunately named. The first time you mention "social insurance" to a man who has not studied it, he imagines that it is a socialistic propaganda pure and simple, and while I regret that I have not gone into the theories of socialism sufficiently to tell how far I adopt their doctrine or how far I oppose them, and can not say whether any prejudice is justified or not; yet there is a pronounced public prejudice against the socialist, which is urged by the uninformed against this question. If the socialists are for social insurance

this should for no reason injure its chances of success. It will be found that the real opposition to social insurance comes from greedy corporate interests that will be affected thereby.

Again, the word "compulsion" to the minds of many is offensive. To effectuate this insurance adequately, equitably, and permanently it must be made compulsory. The word "compulsory" is much more offensive than is any compulsory law. The best example of compulsory social insurance that we have in the United States to-day is compulsory education, which is social insurance in its purest form. Compulsion, in fact, more or less guides us in every step we take. When I leave my home I have to obey the traffic laws; my house must be constructed in accordance with the regulations prescribed by a building code; I can not hunt out of season; my children must obey compulsory school laws. My home is inspected under sanitation laws. I depend on the food inspector to see that my groceries are wholesome; yet all these things are for my personal good and the good of the whole community. Compulsory laws are not so objectionable as the word "compulsion" is of itself.

Workmen's Compensation laws are compulsory in some states and practically compulsory in all other states, and social insurance is just as practicable and necessary as is Workmen's Compensation. We can not now possibly understand how we ever tolerated existing conditions prior to the adoption of Workmen's Compensation, and to those of us who have gone into the study of social insurance there is exactly the same feeling with respect to this question. The division of humanity that is now remaining unprotected, enduring oppression, poverty and misery makes a continuation of this condition intolerable.

The money and effort now spent in attempted charity and through poor laws and almshouses, relief funds, and prisons, from increased crime due to poverty, would be sufficient to maintain a comprehensive system of social insurance and result in a hundredfold of increased efficiency and human and social upbuilding.

Before leaving the question of compulsory insurance, I have in mind an example I want to give you. Fire insurance is practically compulsory, not as a matter of law, but of commercial necessity. No credit will be extended where fire risk is not insured, and a vast majority of all property is compelled to be insured. Now, then, with a compulsory insurance and no national or state fund in which protection can be obtained, leaves the insuring public at the mercy of the fire insurance monopoly. This fire insurance monopoly is maintained by a large majority of the stock fire insurance companies, making fire insurance rates very oppressive and bringing great profits to the trust companies. Fire insurance premiums to-day are at least twice as high as they would be if insurance was granted by a national or state fund. This insurance monopoly is now staggering the Nation. We are unable to control it and can only bring about a slight abatement in a few states where the legislators are not under the monopoly's influence. The necessity of this resolution is apparent to all who have come in contact with insurance conditions. The fast approach of state insurance to grant relief to an oppressed insuring public has

caused the insurance interests of all lines to create a Nation-wide monopoly to resist every step toward state insurance, invading any branch of the insurance business. The agents of each division of insurance have organized state organizations in every state with an added national organization. In furtherance of the plan, a federation of the agents of all branches has been consummated with an army of insurance preparedness that will cause this Government to tremble with weakness in its effort to overcome their opposition to state insurance.

We seriously need a secretary of insurance—a new Cabinet position. A national head of this great service is imperative, but such things can only be accomplished through long drawn out congressional fights for proper laws, and then equally long court fights to sustain such remedial legislation. The people of the United States pay annually over \$1,500,000,000 in insurance premiums. This vast sum is added each year to the great bulk before accumulated. Much of this money is available for use by the great corporate and financial interests that control and direct the money market in the United States. Much of this money goes through channels which are destructive to the best interests of the United States, and especially to our wage earners and the masses. These things are in direct conflict with those provisions of our Constitution which require Congress to promote the general welfare of our people and our Nation, and only a government head, such as a Cabinet officer, with broad powers over this industry, can curb the evils incident and attendant to the insurance monopoly. An example of the power of this insurance agency force may be seen from their activity against remedial insurance legislation in Illinois during the last session. Illinois has approximately 40,000 insurance agents representing all combined forms of insurance. There were 42 members of the legislature who were licensed insurance agents, and when the bell-wether of the insurance trust announced, at the beginning of the session, that there would be no reform insurance legislation, his mandate was literally obeyed, and he was backed by the 40,000 members of the insurance agents' federation, which stand as the buffer between the insurance trust and the people.

I am not an alarmist, but the statements I have made are based upon personal investigation and experience as the head of the Insurance Department of Illinois, the second largest department in the United States. I have not overstated conditions, and these conditions must be corrected, and the remedy can more quickly and effectively come through national channels. While I have extended a little beyond the tenor of the resolution, yet I feel justified in doing so, as all substantial opposition to social insurance will start from existing insurance institutions and through their many innocently named channels will reach the legislative bodies. A nationalized system of social insurance should be the answer to the activities of this committee. It should come quickly. Relief should be given to the public without waiting for independent action of the several states. Unless this committee acts quickly and some recommendation made,

and Congress urged to take action before the meeting of the legislatures of the various states next year, it will be contended by those opposed to social insurance that the Federal Government has this matter in charge, and will demand delay, awaiting the activities of the Government in dealing with this question.

I have digressed somewhat, gentlemen, from the method in which I wished to address you, and I have already taken up too much of your time, so much so that I do not care to take up any more, but will be glad to answer any questions that you wish to ask me.

Mr. BROWNE. What writers are authorities along the line that you have been speaking on social insurance? I would like to get them.

Mr. POTTS. I have in my grip a list of over eighty publications which were read and investigated by our committee.

Mr. BROWNE. If you will just read to the reporter the names of a few of the highest authorities, that will be what I want.

Mr. POTTS. If the committee wishes, I will leave a list with the committee.

Mr. KEATING. Just leave it.

Mr. POTTS. And I also wish to file as a part of my testimony my complete report as soon as the same is given to the national convention.

Mr. LONDON. When does that convention take place?

Mr. POTTS. The 17th of this month is the date of the meeting of the convention.

Mr. KEATING. Without objection leave will be granted to the witness to file his report as a part of his remarks.

Mr. POTTS. I thank you.

Mr. KEATING. I would suggest that the witness insert the list of publications at this point in his testimony. He can prepare it and file with the stenographer such list as he may see fit.

Mr. POTTS. I will do so and it can be given instead of reading off any of the names at this time. It might be unfair to many other authoritative publications for me to read just a few.

Mr. SMITH. I wish to ask one question. The trust that you refer to as being an insurance trust. You had reference to fire insurance?

Mr. POTTS. The National Board of Fire Underwriters is the controlling body of the Fire Insurance Trust. This trust is the most formidable of any in the United States to-day. It consists of at least 100 innocently named subsidiary institutions and committees, through which the mandates and legislative policies are enforced throughout the entire list of the states. The National Board is the controlling board and deals with an iron hand with public-policy questions. All branches of insurance have their defensive and offensive organizations, controlled by well-equipped and well-schooled committees that throw out the lifeline to each other at the first cry of alarm; in fact, they pursue the most feeble echo, and are ever ready to assist each other in all legislative battles. But the fire insurance monopoly is the most offensive and the most defiant to all control and regulation, and pursues the most unscrupulous methods in resisting any attempt to bring about legislative control.

The new method of all insurance branches and institutions in both offensive and defensive work is through the federation of agents, and their work has been quite effective and fruitful. Increase the agency force is their perpetual effort, and to make agents out of officials is quite common. For example, it is their policy to appoint a city clerk an agent. It is not necessary for him to write any business, but he is an insurance agent, and the general agent will call and secure for him four or five policies so as to keep him an agent. Every justice of the peace in our country is solicited to become an insurance agent, and the general agent writes a few policies and gives them to him. It is the great army of agents that are closest to the people, who will arise in unison and resist just the things that you are trying to do by this resolution, and Congress will discover great resistance in its efforts to solve this question unless it acts firmly and quickly.

Mr. SMITH. Are the terms of this bill broad enough to include fire insurance?

Mr. POTTS. No, sir; I only mentioned fire insurance from the fact that it is compulsory, although only as a matter of commercial necessity and not as a matter of law, and a monopoly will exist following compulsory insurance unless a State or National fund is at the same time established.

Mr. SMITH. What is the purpose of that combination or organization—to maintain prices?

Mr. POTTS. To fix the premium rates and to compel obedience to the rates, and to penalize the agent who fails to follow the rate, and if he does not comply with the rates, all of the other combine companies withdraw from the risk; then the insured can not obtain insurance.

It is also true when states pass remedial legislation, the combine companies withdraw therefrom and citizens are left without insurance. This is to penalize any state attempting to control them. This has happened in Texas, Kentucky, Missouri, Kansas, and South Carolina.

Mr. SMITH. Why does it not come within the proviso of the Sherman antitrust law then?

Mr. POTTS. It has been presented to the Federal Government and an investigation is now being made of the Fire Insurance Trust, but like many other proceedings in the Department of Justice, they move slowly.

Mr. SMITH. That is being inquired into?

Mr. POTTS. Yes, that is being inquired into. A Government agent in Chicago by the name of Hinton G. Claybaugh has the matter in charge.

Mr. LONDON. You lay great stress on maternity insurance?

Mr. POTTS. Yes, sir.

Mr. LONDON. You have in mind every other form of insurance that is covered by the expression "social insurance"?

Mr. POTTS. Absolutely.

Mr. POTTS. Accident, sickness, disability, or invalidity, unemployment, old-age pensions, maternity, and dependency benefits. A complete and comprehensive form of social insurance is the urgent necessity of the American people of to-day, and it is their salvation from every point of view.

In dealing with the trust, my attention is now called to the casualty underwriters which maintain similar organizations to that of the fire insurance companies, and they have a workman's compensation bureau through which all public policy methods must be ground out, and it is their business to carefully guard the interests of the companies, so that they are not injured by any new insurance methods, such as social insurance.

Mr. KEATING. The committee thanks you.

(Whereupon at 1 o'clock p. m. the committee took a recess until 2 o'clock p. m. the same day.)

VITAL CONSERVATION.

[NOTE.—The subject of preserving and increasing the health and vitality of the people of the United States is very closely related to welfare insurance. On account of Mr. Potts' advocacy of welfare insurance, his opinion was requested by Dr. Gustave Werber of Washington, D. C., concerning a movement which he has begun for vital conservation. Mr. Potts' opinion, as printed by Dr. Werber in a pamphlet for futherling his movement, is as follows.]

Judge Rufus M. Potts, Superintendent of Insurance for Illinois, writes:

"I have read with much interest your 'vital conversation' propoganda concerning, and plans for improving, mankind. My studies for the purpose of devising a system of universal insurance to secure the welfare of every individual against unforeseeable misfortune and disaster have shown me that there is a considerable and increasing portion of our population which even the most generous plan of welfare insurance could not directly relieve. This is made of congenital defectives and degenerates and the hopeless victims of disease and vice.

"I have long held the view that avoiding the procreation, so far as is humanly possible, of defectives and degenerates, both physical and mental, and the prevention of disease, together with the counteracting of other factors which cause degeneracy, pauperism and crime, is the most important group of problems which confront modern civilization. Otherwise, this civilization is liable to be swamped by its best features—sympathy and philanthropy—which preserve the lives of defective classes and permit them to reproduce, which they do faster than the self-sustaining part of the population.

"Noble examples, correct theories of government, wise and beneficent laws, honestly and impartially administered, efficient and just industrial and commercial systems, together with ample and patient instruction and training of youth in those things which are directly concerned with the personal character and economic efficiency of the individual, are all indispensable elements for the formation of a just, noble and generous national character. But all of these will be wholly ineffective unless the nation is made up of healthy, sane individuals as units. We might as well attempt to erect a beautiful temple of brickbats and scraps from a rubbish dump as to try to build a great and noble nation out of born defectives and degenerates, or diseased, vice-corrupted inhabitants, of a region however wide and fertile.

"Consequently, the fundamental prerequisite in all attempts to engender a higher and grander national spirit in the United States, is the protection of the health and the increase of vitality of the Nation by prevention, so far as is humanly possible, of the

operation of pernicious environmental factors, and also by eliminating the existing strain of defectives and degenerates by frustrating their reproduction. There exist, unfortunately, at present, very many different sources of disease and vice which are poisoning our national life and degrading our national character. There are numberless strains of tainted blood pouring forth an ever-increasing flood of degenerates, who fill our almshouses, asylums and prisons.

"Your plan, as I understand it, is wide enough to include the gathering of scientific knowledge concerning, and education in all measures which would help to counteract national decadence, from whatever cause. I hope that you will be able, at any early date, to begin actual work along the most important of these lines. Unless far-reaching and effective measures are taken, our national spirit will infallibly wane, until we ultimately arrive at the debased condition to which the great civilizations of the ancient world had sunk ere destruction overtook them.

"I am particularly impressed with the idea you advance of a magazine or periodical constantly furnishing authoritative, up-to-date, expert advice concerning how to live healthy, happy, honorable lives, which would be circulated universally among the people of the United States. It would, perhaps, be advisable that such magazine be issued in various editions. A large part of each edition concerning universal human interests would be the same in all, but other sections would be varied to meet the needs of mothers and housekeepers; the requirements of farmers, factory workers, railroaders, sailors, and the other great occupations.

"But preceding, or at least along with the regular publication of such a magazine, I would suggest that there should be issued a series of pamphlets and books written by experts in plain, non-technical language, containing all the fundamental information available at the time of issue on such topics as the care of children, adult hygiene, the prevention of disease, proper food and clothing, the elements of good government, and the obligations of citizenship, as well as the conditions necessary to successful cooperation and exchange of products, which is the very foundation of modern civilization, and not neglecting rational pleasures and amusements. The elementary information collected in this series of books should then be continually amplified and kept abreast of the advance of science and knowledge by the regularly published magazine.

"It is nearly always impossible for the ordinary person—the average man and woman—to obtain information on such subjects when the need for it arises in his or her life. These subjects are always of great, frequently of supreme importance to the individual. Occasions constantly arise in real life where he must decide and act in relation to them. In the absence of correct and authoritative information, he will inevitably blunder frequently and do the wrong thing, thus not only marring his own welfare, but frequently destroying also the happiness of others. Such books and periodicals would prevent most errors arising from ignorance, and would be

of more benefit to our people and do more to perfect and ennoble our National character than any agencies now in existence.

“I would especially commend this idea to the consideration of wealthy philanthropists. In no other way could money accomplish so much for the people of our Nation. I trust that you will find abundant ways and means available to further the cause of ‘Vital Conservation.’”

UNDERWRITERS' ANNEXES AND AGENCIES.

[NOTE.—The question of the operation by fire insurance companies of so-called underwriters' annexes or agencies is one which has been discussed widely for a number of years and which had never been passed upon by the courts or by any insurance department.

Early in 1914, a formal complaint was made to Mr. Potts, as insurance superintendent, alleging that these annexes were illegal and that their operation was without warrant of law, in Illinois. He consequently had a public hearing on this subject, at which the companies engaged in this practice were represented by their officers and counsel, and the complainants were also present. As the result of this hearing, the following ruling was issued, which, being in relation to an important unsettled insurance question, is deemed of sufficient interest to be presented herewith.]

FINDINGS IN RELATION TO THE ISSUANCE OF "UNDERWRITERS" POLICIES IN THE STATE OF ILLINOIS.

Complaint in writing has been filed with this department, alleging that certain corporations and persons were conducting the business of fire insurance, in this State, contrary to law, by the issuance of so-called "underwriters" policies. In order to be fully advised in the premises, due notice of a public hearing, on this subject, June 1, 1914, at this department, was given to all corporations and persons interested.

At said hearing all insurance companies, which are members of the National Board of Fire Underwriters and issue "underwriters" policies, were represented by counsel; also other corporations and persons interested. At this hearing the evidence, under oath, of all persons desiring to be heard was taken, a copy of which evidence, together with all exhibits, and briefs submitted, is hereto attached, and made a part of this finding.

FINDINGS OF FACT.

Upon consideration of the complaint and evidence, I find that it is my duty under the laws of the State of Illinois in relation to proper supervision of insurance to take action thereon.

I find that, in the year of 1913, there were 205 outside stock fire insurance companies doing business in the State of Illinois, with a total premium income of \$26,037,000, but that there were only six domestic stock fire insurance companies doing business here, with a total premium income of only \$351,000; that during the past few years there has been a very great increase in the proportion of the so-called "underwriters" policies to the total number of fire insurance policies issued in the State of Illinois, and that, concurrent with this increase, there has been a great increase in the amount of reinsurance premiums paid to companies domiciled outside of the United States, viz, from 20 million in 1910, for all the United States, to more than 38 million in 1913.

I also find that during the past few years, in the United States, many joint stock fire insurance companies, which have done business in Illinois, have ceased to do business, the great majority of which have reinsured, becoming either an "underwriters" agency or a "subsidiary" of the company in which they were reinsured, for example: In 1913, 32 companies ceased to do business in the United States, of which 30 continued their existence, either as a subsidiary company or an "underwriters" annex, which shows the marked, prevailing tendency by the use of "underwriter," etc., toward the centralization of the insurance business.

By reference to authoritative dictionaries, and legal decisions, I find the word "underwriter" is defined to be an *insurer*; that is, one who for a consideration agrees to pay losses by fire, etc., but, from the evidence presented at this hearing, I find, that the so-called "underwriters" policies are contracts put out by some person or persons termed "underwriters" or "underwriters" agencies, but which person or persons issuing said policies do not, themselves, by the same or otherwise, agree to pay the losses insured against therein, but such losses are therein agreed to be paid by one or more regularly incorporated insurance companies. Consequently, the word "underwriters" in connection with the issuance of said policies is deceptive, being different from the universally accepted meaning of the word. The design and typography of said "underwriters" policies differ widely, some being of such a character, that only by a very careful examination would it be discovered by the holder that the "underwriters" are not the real insurer, while others are less objectionable in this regard, but it is impossible to discriminate in this respect between those policies which are highly deceptive and those comparatively free from such objections. "Underwriters" policies contain other possibilities of deception and misleading of policyholders in different ways, such as permitting an owner requesting two policies in different companies to be given one policy in a corporation and another in an "underwriters" backed by the same corporation. Also where several companies join in one "underwriters" policy, it is, in this State, always so worded that the liability is "several" instead of "joint," so that the insured has no greater security than he would have from each "parent" company's separate policy for its share of the risk, but the insured is frequently led to believe that by the union of several companies in one policy his security is improved. Certain "underwriters" advertise assets and also, in certain books and manuals which are known as standard insurance publications and which are commonly placed by the "underwriters" in the hands of their agents for use in procuring business, most of the "underwriters" are listed as having assets, although, as "underwriters," they have none. This is deceptive.

I further find, that the "underwriters" plan was devised many years ago, for the purpose of combining the efforts of several small companies, in order that they might secure and handle larger lines of insurance, but that there has been a gradual and radical change in the

use of "underwriters" policies, until the original purpose has almost entirely disappeared, and "underwriters" are now usually employed for the purpose of creating and maintaining numerous organizations for business-getting purposes only. Out of the entire number of "annexes" doing business in the United States, about 90 per cent represent only one company, which is thus able through its annex or annexes to divide itself into as many business-getting entities as it maintains annexes, some companies having as many as eight. One present reason for the creation and maintenance of "underwriters" is the desire of the companies to obtain multiple representation in local territory and thereby evade the usual and recognized "one agent" rule of local insurance boards and associations.

I find further, from the evidence presented at said hearing, that the issuance of the so-called "underwriters" policies, as carried on at the present time, affects unfavorably the insurance business, and the public welfare, in various other ways, for example: It is apt to bring about excessive liability of "parent" companies in congested districts of great cities; it is sometimes used as a method by which an insurance company writes policies otherwise than through its local agent—commonly called "overhead" writing; it allows, in effect, several organizations to do business on one capital. If each "annex" entity were a corporation, the statutory capital would have to be put up for each, but the "underwriters" plan evades this necessity. Consequently, new capital is discouraged from entering the insurance field for it can not compete on equal terms, with going insurance organizations, operating practically without capital. Such competition tends also to eliminate the smaller companies. The total result is the present rapid centralization of the insurance business in a few great corporations.

I find that so-called "underwriters" conduct their business in substantially the same manner as ordinary insurance corporations; they operate and maintain fire insurance agencies, by which business is solicited and secured in this State; they make contracts of fire insurance, issuing policies in various forms in evidence thereof; they collect premiums, adjust and pay losses and in all respects perform the same functions, in the same manner as ordinary insurance corporations, and this is carried to such an extent that "underwriters" frequently become ostensible competitors of "parent" companies for business.

CONCLUSIONS OF LAW.

I find from consideration of the above facts, and the laws of the State of Illinois in relation thereto, that I am charged by statute with the enforcement of all laws in this State relating to insurance or insurance companies and concerns organized or doing business in this State and that the issuance of so-called "underwriters" policies, in this State, is contrary to law in the following particulars, among others:

(1) The "underwriters" plan, when several companies united in one policy amounts, in substance and effect, to a partnership between corporations, which is not permitted by law.

(2) The unmistakable tendency of the "underwriters" plan being the discouragement of new capital from entering the insurance field, the absorption of smaller companies and their replacement by

"annexes" with a consequent centralization of the insurance business; its general effect is toward the creation of monopoly, which is contrary to public policy, the common law, and the statutes of this State.

(3) The agents of said "underwriters" violate the law because they do not take out, as such, the licenses required of all insurance agents in this State, under the different sections of the statutes relating to different conditions, etc., thus, making such agents liable to prosecution for violating these sections, of the statute, as well as under the general criminal laws of this State, for representing fictitious entities.

(4) If it should be admitted, as sometimes claimed, that the "underwriters" are merely departments of the "parent" company then their use amounts to such "parent" company doing business under other than its true corporate name, which is contrary to the criminal laws of this State. It is the evident intention of the statute, that all corporations shall advertise and do business, only in the names given in their charters:

(5) The numerous possibilities of deception in "underwriters" policies, beginning with the very name, as well as the actual violations of the statutes against deceit arising through them, render them contrary to the spirit and letter of our laws. Insurance contracts, being gotten up by the insurer, the insured having no voice in shaping the terms thereof, they are, in law, to be most strongly construed against the maker. Judged by this legal rule, "underwriter" policies are, in spirit as well as in practical working, obnoxious alike to good faith and the rules of positive law.

(6) Such "underwriters," although they function for all practical purposes as insurance corporations, do not fulfill, or attempt to fulfill, the requirements of law relating to insurance companies doing business in the State of Illinois. As at present conducted, there is no supervision or control over their operations, as contemplated by statute, in relation to all insurance business. Legally, they are mere fictions. There is no permission of law in Illinois for insurance companies to do business by such method. It is illegal, amounting, in substance, to doing business as an insurance corporation without having been incorporated, which is a criminal offense. Companies so conducting business exceed their corporate powers, such "underwriter" plan not being mentioned in or contemplated by the charter of any insurance company doing business in this State, in any form whatever.

CONCLUSION.

The combined effect of the "underwriters" plan, as at present operated, is the development of an injurious system, based on fictitious entities, which is prejudicial to the insuring public, and indefensible either as a matter of law or of correct business procedure.

Therefore, taking into consideration the facts and law in relation to said matter, by virtue of the duty imposed on me and the authority vested in me by statute, and for the protection and promotion of the best interests of the People of the State of Illinois, it is my opinion that such practice of issuing so-called "underwriters" policies, in this State, is illegal and without warrant of law, and, as required by statute, I shall direct that proper proceedings be instituted in the courts of this

State against all companies issuing such policies, to compel them to conform to the laws of this State.

Dated at Springfield, Illinois, this 16th day of June, 1914.

RUFUS M. POTTS, *Insurance Superintendent.*

[NOTE.—The National Convention of Insurance Commissioners in a resolution adopted at their meeting on December 12, 1916, at New York City, denounced "underwriters' annexes," stating that "we believe same to be wrong in theory and bad in practice."]

PROTECTING CONGESTED DISTRICTS IN CITIES.

Address Before the National Convention of Insurance Commissioners, Monterey, California, September 22, 1915, at Its Forty-sixth Session.

During the marvelous century just passed a marked change has occurred in the location of human dwelling places in civilized countries. The mass of mankind formerly lived on isolated farms or in small agricultural villages, but vast industrial expansion has brought about a continually increasing concentration of men and their families in great manufacturing and commercial centers, thus forming our great cities.

In the heart of every large city will be found a congested district. Many weighty problems arise through the growth of these congested districts. One of the most important of these is the protection of property and life therein against conflagration danger, which is the subject of my address.

It is said that the greatest congested district in the world to-day is in New York City, extending from Fourteenth to Chambers Street, and comprising an area of 2,088 acres. The next in the United States in size and value is in Chicago, covering 752 acres, followed by Philadelphia, 550 acres; Baltimore, 417 acres; Boston, 335 acres; San Francisco, 313 acres; St. Louis, 297 acres; Buffalo, 248 acres; Cleveland, 213 acres, and Pittsburgh, 212 acres. All other large cities contain corresponding congested districts. From these figures we may understand the magnitude and value of these districts and the gravity with which this subject should be considered.

The elimination of the conflagration hazard in the congested districts of our cities is a subject of the greatest interest to every insurance commissioner, not only on account of the great danger to life and property, but also because the conflagration hazard is the final refuge of the insurance "combine" and applied by it to all districts of all cities under all circumstances, and thus made the universal excuse for excessive premium rates and justification for the "combine's" monopoly. It is to be deeply regretted, that instead of trying to find a remedy for the conflagration hazard, the insurance interests ever industriously foster the idea that on account of this alleged peril the companies are entitled to the same sympathetic license and immunity from prosecution for violation of State and National laws which is tacitly extended to soldiers and sailors because they risk their lives in deadly battle or face the dangers of the stormy deep.

In past ages it was firmly believed that periodical outbreaks of cholera, yellow fever, and other contagious diseases, as well as con-

tinual suffering and deaths from diphtheria, tuberculosis, and other infectious diseases were scourges sent by God and could not be prevented. Nevertheless, in our time, practically complete protection has been established against contagious diseases, which correspond to conflagrations, and great progress has been made toward the prevention of infectious diseases, which correspond to every-day fires. The conflagration hazard of congested districts can be more effectually eliminated than was the yellow fever danger, and the every-day fire loss can be as much reduced, by preventive measures, as deaths from diphtheria, by the antitoxin treatment. The difficulty is not lack of knowledge, for modern architectural and engineering sciences have invented and developed ample and effective preventatives for epidemics of fire.

For a conflagration to be possible there must exist concurrently, many defective conditions such as use of improper building material, faulty architectural designs, general carelessness in construction, as well as undue accumulation of fire-breeding materials. These conditions are permitted to continue by reason of insufficient and unenforced state laws and municipal codes, as well as on account of the failure of the insurance "combine" to encourage protective measures, by allowing adequate reduction in premium rates therefor. The "combine" also actually countenances fires by permitting a general system of overinsurance.

The chief consideration in fire protection of the congested districts of cities is the prevention of conflagration. This, of course, does not mean that we should fail to consider ordinary fires because, in the first place, these, when all taken together, cause considerable loss, and, in the second place, each ordinary fire is a potential conflagration. Fortunately the same preventive measures are effective against both.

In the historical conflagrations from the great fire of London in 1666, down to those of Chicago and Boston in the seventies, the great losses were due to the combustible character of the building construction then universal, as well as the insufficiency and inefficiency, as judged by modern standards, of the fire fighting equipment of those days. I believe, however, that under present day conditions of a large proportion of fireproof and sprinklered buildings in the congested district of most cities, and the remarkable efficiency of modern fire fighting equipment, that the liability of serious conflagrations in any of our important cities has been immensely reduced. There remains nevertheless some possibility that a conflagration may occur in such districts of our cities, so that we should consider anxiously and carefully some method by which this possibility can be entirely eliminated, and the congested districts of our cities immediately rendered secure from all danger of a conflagration.

If all buildings in such districts were made fireproof, this alone would not prevent all danger of conflagrations. Experience has demonstrated that ordinary fireproof buildings can not unaided protect their occupants and contents in a conflagration. The heat will quickly break through ordinary windows and set on fire the combustible contents which will usually be completely destroyed, leaving nothing but

the windowless walls as in the Edison plant. We must, consequently, seek other means than simply the construction of fireproof buildings to render a congested district entirely safe, although such buildings help to prevent an ordinary fire therein from spreading.

What is needed is some method which will remove every possibility of a conflagration occurring in congested districts, and which is also financially practicable. Fortunately, experience and the studies of architects, engineers and fire-prevention investigators have discovered and developed means for rendering the congested districts of all cities practically fireproof, and this at a cost which is not excessive. While there are a number of minor measures, each capable of contributing something to this end, there are two which are agreed by competent authorities to be of paramount importance. These are: (1) The protection of all elevator, airshafts and floor openings, by metal doors or wired glass, and a similar protection for every exterior opening, and (2), the installation of a complete automatic sprinkler equipment in every building in a congested district.

It is possible that for a few of the worst "conflagration breeders" the only rational remedy is removal, but for a large majority of the buildings, this is not necessary. Take any well-built concrete, brick, stone or protected steel frame building, give it a noncombustible roof, protect every skylight, every wall opening, elevator shaft or stairway, either by iron doors, wired glass windows, or by automatic fireproof shutters, and above all, provide it with adequate sprinkler system, and the building will be safe from itself, and at the same time become a means of protection to its neighbors. Even a fire trap can thus be turned into a redoubt against conflagrations.

In order to properly understand how these means are sufficient to render the congested district of a city fireproof, we should first consider what a conflagration is and how it spreads. A conflagration is a fire which extends beyond the building in which it originated, or "a fire so hot as to keep firemen at a distance." It is the way in which the fire spreads which is the essential characteristic of a conflagration. If a fire spreads only by the contact of flames or the dropping or burning brands on other buildings, it can be readily controlled by any efficient fire department. However, in a true conflagration the communication of fire does not happen in this way, but is through what is commonly called the "hot-blast" action. This "hot-blast" action is ordinarily regarded as the effect of the intense heat from the large fire. This is supposed to be the reason that buildings burst into flames before they are touched either by brands or actual flame. In the accounts of every great conflagration will be found mention of instances of this kind. In the same descriptions there usually occur also instances where buildings have wholly or partially escaped the effects of the fire, although in the path of the conflagration, and surrounded by buildings which have been utterly destroyed. Their escape can not be attributed to the material of which they were composed. If the intense heat alone was the cause of the advance of the conflagration, there

would be absolutely no way of explaining why these buildings escaped. In the Baltimore fire of 1904, the two-story Safe Deposit Company Building was entirely unharmed, the brick work and iron shutters showing but little effect from the terrific heat.¹ The Alexander Brown Building, likewise a two-story building, but protected by wired glass windows, was also practically unharmed.²

The explanation of all these strange occurrences is that in conflagrations buildings are not set on fire from a distance by radiated heat, however, intense, but in an entirely different way. I will attempt to explain briefly what this so-called hot-blast action really is. When a fire attains the magnitude of a conflagration, we have intense heat acting on immense amounts of combustible substances. This intense heat roasts out of the partially consumed material immense volumes of combustible gases, just as such gases are roasted out of the coal in the retorts of a gas factory. These combustible gases will burn whenever they come in contact with sufficient oxygen of the air, but in a conflagration the volumes generated are so enormous that sufficient oxygen can not be immediately obtained from the surrounding air to at once consume all these gases. The result is the generation of large volumes of unconsumed combustible gases at very high temperatures, which drift with existing air currents. When these masses of superheated gases strike a building, the heat will break out ordinary window glass at once, so that the gas gains access to the interior of the building where sufficient oxygen will be found to allow combustion of the gas to take place. The heat of the gas itself is usually sufficient to bring about self-ignition, just as in the cylinder of a Diesel engine. It is probable also that ignition sometimes occurs from lights in the building or even from matches ignited by the heat. The same phenomenon sometimes occurs when a large volume of such gases strike a tree in full leaf. The mass of leaves detains sufficient oxygen for combustion so that the tree top bursts into flame. Those of you who have watched large fires of any kind have doubtless noticed the bursting forth, high up in the air from time to time, of sheets of flame, separate from those issuing directly from the fire. This is another phase of the same action. In these cases the superheated, combustible gas rises upward until a place is reached where sufficient oxygen is available to sustain combustion. Then, either ignited by its own heat or by the sparks and brands also carried upward, the gas takes fire and we have a flash of flame.

Keeping this in mind, it is easy to understand how a conflagration spreads in this way with such amazing rapidity and soon becomes absolutely uncontrollable. It is as if the buildings in the path of the conflagration were saturated with gasoline. It explains why, when the genuine conflagration action sets in, that the best fire fighting equipment is practically helpless.³

¹ Cyc. Fire Prevention and Insurance. Vol. 1, p. 23.

² Cyc. Fire Prevention and Insurance. Vol. 1, p. 35.

³ This "hot-blast" action has been well explained by Mr. S. H. Lockett, in an address before the twenty-fifth annual meeting of the Fire Underwriters' Association of the Northwest, and can be found on page 90 of the proceedings of that association for 1904, to which I refer anyone desiring further details.

An account of the San Francisco conflagration says:

"There were pauses at some of the big buildings, almost extinction; then gases would ignite in those great piles, lighted via the unprotected windows, and everything burnable within them seemed to be on fire at one time."⁴

Applying this knowledge to the prevention of fires, we are readily able to understand how the protection of all openings in buildings with iron shutters or wired glass windows, together with the provision of automatic sprinklers on the inside will absolutely prevent the spread of a conflagration. Suppose that a fire has become a conflagration and these unconsumed gases drift toward a neighboring building, the heat will be radiated into the interior of the building through the wired glass or iron shutters, not usually sufficient, however, to ignite the combustible material within the building, at least not for a considerable time. Instances are known where the heat was so intense as to partially melt the glass in the wired glass windows, but nevertheless the fire was kept out.⁵ But suppose that the building is, as it should be, also protected by automatic sprinklers, then if the heat radiated through the wired glass windows or iron shutters becomes dangerous, the sprinkler heads close to the opening will spout forth a spray of water which will prevent the temperature rising to such a point that ignition of contents can take place. But even if the protected windows or other openings should fail and fire spread to the interior of the building, the immediate opening of the sprinklers would turn loose a spray of water which would cool down the gases, and also extinguish the flames, so that the fire would be either entirely quenched or the action reduced to such an extent that the generation of combustible gases would cease, which would stop the conflagration action. In any case, the building will stand and the flood of unconsumed gases will be deflected upward and either burn harmlessly in the air or become so cooled as not to burn. All that is then necessary, is to prevent new fires originating from any burning brands carried by the wind. This can easily be done by an efficient fire department if all roofs are noncombustible.

Of course, if all of the buildings in any congested district were protected with iron shutters, wired glass windows and automatic sprinklers, kept at all times in good operating condition, it would be impossible that any fire would ever attain such size that this "hot-blast" action would begin. Consequently, the only time when the deflecting and cooling functions of these buildings would come into play would be when a conflagration originating in an outside unsprinklered district and driven by a high wind, might approach a congested district. In such case, it is impossible that the conflagration could pass more than one or two tiers of buildings properly protected and sprinklered.

⁴Cyc. Fire Prevention and Insurance. Vol. 1, p. 51.

⁵On page 44, Vol. 1, of Cyclopedia of Fire Prevention and Insurance is a striking photograph of a window which passed through a fire where the heat was so intense that a part of the wired glass melted and ran down onto the window sill, but nevertheless nothing inside the building took fire, even though it was not protected by automatic sprinklers.

These means for protecting cities have been urged by competent authorities on fire prevention for a long time. Hon. Herman L. Ekern, former Insurance Commissioner of Wisconsin, says:

"The congested parts of our cities can be made conflagration and fireproof immediately. A complete sprinkler equipment will do this for an entire city district the same as it now does this for an entire mercantile or manufacturing plant."⁶

Albert Blauvelt, in a paper read before the American Society of Mechanical Engineers in 1913, on the subject of "Debarment of City Conflagrations," says:

"Such a hot blast has never been stopped by firemen while the wind held, but has, however, been checked and deflected upward by barriers consisting of two or more fire walls or their equivalent, with a free air space between, as in the case of fires out of control, which have been stopped by a mere alley with buildings fully shuttered on each side.

"It has also been possible to absorb the hot-blast attack of such fires by a very deep and fixed mass of spray in the form of sprinklered buildings. The Boston fire of 1893 was largely absorbed by an exceptionally good water supply in such form, and a somewhat similar experience was had at Toronto in 1904."

I am firmly convinced that the time has arrived when the protection of all openings and the installation of sprinkler systems should be compelled by law in the congested districts of all our great cities. The saving on account of reduced insurance rates would be so great, that it would pay for the expense of installation in a few years, and the saving of life and property and prevention of loss through interruption of business would be far greater than is possible to replace by mere insurance.

It may be said that, if this were true, it would bring about the installation of sprinkler equipments by all building owners through motives of self-interest. However, these motives will not control in every instance, and there will always be some "hard up" and negligent owners who will fail to equip their buildings with sprinklers and other protection, especially when they are able to obtain overinsurance.

A proper law requiring complete protection of all openings and adequate sprinkler equipments with ample water supply and "siamese" outside connections would eliminate the conflagration hazard from any district composed of well-constructed buildings.

At the recent meeting of the International Association of Fire Engineers at Cincinnati, one of the topics for discussion was:

"Would the Compulsory Sprinkling of all Business Buildings and Blocks in the Congested Districts of a City Eliminate a Possible Conflagration in such Districts?"

I have read with much interest a report of this discussion. While there was naturally some difference of opinion as to the degree of effectiveness of automatic sprinklers alone, to absolutely prevent conflagrations in congested districts, yet, every speaker endorsed and recommended them as the best known means for this purpose.

⁶ Wisconsin Insurance Report, 1915, p. XXXVI.

Some of the fire chiefs seemed to think that the form of statement of the topic implied that fire departments were to be abolished and automatic sprinklers alone depended on to extinguish all fires in congested districts, and a number of instances were related where, owing to peculiar circumstances, sprinkler equipments had required aid from fire departments. No reasonable person would expect to dispense with fire departments, even if congested districts were protected and sprinklered in the most scientific manner, and all I say concerning the protection of such districts assumes the presence of an efficient fire department.

The instances narrated of failure of sprinkler equipment to extinguish fires were all cases where either the equipment was defective or had been tampered with by incendiaries, or where, owing to the character of the risk such as explosive or very inflammable articles, the fire instantly spread throughout the building, or where, because the goods were stored on very deep shelving, or on account of other special structural features, the water from the sprinklers was unable to reach the fire.

These are cases which occurred under present-day conditions of voluntary, nonstandardized sprinklering, and would be almost wholly eliminated if standardized sprinklering was made compulsory, and this was frequently inspected by a vigilant fire department, while at the same time proper rules were rigidly enforced regarding the storage in congested districts of explosives or highly inflammable substances, such as gasoline and oils, as well as the internal arrangement of the contents in buildings in such a manner that water from the sprinkler heads could reach every part.

There would, of course, always remain a remote possibility that fires might gain some headway from incendiarism where the sprinkler equipment had been purposely disabled, but it would be impossible for such a fire to spread into other sprinklered and protected buildings, so as to become a conflagration, and the possibility of a widespread conflagration would be as remote as the danger that the world will be destroyed by colliding with a comet.

A discouraging phase of this matter is the fact that instead of encouraging the protection of openings and the installation of sprinkler equipments, the insurance interests have been passive, and except where compelled to do so by competition with mutuals, have refused to give adequate reduction in rates for these improvements. The reason is apparent. The mutuals have, by means of sprinkler equipments, reduced the cost of fire insurance as low as one-tenth of the "combine" rate, and maintain this reduction permanently. If the stock companies had to reduce their premium rates accordingly, as they would have to in order to prevent all business going to the mutuals, their revenues would be sadly reduced.

I would make the further recommendation that, whether in congested districts or not, all tall buildings in which, on account of being used for manufacturing purposes, or for any other reason, large numbers of people congregate, should be required by law to have "independent tower" fire escapes, or similar safety devices. One of

the best forms of these is a fireproof shaft within the building, but with no openings into the interior of the building. Access to the shaft is obtained through fireproof doors opening on metal balconies, on which balconies doors also open from the interior of the building. In case of fire, all the occupants of any floor have to do is to step on the balcony, walk a few feet, step into the fireproof tower and descend on the stairways therein, absolutely secure from danger by any fire between them and the ground.

While, of course, wooden buildings should not be permitted in the congested districts, still wooden factories and other buildings having noncombustible roofs, by a proper sprinkler equipment, including water curtains on the outside, can be rendered so nearly fireproof that they can safely be permitted in outlying districts of large cities where they would otherwise be inadvisable. The cost of such an equipment is less than making the building of brick, stone or concrete, and the protection from fire is much superior, for in an unsprinklered fireproof building, the contents will burn. But with a completely sprinklered wooden building, both the building and the contents are rendered practically fireproof. In addition, large sprinklered buildings even of wooden construction, such as factories, warehouses, mercantile establishments, etc., outside of the congested districts, would help to check conflagrations in those areas where the value of a majority of the buildings is so low that a law requiring general sprinkler equipment would not be justifiable.

In addition to the physical improvements which I have outlined there are certain reforms in our laws relating to insurance and fires which would aid in preventing conflagrations as well as other fires. Overinsurance should be prohibited. I believe that it would be still better to allow insurance only to the amount of 85 or 90 per cent of the value of the property. Signed applications and a personal inspection by the local agent should be required, with a criminal penalty for misrepresentations. If overinsurance were thus made impossible, arson for profit would be prevented. Mr. Joseph Johnson, former fire commissioner of New York City, estimates that arson fires for profit cause from 25 to 40 per cent of the fire loss in greater New York.¹ A similar proportion exists in most large cities.

The publication in each state of a complete and plainly written book for free distribution in which all the various causes of the enormous fire loss, and the means of fire prevention were detailed, would be valuable. This should be so prepared as to be available for instruction on these subjects in the public schools, which should be required by law.

Far surpassing, however, all other fire and conflagration prevention measures are the sprinklering and protection of all openings in all buildings in the congested districts of all cities. This will practically prevent conflagrations. The cost is not excessive and would be saved to the property owner in a few years through the inevitable reduction in insurance rates. It can only be accomplished by the enactment of

¹ Review of Reviews, Vol. 45, p. 709.

proper laws in the different states. There is no other way in which this convention can accomplish so much good for the people of the United States as by securing such laws, and I urge that you take such action as will inaugurate the educational campaign which is necessary to secure the enactment of such legislation in all the states.

STATISTICS OF FIRE INSURANCE EXPERIENCE.

[NOTE.—One of the most important problems before the insurance world to-day is the collection of statistics of the experience of fire insurance companies, in relation to the different classes of risks and of different localities. This problem has been under consideration by the actuarial committee of the National Convention of Insurance Commissioners, with particular reference to the offer of the National Board of Fire Underwriters to furnish certain statistics. Mr. Potts is a member of this committee. His ideas on the question are shown by the following excerpt from the proceedings of the forty-seventh session of the National Convention of Insurance Commissioners and his minority report as a member of the actuarial committee of said convention.]

Mr. POTTS of Illinois. Mr. Chairman, I have argued this question so many times that I do not now feel like warming up for another argument. I am not training for any race, hence, I need no "work-outs," but I can not refrain from calling your attention to a fatal omission in the work of this actuarial bureau which makes the statistics reported by it fundamentally wrong, and until this omission is supplied, its work is absolutely worthless so far as being of any service to either the insurance departments or the insuring public. The question asked by the commissioner of Kansas is the one that is asked by every man who gives this matter a moment's study. The people of the State of Illinois would no more be satisfied with a report of the work of this actuarial bureau wherein it reports only total writings and fire losses, with the United States as a unit, than they would be if my department, through which I, as Insurance Superintendent, collect more than \$800,000 a year and pay out about \$100,000, would report only receipts and disbursements, without listing the source of the receipts or itemizing the payments. When this actuarial bureau will include premiums, giving the premiums earned upon each classification of the total business written, making the respective states the unit, then its work will be of inestimable value not only to the insurance departments but to the insuring public, which pays the premiums. It has been that fundamental error, which makes its statistics unserviceable and worthless, that has prevented me from acquiescing in the work of this bureau. I have corrected that error so far as my State is concerned and will be able to give to the people of Illinois, as soon as the same is completed, which will likewise be serviceable to all of the states in the Union, the most valuable information ever issued upon the question of fire insurance statistics. I am not sure that in every instance these statistics will sustain my version of this question and I am not sure that they will not do so, but in order to determine the exact facts I have established a classification of all risks and have followed the National board, in so far as possible, and have required the companies doing business in Illinois to report not only the writings and the losses but the premiums upon each class, making the State a unit. If an insurer can go to the records of my department and obtain full and complete information, covering the amount of business, the

losses and the premiums paid, of the class in which his property is carried, then he will get just what is due him in the way of information, and to require him to accept anything less is a fundamental mistake. I have tried hard to follow these people but they are not right on this question. Early in life, when I first began to teach school, a little incident happened, which I have always remembered, and it has been brought to my mind at various times in my efforts to work with the managers of the actuarial bureau. During the first month of my first term of school a problem was attempted by the algebra class and they failed to make the answer agree with that reported in the book. I rushed to the blackboard, with full confidence in my ability to show the class just what I could do with a difficult problem. I worked a little while and then began to perspire, and finally exhausted myself, and with great humiliation announced to the class that I could not work the problem. I then tried and tried again, and finally told the class that I had worked that problem and that the answer in the book was wrong. With slight manipulation of the figures I could have reached the answer named in the book and the class would not have known the difference. Through my defiance of the answer in the book the school directors became somewhat disturbed, and after a conference I told them I would submit the problem to the county superintendent of schools who, upon solving it, announced that the book was wrong and that I was right. I did not then, nor do I now, know how to force a false answer, and for me to join in this report would be the forcing of a false answer.

I have done everything I could to work this statistical problem in accordance with the version of the actuarial bureau and have tried to believe that its efforts were made in good faith and that its experience in handling these statistics would justify me in substituting the judgment of this bureau for mine, but for me to join in this report would be to manipulate the statistics in a way that I know is wrong, and this I can not do.

When I think of the people of my commonwealth and know what they are entitled to from this actuarial bureau, and what is and has been kept from them, whether designedly or not, and then when I think of what statistics should be placed of record in my department, accessible to the insuring public, which pays the premiums, I am compelled to stand by my solution of this problem and must decide that the work of the actuarial bureau is not worthy of endorsement.

I regret that I can not join with the actuarial committee in this report.

* * * * *

The PRESIDENT. I think that completes the election of officers, and I take it that the next duty before us is the installation of the new president.

Mr. POTTS of Illinois. Will you permit me to return to some business matters before this president leaves the chair?

The PRESIDENT. I do not wish to insist, but I think the gentleman from New York should take the chair.

Mr. POTTS. I only want to ask permission to file a minority report of the committee of which I am a member—the Actuarial Bureau Committee—and ask that I be relieved from signing the majority report that has been filed and present a minority report.

The PRESIDENT. The gentleman from Illinois wishes to file a minority report in regard to the report of the actuarial bureau instead of signing the report of the committee, and I admire him for acting upon his conviction.

Mr. YOUNG. I see no objection, but it occurs to me that the report ought to be brought up before the convention.

Mr. POTTS. I presume that I should be given the same length of time and opportunity to prepare a minority report that was taken by the author of the majority report, and, with this in view, I will say that I will conform to the wishes of this convention in that respect. I can not stop to dictate it now.

The PRESIDENT. We have already accepted and adopted the majority report so that the minority report will not be adopted but simply filed.

MINORITY REPORT OF ACTUARIAL COMMITTEE ON WORK OF THE
ACTUARIAL BUREAU (FIRE INSURANCE) OF THE NATIONAL
BOARD OF FIRE UNDERWRITERS.

Not being able to concur in the report of the Actuarial Bureau Committee, I feel it my duty to present a minority report, because the questions considered by the actuarial committee are of supreme importance in relation to fire insurance rates, practices and business methods, all of which are intimately related to the fundamental problem of the excessive cost and unjust and discriminatory operation of the fire insurance business under existing conditions. These questions are not understood by the insuring public. Their far-reaching importance does not seem to be realized even by the officers of the insurance departments of our 48 states. Consequently, as a member of this committee I desire to explain the facts fully so that the people of my State and other states as well may know how and why they are kept in ignorance of the truth concerning fire insurance extortion and discrimination, and so prevented from securing relief from fire insurance oppression.

The National Board of Fire Underwriters originated a half century ago. The actuarial bureau of this organization has assumed the function of collecting and supplying statistics presumably for the benefit of both insurer and insured, but it has either failed to collect statistics from which the justice of insurance rates on different classes of property can be determined, or if it has such information, is now withholding the same from the insuring public. The National Board Actuarial Bureau which has tendered its services to the insurance departments of all the states for supplying fire insurance statistics, is only offering to collect statistics considering the United States as a unit, and giving the total business written in each class and the total losses in the same, but without any information whatever concerning the amount of premiums charged and collected. Such statistics are absolutely

worthless so far as informing state insurance departments and the insuring public whether the premium rates charged are reasonable or excessive. The insurance department of each state should have and publish information which would enable any property owner to ascertain the loss ratio on the class of property he owns, which can only be done when the total premiums received in that state upon that class, together with the total amount of losses paid in the same, is accurately reported. Any system of accumulating information that does not give these facts is fundamentally defective. It amounts to fraud and is deceptive by offering something valueless, instead of the complete information necessary.

In the final paragraph of the majority report, appears the following:

"Your committee recommends that the members of this convention adopt the classification of the actuarial bureau as a standard for their respective states without additions or deduction."

This recommendation, that the National Board of Fire Underwriters' classification be adopted *without additions or deduction*, goes to the root of the whole matter. This clause was doubtlessly placed in the committee's report, because it embodies what is urgently solicited in this respect by the National Board of Fire Underwriters. The officials of said organization refused to furnish the Illinois department complete statistics and urged me to accept statistics collected on their worthless and deceptive plan *without additions or deduction*, for the annual classification report of their Illinois experience required by law in my State, from all the insurance companies doing business therein. To understand the importance of this request of the National board requires a consideration of the plan adopted by them in collecting and compiling their statistics.

The only justification, for the work and expense of gathering and arranging fire insurance statistics, either by the companies for their own use, or requiring them to furnish them to the insurance departments of the various states, is that thereby it may be ascertained if the premium rates charged by the companies on each of the different classes of fire risks are fair and equitable. Most of the companies have voluntarily incurred the expense of compiling such statistics of their business for many years, for the purpose of determining whether or not the premium rates they charged on different classes of property were profitable.

In the very beginning of the fire insurance business, it was perceived that it was not just to charge the same premium rates for fire insurance on different kinds of property, because some kinds of property were much more subject to destruction by fire than others; wooden buildings being more hazardous than brick; shingle roofs more dangerous than slate, metal or other noncombustible roofs; woodworking establishments much more liable to fire than marble works, and so on throughout all of the several hundred classes in which modern buildings and property can be

At first the difference in rates was entirely arbitrary—simply a guess by the manager of the company at a premium he believed would be profitable. It was, however, later realized that the only scientific and just way of fixing the premium rates for various kinds of property was by compilation of the fire losses occurring on the different classes of risks and continuing this until it was found out what proportion, approximately, of each class of risks were destroyed by fire. When this proportion or burning ratio is obtained, it is an easy matter to fix an approximately just and equitable rate for each class of property, by adding to the amount required to pay the annual fire loss, whatever was reasonably necessary for expense and profit. Fire insurance companies should be allowed to charge rates sufficient to pay the average losses on each class of property they insure, and also for reasonable expense and profit. The latter items are included when losses are hereafter mentioned unless otherwise stated. As a matter of fact, it has been on some such plan as this that all of the successful fire insurance companies individually fixed their rates until the time came when these were fixed by a combine or combines, through open agreements, or secret ones when necessary, to evade the laws of the respective states, as is done at the present time. But even after the rates were fixed by agreement, (which always has been and is now essentially monopolistic and illegal), the collection of fire loss statistics was kept up by the separate companies for the purpose of ascertaining the results of their business, and particularly, for the purpose of finding out the classes which were most profitable. This business they made a special effort to obtain, and likewise avoided classes which their statistics showed were unprofitable.

This brings me to the consideration of the crux of the whole situation. The absolutely essential feature for determining the justice of rates is a comparison of the amount received by the companies in premiums with the amount paid out by them for losses in each class. This was the information furnished the companies by their individual compilations of results of their businesses. Unless the statistics furnish the means of making this comparison on each class with each state as a unit, there would be no more justification for collecting them, than recording the race, color or previous condition of servitude of all fire insurance policyholders. When the National board adopted a system for the very commendable purpose as was claimed of combining the experience of all of the companies, good faith demanded that such plan should make possible the comparison of the amount of annual premiums collected on each class of property with the annual losses paid on such class, as had been done by the separate companies with their individual compilations.

The significant fact that the National board plan does not include the collection of the amounts of the premiums on each class, renders impossible any other inference than that the insurance interests wish to prevent the public from knowing what the relation is between the premiums collected on the different classes of risks.

and the losses paid in the same. The only reason for this is an entirely selfish, unfair, and unjust desire to conceal the facts from the premium payers. This is the tactics of every monopoly, but it is absolutely contrary to public policy and opposed to the best interest of the people. If rates are just and equitable in relation to each class of property, there is no reason why the amounts of premiums charged by insurance companies on each class of property, in each state, should not be made known, so that the premium payers as well as the companies may know what the facts are.

My conclusion as to the motive of the refusal of the National board to furnish the amount of premiums as well as losses is, however, not based on inference alone. The chairman of its actuarial committee, in the course of a discussion on this subject with my assistant in charge of fire insurance matters, when asked the direct question why they did not want to furnish the amount of premiums on the different classes as well as the losses, reluctantly admitted that it was because this would disclose the classes on which they were making large profits, and they would be liable to be compelled to reduce their rates on such classes. This admission, as well as the irresistible logic of the facts, clearly shows the cause of the indefensible position taken by the National board in regard to furnishing the amounts of the premiums on all the classes of risks.

It is wrong for premium rates to be either too high or too low. In the first place, it is inequitable and intolerable to charge a class of property which suffers little or no destruction from fire a rate that exceeds what is necessary to pay the losses in such a class. My recent investigation of the fire business in Illinois shows that this condition exists at the present time with regard to many kinds of property. For instance, the class affected by such injustice more than any other is the one containing the greatest number of risks of all—dwelling houses. In the city of Chicago, the sworn statements of the companies in their 1915 classification reports required by my department, show that less than 30 per cent of the money collected from policyholders on dwellings, is returned to them in payment of losses. To charge such extortionate premiums, that the companies pay less than \$1 for losses out of every \$3 collected by them as premiums, is such an injustice that it is little better than open plundering.

On the other hand, the fixing of a rate on any class of property which is not sufficient to pay its fire losses, is unjust and contrary to public policy. Such discrimination and favoritism is frequently accorded to big interests having large lines of insurance. Whether granted through favoritism or not, it amounts to collecting from owners of nonhazardous property to pay losses on hazardous property, which is unfair. But still worse, it allows and encourages the owners of dangerous property to continue in their evil ways. It is well known among everyone who is familiar with the subject, that in certain classes of risks the larger part of the losses are criminal in their origin, the fires occurring for profit of the owner. This is not only one of the most heinous of crimes, but

In certain other classes of risks where the losses exceed the premiums collected by the companies, the large fire losses are not due to the incendiarism by owners, but is chargeable to the criminal carelessness of owners and their refusal to install automatic sprinklers and other modern methods of fire prevention. Nine fires out of ten which occur in mercantile and manufacturing establishments are preventable by readily available methods. In establishments which are properly equipped with automatic sprinklers, wired glass windows, etc., the fire loss is less than one-tenth of that of those not so equipped. Negligent or obstinate owners can not be excused on the ground that the expense of installing automatic sprinklers is excessive, because the reduction in insurance rates which can be obtained by the installation of effective automatic sprinklers will pay for the installation of such a system in from three to five years.

If the information collected concerning fire insurance is complete, including the amount of premiums collected as well as the losses paid on each class of property, and the rates are thereupon adjusted accordingly, then the owners of extra hazardous property will be subject to a continuing and powerful pressure to adopt readily available modern methods of fire protection, which will render his property much less liable to fire.

It is a discreditable but undeniable fact, however, that such a reduction of fire loss is the very thing which the insurance companies do not desire to see happen. If all mercantile and manufacturing properties were sprinklered, the total amount of premiums from them would be reduced to less than one-tenth, which would mean a corresponding shrinkage of the insurance business, and a proportionate reduction of amounts of commission and profits from its banking departments, etc.

These are the real reasons which have led and still lead the National Board of Fire Underwriters to refuse to furnish the complete results of their business, including the amount of premiums paid on each class. These reasons are absolutely contrary to the interests of the people. Therefore, I can not concur in the report of the committee which endorses the National board proposition. I do not believe that the members of the committee who have signed the majority report realize the full import of their action in approving and recommending the acceptance by all of the states of the plan proposed by the National Board of Fire Underwriters *without additions or deduction*.

The National board's incomplete plan of collecting fire insurance statistics was not willingly adopted, or in good faith, but was proposed only after they were convinced by the passage of laws in some states requiring the reporting of complete statistics to their insurance departments, that the insuring public would obtain damaging information, and they hoped that by inaugurating their deceptive plan, they would be able to prevent the passage of more laws of that kind by promising to furnish insurance departments statistics, which although superficially plausible and interesting

are, in reality, incomplete and deceptive, because they do not furnish the information absolutely necessary to determine the equity of fire insurance rates.

I have met with as much resistance in Illinois as the companies dared offer to the collection of complete and useful information. Every kind of an excuse was urged to get me to drop, or at least delay the collection of such statistics. As a last resort, some managers said that it was physically impossible to furnish the information. However, when it came to the point of choosing between furnishing complete statistics or discontinuing their insurance business in the rich fields of Illinois, these companies furnished the complete statistics, which shows that it was not physically or otherwise impossible to do so, but only that they wished to prevent the information from becoming public.

Without implying in any manner personal criticisms of the members of the committee who signed the majority report, I am obliged to say that it amounts to an excuse for, and endorsement of, the deceptive and incomplete statistical plan adopted by the National board, and will mean additional delay in securing reform of the wrongs and injustices now prevalent in the fire insurance business throughout the United States. Consequently, I must respectfully but earnestly dissent from the recommendations of the majority of the committee that the plan of the National board be adopted *without additions or reduction*, although I would further say that I believe that the classification adopted by the National board which is mentioned in the majority report, is as good as any which has yet been proposed, and that if statistics based on this were complete and included the premiums paid on each class, as well as the writings and the losses, and were segregated according to states, that it would be very useful. I have adopted this classification of risks in the annual reports of their Illinois business, required from all companies doing business in the State, but demand that they furnish the amount of premiums on each class as well as the losses paid thereon.

The reports for the 1915 Illinois business were the first complete reports on this plan. The compilation of these reports will be published in a short time, and will disclose that the insurance rates in Illinois are exceedingly inequitable, being too high in some classes, and too low in others, and will show strikingly the necessity for reform in my State. Similar complete information would show similar conditions in other states. If all of the states would collect complete classified statistics, fire insurance reform would be soon accomplished throughout the United States, and thereby relief afforded to all the people from the extortions and injustices practiced upon them by the fire insurance combines.

The majority report tends to hinder and delay this long deferred, much needed relief of the people of my State, as well as of all the United States, consequently, I have stated my reasons for dissenting therefrom at some length with "malice toward none and

charity for all" in the hope that this statement may do something toward counteracting the mischievous effect of the majority report of the actuarial committee.

Respectfully submitted,

RUFUS M. POTTS,
Insurance Superintendent, State of Illinois.
Member of Actuarial Committee.

**EXTRACT FROM ANNUAL INSURANCE REPORT,
PART I, FIRE FOR 1915.**

**Report to Governor Edward F. Dunne on Investigation of Fire
Insurance Conditions and Rates in Illinois.**

By Rufus M. Potts, Insurance Superintendent.

[NOTE.—I have published, in pamphlet form, a report on the results of my investigations into Fire Insurance Rates and Conditions in Illinois, which was mentioned in my annual report for 1914 (p. 12), as being at that time in progress. This report contains much important information which has not hitherto been collected and made available for the information of the citizens of Illinois. Consequently, I include said report herein with a few foot notes wherever necessary to explain subsequent developments.]

STATE OF ILLINOIS,
INSURANCE DEPARTMENT,
SPRINGFIELD.

To His Excellency, Edward F. Dunne, Governor, State of Illinois.

SIR: In my annual fire report, dated April 18, 1914, I stated (p. 12):

“From the fact that I am now in the midst of an investigation into fire insurance conditions prevailing in this State, I am unable at this time to add my recommendations to this fire report, but, as soon as this investigation is completed, I will file with you a separate report, with proper recommendations.”

I have continued this investigation and find that the fire insurance business is illegally and oppressively conducted in Illinois and its methods demand radical legislative reform.

The most objectionable feature disclosed is the usurpation by the stock fire insurance companies of powers, rights, and privileges not incident to their business and detrimental to the best interests of the people of this State. Such usurpation is accomplished by means of a nation-wide system of interlocking organizations, comprising all company officials from the president to the local agent, with controlling boards dominated by Eastern influence.

This immense system has established certain local “combines” in Illinois, for the purpose of fixing and maintaining exorbitant premium rates. Also about fifty of these “combine” companies operate “annexes,” some as many as eight, through which they issue so-called “underwriters” policies. These “annexes” are illegal and fictitious entities, and are an effective aid in creating and continuing the fire insurance monopoly now existing in Illinois. Through the operation of these “annexes,” the great Eastern companies have absorbed practically all of the Illinois stock fire insurance companies. They should not be permitted under any circumstances.

An unfair, arbitrary and indefensible business policy is followed by the stock fire insurance companies in dealing with both the State and the public.

After a careful investigation of fire insurance conditions and wide research into the legal, technical and economic phases of this question, I have formed certain conclusions, and make herein constructive recommendations which will remedy the existing evils. I, therefore, beg leave to first call your attention to some underlying general principles upon which the fire insurance business rests; and then make a full presentation of the fire insurance business as it is carried on in Illinois.

MAGNITUDE AND NECESSITY OF FIRE INSURANCE.

Very few citizens of Illinois have any realization of the financial importance of the fire insurance business, nor of the amount of waste which annually occurs by fire. According to the official reports made to this department, the total amount of premiums received by stock fire companies in Illinois for 1913 was \$26,037,910. According to the Spectator's "Insurance Year Book" for 1914, a standard insurance publication, the total income of all fire insurance companies doing business in the United States for the year 1913 amounted to \$416,975,367.

To better realize the immensity of these sums and what this fire loss means, compare it with the governmental expense of the State of Illinois and of the United States. The total expense of the Illinois State Government for the period of two years, October 1, 1910, to September 30, 1912, was \$25,882,578, or \$12,941,293 annually, so that the tax collected by the insurance companies in Illinois was over twice as heavy as the State tax. The total expense of the United States Government for the year 1912 was \$654,553,963. Consequently we see that the people paid the fire insurance companies two-thirds as much as it cost to maintain the government of the United States. But in reality the total fire loss, direct and indirect, to the people of this country, exceeded the expenses of the United States Government. For, the total fire loss to the nation included this total income of the companies of \$416,975,367, because if no fires occurred this sum would not have been spent, and there was also a great loss of uninsured property and property on which the insurance collected did not equal the total loss. Furthermore, in Illinois, in 1913, 387 lives were lost. The figures for the United States are not available for 1913, but, in 1907, 1,449 persons lost their lives and 5,654 were injured in fires. The mere monetary value of the lives lost and injuries sustained can not be estimated. But this is not all. The expense of equipping and maintaining fire departments in cities and providing fire protection in individual buildings must also be added. The grand total I will not try to estimate, but it is a staggering amount. The report of the New York Insurance Commission (1910), says:

"The fire loss of this country averages nearly two hundred fifty millions a year, and is increasing; this is about \$30,000 an hour, or \$500 a minute, year in and year out. To this must be added at least the same additional amount for the maintenance of fire departments,

and nearly as much more for the experience of conducting the insurance business; altogether in the neighborhood of \$750,000,000 a year of expenditures, because of destructive fires; that is, fires cost us directly and indirectly, each year, more than the value of the cotton crop, and not only that, but along with this economic loss goes a frightful and horrible loss of life."

Surely a matter of this importance is worthy our careful attention and study. When we give it this, some astonishing results are disclosed, such as the fact that the expense of collecting and disbursing the fire tax is about one-half; that the fire insurance business, as at present conducted, increases instead of diminishes the annual fire loss; and that, in reality, the fire companies do not dread fires, but are content to have them occur.

FIRE INSURANCE COMPULSORY.

Under modern commercial conditions, fire insurance is practically compulsory. This comes from the fact that most mercantile, manufacturing and other business is done on credit. Credit will not be extended to a merchant, manufacturer, or business man, unless his stock of goods, merchandise in transit, or articles in the process of manufacture are fully covered by insurance. Neither can loans be secured on real estate unless all buildings are fully insured. The insurance business is of direct personal interest to every citizen of the State of Illinois. The fire insurance tax falls, not only on property owners, but also on everyone who sleeps in a house or purchases goods in a store, for owners add the fire tax to the rental of their buildings and include it in the price of goods sold. These facts and conditions are not generally understood.

HISTORY OF FIRE INSURANCE.

A study of the history of fire insurance throughout the civilized world discloses an interesting situation. Search in the historical portions of numerous treatises on insurance and through the copious periodical insurance literature published in the English language, fails to give any adequate indication either of the history or of the existence, at the present time, of extensive and important governmental institutions for the purpose of effecting insurance against fire in Europe. I find, however, that fire insurance, either by the state, province, canton, city or commune, was the original, and for many years, the only form of fire insurance in most European countries, and that such insurance still flourishes vigorously in those countries, although mutual and stock company insurance are now found in all of them. This slighting of the history and existence of state insurance can not be merely accidental because it is the most fundamental and striking fact concerning the development of fire insurance in Europe on other phases of which subject there have been frequent and extended discussion in insurance books and periodicals in English.

In order to attain an adequate account of state, municipal and other public fire insurance in Europe, I was obliged to go to books written in foreign languages. By doing this, I found a very complete treatment of the subject in the following books:

"Assurance Contre L' Incendie, Service Public, En Allemagne, Algave (1901).

"Les Assurances Contre L' Incendie Par L' Etat Ou Les Cantons, En Suisse & dans les Pays Scandinaves, Algave (1902).

"L'Assurance Contre L' Incendie par la Province Ou La Ville, en Autriche-Hongrie & Russie, Algave (1904).

"Das Deutsche Feuerversicherungswesen, Biederman, et al (1913)."

The only explanation which occurs to me for this strange omission which might be termed a "conspiracy of silence," is, that it might be embarrassing for the insurance companies and their supporters to have a knowledge of the facts in relation to public fire insurance in Europe become widespread. It is already a matter of common knowledge that the fire insurance rates in European countries are exceedingly low compared with those in the United States. It is probable that the companies realize that the assured would believe that there was some connection between public insurance and low rates. A brief study of the subject renders such a conclusion very probable, and I am convinced that public insurance is the chief cause of the very great difference in rates between European countries and the United States. I will give a discussion of the details of this topic later, after a few words about fire insurance in general.

ANCIENT TIMES.

There is no trace of fire insurance, as now conducted, in any of the ancient civilizations, either of Asia or Europe. It appears to have been unknown even to the Romans, although among them there was an analogous form of maritime contract which, however, only amounted to a simple bet on the safe arrival of a ship.

Among the reasons given for the absence of insurance in ancient times are these: That there were no reliable statistics by which charges for insurance could be computed, and that persons then engaged in commerce were usually very wealthy or very poor. For the first class a disaster would not destroy their entire resources, so that insurance was not indispensable to them. For the second class, the payment of a premium was practically impossible.

For the origin of fire insurance, therefore, we need only go back to Middle Ages when we find, in the ninth century in England, and later in other countries, certain organizations or associations of merchants and artisans. These had different names in different countries, but are usually grouped under the term, "Guilds." At first they were social and charitable in character, as well as for the promotion of the material interest of their members. Among the latter functions was the relieving of distress of members, caused by various casualties, among which were losses by fire. Usually all the members paid an entrance fee, as well as periodical dues, which were preserved as a fund for these purposes. After the eleventh century the Guilds became more specifically industrial and professional in character, and their insurance functions were assumed in Teutonic countries by "Brandgilden," which were primitive mutual fire insurance associations. These

also existed in England, but died out there before the great London fire.

GERMANY.

The Brandgilden were succeeded in Germany by public insurance institutions, generally known as "Feuersocietaten." The first was that of Hamburg, founded in 1677, followed by one in 1706, for Berlin. This was later divided, one section being for insuring city property, and the other for country property. During the eighteenth century, numerous similar public fire institutions were organized in all the provinces now comprised in the German Empire, and most are in existence to-day, although some have been subject to modification, usually by being united with other similar institutions.

There were in 1913, in operation, 49 public fire insurance institutions in the various parts of the present German Empire. A full and authoritative account of the organization and operation of these institutions is to be found in "Das Deutsche Feuerversicherungswesen," mentioned above. Some of these are restricted in their field of action to one city; some to a single province, and some extend over a whole kingdom. For a long time, fire insurance was a monopoly of the state institutions, at least as regards real property, but since 1861 this monopoly has been largely withdrawn and most state and municipal institutions have to compete with private companies. In Germany there has also been an extensive development of mutuals, so that three types of fire insurance are all in operation in Germany.

AUSTRIA-HUNGARY.

Fire insurance history in Austria-Hungary is similar to that of Germany. We find state institutions, mutuals and stock companies. In Austria, also, fire insurance originated in small local associations, of which several have been in existence since 1710. Numerous other mutuals have since been organized and still operate. There are now four state institutions in Austria, and eight stock companies.

SWITZERLAND.

In Switzerland, fire insurance is of more recent origin. It began as a form of private insurance, but this was abandoned for public insurance by the Canton. This change of policy commenced in 1805 with the Canton of Argovie. In 1841 there were seventeen Cantonal institutions for insuring buildings, of which the larger part were compulsory. Many of the Cantons took up fire insurance in order to fight the combination of private societies, and, above all, of the foreign societies which exacted excessive rates. Later there were Cantonal institutions for insuring movable property. In 1897 there were eighteen Cantonal institutions for insuring buildings, and two for insuring movable property. There were, also, at that time, in Switzerland, five mutual societies and eighteen stock companies.

DENMARK.

In Denmark, at the end of the seventeenth century, there existed a law which obliged the commune to reconstruct, free of charge, buildings destroyed by fire. In 1714 there was founded in Seeland a free

mutual society for insuring church structures and schools. This example was rapidly followed and mutuals were formed for the purpose of insuring middle-class houses and farms. The obligations of these mutuals, however, became burdensome, and in 1735 the government intervened and created an institution for compulsory insurance in the cities of the province, and, in 1761, an institution was founded which extended its action throughout the whole territory, except Copenhagen. For Copenhagen a communal institution had been established in 1731, but with insurance optional; a great fire in 1795, however, caused insurance to be made obligatory, and a fixed sum was collected for fire prevention purposes. Prior to this time, fire insurance had been carried on by local associations known as Brandgilden, but a state institution for this purpose was organized in 1792. Since that time, in addition to the continued existence of local associations, we find mutuals for the insuring of movable property. In addition to the above public and mutual institutions, stock companies, also, at present conduct fire insurance in Denmark. In Iceland, in the thirteenth century, we find an institution under the name of "Repps" for insuring against loss of cattle, and against loss of other property by fire.

SWEDEN.

In Sweden, at the end of the seventeenth century, several small associations were in existence, which collected dues for the purpose of relieving against disasters by fire, storm and flood. These were succeeded by the formation of a multitude of small free societies, some extending only throughout one commune, and the others further. Those owners affiliated with one of these associations were exonerated from paying the regular public fire tax collected in each "Harad." The fire tax for insurance in "Harads" have ceased, being replaced by a public institution in Stockholm for insurance of real property, which exists to-day. Since 1829, there has been a special institution for insuring country buildings. Stock fire insurance also exists in Sweden, there being five companies in 1897.

NORWAY.

The development of insurance in Norway has been very similar to that in Sweden. In 1767 a state insurance institution, managed by the government, was created, which insured throughout the kingdom. Insurance was at first obligatory for all real property. Christiania, which had possessed, since 1752, a municipal fire insurance institution, was soon relieved of obligation to insure in the state institution. This lasted till 1827, since which time Christiania has also been insured in the state institution. Later the institution was divided into two parts, one for town risks and the other for rural risks. Since 1883 several stock companies have been formed for insuring movable property, for maritime insurance, also forestry insurance.

RUSSIA.

In Russia the beginning of insurance is stated to have been in 1786, when an Imperial bank for making insurance was organized. Various other insurance plans have since been in operation. In June,

1864, an imperial manifesto established provincial institutions for fire insurance which were compulsory upon dwelling houses not already insured in private companies, but insurance was optional for other real property. These institutions were under the supervision of the governmental head of each province. These institutions now exist in most of the provinces. There are in operation also many mutual associations and several joint stock companies.

NEW ZEALAND.

The latest instance of the inauguration of a system of state fire insurance is in New Zealand, where a government institution for fire insurance was opened for business January 4, 1905. Although it began and has continued in operation against strong competition from mutuals and stock insurance companies, both domestic and foreign, it has been very successful. At the end of 1912—though New Zealand is a small country thinly populated—it carried insurance to the amount of £13,519,742 sterling. Its annual premium income has been as follows:

“1905, £13,132; 1906, £20,962; 1907, £23,195; 1908, £26,657; 1909, £33,281; 1910, £40,552; 1911, £47,745; 1912, £54,380.”

(New Zealand Year Book, 1913, p. 706.)

Out of these it has accumulated a reserve fund of £37,000 in government securities and also other funds amounting to £48,000.

The interesting point is that, by reason of its establishment, the premium rates on mercantile risks have been reduced 10 per cent, and on dwellings, offices, etc., $33\frac{1}{3}$ per cent, and this reduction occurred not only in the premium rates of the state institution, but in the stock company rates, in order to meet state competition, so that there has been an immense saving to the people of New Zealand. It is said:

“The fire insurance department has saved to the people in the first year of its operation more than half a million dollars in premiums.”—(Government Insurance in New Zealand, Independent, Vol. 61, p. 86.)

The saving to the people has increased correspondingly in succeeding years and now doubtless aggregates millions of dollars. All this has been accomplished without a dollar of expense to the taxpayer, all expenses having been paid out of the insurance business.

STATE INSURANCE OLD AND WELL TRIED.

This brief outline of the history and present condition of insurance in these important European countries shows that state fire insurance, instead of being a new and untried experiment, is the oldest form of insurance, and still benefits the people of these countries, or it would have been long ago discarded. This benefit comes not only from the low rates at which state insurance is effected, but also from the fact that it compels the stock companies to do their business at similar low rates in order to get business, instead of leaving them free to exact such rates as they please, as in the United States. Another benefit is that the fact that the state is engaged in the fire insurance business has caused the enactment of strict laws for the prevention of fires, the prohibition of overinsurance, and the punishment of criminal

incendiaries, as well as those who cause fires by gross carelessness. It is to these factors mainly that the very much smaller fire waste in European countries is to be attributed, rather than the excuse alleged by the insurance companies—the smaller use of wood in buildings. The increased risk from larger use of wood in construction is probably offset by the superior fire fighting facilities in American cities. The most important cause of the immensely lower fire insurance rates in Europe is the existence there of state fire insurance institutions.

ENGLAND.

In England the early local fire insurance associations seem to have disappeared without causing the inauguration of any form of state fire insurance, such as occurred in most European countries. In 1609, a project was brought out for insuring houses against fires in return for a fixed premium. It was vigorously discussed, but religious scruples prevented its adoption. Fire, said the opponents, is the work of God, like other scourges which afflict humanity, therefore, you can not, without sin, put obstacles in the way of the Divine Will by suppressing through the payment of an indemnity, the chastisement which is intended to be inflicted on certain persons. The project failed, whether for these reasons or others is not recorded.

In 1666 occurred the great fire of London which was relatively the most destructive in the world, over three-fourths of the buildings in the city being destroyed. This caused the subject of fire insurance to be again taken up, and, in the absence of any form of local or mutual insurance, the form of insurance by stock companies was adopted, the first being organized in 1680. In 1681 an attempt was made to have fire insurance carried on by the municipality of London, but owing to different causes, among which was the vigorous hostility of the previous private company, the city abandoned the enterprise, and, thereafter, fire insurance in England, followed by the United States, has since been carried on solely by joint stock companies, and later by mutuals, without any state institutions whatever being created for this purpose. The course of insurance development in France was similar to that in England, and it is with the history of fire insurance in these countries alone that the historical sketches printed in English have solely busied themselves, as I have above noted.

UNITED STATES.

In the absence of state competition or regulation, the fire insurance business proved very profitable for corporations and a number were later organized for this purpose in England, and the United States. Here the first company was the Philadelphia Contributionship, organized in 1752, followed by a second in the same city, the Mutual Assurance, in 1786. The third was the Knickerbocker Fire of New York. By the close of the century, 22 had been formed, among which were 8 mutuals. The first American companies to establish what is known as the "agency system" were the Hartford and the Aetna, incorporated in Connecticut.

In no state was there at first any legal control or supervision over the business of fire insurance and it was conducted in such a manner

that the companies frequently failed, particularly whenever a great fire occurred, resulting in great loss to insurers. Consequently, after the New York conflagration in 1835, various states began to enact laws designed to compel the companies to so conduct their business and maintain such assets as would afford reasonable security to insurers.

COMBINATION BEGINS.

Up to 1866, in the United States, free competition had been the universal rule, but in that year the companies formed the "National Board of Fire Underwriters," organized for the purpose of fixing and maintaining fire insurance rates. Later on, for various causes, this particular function of this organization was abandoned, although its existence is still continued for other purposes. This, however, does not mean that companies abandoned their monopolistic practices and entered into free competition. The monopolistic features were simply relegated for more effective exercise to other organizations of smaller territorial jurisdiction. Those which affect Illinois at the present time are the Union, the Western Insurance Bureau, and the Chicago Board of Underwriters.

ILLINOIS.

Doubtless, fire insurance was affected in Illinois from an early date by the companies from other states or foreign nations, but originally there was no State supervision of any kind, and there is no record remaining of their activities. Prior to the year 1869, Illinois insurance companies each received charters by special acts of the Legislature. The first company chartered was the Alton Marine and Fire, February 7, 1835, the office of which was at Lower Alton. This was followed by the Chicago Marine and Fire, January 13, 1836, the office of which was at Chicago. After this there were usually a number of companies which received charters at each Legislature and, up to 1869, 197 stock companies and 47 mutual companies had received special charters. None of these stock fire insurance companies are in existence to-day, but of the mutuals 12 are still doing business, which shows that the mutual principle in this State has been more enduring than the stock plan.

The Chicago conflagration of 1871 is a landmark in insurance history in Illinois. It is stated that 335 American companies and six foreign companies suffered loss in this fire to an aggregate amount estimated at \$88,634,122. (Chicago and the Great Conflagration, Colber & Chamberlain, 1871, p. 313.) But 57 of these companies failed, so that, according to the above authority, it was estimated that the insured would not receive more than thirty-five millions of insurance; this, however, was probably an overestimate. The report of the State Auditor for 1872 states that at that time \$25,763,723.40 had been paid.

SUPERVISION BEGINS.

By acts of the Legislature, approved March 11 and 26, 1869, supervision of insurance companies doing business in the State was conferred upon the State Auditor. The first report of this office was

issued December 15, 1869, which gives a list of all the insurance companies then doing business in the State, as well as a list of those domestic companies which had ceased to do business prior to that time and of the foreign companies which had withdrawn from the State. Following this were successive acts of the Legislature regulating fire insurance, which it is unnecessary to outline here. The Legislature, June 20, 1893, established a separate insurance department to be under the control of an insurance superintendent, and it is under this act that the department is now operated.

FIRE PREMIUM A TAX.

In the case of fire insurance as in all other political, social and industrial institutions which have had a long period of historical development, subsequent study has discovered and formulated certain underlying principles or truths according to which its development and evolution has occurred, although its historical development was not made by any formal or conscious application of such principles. Perhaps the most important of these general principles is that fire insurance is essentially a tax for the purpose of spreading the loss caused by fire to certain unfortunate individuals among the members of the whole community and so lessening the burden of each. This conclusion as to the fundamental nature of fire insurance rates is admitted by practically all authors who have gone into the theory of the business, including those writing from the standpoint of the companies and their interests, as well as authorities not directly connected with the business. For instance, Mr. A. F. Dean, manager of the Western department of the Springfield Fire and Marine Insurance Company, says:

"Fire insurance rates are by their nature a tax." (State Regulation Fire Insurance in the Light of Experience, A. F. Dean, Chicago, 1909, p. 7.)

Another author:

"Fire premiums are often described as in the nature of a tax, a fire insurance tax, which the various fire insurance companies are authorized to levy by virtue of the charters and licenses issued to them by the several states. This tax is paid by all property owners who carry fire insurance, and is simply a method of distributing the loss of one among a great many." (Business of Insurance, Dunham, Vol. 1, p. 60.)

And:

"The insurance on a burned building does not bring back the property that was destroyed; it simply equalizes the loss between all others whose property is insured." (Bulletin 418, U. S. Geological Survey, p. 12.)

Fire insurance, then, being a tax, the next question which demands our consideration is the agency through which this tax is collected and disbursed. Most other taxes are collected and disbursed by governmental authority, either national, state or municipal, but the insurance tax in the United States is not. Here the collection and disbursement of the immense sums of money which equals two-thirds the entire income of the United States Government, is carried on

mostly by private corporations, but to some extent by Mutuals, Inter-Insurers and Lloyds. These corporations and other organizations are simply institutions for the purpose of collecting and administering funds paid by the policyholders for indemnity against loss by fire. Dean says:

"There can be no intelligent understanding of the questions involved which overlooks the fact that the aggregate premiums collected by all the companies each year in the United States constitute a general fund, from which all losses and expenses are disbursed, the remainder, if any, being the average profit of all the companies. This fund, in its collection and disbursement as a whole, constitutes the activity known as fire insurance." (State Regulation Fire Insurance in the Light of Experience, A. F. Dean, Chicago, 1909, p. 7.)

This being so, the important question at once arises as to whether or not the present agencies are the best and most economical for this purpose, so that the burden of taxation will be equitably distributed and will be as light as possible.

PREMIUM RATES.

The most important thing about any tax is, first, the amount of it; and, second, how it is apportioned among those who must pay the same.

As noted above, I began early in 1914 to investigate this subject of the amount and apportionment of the fire insurance rates or tax in Illinois, and have already submitted to you a preliminary report, under date of May 6, 1914, on this subject. This report was preliminary in nature and not widely circulated, and I believe that a brief restatement of some of the information therein contained is desirable, and will follow this with new tables showing that, according to her individual experience, Illinois is entitled to a substantial reduction.

The facts and figures given are entirely trustworthy, being taken from the schedules of rates published for and used by the companies themselves, fixing the premiums charged on properties in these states.

COMPARISON OF RATES IN CHICAGO AND OTHER LARGE WESTERN CITIES.

City.	Class.	ANNUAL DWELLING RATES.			
		Brick, metal roof.	Brick, shingle roof.	Single frame, metal roof, de- tached less than 25 feet.	Single frame, shingle roof, de- tached less than 25 feet.
Chicago	1½	.27	.30	.67½	.75
				Detached less than 10 feet.	Detached less than 10 feet.
Detroit	2	.20	.25	.30	.35
Cincinnati	1	.20	.25	.25	.30
Cleveland	1½	.20	.25	.35-40	.40-45
Milwaukee	1	.25	.25	.35	.40
St. Louis	1½	.15	.20	.30	.35
State. Protected cities outside principal cities.					
Illinois .....		.30	.35	.35	.40
Ohio .....		.25	.30	.30	.35
Missouri .....		.25	.30	.32½	.40

NOTE.—My attention has been called to some slight errors in the figures given above as they were originally published. These errors were chiefly in the St. Louis and Missouri rates. I give the correct figures above. A comparison of the correct figures with those originally published shows that the changes do not affect in the least the general situation that the Illinois rates are higher than the other rates quoted. In fact, some of the corrected figures are more favorable to my argument than the original figures.

It has been urged also concerning Cleveland and Cincinnati, that these cities are each divided into several districts, and while the figures given are correct for the districts to which they apply, that the rates in some districts differ. Even if this is true, it does not affect my argument, for it still remains true that the Chicago rates given apply to the same kind and character of risks in Chicago as the Cleveland and Cincinnati rates given apply to these cities. The fact that all residences in Chicago are given a flat rate by the companies, while Cleveland and Cincinnati are divided into districts having different rates, does not, in any sense, justify the higher Chicago rates. In reality, it is in itself, proof of the injustice of Chicago rates and that they are inequitable and discriminatory, because the good risk is charged the same as the bad risk.

COMPARISON WITH NEW YORK.

An even more striking showing is made by a comparison with rates in force in New York City, as follows:

DWELLINGS.				
Brick.				
	Metal roof.	Contents.	Frame.	Contents.
Chicago, 1 year.....	.27	.27	.45-67½	.45-67½
Chicago, 3 years.....	.54	.54	.90-135	.90-135
New York, 1 year.....	.10	.16	.16	.20
New York, 3 years.....	.25	.40	.40	.50
FLATS.				
Brick.				
	Metal roof.	Contents.	Frame.	Contents.
Chicago, 1 year.....	.36	.40	.45-67½	.45-67½
Chicago, 3 years.....	.72	.80	.90-135	.90-135
New York, 1 year.....	.15	.20	.20	.24
New York, 3 years.....	.37½	.50	.50	.60

PRIVATE STABLES AND OUTBUILDINGS.

Brick, stone, concrete, etc.				
		Contents.	Frame, etc.	Contents.
Chicago, 1 year.....	.27-30	.27-30	.45-75	.45-75
New York, 1 year.....	.20	.26	.32	.32

Practically every other building and property is separately rated by the Chicago Board of Underwriters so that direct comparisons are not easily made, but the above are typical examples of the exorbitant rates demanded from Chicago property owners.

Omitting Chicago, the average charge in the large western cities for the brick dwelling with standard roof is 20 cents annual. Placing Chicago on this basis would cause a reduction of about 25 per cent in the premiums on this class. Similarly, the average charge for the frame dwelling with shingle roof is 35 cents annual. Placing Chicago on this basis would cause a reduction of about 50 per cent in the premiums on this class.

The rates for Chicago flats are obtained by adding to the brick dwelling basis 10 cents for a three-story flat, and 20 cents for a four-story flat. If these differentials were retained in connection with the reduced 20 cents basis, there would be a reduction in the premiums on this class of about 22½ per cent.

THE DEAN SCHEDULE.

The Dean Schedule, named after its author, Mr. A. F. Dean, is a detailed classification purporting to make rates proportionate to the

fire hazard involved, on mercantile establishments, factories, etc. The rates at present exacted from the owners of all buildings and contents of these classes in Illinois are fixed by this schedule, as applied by the "Illinois Inspection Bureau," which is described later. Dean Schedule rates vary according to the basis tables which are used. The schedule is constructed so that the rates produced with the 100 table are twice those produced with a 50 table.

DEAN SCHEDULE BASIS TABLES.

	Brick.		Frame.	
	Building.	Contents.	Building.	Contents.
Illinois, North.....	60	70	95	100
Illinois, South.....	70	70	95	100
Ohio, prior to 1914.....	50	70	90	95
Ohio, 1914.....	50	60	80	80
Wisconsin	50	70	90	90
Kansas	60	70	95	95
Indiana, Missouri and Michigan..	60	70	95	95

I recently received reliable information concerning rates in eastern states from a well-informed insurance man, who formerly lived in Pennsylvania, and who recently made a trip East, during which he visited at his old home in Pennsylvania, and also New York and New Jersey. During this visit he said he compared notes frequently with local insurance agents in the smaller towns and country districts of these states, and found that the rates on dwellings were usually about one-half of those in Illinois, and on other risks, while the difference was not so marked, still the rates were much below those on similar properties in Illinois.

It appears from this tabulation that Ohio and Wisconsin have the lowest rates, and Illinois the highest. The selection of the general basis tables for a state is governed by two considerations, the existing level of rates when the schedule is first applied, and the level of the loss ratio for a long term of years. There is no reason for imposing the highest level of rates on Illinois, except the fact that there has been no legislation in this State to interfere with extortionate practices. The loss ratios for 33 years, to wit: 1880 to 1913, inclusive, are:

State.	Loss ratio.
Illinois	50.5%
Indiana	52.2%
Michigan	52.3%
Missouri	59.0%
Ohio	52.1%
Wisconsin	50.4%

It thus appears that Illinois has been the most profitable state of the group for a period of 33 years, except Wisconsin. The volume of premiums in Illinois is equal to that of Michigan, Missouri, and Indiana, combined, and exceeds that of Wisconsin and Ohio, combined. Moreover, taxation is least in Illinois and there are no anti-compact, anticoinurance and valued policy laws such as prevail in the other states. According to insurance logic, by reason of this exemption from interference, the cost of operation should be the least in Illinois, and rates the lowest.

The following tabular comparison of rates was obtained by applying the basis tables, coinsurance credits and term conditions to an example given on page 97a, of the Dean Schedule.

RATES FOR BUILDING AND CONTENTS.

Five Story and Basement, Brick, Wholesale Dry Goods.

	Building.		Contents.
	1 Year.	5 Years.	1 Year.
Chicago, Central Dis., Class 1½.....	.66	2.64	1.305
Chicago, outside, Cent. Dis., Class 2....	.70	2.80	1.25
Chicago, average.....	.68	2.72	1.28
Cleveland, Class 1.....	.47	1.41	.91
Ohio, Class 2.....	.525	1.57	.96
Wisconsin, Class 2.....	.525	1.57	1.01
St. Louis, Class 1½.....	.59	1.77	1.10
Danville, Ill., Class 2.....	.63	1.89	1.13

SHOWING PERCENTAGE REDUCTIONS OF DEAN SCHEDULE RATES NECESSARY TO PLACE CHICAGO ON THE SAME BASIS AS THE CITIES LISTED.

	5-yr. building. Rate reduces.	1-yr. contents. Rate reduces.
Chicago equal to Cleveland, Class 1.....	50%	30%
Chicago equal to Ohio, Class 2.....	44%	25%
Chicago equal to Wisconsin, Class 2.....	44%	21%
Chicago equal to St. Louis, Class 1½.....	35%	14%
Chicago equal to Danville, Ill., Class 2.....	30%	11%

These percentages apply to all rates made in Chicago by the Dean Schedule. At this date, the Dean Schedule has not been applied in Chicago to the outlying small risks, but the rates in force upon these risks are apparently on a line with those that would be fixed by the Dean Schedule.

The National Druggists' Fire Insurance Company reports that about two-thirds of its Illinois business is placed in Chicago, with very little in the downtown district. This company uniformly takes 25 per cent off the board rate to fix its own rate. The experience in Illinois on the premiums thus reduced shows a loss ratio of only 40 per cent, which, assuming that 60 per cent is a profitable loss ratio, the original rates could be reduced 45 per cent and still leave a fair margin of profit.

The two Illinois companies which write small retailers and grocers throughout Illinois show loss ratios upon their total business since beginning of only 35 per cent. This indicates that there is a general practice of overcharging small dealers. While these specialized companies are supposed to select business and therefore to show a better loss ratio than the board companies can obtain, it is still a fact that the rates upon this class can be reduced 25 per cent and show a profit for the average quality of business handled by the board companies.

The Chicago rates established by the Dean Schedule were the climax of a series of increases, beginning with February, 1894. The admitted purpose of the Dean Schedule is to collect enough insurance premiums to pay the *losses, expenses* and a *profit*. To do so, this schedule makes varying rates on different properties, according to material, exposure, occupancy, construction and other factors, the aim being to make favorable allowance for conditions which tend to re-

duce fire losses and impose higher rates where conditions are unfavorable. This purpose is a good one, but injustices arise because these allowances and charges are not founded upon the only just and proper basis for making such differences: namely, the actual experience as to fire losses in the various classes into which property is subdivided in this schedule.

"Practically the only light that is thrown upon the hazards in the fire insurance is that of experience, and furthermore the experience to be worth anything must not include one, but many similar cases." (Rep. N. Y. Com. 1910, p. 69.)

"Fortunately there is one guide in this matter, the past; otherwise the problem would be quite hopeless." (Ib., p. 39.)

The allowances and penalties are merely the estimates or guesses of Mr. Dean as to the importance of these various factors. The fact that Mr. Dean is an experienced insurance man does not render his schedule perfect or even approximately so. His skill gives it some degree of excellence and makes his a schedule which accomplishes its main purpose—the securing of a satisfactory income for the companies. But Mr. Dean does not know, nor does any one else, whether or not the rates imposed upon different properties correctly represent the relative fire hazards.

In addition to these inherent defects in the present schedule rating used in Illinois, there are possibilities of great injustices in its application to individual risks. A concrete example of this is furnished by the rating of a commercial building in a small Illinois city. The insurance on this was carried for many years by a prominent "combine" company agency, but finally the owner gave the insurance to another agency. The first agency then in some way procured a representative of the Illinois Inspection Bureau to make a resurvey of the building. He did this and purported to discover some previously undetected defect and nearly doubled the rate; conditions in the meantime being absolutely unchanged. This was favoritism in its most pernicious form and is possible at all times under the present system of schedule rating. Another remarkable example of the inequitable result of the schedule occurred at Rock Island. A large wooden shed building was occupied as a lumber yard, and, while so used, the rate was \$1.00. The use of this shed was changed from a lumber yard to a storage room for iron car wheels, which, of course, are absolutely unburnable and can not be injured by fire, but the Dean Schedule raised the rate on the building, as thus used, to \$1.40.

ILLINOIS EXPERIENCE.

From the records of this department (made up from the sworn statements of the stock companies), I have compiled tables, covering the fire business in Illinois. These records are full and complete since the year 1869.

EXPERIENCE FOR TWENTY YEARS.

Years—Period.	Premiums received.	Losses paid.	Per cent of losses to premiums (loss ratio).
1909-1913, 5 years.....	\$115,436,149	\$ 58,424,018	50.6
1904-1913, 10 years.....	220,729,045	106,105,147	48.
1899-1913, 15 years.....	296,632,964	146,348,954	49.3
1894-1913, 20 years.....	356,749,351	179,374,010	50.3

Taking the entire experience of stock companies on Illinois business from 1869 to 1913, inclusive (45 years), and including the Chicago conflagration (1871), the loss ratio is only 2 per cent above that of the last twenty years, or the last five years. These figures reveal the fact that Illinois citizens have paid the companies approximately \$2 in premiums for every \$1 returned for fire losses, uniformly for over twenty years.

In making up the above table, it was necessary, on account of the arrangement of the reports, to compute the experience separately of the Illinois companies, companies of other states, and United States branches of foreign companies, and one result obtained which it is interesting to note is that Illinois companies, with less than 10 per cent of the business of companies of other states, show as level a loss ratio. This is also true of the companies of foreign nations, doing business in Illinois, which transact about 40 per cent of the business.

The loss ratios of all companies combined, for the respective five-year periods of the past twenty years, are as follows:

Period.	Loss ratio.	Period.	Loss ratio.
1894-1898	54.9%	1904-1908	45.2%
1899-1903	53. %	1909-1913	50.6%

The companies contend that a reasonable loss ratio on business in cities subject to conflagration hazard, is 55 per cent, and on property not subject to this hazard, 60 per cent. Therefore, even figuring on a basis that the companies regard as "satisfactory," Illinois is entitled to a substantial reduction in rates.

The companies, however, claim that because there has been a slight raise in the loss ratio when calculated on all the insurance written in the State during the past five years, and a slight decrease in the average rate for the same period they should not, therefore, now be asked to reduce rates. This position might be well founded if the rates at the beginning of this period had been equitable or approximately so, but this is not true.

Furthermore, an examination of the details of fire insurance statistics during this period, 1909 to 1913, inclusive, shows that in the class containing dwelling houses, flats, etc., with their contents, which is the class comprising the largest number of risks, and is also the class in which there is practically no competition, the trend has been just the opposite; rates have remained practically stationary, while the loss ratio has declined, as shown in the following table taken from the companies' annual report to my department.

DWELLINGS AND CONTENTS.

Year.	Premiums rec'd.	Rates per \$100 risks written.	Per cent of loss (loss ratio).
1909	\$5,641,292	.95	46
1910	6,059,113	1.01	43
1911	6,265,195	.94	48
1912	6,516,806	.95	48
1913	6,604,524	.95	43

The cause of the small increase of the loss ratio on the totals for all the property in the State, and the slight decline in the average rate on the same, is found in the risks in which there is competition from mutuals and inter-insurers, which has caused a lowering of rates in certain classes, and, of course, a corresponding raise in the loss ratio. This can only be imperfectly shown from existing statistics because these have not been subdivided into enough classes. A clear indication of this trend, however, is given by the statistics of the classes "Special Hazards" and "All Other Hazards," covering the same five years' experience. "Special Hazards" and "All Other Hazards," are classes of business in which there is much competition between the stock companies, mutuals and inter-insurers, and it is noticeable that the average rates have declined, while the loss ratios have rapidly increased. The following tables show the statistics of "Special Hazards" and "All Other Hazards":

SPECIAL HAZARDS.

Year.	Premiums rec'd.	Rates per \$100 risks written.	Per cent of loss (loss ratio).
1909	\$5,628,115	1.33	41
1910	5,685,941	1.27	58
1911	6,246,482	1.19	57
1912	5,689,066	1.25	60
1913	5,544,627	1.23	69

ALL OTHER HAZARDS.

Year.	Premiums rec'd.	Rates per \$100 risks written.	Per cent of loss (loss ratio).
1909	\$2,182,299	1.05	39
1910	2,927,523	1.04	40
1911	3,167,251	.99	44
1912	3,617,707	.98	45
1913	4,150,089	.83	57

The class, "Special Hazards," is composed of risks rated individually. The class, "All Other Hazards," comprises everything not included in dwellings, mercantile risks and special hazards. The trend of rates and loss ratios in each class shows clearly wherein the cause for the decrease in rate and raise in loss ratio lies; namely, competition.

A few months ago, when the present investigation was beginning, we find open admissions that Illinois rates are not entirely equitable. The *Market World and Chronicle*, an insurance journal of New York, in its June 13, 1914, issue, made the following statement:

"At present the companies are compiling statistics to show the reasonableness of Illinois rates in general, aside from dwelling rates. They hope to satisfy the administration that most of the rates are fair

and that they are going to do the fair thing regarding dwelling rates, by applying the dwelling house schedule as soon as it is prepared. A committee from several of the big organizations has been working on this schedule for a number of months. It is said it ought to be completed by now, but it is not."

It is noticeable that no defense is offered as a justification for present dwelling rates, and, since the promised reduction is not yet in force, it is evident that the companies had no intention of granting relief even on this class.

The same publication, in its May 16, 1914, issue, expressed this opinion:

"Certain it is that the companies are in an untenable position as regards preferred rates."

Rough Notes, an insurance journal published at Indianapolis, on May 31, 1914, expressed the same opinion:

"There is more or less uneasiness in local circles in Chicago as to whether the State Insurance Department will not take some action that may lead to reduction in rates in the city. It is known that a large number of underwriters feel that preferred rates in Chicago can well be reduced, and that there is no defense for keeping the rates on this class higher in Chicago than anywhere else in the State."

Similar overcharges oppress the insuring public in other states and have received the attention of various insurance departments. As the result of an investigation which he has recently made, Commissioner of Insurance Herman L. Ekern, of Wisconsin, has arrived at conclusions which are well summarized in a recently issued abstract of his forthcoming report on this subject. Commissioner Ekern was chairman of the Committee on Rates of the National Convention of Insurance Commissioners and his profound study of the subject renders what he says of such importance that I attach the abstract hereto as an appendix and desire to call your special attention to the same, and particularly to his final recommendation:

"Laws for inquiry into and the regulation of fire insurance rates are absolutely necessary. This is one of the big problems in Wisconsin."

I could extend these comparisons of rates and discussion almost indefinitely, but do not believe this necessary or desirable, for I have given enough examples to show clearly that great inequalities and injustices are being inflicted on Illinois policyholders by exorbitant and discriminatory rates, fixed and maintained by the "combines." In order to understand how these wrongs may be removed, we must consider briefly the correct principles of fire insurance ratemaking.

RATEMAKING.

The only just basis for ratemaking is:

(1) To have a scientific and detailed classification made of all risks in the State, putting in the same class all those having approximately the same fire hazard.

(2) To collect all the experience possible as to fire losses on each of the different classes and on the basis of this fix a fair rate.

The classification and especially the rate should be subject to modification from time to time as the further accumulation of experience might indicate. This can only be done by the authority of the State. The individual insurance companies are absolutely helpless to carry out such an undertaking, even if they honestly desired so to do. Neither can it be done by a "combine" of the companies or through cooperative action of the companies because they have no authority to obtain information of the experience of all the companies upon which the rates must be based.

The State of Illinois is large enough to give trustworthy averages for the purpose of fixing insurance rates for practically all classes of property in the State. It might, however, be found desirable in the case of a few classes containing only a small number of risks to supplement Illinois experience by that of similar risks under similar conditions in other states. As a preliminary attempt in securing fire loss experience, I have prepared a set of questions to elicit such information on certain classes of Illinois property, each of which contain large numbers of risks. These, if correctly and honestly answered by the companies, will furnish sufficient data for a preliminary schedule of rates and upon this a complete system can be worked out as further experience accumulates for application in a reformed method of fire insurance which I will describe later.

Illinois is so situated that we do not suffer from many extra hazards that increase fire losses in other states. We are outside of the earthquake zone, free from prevailing high winds, and forest fires, hence, by including other states with Illinois in arriving at insurance rates, the Illinois rates are influenced unfavorably. The people of Illinois can themselves work out a trustworthy system of insurance, which will not only protect them against monopolies, but procure fire insurance at much more reasonable rates.

In the annual reports filed by the companies all losses of every kind and character are lumped together and compared with the premium income from all classes of property to show the result of the year's experience. By this method the companies are able to conceal the classes on which rates are exorbitant; and the classes in which overinsurance is permitted, with its consequent result of enormous arson and careless fire losses. It also permits them to conceal the losses on classes on which temporary lower rates are made to drive out independent companies, which losses must be offset by excessive profits on other classes. If every class of business was rated according to its own past experience and had to be self-supporting in order to make the aggregate business profitable, the companies would of necessity immediately eliminate the bad risk.

FORMER POSITION OF COMPANIES AS TO "EXPERIENCE."

The proper basis for ratemaking has long been the subject of discussion and agitation. In the past the companies have contended that ratemaking was an occult thing, which could not be understood by anyone who had not been engaged in the business

for a lifetime; "experience"—that is, the records of losses, was no guide whatever in estimating future losses. This position was maintained because the companies desired to avoid the compilation of fire insurance statistics, and thus conceal the facts from the public. The selfishness and fallacy of this position has, however, been so clearly demonstrated in late years that the "combine" has been forced to abandon it, and in the fall of 1912, as a result of pressure brought to bear by the National Convention of Insurance Commissioners, an "actuarial committee" of the "combine" was appointed. At the April, 1914, meeting of the insurance commissioners in Chicago, the committee made a report in which it declared that past experience was no guide to future ratemaking. This report was severely scored by certain insurance commissioners and the committee promised to pursue the subject further and make another report. Under date of September 9, 1914, this committee issued a report styled "A Standard Classification" of occupancy hazards and loss report forms for use in ascertaining fire cost.

COMPANIES AND CLASSIFICATION.

A very clear expression of the companies' position is contained in the following quotation from the October, 1914, issue of the *Western Underwriter*, an insurance journal, in discussing this "standard classification."

"Doubtless much opposition will arise to an acknowledgment of the value of classification. Those who are contending against the move feel that underwriters will be stultifying themselves and turning back the pendulum in yielding to the pressure that may be exercised by some states and commissioners for classification.

"These men argue that the companies should undertake to point out the fallacy of trying to use classified experience as a basis or guide in ratemaking and converting the authorities to a true understanding."

From an examination of this report it does not appear to be made in good faith, but is a continuation of the "combine's" policy of concealment. For instance, under "nonhazardous," there are 13 classes of buildings and contents, and among the largest classes included are:

1- 2—Barns, and stables, private (other than farms).

3- 4—Churches and chapels.

9-10—Dwellings, without barns (excluding classes 11-16, inclusive; these classes are "palatial dwellings," "summer or winter only, dwellings" and "farm dwellings").

15-16—Dwellings occupied for farming purposes.

17-18—Farm barns and other outbuildings occupied for farming purposes.

All kinds of buildings of these various classes are lumped together without regard to material or location, except that in a

prefactory note "for complete designation of classes, there is to be added to the class number—

X for Fireproof.	U for Unprotected.
Y for Brick.	P for Protected.
Z for Frame.	S for Sprinklered."

A schedule based on such a classification and experience accumulated thereon would be unjust and inequitable. There is a great difference in the fire hazard of buildings having shingle roofs and buildings having slate, tile, metal or similar roofs. Assuming that, by "unprotected" and "protected," the distinction is made between buildings located in cities with fire departments and those where there are no fire departments, this distinction is wholly inadequate. The "combine's" own Illinois Inspection Bureau, for rating purposes, classifies cities with respect to the fire protection into eight classes, and there certainly should be a distinction between the risk on a building in the city having such a fire department as that of Chicago, and that of a village with a hand fire hose cart.

The loss experience is accumulated for ratemaking purposes, consequently, it should be accumulated for each class for which separate rates are made. A large part of the population of the State lives in cities and heavy taxes are paid for the maintenance of fire departments. These are effective and furnish great protection, particularly the cities of the first, second and third classes, and property owners therein are entitled to have the experience in these cities compiled separately and if, as is certainly the case, there is a difference in the fire loss, they are entitled to a corresponding reduction in rates as compensation for the taxation which they bear to support the fire departments.

Furthermore, this classification lumps together all dwellings, from the dilapidated tenement shack to a mansion. It is unjust to compel the careful home-owners of the middle class to pay rates justified by the tenement fire hazard. The committee was very careful to provide that only "amounts written" and losses" should be reported, and that nothing should be said about premiums collected. What reason could there be but a desire to conceal the loss ratio, which shows whether rates are excessive or not?

PROOF THAT REDUCTION IN RATES IS POSSIBLE.

Some indication of the reductions which are possible in insurance cost is afforded by the well conducted mutuals and inter-insurers. In these cooperative organizations every care is taken to effect insurance only on the property of careful and honest owners. Provision is also made by frequent inspection, and otherwise, to see that the insured property is kept in such condition as to reduce the fire hazard to the minimum. Usually a sprinkler system is required. By such means the cost of insurance has been reduced to one-fourth to one-eighth, and even one-tenth of the stock company rates.

Another proof of the reduction possible in insurance rates is afforded by the rates in force in foreign countries.

FIRE INSURANCE PREMIUM RATES IN EUROPE.

Germany.

When we come to examine into the fire insurance premium rates in European countries, we find them extraordinarily low. According to the absolutely reliable authority mentioned above (*Das Deutsche Feuerversicherungswesen*, Biederman, et al., 1913, Vol. 2, p. 559), the average premium rate for the public (state, provincial, city, etc.) insurance institutions throughout the entire German Empire for 1911 was 13.4 cents per \$100, and for the period of five years (1907 to 1911, inclusive), the average rate was 12.9 cents per \$100.¹ This is approximately one-ninth of the average rate in the United States, which for these periods were 106.1 cents per \$100, and 110.1 cents per \$100, respectively (*Spectator Year Book*, 1914, p. 420). In 1911, these German state insurance institutions returned, as losses paid to the premium payers, 84.3 per cent of the amounts collected from them, and, at the same time, added to their reserve 2,292,113 marks. Consequently, the entire expense of administration was only 13 per cent. For the 5-year period, 1907 to 1911, calculated in the same way, the expense of administration was 13.7 per cent. In the state insurance, the surplus belongs to the policyholders, but in the stock company insurance, the surplus belongs to the stockholders, and is entirely lost to the policyholders.

These are strikingly different figures from the average of about 45 per cent expense and profit in American stock company insurance.

Switzerland.

In Switzerland, similarly low rates prevail. The latest year for which figures are available is 1899 (*Assurance Contre L' Incendie, par L'Etat ou les Cantons, en Suisse & dans les Pays Scandinaves*, Alglave, 1902, p. 363), in which the sum insured was 6,320,561,515 francs, and the premium receipts were 6,858,998 francs, so that the premium rate in American money would amount to 10.1 cents per \$100. In the same year, 4,061,088 francs were returned to the policyholders for fire losses, so that the loss ratio was 59.2 per cent. The amount of the surplus for this year is not given, so that it is impossible to calculate what the expense percentage was in Switzerland for this year. For the year 1897, the premium rate calculated in American money was 11.5 cents per \$100, and the loss ratio was 56.4 per cent. For the same reason as in the previous year, it is impossible to get the actual expense percentage. For the United States, premium rates are not available for these years separately, but for the period 1891 to 1900, the average rate was 103.7 cents per \$100. (*Spectator Year Book*, 1914, p. 420.)

Norway.

In Norway the average state insurance premium in the rural districts for the period of 1895 to 1897, inclusive, was 6.9 cents per \$100.

¹ This very low rate is still decreasing. According to an article by Leo Iranyi, in "*Der National Oekonom*," Vienna, translated in the *Market World and Chronicle*, April 10, 1915, page 480, the average rate of public insurance in the German Empire for the year 1913 was 12.8 cents per \$100.

In the cities, 13.8 cents per \$100. Taking both the city and country districts together, the average premium for this period was 11.7 cents per \$100.

The rate average in the United States for period including these years was 103.7 cents per \$100.

FIRE PREVENTION METHODS NOT IN GOOD FAITH FAVORED BY COMPANIES.

The "combine" companies are reluctant to inform a property owner of the reduction in rates to which he might be entitled by the installation of sprinkler systems or other fire preventive devices, because the installation of such improvements would bring the buildings within classes which are much sought after by high class mutuals and inter-insurers. So long as a risk is in hazardous classes the "combine" has a monopoly, and, so long as the "combine" can charge any rate it sees fit, it is not seriously interested in reducing the amount of losses.

A striking example of the result to be obtained by the dissemination of such knowledge is afforded in Texas, where the present state law requires that a detailed statement of all the different items, penalties, credits, etc., which go to make up the final insurance rate on any property, must be placed in the policy. This has given every insurer information concerning the unfavorable factors which cause his rate to be high, and, in very many cases, he has improved his property, and thus secured a rerating at lower figures. This has resulted in a great improvement in a large part of the insured property in the state, which not only benefits the property so improved, but also lessens the hazards to adjoining properties.

COERCION BY THE "COMBINE."

It has been the practice of the "combine" whenever the question of state ratemaking has been up, to threaten to withdraw from any state attempting such action. They actually put their threats into effect in Missouri and Kentucky, and so coerced, to some extent, the government of those states. This was done by the concerted action of the companies and shows the extent and power of the agreement existing between the members of the "combine." The action in these states, however, had a two-fold purpose. The companies, fearing the effects of the anticipated decision of the Supreme Court of the United States in the Kansas rate case, decided to make examples of these states as a damper to agitation for relief in other states. This plan has been carried out faithfully and during the past year it has been almost impossible to find a single insurance periodical without some reference to the terrible examples of Kentucky and Missouri. These threats have already been made in relation to the movement in Illinois for an equalization and readjustment of insurance rates. In order that the selfish and illegitimate motives of the companies behind this agitation may be understood by the citizens of Illinois, it will be necessary to give a short account of the conduct of the companies in this connection.

TACTICS OF THE COMPANIES IN DEALING WITH THIS DEPARTMENT.

The fire insurance companies have made repeated claims that unfavorable commercial conditions, caused by the present European war, entitled them to immunity from prosecution for violating the anti-monopoly laws. Their position is founded on the allegation that fire insurance is the basis of commercial credit. If this is true, it is certainly time that some action be taken to see that commercial credit does not remain dependent upon the monopolistic "combine." An unsigned circular was distributed at a recent meeting of the Illinois Association of Bankers in Chicago, making such charges. The circular was a verbatim copy of an article previously appearing in the *Insurance Post* of Chicago, an insurance journal, edited by T. R. Weddell, official publicity agent for the "Union" and "Western Insurance Bureau," the two "combines" now attacked by an antitrust suit. It is evident that the fire interests preferred to do their fighting in this manner, rather than by any direct and open statements. A brief resume of the proceedings taken is a complete answer to all such charges.

The investigation of fire insurance conditions in Illinois was begun in March of this year, and my preliminary report was filed with you on May 6. On June 16, we gave the companies a joint hearing, at which time they agreed to file their answer and state their position in regard to the demands made upon them in my report, within thirty days. This was long before commercial conditions were disturbed by the war, and the companies had ample time to dispose of the entire matter weeks before the outbreak of hostilities.

No answer was filed but, on July 29, I gave written notice to the companies to file their long overdue answer by August 10; on this date the companies sent a representative to you and pleaded for another extension, and they were granted this to August 20. However, no answer was then filed or ever filed by the companies, nor did they assign any reason for their failure to do so. Because of this failure, I filed an antimonopoly suit on August 27, 1914, against the "combine" companies in accordance with my report of May 6, 1914, (p. 5), in which I said that, unless the organizations and methods of the companies were reformed "in such a manner as not to be in violation of our laws, proceedings should at once be brought against them." The companies' claim is false that this antimonopoly suit is an unfair prosecution, coming without warning when business conditions were disturbed by the war. After the commencement of this suit, however, the "combine" companies continued their dilatory tactics, and on November 5 they sent their representative to Your Excellency with a proposal that if I should agree, as complainant in said suits, to a postponement of the argument on the pending demurrer therein from November 7 to December 5, the companies would file with you an answer to my said report of May 6, within one week from that date, and that representatives of the companies would meet at your office on November 16, 1914, for the purpose of conferring with us in reference to the allegations in my said preliminary report, and also with regard to proposed legislation in relation to the regulation of fire insurance rates and other fire insurance matters in Illinois.

After waiting until the representative of said companies had received, as he claimed, explicit ratification of his proposal from his principals, he returned to you and on November 6, 1914, said agreement was completed, and according to your directions, the postponement of the argument of said demurrer entered by agreement in the records of the court. Nevertheless, neither did the companies file their answer as promised, nor did they or their representatives appear on November 16 at your office for said conference, nor was any excuse or explanation given for not doing so. I next, on November 19, 1914, filed in court a motion, supported by an affidavit, setting forth the facts outlined above, to set aside the postponement of argument on demurrer. The course of the companies in this connection is unpardonable and a plain effort to avoid an issue upon the charge that they have been exacting unreasonably high rates agreed upon in their "combine." The insurance companies complain of my investigation and say that I should not present these matters to the courts and to the public. If I am not right in my version, I ask the judgment of the courts and the public against me, and, if I am right, I ask that both sustain me.

UNDERWRITER ANNEX LITIGATION.

The entire lack of good faith, upon the part of the companies in their resistance of the efforts of public officials to enforce the laws, is also shown by their conduct in the present "underwriters' agency" litigation now pending in the United States Court of the Southern Illinois District.

In April, 1914, a written complaint was presented to me in regard to companies maintaining "annexes" which issue "underwriters" policies. This is a plan which had grown up largely within the past ten years, by which risks were insured by unincorporated concerns called "underwriters agencies," but the policy was issued over the name of some regularly licensed insurance company. After some examination of the subject and appreciating the importance of the issue, I gave notice of a public hearing, to be held on June 1, and invited all parties interested to be present. At this hearing the companies participating in this practice were represented by counsel, and some of the most prominent of the proprietors of "underwriters' agencies," and also representatives of the local agents of Illinois. Immediately after this hearing, representatives of the "underwriters" companies, after a conference in Chicago, at once sent 54 special agents throughout the State, dividing the State into 17 districts. These special agents called upon every local insurance agent and urgently solicited him to write a letter to the Insurance Superintendent, protesting against any ruling contrary to the "underwriter" policy scheme. They furnished such agents as they could induce to use them, letters already written to be copied upon the agents' own stationery. In this way they attempted to make it appear that the agents were strongly opposed to any ruling against "underwriters agencies," when, in fact, the local agents as a body were and are opposed to the "underwriters" policy scheme. This is shown by the subsequent action of the National Association of Local Insurance Agents at Minneapolis, August 17, 1914, which passed a resolution

commending my ruling, as did also the State Association of Local Insurance Agents at their annual meeting in Springfield, September, 1914.

After the hearing I took the matter under consideration and, on June 16, made a ruling which contained a full outline of the considerations which led me to decide against the practice of issuing the so-called "underwriters" policies. This ruling was printed and sent to all fire companies licensed in this State. In a letter, which accompanied the ruling, I allowed the companies until July 10 to indicate whether or not they were willing to comply therewith. The nature of the action contemplated was clearly indicated in the ruling itself in which I said: "I shall direct that proper proceedings be instituted in the courts of this State against all companies issuing such policies, to compel them to conform with the laws of this State." This course was adopted by me with a sincere desire to settle the "underwriter" question without any disturbance to the business.

This considerate action should have been appreciated and reciprocated by the companies. Instead, however, the "underwriter" companies hastily combined, concocted a sworn bill containing absolutely false allegations, and rushed with it into the United States courts before July 10 to prevent me from enforcing my ruling. These companies, by thus forcing the controversy into the United States courts, said plainer than words that they have no faith in the State courts of Illinois. Insurance companies of other states do business in Illinois by permission only. They are business guests of our commonwealth. No greater affront could be offered the State of Illinois than this action for an injunction against a State official to prevent the enforcement of a State law by a State court. Their conduct is a contemptuous violation of the spirit of the statutes which imperatively require the Insurance Superintendent to immediately revoke the license of any foreign company which removes a suit brought against it from a State court to a Federal court, and, also, an example of the tactics of this monopoly when confronted with regulation in any form.

INSURANCE JOURNALS.

The numerous insurance journals well scattered over the country valiantly uphold the companies in every fight against reform. These trade papers secure their income almost entirely from company advertising and derive their ideas from the source of their income. They are widely distributed among insurance agents, and their editors are past masters at manipulating facts and figures in the interest of the companies.

A quotation or two from these publications will show the very evident ~~we~~ that is made of them by the "combine." The *Insurance Post*, of Chicago, Ill., an insurance journal edited by T. R. Weddell, official publicity manager of the Western Insurance Bureau, and the Union, in the August 1, 1914, issue, in discussing the investigation being made, makes this threat:

"In connection with the activities of Insurance Commissioner Potts, of Illinois, in the matters of rates, annexes, etc., the fact is recalled that Mr. Potts has not yet been confirmed in his position by the Senate. He is an interim appointee, and in case of a political upheaval,

such as is quite probable in Illinois this winter, it is possible that he may fail of confirmation when his name is submitted to the Senate under the laws, when that body meets. In the meantime the disposition of the insurance men is to let Mr. Potts alone, so long as he lets them alone, but to serve notice on him that every move he undertakes which is not justified by law will be fought to a finish. This includes his demand for a reduction in rates, which is held not to be a matter within his authority."

Within a week (issue of August 6), *The United States Review*, another insurance journal, published in Philadelphia, made the same threat of the political intentions of the fire interests:

"It is said, notwithstanding that he (Potts), has held his present office for some time, that he has not yet been confirmed in his position by the Illinois Senate; also that he is an interim appointee, and that in the event of a political upheaval in the State during the coming winter, which is thought to be highly probable, he may fail of confirmation when the Legislature then meets. Presumably he is not much concerned about such a possibility, and at the same time imagines that he is strong enough to face all the music that may come along regarding any or all of his official acts, but, nevertheless, some of his good friends should quietly admonish him that in assailing the fire insurance interests of his State, as he has been doing, he is making a mistake, and is not unlikely to find himself in a good deal of trouble ere long, politically, officially and personally in consequence."

The following quotation, approving a speech made by an insurance commissioner of another state, shows that the fire companies do not want insurance commissioners to favor investigations:

"He did not attempt to stir up any new species of investigation which might possibly embarrass some branches of the insurance business." (*Insurance Advocate*, New York, September 26, 1914.)

This extract from the *Insurance Post*, of Chicago, June 2, 1914, shows clearly the desire of the companies that all knowledge of evils should be kept secret:

"In April, O. B. Ryon, general counsel for the National Board of Fire Underwriters, addressing the Fire Insurance Club of Chicago, said: 'Don't take your grievances to the insurance department unless they are of a general character. Remember, while you are getting your little complaint fixed you may be 'fixing' the whole fraternity. Mr. Ryon usually knows what he is talking about, but he possibly did not know how very appropriate that advice was just at the moment. About that very time certain Chicago agents were asking the Illinois department to correct grievances and they seem to have started something which they can not stop.'"

Little confidence can be placed in the articles of the insurance journals, their functions being more to suppress facts than to give publicity to any evils in the business.

The attitude, however, of the general press, when free from insurance influence, is just the contrary. This is well shown by the following editorial from the *Illinois State Register* of July 27, 1914, which, in the course of the discussion of a particular incident, states

clearly the improper control over the insurance press by the companies in these emphatic words:

NEWSPAPER AND TRADE JOURNALS.

The relative value of insurance trade journals and the daily papers as a medium of conveying news to the public is strikingly shown by a comparison of the editorial comments of a foremost representative of each class on the report of Insurance Superintendent Rufus M. Potts, covering his investigation of the stock and bond holdings of eastern fire insurance companies in the New Haven Railroad. The report showed that these companies hold over \$7,000,000 in this worthless paper.

The *Chicago Herald* commends Mr. Potts, and points out that the public is vitally interested in such matters and should be kept informed. The sentiment of the editorial is expressed in the following:

"And now comes this statement from the State's commissioner of insurance to show that this situation which we have been regarding with calmness, as alien to our interests, affects to a certain extent everybody who takes out a fire insurance policy in Illinois."

On the other hand, the *Insurance Field*, of Louisville, Ky., a leading insurance journal, severely criticises Judge Potts for making such a discovery public, the editorial declaring that:

"The companies holding these securities are probably as a rule able to charge off their losses. * * * There are insurance authorities much nearer than Judge Potts to the insurance companies and their railway investments who can be depended upon to give the most conscientious attention to the financial affairs of the companies as they may affect the public. * * * If there is any particular company endangered by too much New Haven diet, Judge Potts might take quiet steps, but to attempt to 'bawl out' 43 big companies on a blanket criticism that probably will not vitally affect any of them is a grave error."

This contrast simply reflects the fact that articles in insurance journals are not news items, but are published for the sole purpose of protecting the trade, and the public dealing with these interests can not with safety rely upon such organs. The covering up of this discovery would probably have brought fulsome praise from this very journal for the insurance superintendent, and the insuring public of the State of Illinois would have been none the wiser. However, during his administration in the insurance department, Superintendent Potts has taken the stand that where a company or class of companies violate the law, refuse to conduct their business legitimately, or endanger the safety of their policyholders through questionable speculations, the public is entitled to have all available information as their protection against further victimizing.

Under all theories of insurance, the money invested by the companies in New Haven stock does not belong to the companies; it is the accumulation of the premiums of the policyholders set aside and held in trust to pay their future losses, and when it is wasted and

devastated the trade journals declare that the facts should not be made public. It is difficult to see what this insurance journal has in mind when it insists that such discoveries as made public by the Illinois department, which everybody must admit is of vital importance to every policyholder for whose protection it exists, should be kept secret.

The *Insurance Field* charges that such actions can not help Judge Potts in his "clean-up campaign, "but only help to cast suspicion on the business." It would seem far better for such a paper to lend its support and editorial energies to a movement which will clean up the business and raise its plane to a point where it need fear neither adverse publicity nor investigation.

CHARGE OF "POLITICS."

It is always maintained by the companies, with hypocritical assumption of martyrdom on their part, that they must ever bear the brunt of attack from self-seeking public officials. They express in pathetic terms a yearning to protect the people from loss by fire, but claim that the foolishness of some public servants is liable to deprive the people of this great charity. It may be true that politicians have in the past secured lucrative livings for some men at the expense of the companies, but this is because the companies fully realize that on account of their violations of law they are at all times open to successful attack. Open, vigorous prosecutions in courts of law are not methods adopted by the beneficiaries of monopolies' corrupt generosity.

I am not restraining insurance, but restraining monopoly; I am not fighting stock fire insurance companies, but am preserving the rights of the people of the State of Illinois; I am not stifling business, but am trying to preserve an open market in the fire insurance business in this State, as President Wilson is doing in other lines of industry in the Nation. In bringing the antitrust suits, my aim is to make insurance an open and competitive field, and to effectually prevent, for all time, the creation and maintenance of such insurance trusts or combines as exist to-day. These companies do not undertake to offer any legal substitute for the evil practices that now exist; they will not willingly permit others to correct these evils.

The truth is that the all-powerful fire insurance trust has been in control so long, their fortifications are so well established through the insurance press, that they feel they can resist the demands for reform by all state governments, and hence will make no concessions, but seek immunity on the bluff that they will leave the state in case we seek to regulate or control them. The subjoined are recent examples of such threats repeatedly made following the efforts of this department to secure relief.

"Several important fire insurance companies have announced their disposition to stop writing insurance in Chicago or in Illinois if the insurance department should be able to enforce its demands for a reduction in rates." (*The Insurance Press*, September 8, 1914, p. 7.)

"It is almost unbelievable that the courts of Illinois will approve the attitude of Potts; but, in the event that they do, we should expect to see withdrawals of self-respecting companies from the State." (*The Surveyor*, September 11, 1914, p. 27.)

Even if the "combine" companies should put these arrogant threats into execution, and by concerted action quit Illinois, while it might cause some temporary inconvenience, it would, in my opinion, ultimately benefit Illinois property owners. It would afford an opportunity to at once create and put into operation a system of State fire insurance. This might be a somewhat difficult task if the insurance companies were fully occupying the field, but if the "combine" companies, by concerted action, abandon the State for the purpose of coercing the State government into permitting the antimonopoly statutes and common law of the State to be contemptuously violated, these obstacles will no longer exist and State fire insurance can be easily and advantageously put into successful operation. In this connection, I believe a brief presentation of the advantages of State fire insurance will be of interest.

STATE INSURANCE.

In the first place, State fire insurance will afford infinitely better security to property owners than all of the "combine" companies and their assets, even if all were united in one gigantic insurance corporation. Equally important, the fire premiums could be reduced to one-half of the present "combine" rates or less. The claim is not extravagant. As shown above, the rates under state insurance in European countries are only one-ninth of the rates here. While we would not hope to be able to make such low rates immediately, they would be approximated in a reasonable time, and great immediate reductions would be possible. In my judgment, one-half of the present charge would be an adequate rate under state fire insurance because, in round numbers, only one-half of the premiums collected is claimed by the fire insurance companies to be actually paid for losses; the remainder, they say, is all used for profits and expenses. As we have seen, all authorities who have written on the theory of fire insurance agree that such insurance is, in essence, a tax by which the fire losses are distributed throughout the whole of the community, instead of falling wholly upon the unfortunate individual whose property is burned.

Now, it is exorbitant to absorb 50 per cent of a tax in its collection and disbursement. Under European state insurance less than 15 per cent is required for expenses, and no profit whatever is made. With the expense reduced to less than 15 per cent, instead of 50 per cent, the cost of insurance to the property owner would be cut down nearly one-half. The remainder can be rapidly reduced by preventing over-insurance, by compelling the repair and improvement of "firetraps" and "fire breeders," and by the stringent prosecution of the too frequent crime of arson.

That such a reduction is not an idle dream, but can be made an immediate reality if proper measures are taken, is proven by the recent extraordinary reduction of fire loss as shown by the ratio of loss to insurance in New York City. The reduction from the year 1912 to

1913 is exhibited by the following tabular statement taken from the Spectator's "Year Book," 1914, page 505, which shows the number of dollars loss for each one hundred dollars of insurance in force on buildings and contents in which fires started:

Years.	Insurance in force.	Loss buildings.	Loss contents.
1912	\$100	\$1.48	\$17.77
1913	100	1.00	8.93

The amounts of insurance premiums are not given, so that the decrease can not be shown in the form of percentage loss ratios as usually done elsewhere in this report, but this method gives a comparison for the different years of the proportion of losses to insurance similar to that afforded by percentage loss ratios.

This shows that in one year the fire loss on buildings was reduced to two-thirds, and on contents to one-half of what it had been the year before. This is an enormous difference, which means a decrease of millions of dollars in fire loss in the metropolis alone. No such sudden drop in the fire loss ratio ever occurred before. It did not happen at this time without cause. When the course of the fire insurance business in New York City for these years is investigated, it is not difficult to see what the main cause was which brought about this extraordinary and desirable reduction. Doubtless, part of the improvement was on account of improved building construction, better fire protection, installation of automatic sprinkler equipments and the installation of a high pressure water system. But these factors had been in operation for several years and only account for a general decline, and not for the sudden tremendous drop.

It will be remembered that, in 1912, there was a great upheaval in fire insurance circles in New York City and an exposure of the so-called "arson trust." The operations of the latter were made possible by collusion between corrupt local insurance agents and incendiary property owners. This became so notorious that insurance could be obtained for several hundred dollars on furniture, etc., in the tenement district, the actual value of which was only a few dollars. Of course fires happened and the corrupt agents paid the losses, receiving their "rakeoff." The same thing happened in relation to stocks of merchandise of all sizes. This condition became so bad that exposure followed, and these evils were largely corrected. This, in my judgment, is the explanation of this sudden drop. I wrote the "combine" officials as to what interpretation they placed upon it, but they professed ignorance and proceeded to cast doubt upon the reliability of the figures given in the Spectator "Year Book," but would not furnish any others. In view of what I have heretofore stated, this is what might be expected of the "combine." Although conditions in Illinois cities are not as bad as they were in New York in 1912, still, if arson was entirely eliminated, a similar, but smaller, drop would occur in the fire loss ratio of Chicago and other cities.

A similar sudden reduction took place in Texas, coincident with a change in Texas laws, which went into operation in 1913, and provided that rates be made by a state commission and established other insurance reforms, such as proper credit for fire prevention devices. The

Texas fire loss ratio in 1912 was 85.8 per cent, in 1913, 55.7 per cent, a reduction in one year of 30.1 per cent. (*Insurance Age*, September, 1914, p. 203.) No other reduction of like magnitude has occurred since the amount of insurance in that state became large enough to afford reliable averages.

The companies are wholly dependent for business on their numerous local agents. These receive a percentage commission on the premiums, so it is to the local agents' advantage to acquiesce in over-insurance, and see that every applicant is allowed insurance, whether his property is a firetrap or not. It is probable that many honest insurance agents do not allow these interests to control, but they exert steady pressure toward reckless insurance and high fire losses with consequent high premium rates, and in the aggregate have tremendous influence. The truth is, that instead of fires being diminished by insurance, they have been greatly increased, and, so long as the companies are able to collect rates which will pay all losses and a good profit, they are content. In fact, occasionally an insurance company officer has been found frank enough to admit that it was desirable that the fire loss was large, instead of small, provided they can fix the rates high enough to pay the losses, because they and their agents will get their percentage of profit and commission on a large, instead of small, premium.

For instance, the general manager of the Scottish Union and National Insurance Company, of Edinburgh, says:

"Were there no fires there would be no insurance business; and, on the other hand, the greater the fire damage, the greater the turnover out of which insurance companies make profit. * * * Speaking to-night as manager of a fire insurance company, I say we can not make profits for our shareholders without fires, and, further, that within certain well-defined limits we welcome fires." (Quoted in *Collier's*, February 22, 1913.)

Edwin Milligan, vice president of the Phoenix, of Hartford, in his testimony before the Illinois Insurance Commission, says:

"Speaking for the company, for the fire insurance companies, I should say that the reduction of the fire waste would not be a profitable thing. I think, Mr. Chairman, that as a business fire insurance is conducted by companies—like the one I represent—with most satisfaction and with larger profits in the years when fires are plenty; a good number of fires means a good premium account."

Henry Evans, president of the Continental of New York, testifying before the New York Insurance Commission (1910, p. 2890), says:

"I don't care anything about a \$2,500,000 or a \$3,000,000 fire. Just as soon have it as not. It would put so much business on my books, and put rates so high I would make it up."

A striking example of explaining how insurance companies gain instead of lose by conflagrations, and why Mr. Henry Evans and other insurance presidents do not dread them, is given in a speech made by Colonel Edwin Romberg, of Chicago, before the Chicago Real Estate Board on November 5, 1914. He says:

"I had a peculiar experience last June here in Chicago, myself. My secretary called my attention to an insurance policy expiring on a factory building, owned by me, situated on Root Street, near Halsted. As usual, I requested to know the amount of the insurance that we have, and told him that we would have to renew the policy and wanted to know the rate. He told me the rate would be a certain figure, plus 10 per cent. When I asked what this 10 per cent was for, he did not know, so I had him call up the board of underwriters to find out; and this is the information he received: 'That the extra charge of 10 per cent was added to all mercantile risks in 1902, after the Baltimore fire; that the underwriters of Cook County then decided upon a general increase of rate on all ordinary or special risks of 10 per cent on buildings and 25 per cent on contents, but that this rate would be eliminated by the Dean Schedule as soon as the district could be brought under that schedule, which will be in about a year's time.' In other words, gentlemen, you have been raised *10 per cent on building and 25 per cent on contents* on an *immense* amount of *insurance* on account of the *Baltimore fire* which took place *twelve years ago*, and they have never taken off this increase from the rates, and I dare say that you, as well as the rest of the people in this city, are not even aware of it."

This same spirit appears to control in the insurance business everywhere, although it is concealed as far as possible, and only becomes visible by reason of some special investigation or agitation. There has been much agitation in Kentucky, and the chairman of the Kentucky State Insurance Board (Statement, etc., April 29, 1914), says:

"A very prolific cause of losses incurred in this state, as admitted by the companies, is due to overinsurance. To correct this evil, so far as possible, the State Insurance Board was given the right to inquire into the question of insurance upon property as to its value, thus, in so far as possible preventing fraud losses. The companies, however, because of their antipathy to state regulation, seriously objected to this, as well as all other provisions of the law. *They seemingly little care how great their losses may be so long as state supervision is prevented and the making of rates charged for insurance left entirely in their hands.*"

In the series of articles in *Collier's Weekly*, beginning February 8, 1913, satisfactory proof was given to support the following statement made therein:

"At the very lowest estimate incendiarism, either active or passive, is responsible for one-half of our fire loss. * * * When we calculate everything that our fires cost us, we may set our arson loss at one-quarter billion dollars a year. No lower estimate is possible."

The New York Insurance Commission report (1910, p. 119), says:

"Against that we have a certainty that the fire loss could be at least cut in two; that there could be not only a saving of one hundred million dollars a year in property now destroyed, but nearly as much

more insurance expense, certainly hundreds, perhaps thousands of lives saved and a world of worry and suffering."

Commissioner Lewis, of Kansas, at the National Convention of Insurance Commissioners (Proceedings, 1910, p. 68), says:

"The question of overinsurance is a subject that should receive the attention of this convention as much as any other thing that we have before us for consideration, in my opinion. I believe that if we could eliminate overinsurance that the rates in Kansas could be reduced 50 per cent, in my honest judgment."

This incendiarism can be eliminated almost entirely under a system of state insurance. Much good is now being done by the Illinois Fire Marshal, but present conditions prevent the full accomplishment of the purpose of that department. However, with state insurance, officials deal directly with, for and in behalf of the state, rather than with an insurance trust controlling the insurance business in Illinois.

The Hon. James R. Young, president of the National Convention of Insurance Commissioners, in his address at the annual meeting at Asheville, N. C., September 15, 1914, said:

"Although the strenuous efforts to reduce the immense fire waste in this country is being continually and intelligently increased, the great loss of life and property grows unabated. It is nothing less than a crime and a reproach to us as a civilized nation."

"UNDERWRITERS LABORATORIES."

But some insurance advocate will say: "Does not the 'combine' maintain in Chicago an extensive underwriters laboratory for the purpose of testing fire preventing devices, etc.?" This may be true and still little benefit accrue to the public. Different motives control the different subdivisions of the great fire insurance companies. Subordinate departments may be attempting to disseminate information to diminish fire losses while the men "higher up" are either wholly indifferent or, when their real sentiments can be obtained, openly hostile.

An objectionable phase of the operation of the "underwriters laboratories" has lately been called to my attention. The insurance interests have procured the making of requirements in some Illinois cities that the material in electrical installations and certain other appliances must be approved by the "underwriters laboratories." These laboratories charge a fee of from a minimum of fifty dollars up to hundreds for testing materials and devices which tends to prevent competition therein. By this means, some very clever monopolies have been built up.

DISTRIBUTION OF RISKS.

An important feature of safety in the fire insurance business is what is technically called a distribution of risks, that is, that insurance should cover a great number of risks so that there will be some approximation to uniformity in the number of fires that occur within a year. In the first place, the necessity for distribution would be much less important to state insurance than to corporation insurance, because the credit of the state is more able to stand sudden demands made upon it by irregular distribution of fire losses. The State of Illinois, how-

ever, is so large, the number of separate properties insured is so great, that State insurance covering all properties in Illinois would give a much better distribution of risks than is attained at the present time by the largest fire insurance companies, so that there could be no valid objection in Illinois to state fire insurance on account of lack of sufficient distribution. The companies have a distribution of territory rather than of risks, and it is the distribution of risks that counts.

CONFLAGRATION HAZARD.

The opponents of state fire insurance reserve, for their final argument, the "conflagration hazard." There is no question that, in the past, several large conflagrations have occurred in the United States, one being in the city of Chicago in 1871. But the possibility of conflagrations is no barrier to state fire insurance in Illinois. Another Chicago conflagration, such as that of 1871, is an impossibility, and the continuous parading of this argument by the insurance "combine" shows the weakness of their position. At the time of that fire, a great majority of the buildings were of wooden construction in congested areas; 17,430 such buildings being burned. The fire department and its equipment were insignificant compared with the splendid equipment and efficient service of the present fire department. Fires will occur, but they can not spread among brick and stone buildings of modern construction with modern fire protection. This is proven by the fact that fires are in most cases being confined to the buildings in which they originate, and always to a very small area. As fireproof buildings have multiplied and the efficiency of fire fighting devices and equipment increases, the conflagration danger has become negligible. A conflagration occurring 43 years ago is heralded by the insurance trust as a horror to be expected to-morrow, although every day in the city of Chicago fires occur which might have proven disastrous years ago which are now easily controlled and soon extinguished. This fact is certainly proof of the ability of modern cities to prevent serious conflagrations. The conflagration hazards arise out of conditions which no longer exist in modern cities. The New York Insurance Report (1910, p. 121), says:

"The conflagration hazard in New York City is mostly due to the thousands of old buildings built in the days when neither steam or electricity or gas were important features of the hazard. They are not adapted to modern conditions."

The loss of property covered by insurance in the Chicago fire was \$91,000,000. The companies, however, only paid about \$25,000,000, so the argument of "business safety" in case of conflagration is not well served by the example of the Chicago fire. However, conservative business judgment may require that provision be made to meet any possible conflagration hazard. This can be done as well by the State with the people's money as it can be done by the companies with the people's money. A small percentage set aside out of the premiums, the savings of a few years, will create a conflagration fund sufficient to meet any emergency. The San Francisco "conflagration" is frequently dwelt upon by the insurance press. This originated in an

earthquake in which the upheaval alone destroyed much of the property, and the loss by fire was secondary. The defenders of the present "combine" system can not claim that Illinois is located in an earthquake zone in order to apply this disaster to Illinois conditions.

STANDARDIZATION.

The business of fire insurance must be standardized by creating a system which will reduce both expense of administration of the fire tax to the lowest possible figure and also act as a preventive instead of an encouragement to fires, and in this way produce the greatest benefit to the greatest number at the least expense. This can not be accomplished with the business, in charge of private corporations, whose sole aim is profit for the stockholders. The system by which they must operate is cumbersome, immensely expensive and wasteful, and, worst of all, increases instead of diminishes fire waste. Insurance by the State, if properly organized, can and will bring a thorough standardization of the business. Discriminations will cease because no lower rates could be obtained by "pull" or "influence"; with a prevention of overinsurance and an inquest following each fire, incendiarism for profit would vanish. Building and other regulations for the prevention of fire could be enacted and enforced and with other reforms the full purpose of distributing the effects of lessened fire losses throughout the whole community could be accomplished at minimum expense.

Fire insurance is of all businesses the one which can be taken over and operated by the state without inflicting any injustice on capital engaged therein or creating any financial disturbance. The capital of the insurance companies remains intact and can be taken by the stockholders and placed without loss in other enterprises. Stockholders will also have, in addition, immense surpluses which many times exceed their stock investments to be divided among them. The insurance companies have absolutely no fixed investment, the value of which will be destroyed if the state takes over their business, such as would happen in other lines of industry. Their only property which would be rendered useless is stationery, the value of which is insignificant. The only persons whose interest would possibly be harmed would be those high officials who draw salaries larger than the president of the United States. It is improbable they could find such enormous salaries in any other business; but they have accumulated such fortunes that they can doubtless continue to live lives of luxury the remainder of their days, even if they do not see fit to engage in other enterprises at moderate salaries.

It would be wrong to say that the people did not have the right to protect themselves from extortion by carrying on the insurance business themselves, even if it did destroy the value of property employed by private corporations in this business, but fortunately even this does not occur and all the capital and immense surplus will be returned intact to the insurance companies' stockholders.

CONSTITUTIONALITY.

The objection may be made that state fire insurance would be unconstitutional but an examination of the decisions of the higher

courts of the State of Illinois, and of the other states in the United States, fails to disclose any decision in which the question of the constitutionality of a system of state fire insurance has ever been raised.

The general rules as to the powers of the State are laid down as follows: (*Harris v. Board of Supervisors*, 105 Ill., 445, 450.)

"The question of legislative power and its extent depends on the limitations contained in the Constitution. When a state is created, it is invested with complete sovereign power, unless restricted by constitutional limitation, and under our system of government such restrictions are written and embodied in organic law. Were it not for these limitations, the legislative power would be without restriction. When we have to determine whether an act is within the scope of legislative power, we do not look for an express delegation of the power in the fundamental law, but we look to see whether the general power has been limited."

The same principle is again stated in *People v. McCullough*, 254 Ill., 9 (16).

"The Legislature may pass any law and do any legislative act not prohibited by the Constitution of the State or the United States."

There is no prohibition in the Constitution of the United States against a state engaging in fire insurance; therefore, in determining the question of the constitutionality of state fire insurance, it is only necessary to examine the Constitution of the State of Illinois, (1) to see whether there is any positive provision in regard to the creation of state fire insurance, and (2) whether there is any prohibition of state fire insurance.

An examination of our State Constitution discloses that there is no provision for the creation of a state fire insurance system. Neither is there any provision prohibiting a system of state fire insurance. Therefore, we are justified in the conclusion that a system of state fire insurance, created by our Legislature, would be constitutional, because the general power of the Legislature in that respect has not been limited in any way whatever.

This conclusion is supported by a number of facts. In the first place, under the present Constitution, the creation of a State bank is expressly prohibited; also the rendering of aid or granting of money to railroads, or similar enterprises. These prohibitions were necessary because, if they had not been inserted, the State would have had power to engage in such enterprises, which the framers of the Constitution deemed undesirable, and, consequently, found it necessary to insert in the Constitution these express prohibitions.

Further support, which would seem conclusive, is afforded by the fact that, although there is no express provision made in the Constitution for these things, the State has legally engaged in many enterprises, of a nature similar to fire insurance, for the benefit of the people of the State. For instance, it constructed the Illinois and Michigan Canal; the Illinois Central Railroad, (partly); it appropriated money for the purchase and maintenance of a State Park at Starved Rock, Illinois; it appropriates money and provides an organization for the purpose of conducting a State Agricultural Fair, and for the support

of farmers' institutes; a State Geological Survey; a State Natural History Museum; a State Historical Library; a State Library; for the improvement of the Illinois and Desplaines River; for the maintenance of a biological laboratory for the purpose of furnishing free hog cholera serum; and maintains many State charitable institutions. All these things and institutions are for the benefit of the people, and the constitutionality of their creation and appropriation of money for their support has never been successfully questioned. In *People v. Canal Trustees*, 14 Ill., 402, the Supreme Court decides that the State has power to legally appropriate money for the purpose of building bridges.

A system of State fire insurance would be self-supporting. But, even if it should require an appropriation of money out of the State treasury for its inauguration or for its maintenance, this fact would not render it unconstitutional, and there does not seem to be any reason or authority to believe that a system of State fire insurance in Illinois would be unconstitutional. There is no difference in principle between the State engaging in fire insurance for the benefit of the people, and their protection against the fire insurance monopoly, and the State engaging in the manufacture and furnishing of hog cholera serum for the benefit of stock-raisers, or maintaining a State fair for the benefit of agriculture, or bridges for the benefit of travelers.

A system of State fire insurance could be very conveniently and economically conducted, together with a system of State management of workmen's compensation. The same commission could have charge of both. The management of the workmen's compensation by the State is a reform which is already in operation in several states and gives the injured workman two or three times as much compensation as stock company casualty insurance at no greater cost to the employer, because the casualty companies absorb, in expenses and profit, one-half to two-thirds of the premiums received by them. It is very desirable that the management and control of workmen's compensation in Illinois be taken over by the State, and it would add to the economy and success of operations to have them begun at the same time and carried on by the same commission, and each would benefit similarly the parties concerned with each of these burdens. They are both burdens, from accident and misfortune, and should be made as light as possible.

RAPID SPREAD OF WORKMEN'S COMPENSATION.

It will be remembered that until about five years ago the working people of every state in the Union suffered from unjust liability laws. When an investigation was made and the operations of these laws, together with their abuse by stock casualty insurance companies, was disclosed, it was declared to be a national disgrace and workmen's compensation substituted. When this reform was urged, the stock casualty companies arose in holy horror, cried paternalism, and urged every possible objection to workmen's compensation. Within a period of some five years, however, about two-thirds of the states adopted workmen's compensation measures, some of which are administered by the State. Now the people can not understand how the old employers' liability system was tolerated and look upon its past operation as a blot

upon the industrial history of our country. We are approaching the same reform in fire insurance. The enactment of a system of State fire insurance in one of our states would mean that this system would be adopted throughout the United States as was workmen's compensation. Illinois has led in other reforms, and there is no reason why it should not lead in this progressive movement.

MERCENARY PERVERSION OF BENEFICENT IDEA.

Modern fire insurance is the evolution of a beneficent idea. It was not discovered like a hidden mine, a virgin forest, or an unclaimed prairie; hence, the fire insurance industry belongs to no person, set of persons or corporations, and none possess any vested rights or territorial claims upon this industry. Fires are misfortunes, and it is in violation of all ethics and rules of public policy that corporations should not only profit from, but build up and control a business for profit only, based solely upon the misfortunes of our people. The fire insurance business evolved from this beneficent idea should be administered through a system of state fire insurance without profit or emolument of any kind to any person or corporation.

It is not paternalistic for a state to protect its citizens against oppressive and excessive burdens, but it is evidence of weakness if a state fails to relieve its citizens by removing the underlying causes from which oppression and excessive burdens result. That our citizens are bearing an excessive burden and are sorely oppressed by the present system of fire insurance must be admitted by all. Immediate and complete relief is imperatively demanded, and state fire insurance is the only medium through which complete relief may be obtained.

The theory of state fire insurance carries with it absolutely no basic difficulties. There is no reason why the State of Illinois can not administer a system of state fire insurance with the people's money as ably, efficiently and effectually as any corporation or number of corporations may likewise do with the people's money. Thus the cry of paternalism so loudly proclaimed by insurance trade journals is but the echo of the wail of the wounded corporations, established for private greed and feeding solely upon the misfortunes of our people. It is not considered paternalism for a city to maintain a fire department; yet the maintenance of such a department is simply a form of municipal fire insurance, which reduces for its citizens the fire hazard. There is no valid reason why this principle should not be extended to a system of state fire insurance which could be administered with the burdens equitably distributed among the insuring public, and thereby the whole people reap the full benefit of complete protection without profit or tribute to any person or corporation.

That the stock fire insurance companies will voluntarily reform is beyond the dream of the most optimistic, nor can they be involuntarily reformed. These corporations, assembled like a hostile fleet, are now exerting every possible effort to defend and maintain the unrighteous privileges that they have long enjoyed. They al-

ways have, and do now, oppose all progressive and constructive methods suggested or inaugurated in behalf of the insuring public, and they openly threaten to dislodge any state or government official who seeks to bring about reformation of their business, in order to protect the State and the people from their oppressive practices. They are now gloating, drunk with the pride of power, over the recent defeat of Commissioner Ekern's policy of fire insurance reform urged by him for the state of Wisconsin. With such sordid institutions entrenched as they are, reformation is impossible.

State fire insurance would mean a saving to the people of the State of Illinois of approximately 15 million dollars a year, to begin with; this sum is about the present yearly State tax. In 20 years this would mean a saving to the people of our State of more than 300 million dollars. But the actual dollars saved would not alone measure the benefits. Many lives would also be saved that are now sacrificed by preventable fires. The reserve accumulated from insurance premiums deposited in the hands of either the State Treasurer or a commission could be invested under the strictest statutory safeguards, and in such a manner as to establish a favorable market for State and municipal securities and for real estate loans.¹

ALTERNATIVE—RATES CONTROLLED OR MADE BY STATE.

If, however, for any reason a system of state fire insurance can not be immediately put in operation in Illinois, then the protection of our citizens demands that rates be controlled by the State.

The recent decision of the United States Supreme Court in what is known as the Kansas rate case holding that the states have power to regulate fire insurance rates finally disposes of any supposed legal difficulties.

This decision contains an exhaustive discussion of the whole question of the power of the states to regulate insurance rates. In it the Supreme Court replies conclusively to the arguments of the insurance "combine" against the right of the state to regulate insurance rates. This decision settles the question absolutely, and is well worth careful reading by everyone interested in the subject of insurance, so I attach a copy thereof to this report, as an appendix.

In view of the facts and conditions which I have already described it appears to me that some method of effectively regulating insurance rates by the State is imperatively necessary in order to

¹NOTE.—On April 3, 1914, I delivered an address on State Insurance before the "Conference on Life Insurance and Its Educational Relations" at the University of Illinois. In that address, I did not include fire insurance in the list of insurance branches which I considered should be conducted by the State, yet I did lay down a general principle applicable to all insurance in the following language:

"There are certain economic conditions associated with classes of individuals or lines of industry, by reason of which the State must recognize and assume a special responsibility and grant relief through the administration of a system of insurance. Under such conditions, the State is fully warranted in taking over the business of insurance."

Prior to the making of that address, I had not specifically inquired into fire insurance conditions in this State. My investigation, as covered by this report, has been made since that date, and I am now convinced, beyond all doubt, that the business of fire insurance comes clearly within the general principle I laid down in that address, and that it should have been included in the list of insurance branches to be administered by the State. I now confess that, prior to my investigation, I did not realize and had but little idea of the enormous burdens imposed upon the people of my State through the operation of the stock fire insurance "combine."

protect the citizens of Illinois. On account of the existence of the "combine" there is no such thing as securing reasonable rates through competition. The United States Supreme Court decision, which I mention above, is conclusive authority for the right of the State to regulate insurance rates. All that is necessary to secure relief is legislative action. It remains, then, to be considered what is the best method and means of regulating insurance rates. I believe that it should be done by an insurance commission composed of three members. If such a commission only had power to pass upon the rates made by the insurance companies, it would afford considerable relief and be a distinct advance over the present condition of absolute control of rates by the "combine," which is mitigated only in small part by competition from the mutuals and inter-insurers. I believe, however, that it would be still better for this commission to have the power to themselves, to make a classification of all the property in the State with reference to fire hazard; collect statistics of fire losses under this classification, and, upon the information thus collected, make reasonable maximum rates which the companies would not be allowed to exceed. This commission should have wide powers in relation to fire insurance rates, similar to the powers which the Utilities Commission has over the charges which public utilities are allowed to make.

Unless, however, such a commission could make a correct and thorough classification of property and then accumulate statistics of fire losses in these various classes, they would have insufficient means for determining whether or not any rates tendered by the companies were equitable or not. The companies have no power to require these statistics, nor would they be disinterested parties in collecting and applying the same; therefore, the classification and collection of statistics of fire experience can only be done by a State Commission; but if a commission, and only a commission, must do all this, then they will be in better position to themselves make the rates than any companies or "combine" of companies.

In further detail the plan which I recommend would be something substantially as follows:

(1) There should first be made a scientific and thorough classification of all fire risks in the State into a sufficient number of divisions so that all risks will be placed in classes where the hazards will be substantially equivalent.

(2) The maximum fire insurance rates on each class should be fixed by a commission appointed by the Governor, of which the insurance superintendent would be a member; these rates to be based upon all the experience available as to losses in the different classes and modified from time to time, as further accumulated experience might indicate just and proper. Allow any insurance company to make whatever minimum rate it may see fit, provided that all such rates on the same classes of property in the same community are uniform, and that, when such rates are once made, they can not be raised for at least twelve months. The latter provision is for the purpose of preventing discrimination by allowing every insurer to have at least one year's benefit of any lower rate. It

would also prevent temporary rate cutting to drive other companies out of business.

(3) Any combination, agreement, pool or understanding by and between fire insurance companies for the purpose of making rates should be absolutely prohibited, but, during the time which might elapse from the passage of such a law until a classification was worked out and rates established by a commission, the companies should be allowed, after filing schedules thereof, to collect such rates as such insurance commission might deem reasonable. All rates during the interim period should be under the control of the commission and made reasonable and free from discrimination.

The plan outlined in paragraphs 1 and 2 above is substantially that in force in Texas, from which very good benefits have been derived, both to owners, and, strange as it may seem, to the companies themselves. The companies are benefited because, by reason of the law, they have been obliged to select better agents, and these have rejected bad risks and so have reduced the burning ratio immensely. This would never have been done under the previous system. A similar benefit will accrue in Illinois.

In the first annual report of the Texas Fire Insurance Commission, just made to the governor of that state, the absolute control by the state of fire insurance rates is declared to be "highly successful" and "the results obtained have shown that the state can control rate-making and fix reasonable rates in a manner just to the people and equitable to the insurance companies."

The state rates are made in Texas at the expense of the insurance companies, which are assessed $1\frac{1}{4}$ per cent of their gross Texas premiums for this purpose. The key rate system is used, in which "cities and towns are classified scientifically according to general construction, width of streets and alleys, general fire hazard and municipal protection." This, the report says, has encouraged cities to enact ordinances for public safety, and to improve water-work systems and fire departments. Also fire hazards are penalized and thus the public is encouraged to eliminate fire dangers, with the result of a marked reduction in fire loss in Texas. Confidence in the law, as well as approval of its economic benefits, is shown by the fact that not a single request for a public hearing by the commission has been made, and there has been no unified complaint during the fourteen months of its existence.

There are 146 local fire marshals in Texas who work in conjunction with the state fire marshal. It is said, however, that the state fire marshal needs more power to be able to effectually enforce the law and obtain more convictions for the crime of arson.

Whatever method is adopted for the control of rates, the companies should not be allowed to combine for the purpose of fixing and maintaining rates, even under regulation. Such a "combine" is contrary to the statutes and the common law of the State of Illinois, and it would be an evil example to allow the insurance companies, whose business is the most profitable of all, to continue the "combine" under any form or pretext whatever, even if there was absolute control by a commission over rates, the "combine" would

still have immense power of oppression through control of local agents and numerous other methods possible to skilled manipulators. Also the public would be deprived of the benefit of competition which might, and in some classes and localities could and would, lower rates below the figures allowed by a commission.

EXCESSIVE PROFITS OF INSURANCE COMPANIES.

A statement which the insurance companies and their advocates are very fond of making is that, in the insurance business as conducted by private corporations, the rates collected by them must be enough to pay all losses and expenses and a profit. This is a general statement which appears, on the face of it, to be fair and reasonable, but in reality is exceedingly deceptive, because it is incomplete, lacking some very important necessary qualifications, from the nonobservance of which a large part of the present day evils in fire insurance arise. These qualifications are:

- (1) That the losses must be unavoidable, bona fide losses, and
- (2) The expense and profits must be reasonable.

Now, the facts are, that the losses to meet which rates are now fixed are not all unavoidable and bona fide, but a large part thereof are the direct result of over-insurance, criminal negligence and plain arson, for much of which the companies and the system by which the business is carried on at the present time are responsible. It is, perhaps, true, that over-insurance and its resulting evils are not directly encouraged by the companies themselves, but they are the direct results of the agency system and the large number of dishonest and reckless insurance agents. The results from the local agency system can not be expected to be otherwise, when you reflect that the compensation of the local agent is a percentage commission on the gross amount of the premium, or tax, paid by the insurer. It is, of course, true that there are many honest insurance agents who do not allow this consideration to influence them wrongly, but, unfortunately, there are also many not of this sterling character, so that in the aggregate the influence of the percentage commission is tremendous, and a constant pressure in favor of over-insurance. The ordinary insurance risk is not seen by anyone connected with the insurance company except the local agent, and not often even by him. Consequently, the insurance is written at whatever value figure the local agent may wish, and it is not only to his interest that the premium rates be high, but it is further to his interest that there be quite frequent fires, because this strikes fear to property owners, causes them to seek insurance and makes them willing to pay high rates for it. When a local agent presents a bad risk, the insurance company will accept it in order to secure the good business the agent controls.

As regards the second proviso, I find that the expenses are not reasonable. In round numbers only 50 per cent of the money collected as premiums is paid back to policyholders for losses. Keeping in mind the principle that insurance is a tax, it immediately becomes apparent to every thinking person that an expense of 50 per

cent for the collection and disbursement of this tax is unreasonable and exorbitant.

Profits are as far from being reasonable as expenses. The insurance companies publish complicated tabulations from which they argue that their "underwriting profit" is very low. This claim is entirely deceptive and turns upon the peculiar meaning given to the term "underwriting profit." In all other businesses, the difference between the total income and the total expense is considered the profit and figured as a percentage of the capital stock of the company. The insurance companies, however, take the total premium receipts, and deduct, from this, fire losses, expenses of every kind and character, actual and estimated, and increases in liability. This difference is called the profit, and figured as a per cent of the total premium receipts for the year, the result being termed "underwriting profit." There is no reason why insurance profits should not be calculated like that of banks and other corporations, except the desire of the companies to conceal their enormous profits. Basing profits as they should be, upon the capital stock, some astonishing results are obtained. For instance, I find that, according to the official reports made to me by all the stock fire insurance companies doing business in Illinois, their total income for 1913 was \$365,785,595, and their total expenditure, including dividends to stockholders, was \$338,703,821, leaving a profit of \$27,081,774. The combined capital stock of all these companies was \$117,242,333. Thus, the average profit of all these companies was 23.1 per cent per annum. In the case of foreign companies admitted to do business here in the United States, the amount taken as capital is the amount deposited in this country in order to secure permission to do business here. The computation given above does not, however, include the annual dividends paid by the companies, so, in order to get the real profit, dividends must be added. I have not been able to obtain the dividend figures for foreign companies, but have done so for the companies domiciled in the United States. These, according to their official reports, for 1913, had a total income of \$253,077,525. In the same period their expenditures, including dividends, were \$240,138,912, giving a difference of \$12,938,613. The paid up capital stock of these companies amounts to \$39,967,347, so that the average percentage of profit, exclusive of dividends, was 32.8 per cent. According to the figures given in the *American Exchange and Review* (issue of September, 1914), the average dividend paid by the above American companies was 12.3 per cent. Adding this to the above "profit," we have 45.1 per cent per annum average real profit. These results are obtained from the figures furnished from the companies themselves and can not in good faith be disputed. The truth is that there is no other business of similar magnitude in the United States which enjoys such enormous profits as the fire insurance business. Certain individual instances further emphasize this fact. The profit in 1913 of the Hartford Fire Insurance Company was the enormous figure of 119.3 per cent, of the Continental 92.7 per cent, of the German American 86.7 per cent, of

the American 67.6 per cent, of the Boston 54.5 per cent, of the Buffalo German 72.7 per cent. This fact is reflected in the very high prices paid for the stocks of these companies.

To more specifically illustrate these profits, I will take for an example the Continental Insurance Company. This company has a capital stock of \$2,000,000, and in 1913 declared a dividend of \$1,000,000, or 50 per cent. During the past five years, 1909 to 1913, inclusive, this company has declared dividends amounting to \$5,200,252, or at the rate of over one million per year. In addition to this, it has increased its assets, the property of its stockholders, over \$5,300,000; also at the rate of over one million per year, or the equivalent of another 50 per cent dividend each year. The income upon this stock, therefore, has been over 100 per cent per year for the past five years. It might be mentioned, also, that a share of this stock of a par value of \$100 sells for \$900. It might be added that other companies show years when even higher profits were made.

BANKING PROFITS OF COMPANIES.

It is a very striking and significant fact, known to but few, that fire companies make no reference whatever to their enormous "banking profits" when presenting statistics to the public, showing their profits. Their income from this source is large, being composed of interest earnings on the enormous amounts of premiums placed in their hands by policyholders, and other ordinary investment profits incident to their business. The following table (which does not include, as income, deposit premiums on perpetual fire risks or cash contributed by stockholders, but only pure income) shows some astonishing results:

Year.	BANKING PROFITS.		
	Capital stock of all companies.	Premiums received. (Fire and marine.)	Income other than premiums.
1913	\$117,242,333	\$334,906,028	\$30,879,566
1912	107,854,789	323,747,258	31,186,886
1911	103,760,874	307,474,359	29,211,923
1910	98,178,324	300,251,163	26,568,040
1909	87,924,512	284,474,144	27,931,569
Totals	\$514,960,833	\$1,550,852,952	\$145,777,984

PERCENTAGE OF PROFIT AS SHOWN BY ABOVE FIGURES.

Year.	Percentage of "other than premiums income" to premium income.	Capital stock dividend produced by "other than premiums income."
1913	9.2%	26.3%
1912	9.6	28.9
1911	9.5	28.2
1910	8.8	27.1
1909	9.8	31.7
Average	9.4%	28.3% annually

Thus it is seen that if the fire companies had expended every dollar received for premiums during the past five years to pay fire losses and expenses, they could still have declared a dividend averaging 28.3 per cent on their capital stock each year.

When the facts concerning these enormous profits of the insurance companies are first presented to the average business man, it

is frequently difficult for him to understand how they are possible, and he is inclined to be skeptical as to the accuracy of the figures or the good faith of the statement. Consequently I venture to give a few words further in explanation of this matter. Insurance premiums are all paid in advance, most for the term of one year; but a considerable number for terms of three and some five years. Considering for the purpose of illustration the one year policies only, such losses as occur are distributed throughout the year with some approximation to regularity. Some losses occur at the beginning of the year, some at the end of the year and the others at intermediate times. Assuming that the distribution of losses is regular throughout the year, the total effect is the same as if the insurance company received interest on the total premium collected for a period of six months. In addition to this, it receives interest on its capital surplus accumulated from excess of premiums over losses throughout the whole twelve months of the year. The capital of an insurance company is not employed in the business of the company as in the case of other enterprises, but is only for the purpose of affording additional security to the policyholders that there will be money to meet the losses. As a matter of fact, however, except for exceedingly infrequent emergencies, as the Chicago fire or San Francisco disaster, the capital stock is never touched for any purpose, but is invested in the best interest bearing securities and the interest goes to augment the income of the company. The company collects an ample amount from the policyholders to pay all losses, expenses and a profit. Next take into account the fact that the capital stock of the large insurance companies is small in relation to the business done by them; for example, suppose we have a company with a capital stock of \$2,000,000, a surplus of \$15,000,000, and a premium collection of \$10,000,000, annually. Suppose now we have an interest income of 5 per cent on the capital stock of \$2,000,000, and a surplus of \$15,000,000, for the entire year, and on the premium receipts of \$10,000,000, for six months, the total amount of interest received would be \$1,100,000, which would be 55 per cent on the capital stock of \$2,000,000. These are approximately the actual figures of one of the largest insurance companies for the year 1913, and many other similar cases can be given, and shows clearly how the tremendous profits of this and other large insurance companies are possible. It is probable, however, that through shrewd banking and investment operations of the companies, more than 5 per cent interest is realized.

It should be observed that the profits, as explained above, does not include "underwriting profits,"¹ which are the only kind of "profits" to which the companies make any reference in their published statements.

PROFITS FROM ILLEGITIMATE STOCK TRANSACTIONS.

There is another element which enters into the question of fire insurance profits. Investigation by the United States Government

¹The reader should refer to page 204 for an explanation of what "underwriting profits" are in the deceptive sense in which the companies use the term.

authorities into illegitimate stock manipulations, such as the New Haven stock transactions, has shown that officials of fire companies unload on their companies worthless or depreciated stocks and bonds. These securities are then sold by the companies at a loss, and this loss is included in the ordinary losses and expenses when the companies figure their profits. In the case of the New Haven Railroad, 43 companies held \$7,765,691 in stocks and bonds of this railroad. Of this amount the sworn statements of the respective companies show that \$1,331,061 worth was acquired in 1913, when it was known that the New Haven was certain to fail. It is apparent that, in this instance, "unloading" was practiced on a large scale.

SURPLUS AND PROFIT PERCENTAGE CALCULATION.

Some defenders of the insurance companies, however, say that instead of profit being calculated as a percentage of the capital stock invested in the business that it should be calculated upon this capital stock plus the value of the insurance reserve. If calculated in this way the percentage profit averages perhaps 10 to 15 per cent per annum, which they claim is only a fair rate of income. If the surplus had been accumulated by the self-denial of the stockholders of the insurance companies in not taking out of the business a reasonable profit, but allowing it to accumulate therein for the further security of the policyholders, there might be some justification of the position. Such, however, is not the case. These surpluses have been accumulated out of excessive profits during years in which enormous dividends have also been paid. In other words, the rates were so excessive that the companies were able to pay enormous dividends of the magnitudes shown above, and in addition pass large sums of profits to the surplus. If an equitable view of the matter is taken, the stockholders have not furnished the money piled up in the surplus, but this has been extorted from insurers as excessive rates. Therefore, to claim that insurance profits should be considered a percentage upon the surplus is wholly unjustified.

This surplus is accumulated from premiums paid by policyholders, being an amount in excess of that necessary to pay fire losses, excessive expenses, enormous salaries and large dividends and belongs, as a matter of right, to the policyholder, and can not be justly considered as capital of the stockholders on which they are entitled to dividends. A stockholder is only equitably entitled to returns from his own money, which he has paid into the company's treasury.

EXCESSIVE SALARIES TO OFFICERS.

Another item of unjustifiable expenses of the insurance companies is the enormous salaries paid to its officials. It is difficult to obtain exact amounts as to these facts, but it is said that the president of the Continental Insurance Company receives a regular salary of \$50,000 per annum, with certain percentage allowances which gives him a total recompense of considerably over \$100,000 per annum. The officers of other large companies are similarly compensated.

INSURANCE HAZARD.

It is sometimes claimed, also, on behalf of the companies that they are justly entitled to these great profits by reason of the risks they take. This assertion is entirely untenable. The rates are so high that they more than cover the fire loss, excessive expenses and enormous profits, as shown by a great number of years of experience of each company. This being true, there is, in reality, no risk whatever taken by the insurance company, except the remote "conflagration hazard," for which also the companies provide after each conflagration by a strong raise in rates, which are kept in force continuously and result in enormous additional profit to the companies, as I have previously shown (p. 193). Insurance "hazards" are much less than the financial perils which beset the ordinary merchants. This is proven by the fact that a much larger per cent, in proportion to capital invested in mercantile and industrial ventures, fail.

It is true that quite a number of stock fire insurance companies yearly cease to do business, but this results from the operation of the "combines," and neither indicates nor proves that the business is unprofitable. In 1913, out of 32 stock fire insurance companies which ceased to do business, 30 continued their existence as "annexes" of larger companies. This does not indicate they were doing a losing business, but simply that they were sold at great profit to the larger insurance corporations to further monopoly by reducing the number of competitors.

OTHER RECOMMENDATIONS.

I would also make the following additional recommendation for the reform of certain details of the insurance business in case it is impossible to secure State insurance immediately.

DETAILED STATEMENT OF VALUE OF INSURED PROPERTY.

It should be required by law that there be made a full description, with an explicit statement of the value of buildings insured, and, in the case of personal property, an invoice of it, signed by the owner, and approved by the local agent. The same penalty should be provided for making false statements as to value, condition, quantity, etc., of either real or personal property, as are by law now provided for obtaining money by false pretenses, in addition to rendering the policy voidable, in the same way that material misrepresentations in an application for life insurance renders a life policy voidable. It should be required that the insurance agent, before approving such statement, should make a personal inspection of all property, real or personal, included in such statement, and that this fact should be certified to in his approval of same. Such description and valuation should be attached to and made a part of each insurance policy. This plan would prevent practically all over-insurance of property, which is what leads to arson.

STANDARD POLICY.

A standard form of fire insurance policy should be adopted by the State, and it should be required that this contain a full and

complete itemization of all the hazards, credits, penalties, etc., which go to make up the complete rate charged on such policy so that the property owner could see how his rate was made up, and so be able to know how to obtain a lower rate by removing unfavorable conditions. There should be a provision that, if an owner improves his property so as to remove unfavorable conditions, the property be given a reinspection, and a lower insurance rate immediately granted.

CANCELLATION OF POLICIES, ETC.

Insurance companies should not be allowed to cancel policies at will. Cancellation should only be allowed if there had been material misrepresentations, or when there has occurred a material change in the condition of the risk, and these things should be required to be proven in court. If a company should bring suit to cancel a policy and a fire occurred before the case was decided, then, upon a final decision in favor of the company, it should be relieved from liability.

Insurance companies should also be required to grant insurance at regular rates for the class to which the risk belongs to any applicant in the same way that a common carrier must transport, or a hotel keeper must give lodgings to any decent person. The companies, however, should be allowed to refuse insurance for substantial objections either to the risk or the owner proven in court.

AGENTS' QUALIFICATION REQUIREMENTS.

Outside of exorbitant rates, a considerable part of the evils which affect the fire insurance business arise from the fact that, under the Illinois law, any person whatever can act as a fire insurance agent. It is true that the law now requires that each agent secure license from my department, but there are no qualifications prescribed as prerequisites. The natural result is that a certain proportion of insurance agents are incompetent and their work perilous to the insuring public. This could be very effectually remedied by a requirement that, before agents are issued licenses, they must show reasonable qualifications which will enable them to understand and carry on the business of writing fire insurance in a careful and businesslike manner, in accordance with the insurance laws of the state. The provisions suggested by the Illinois State Association of Local Fire Insurance Agents appear to me to be well adapted for this purpose, and I would recommend that the salient features of the same be incorporated into our insurance laws.

FOREIGN REINSURANCE AND NET LINES.

The following insurance practice tends to increase the cost of fire insurance, and is also an efficient aid to monopoly—a fire insurance company will issue a policy for an amount greater than it can carry individually, and then reinsures the excess in a foreign "treaty" company. There are no American reinsurance companies, with the exception of one, which is owned by foreign capital. During the year 1913, \$38,000,000 were sent across the ocean for reinsurance premiums. Thus cost of insurance is increased because of the increase of the number of middlemen who each make a profit from the original premium paid by the policyholder. Its tendency toward centralization is

due to the fact that the large companies, by reason of their great agency forces, are able to write a far greater amount of insurance than they themselves desire to carry, but reinsure the excess. Consequently, small companies are unable to secure business which they would otherwise get if no companies were permitted to write more insurance than it was itself able and willing to carry. Furthermore, the extent to which they have indulged in this practice has embarrassed several companies considerably, at the present time, because of the fact that they are legally responsible to their policyholders for the full amount of all policies written. In case of loss, the American companies look to the foreign companies for reimbursement, but, on account of the present European war, these companies are temporarily unable to meet their obligations.

I recommend that a "net line" law be enacted, prohibiting companies from writing insurance upon any property in an amount greater than they are themselves able and willing to carry.

CO-INSURANCE.

The subject of co-insurance is one which has been liberally discussed, but no legislative action taken in relation thereto in Illinois. The actual practice of the companies doing business in Illinois varies with respect to co-insurance, but I believe that a majority of existing policies are without co-insurance provisions. The companies, however, strongly desire to put co-insurance clauses in all policies for reasons mentioned below, so that this subject should be carefully considered, particularly as co-insurance is prohibited by statute in many states.

The term co-insurance has the following meaning: Suppose an owner instead of insuring his property for the full value decides that he will only insure for a part, say one-half its value, trusting that in case of a fire it will be extinguished before the property is damaged more than one-half. In cities where there is good fire protection the great majority of fires are extinguished before the total loss occurs. Under the ordinary insurance policy where the property is only insured for, say, one-half its value, the company is bound to pay for all of the damage which occurs up to the face of the policy. Thus the insured for a small premium is nearly always able to collect enough money to pay all the fire loss which actually occurs. Naturally the insurance companies are reluctant to see the property owner get off so easy and obtain practically complete protection by paying premiums on only a part of its value, because thereby their revenue is reduced. Consequently to prevent property owners from getting any benefit out of this plan of insuring for only a part of the value of the property where there is good fire protection, the companies have devised what they term a co-insurance clause to be inserted in policies to the effect that, in case a property is only insured for partial value, say one-half, in case partial loss occurs, only such proportion of that loss will be paid as the insurance on the property bears to the total value of the property. If the insurance on the property was \$4,000 and the actual value of the property was \$8,000, then in case of loss only one-half of the actual damage would be paid to the insured. Thus, in order to obtain the total insurance of \$4,000 under such a provision, there would have to

be a total destruction of the property amounting to a loss of \$8,000. On any smaller loss the owner would receive less than the face of the policy; if the damage was \$6,000, he would receive \$3,000 if \$2,000 only \$1,000, and in proportion for all other damages.

Coinsurance is a subject as to which opinions vary widely. Some states permit the companies to use coinsurance clauses in their policies, but in a large part of the states this is prohibited. The fact that property is insured for less than its value is an absolute protection against arson by the owner. If the owner who pays taxes to maintain an efficient fire department wishes to get some advantage out of this expenditure by insuring his property for less than its full value, trusting the fire protection to prevent full loss, I believe he should be permitted to do so without being penalized by a coinsurance clause. Otherwise, the insurance companies reap the benefit of the good fire protection the owner has paid for, and, if permitted to compel coinsurance, are able to collect as high rates from the insured as if there were no fire protection whatever. The companies claim that permitting an owner to insure for less than the full value of the property is a species of discrimination because it permits the more wide awake and venturesome business man to get protection for that proportion of the property which is liable to be damaged in the ordinary fire at less rates than the more timid man who is only satisfied by having the value of his property totally covered by insurance. This may be true, but my view is that the enterprising and venturesome owner is entitled to all the benefit he gets out of the additional risk which he takes and the fire department tax he pays. By doing this he is simply carrying a part of his own insurance. There is no discrimination whatever in permitting owners to insure for less than full value because any man can do this if he desires. Discrimination only arises where the effect is to give one man a privilege which others do not have. The fact that one man may not feel able to, or may not dare to carry a part of his own insurance, does not render it a discrimination to permit other more venturesome men to do so. In fact, coinsurance which compels all men to insure for the full value of their property is a clear discrimination against the venturesome man, and amounts to forcing property owners to allow insurance companies to take all of the risk, which when the insurance companies having the fixing of the rates compels the property owner to pay the full tax or do without insurance. But, insurance under modern conditions being a necessity, the real effect of insurance is to compel all property owners to pay full taxation to the insurance companies.

Consequently, after careful consideration, I recommend that, while there should be stringent provisions to prevent over-insurance, coinsurance clauses should not be permitted, but that the insurance companies should be compelled to pay the total damage suffered on a risk up to the face of the policy.

"VALUED POLICIES."

In connection with coinsurance comes the subject of a valued policy act. This is a provision compelling an insurance company to pay the face amount of the policy in case of a total loss, the value of

the property destroyed by fire being accepted without proof. The companies oppose such a provision of law as tending to foster arson, yet their position in this regard is inconsistent. One purpose of a valued policy act is to prevent overinsurance, it being presumed that, if a company knows it is to be held liable for the full amount of a policy, more care will be exercised in writing the insurance. However, the companies have found over-insurance very profitable to themselves and without a valued policy provision are permitted to receive a premium on an overinsured value of property and then scale the amount on payment of a loss. With the elimination of overinsurance, a valued policy act will not be necessary.

FIRE PREVENTION.

In addition to the elimination of overinsurance and consequent arson, which I have mentioned above as tending to prevent fires, there are certain other measures which would assist in reducing this tremendous annual loss to reasonable figures, such as those in European countries. Among these is the installation of automatic sprinklers for the protection not only of goods within buildings, but in the case of certain buildings in congested districts of great cities the installation of similar devices on the exterior of buildings, called "water curtains," which are pipes arranged so that when heated to a certain point they open the same as the automatic sprinkler heads on the interior of buildings. This permits a sheet of water to run down the outside of the building and is very effective, particularly when used in combination with window glass reinforced by wire netting to prevent buildings catching fire from adjacent fires.

A striking example of the benefits of this was exhibited at the very recent fire in Salem, Mass., where a building protected in this way, both within and without, in the midst of a large fire, stored with inflammable material, remained standing. The water curtains on the outside operated and kept down the heat so that not only did the building not catch fire, but not a single sprinkler head on the inside opened.

EDUCATION IN FIRE PREVENTION.

Another important means of fire prevention is the education of the public and particularly of school children on this subject. Among the topics on which information could be profitably given are: danger from defective chimneys and stove pipes; from defective electric wiring; from use of kerosene to start fires; from accumulations of leaves, rubbish, etc., and from bonfires of the same; from the use of gasoline and illuminating gas; from cigar and cigarette stubs; from fire crackers, fire works, matches, etc. I believe that, since safety matches have become as cheap as any other kind, the sale of parlor matches, and, in fact, of all other kind of matches, excepting safety matches, should be prohibited.

Information should also be given of the usefulness of proper lightning rods for preventing fires from this cause, particularly on farm buildings. This is not said for the purpose of aiding professional lightning rod agents, who have so often swindled the people in the

past by selling them rods, usually worthless, at exorbitant prices. Better lightning protection than furnished by lightning rod agents can be provided at very small expense, and erected by anyone, in the form of a good galvanized iron or copper wire cable nailed directly to the building extending two or three feet above the highest point and sunk at the bottom down to permanently moist earth. Scientists say that not only are glass or other insulators useless, but they are positively disadvantageous. If the conductor is unbroken and extends into moist earth, there is no danger whatever that the electricity will leave it and strike into the building when fastened directly against the wall. If the conductor is broken, insulators will not save the building.¹

Information should be given as to the advantages of fireproof construction, or, where this is impossible from cost, of the best fire resisting material, paints, etc., and particularly of the best material and methods of roof construction for resisting fires. A considerable number of fires originate in roofs, and, in conflagrations, the fire is nearly always carried by roofs being set on fire.

CLAIM THAT INSURANCE MONOPOLY IS NECESSARY.

The fire insurance companies strenuously claim that their business can only be conducted by means of an agreement or combination for the purpose of making rates. They admit that the method is monopolistic, but justify this claim that it is absolutely necessary in fire insurance. They endeavor to disarm suspicion by using the harmless term of cooperation" instead of "trust," "agreement" or "combine." The facts in the case are that the insurance business in Illinois as at present conducted by the companies through "combines," which I have already described, is a monopoly of the most oppressive type. Under the terms of the existing understanding, inspections are made and rates fixed for all the companies through the device called the "Illinois Inspection Bureau." If the community of action stopped at this point there might be some truth in the claim that it was legitimate cooperation to save expense. But this is only a preliminary. The essential thing is the further agreement to maintain rates and the Stamping Bureaus, and other effective machinery for enforcing the rate agreement, which enables the "combine" to compel every member to observe these rates. The courts of Illinois have explicitly decided that an agreement or combination for the purpose of maintaining fire insurance rates is contrary to the laws of the State of Illinois. The insurance companies recognized the correctness of these decisions when they dropped their previous combination methods and attempted to evade these decisions by putting into operation the Illinois Inspection Bureau device and the secret understanding to enforce its rates instead of the previous open agreement to that effect. All other business in the State must be done subject to the antimonopoly laws of the State. Since courts have decided, and their decision still stands as the law of the State, that the

¹ This subject is fully treated in Farmers' Bulletin No. 367, Lightning and Lightning Conductors, by Alfred J. Henry, issued by the United States Department of Agriculture, from which it can be obtained free. A brief pamphlet on this subject with practical directions is also published free of charge by the State Fire Marshal, Springfield, Ill. I recommend every property owner to send for these and protect his buildings according to their directions.

antimonopoly provisions apply to the insurance business also, the insurance companies' demand, that they be allowed to continue their so-called cooperation, amounts to this: that they be permitted to continue to violate the antimonopoly laws of the State.

Of course, no reasonable person will claim that the insurance companies should have the privilege of violating the antimonopoly law, by any subterfuge, device or trick, whatever, and the companies do not dare to openly take this position themselves, and, therefore, falsely term their scheme "cooperation," because cooperation, in the correct use of the term, is not only a lawful, but a highly commendable thing.

Leaving aside, for a moment, the entire illegality of what the companies are doing under the euphemistic name of cooperation, I desire to examine briefly the claims they make in favor of this alleged cooperation. These in brief are: That this is a greater economy to the companies in making schedules, inspecting and supervising risks and repressing incendiarism; that otherwise it would be impossible to regulate rates and they would be unstable and discriminatory.

I will frankly admit that there would probably be some economy in having the inspection and schedules (which are estimates of relative fire hazards) made for all companies at one time, but it does not follow that it is best for the people that this should be done by a "combine" of the companies. In the first place far worse discrimination and favoritism are not only possible but are actually practiced at present by the "combine's" rate-making institution than would be possible by open competition, and the public is absolutely helpless against these things. There is no one to whom appeal can be made against them. Their inspection bureau possesses arbitrary and absolute power. In the second place, there is no protection whatever from exorbitant rates. The bureau's rates will inevitably reflect the desires of the companies for larger and larger profits, and while provisions for state regulation of these rates, similar to that imposed upon public utilities, would help somewhat, still this process is slow and cumbersome.

If insurance by private companies is to be continued, the best method of ratemaking is to have this done by a state commission, which will be more economical than their present arrangement, will be free from the discrimination and favoritism practiced at present, and, most important of all, will enable a thorough and scientific study of the whole subject to be made and reasonable maximum rates made in the fixing of which the people through their commission, will have something to say.

The claim of the companies that under free competition rates are unstable and therefore discriminatory is wholly fallacious, and not made in good faith, but is a false appeal to the people's just resentment against discrimination in order that the companies may be allowed to continue their "combine" by which they are able to extort excessive premiums. Discrimination is entirely unjust and should not be permitted in any form. It can not, however, be prevented even partially by permitting the companies to combine, except, perhaps, through substitution by the companies of a still worse thing—equal extortion

levied on all instead of some being able to partially escape. Only direct state intervention can effectually prevent discrimination.

The particular discrimination which they allege is liable to occur under free competition is that large insurers and keen business men can, by playing one company against the other, secure lower rates than smaller or less active competitors. This, if true, would be an evil, but will be absolutely done away with by either state-made rates or a system of state insurance, and can not be thoroughly eliminated by any other method. If the "combine" methods are permitted or legalized it is possible that some discrimination would be abolished, but it will not be by lowering the rates of the smaller insurers. It will be by raising the rates of the big insurers. This has already occurred to a considerable extent during the past few years in Illinois under the power usurped by the existing "combine" and with a further access of power through express recognition of "combine" methods the process will be completed and the rates of everyone forced up to the highest point now exacted from any insurers, and the excessive and enormous profits of the "combine" companies still further enhanced.

The reality of this process of forcing up rates is attested by numerous complaints on file in my office, from all parts of the State, of enormous raises of rates made since the Illinois Inspection Bureau went into operation in 1908. If this institution or something similar was legalized, the "combine" would find some means of neutralizing the only protection which now remains to any of our citizens; that, is competition from the mutuals. Mutual insurance is impossible at the present time for a large part of property owners in this State. If it should, by some means, be rendered unavailable to all of them, then our citizens would be entirely at the mercy of the companies, and would either have to pay such rates as the insurance "combine" saw fit to dictate or do without insurance. But many can not do without, because they can not otherwise obtain credit to carry on their business.

All the trusts and monopolies make practically similar defenses of economy and similar claims of disaster unless monopolies are permitted, etc., and they are as false and detrimental to public welfare in the insurance business as in any other business. In fact, since, as I have shown, the effect of the insurance monopoly is to increase instead of decrease fires, I believe that the insurance monopoly has a more damaging and dangerous influence on public welfare than other monopolies.

MONOPOLY.

Monopoly is the greatest evil of the modern industrial era. The general effect of monopoly on the welfare of the people can not be better summarized than in the words of President Woodrow Wilson:

"Private monopolies are indefensible and intolerable." It only remains to be considered whether the effect of the insurance "combine" is different and whether it should be legalized, while other monopolies are outlawed. The facts and considerations I have outlined above refute such claims conclusively. The fire insurance

monopoly not only taxes the people more than twice as much as would be necessary to distribute the legitimate fire loss among the whole people instead of allowing it to crush a few unfortunates, but actually increases the annual fire waste and loss of human life. Some monopolies in return for their exactions have given improved service to the public, but the effect of the fire insurance monopoly is to make natural conditions worse.

There is a curious inconsistency in the companies' position that they can not survive free competition because the fact is that, except in the matter of premium rates, the companies are and will continue to be in intense competition as to other things, particularly the commission paid to agents. There are two ways of increasing the business of a company. One is by reducing the rates to the public, the other is by increasing the commission to the agents. Just as soon as by combination the companies have gotten rid of competition in premium rates, then they begin competition for business by raising the commission to their agents. This has gone to an almost unbelievable extent. In Chicago the companies according to sworn statements made in examination by my department admitted they pay commission as high as 40 per cent on some lines.

The insurance companies can continue to do business while competing in premium rates just as well as they can continue to do business while competing for local agents and other factors in their business. It is absurd and illogical for the companies to claim that in order to remain solvent they must be permitted to eliminate competition as to premium rates while they continue in the most strenuous competition as to everything else in their business. This competition as to everything excepting rates means much useless, costly duplication of officers, agencies, etc., which necessarily causes continually increasing expense to be added to the heavy burdens of the policy holders. They do not seek to avoid this, but only to escape competition in rates which would tend to lighten the burdens of the policyholders. If any business can be successfully operated only as a monopoly, then it is time for the people, through their governmental institutions, either to effectively control or to take over and themselves operate such business. Only by so doing, can they escape extortion and robbery and be able to enjoy the pleasures and benefits of modern civilization. The argument for monopoly in the fire insurance business is only the selfish plea of those who, having wrung enormous profits out of the necessities of the people, are fighting for permission to continue to do so. Their attitude is the same everywhere. Alglave says: (*Assurance Contre L' Incendia, Service Public, En Allemagne, p. LIV.*)

"Let us not forget that they (the insurance companies) are not philanthropists, but dealers who seek to sell their merchandise at the highest prices that are possible."

BENEFITS OF INSURANCE.

In conclusion, I do not think it necessary to enter upon any extended exposition or eulogy of the benefits of insurance if it is conducted on correct principles, and with the aim of benefiting the peo-

ple as a whole instead of affording monopolists a means of collecting tribute. Insurance is essentially an institution for expressing effectively under modern conditions the sympathy and aid of human fraternity. It is the visible and merciful embodiment of the spirit of brotherhood of all men. Adopting the words of a recent writer, we may consider this great institution says to mankind:

"Fire and flood, lightning and tornado, will, unless my shield is over you, inevitably bring misfortune and disaster to many, but dismiss your fears and anxiety and pursue your vocations with courage and perseverance, for, if these things should perchance be allotted to you by the inscrutable decrees of fate, nevertheless I will surely protect you. Your riches and your happiness shall not be diminished, for I will replace your losses. Rely on me and the dangers of the air, the sea and the land shall cease to exist for you. Under my protection you shall live your allotted days in peace of mind, and when the final summons comes, as come it must to each, you shall depart consoled by the thought that your loved ones are not exposed to sudden disaster nor liable to the miseries of poverty and the pangs of hunger."

Selfish and greedy men have seized and made a monopoly of this beneficent institution so that, to realize its benefits, the people are obliged to pay heavy tribute to them. This is a great wrong. It should not be possible for such a heavy price to be exacted by the mere middlemen who collect and dispense insurance. It should be conducted at cost, but this can only be done by the people themselves through their governmental institution, the State.

SUMMARY.

The important facts which stand out in bold relief as a general result of my investigation of the fire conditions in Illinois are: premium rates, especially on dwellings, are excessive and discriminatory; Chicago being particularly subjected to insurance extortion; this is so because there exists three insurance "combines" in Illinois, which fix rates and prevent competition. An insurance "combine" is illegal and the courts in Illinois have so decided. The people of the State of Illinois, as shown by complaints continually received by this department, are becoming aroused, and demand, and should have, immediate relief. Complete relief can only be secured by establishing a system of State fire insurance which will afford great, immediate reduction in rates and ultimately reduce rates to near to the European State insurance rates, which are only one-ninth of those in force here. The people of the State of Illinois are as much entitled to fire insurance at cost as the citizens of Switzerland, Germany, Norway, or New Zealand, and are as capable of carrying on a system of fire insurance as are the citizens of those nations. There is no constitutional or other reason, whatever, why Illinois should not enjoy the benefits of State fire insurance, except the clamor of the already enormously rich companies against giving up the "good thing" they have enjoyed in the past. When they entered into a monopolistic "combine" they forfeited any claim to consideration, and the people of the State of Illinois should take steps to provide themselves with fire insurance protection at cost, without any thought of the effect on the fire insurance companies.

CONTINUATION OF OUR EFFORTS FOR REFORM NECESSARY.

It was at your direction that I began this investigation. You have carefully followed its progress, and continuously assisted with your advice and cooperation. You have manifested deep interest in fire insurance conditions existing in our State and their effect upon the public welfare, and the reform which is certain to be brought about in this business will only be the legitimate fruit of your courage and initiative. The results obtained and disclosures made by this investigation show that your original apprehension was well founded that the citizens of Illinois were being charged excessive premium rates by the stock fire insurance corporations upon practically every class of property, and especially in the case of dwelling houses and flats.

I also desire to express my sincere personal thanks for the cordial and efficient support which you have at all times given me in bringing to the surface the inner workings of the gigantic fire insurance "combine" or "trust," which to-day either directly or indirectly lays an unnecessary burden upon every citizen of this State. I trust you may continue your interest and lend your influence for fire insurance reform, which can only be secured by a thorough revision of the fire insurance laws of Illinois. The methods and practices of the present "combine" must be replaced by some fair and equitable system of fire insurance, and, when established, its successful operation in the face of the bitter fight the "combine" is certain to make will require a continuation of your strong support and favorable influence.

I wish to say further, that I am greatly indebted to the Illinois Press Association, and particularly their insurance committee, for the cordial support and assistance they have given me in this investigation, and confidently rely upon their further efforts in disseminating information and educating the people for the achievement of this reform, through safe and proper legislation.

The agitation for reform in the insurance business has just started. The immense majority of the citizens of the State of Illinois are ignorant of the true facts in the case. They feel that they are suffering from a great burden, but they do not know that this is mostly for the benefit of monopolists. The people must investigate the facts in the case: they must educate themselves and take an intelligent and intense interest in the matter. Under our Democratic system of government, relief from oppressive conditions must come from the people themselves, and it is to contribute to their education and enlightenment as to fire insurance and promote their welfare and happiness by showing them how their present indefensible insurance burdens may be lightened that I submit the facts and suggestions of this report.

Respectfully,

November 19, 1914.

RUFUS M. POTTS,
Insurance Superintendent.

NOTE.—Since the filing of this report, the companies have at last, on November 23, 1914, presented an answer to my preliminary report made to your excellency on May 6, 1914. In this answer, the companies deny the existence of any combination for the purpose of controlling fire insurance rates; they disclaim responsibility for the operations of the Chicago Board of Underwriters, alleging that this is an organization of Chicago local agents; and also claim that they are not able to grant a reduction in the premium rates. Their allegations all relate to matters of fact which are fully covered with ample evidence to substantiate my statement thereof in this report. Nothing contained in their answer warrants me in modifying in the least the conclusions and recommendations made herein.

**LEGISLATIVE RECOMMENDATIONS TO FIFTIETH
GENERAL ASSEMBLY FOR 1917 SESSION.**

STATE OF ILLINOIS,
INSURANCE DEPARTMENT.

Springfield, November 28, 1916.

Hon. Edward F. Dunne, Governor, State of Illinois.

DEAR SIR: In accordance with your request, I herewith submit a brief partial resume of the accomplishments of the insurance department under the present administration, with my recommendations as to legislation I believe to be necessary that this department may better effect its purpose.

In general, the administration of the insurance department concerns the licensing of insurance corporations of this and other states under the respective statutes; collection of taxes and fees provided by law; holding in trust securities deposited with this department by insurance companies; the investigation and examination of the financial condition and business affairs and methods of insurance companies; issuance of licenses to insurance agents; valuation of policies of legal reserve life insurance companies according to the legal standard; and general supervision, so far as may be possible by the limitations of existing law, over the entire business of insurance in Illinois, in order to safeguard the interests of the insuring public of this State, by procuring for our citizens solvent insurance institutions and just and honorable treatment in the settlement of losses.

IMPORTANCE AND GROWTH OF INSURANCE BUSINESS.

From a financial standpoint the insurance business is one of the foremost in this country. During the year 1915, the total income of legal reserve life insurance companies in this country, according to a standard insurance publication, was \$1,042,962,534. Fire insurance companies in this country during 1915 had an income of over \$450,000,000. Casualty, surety and miscellaneous companies last year had an income of \$175,000,000, whereas ten years ago the income of this class of companies was but \$63,000,000. These figures are of greater importance when it is noticed that in the fire insurance business less than one-half the great sum mentioned above is returned to policyholders for losses. In the casualty, surety and miscellaneous section last year, the total income of the companies was \$175,000,000; payments to policyholders amounted to \$75,000,000; while dividends and expenses of management including taxes, were \$79,800,000. These figures alone command our earnest and serious attention, a consideration which I fully believe has been woefully neglected in this State in years gone by.

ILLINOIS BUSINESS.

On December 31, 1915, there were in force in Illinois 752,539 policies of ordinary life insurance in legal reserve companies, an increase of nearly 50,000 over the preceding year. The amount of ordinary life insurance in force increased over \$81,950,000 during 1915, and the amount of Illinois premiums paid in 1915 exceeded the preceding year by \$2,700,000.

At the beginning of this administration, Illinois legal reserve life companies had insurance in force of \$307,135,949 and at the close of 1915, our companies had insurance in force of \$391,145,596. During the same period the Illinois assessment life associations increased their insurance in force from \$81,230,575 to \$111,490,343. The net value or policy reserves of our legal reserve life companies have increased from \$29,600,000 on December 31, 1912, to over \$39,360,000 at the close of 1915.

A most noticeable increase also occurred in business other than fire or life, commonly classed as "casualty, surety and miscellaneous." The income of such companies licensed in Illinois increased from \$12,846,000 in 1912 to \$15,055,000 in 1915. The Illinois companies under this class in 1912 had a premium income of \$3,557,033 and in 1915 their income had nearly doubled, \$6,951,506.

On January 1, 1913, the insurance department held in trust for policyholders of insurance companies, securities valued at \$12,977,859, and during the ensuing years the deposits required by law have increased to \$17,323,390 (November 18, 1916).

These figures show the extraordinary development of Illinois companies and emphasize the necessity for careful attention to legislative safeguards in order that their progress may be safe as well as rapid.

FINANCIAL.

During the year 1915, the receipts of this department from fees and taxes provided by law amounted to \$795,836.84, and \$805,000 is a conservative estimate for 1916. During the last year of the preceding administration, the income was \$665,066.

There is no tax on insurance premiums fixed by our laws except a tax of $\frac{1}{4}$ of 1% on fire premiums for the maintenance of the fire marshal's department. However, under the retaliatory clauses in our various statutes, we collect the same taxes and fees from companies of other states as such other states require of Illinois companies. Although the aggregate of receipts is large, yet in proportion to the volume of business in this State, our taxes are much less than in most states. Since there are no premium taxes except retaliatory taxes, it is obvious that Illinois has been extremely liberal to the insurance companies of other states. The entire expense of maintaining this department, making all investigations and prosecutions, has consumed in past years less than 10 per cent of the annual income.

STATE SUPERVISION.

State supervision of insurance began in Illinois with the enactment of laws concerning fire and life insurance in 1869, the Auditor

of Public Accounts being the supervising official. At every regular session of the General Assembly since that time insurance laws have been passed, few being comprehensive or general in their scope, but for the most part amendments to existing acts to meet some special need or desire. The natural result of this is that to-day the insurance laws are exceedingly difficult to construe, uncertain and conflicting in their provisions and with little uniformity in the regulations covering the different classes of companies.

In 1893 the Legislature created a separate insurance department. The act creating this department does not define the powers of the insurance superintendent, but leaves the supervision of insurance entirely dependent upon the provisions of the several acts. To show the inconsistency of this course, I would point out that certain acts now in force provide for no supervision whatever and since the department Act is lacking in this respect, an extremely faulty condition is presented.

I am further of the opinion that practically every insurance statute in force to-day has been enacted at the behest of insurance interests for legislation to cover certain phases of their business to meet their needs, and State supervisory power has apparently been limited as much as possible.

It should be noticeable here that this present supervision has nothing to do with the relation of cost of insurance to the amount of insurance benefits returned, or the efficiency of any insurance system, so far as any positive legal enactment may be concerned.

The insurance business does not primarily involve the investment of money in a physical and tangible property, but is confined to the handling of funds of the people in such a way as to make the public vitally interested in the conduct of this business; and to make proper legislation, the basis of any effective or consistent supervision, a matter of sufficient importance to demand the most careful attention of the Administration and the Legislature.

Insurance is a method of distributing financial losses so that the burden may fall upon the entire group of insurers, instead of the unfortunate individual, and in the conduct of this quasi public business, where this commercial and social necessity is used by private interests for the production of profit, a clearly defined duty is imposed upon the State to safeguard and protect the welfare of its citizens by a system of strict and careful regulation and supervision.

I, therefore, believe that it is time that the State of Illinois should enact some progressive insurance legislation, constructive in its nature, with a view of permitting the extension of the right sort of insurance protection to our citizens and property owners, and that our laws should not be laws of corporate detail; but laws looking to the fundamentals of insurance and the widest and wisest distribution of efficient insurance protection.

ADMINISTRATION OF DEPARTMENT.

(1) Upon taking charge of this department, I adopted a policy of giving careful attention to complaints charging fraudulent or un-

just business methods on the part of insurance companies. Every effort has been made within the power of this office to see that every insurance company pays its legitimate losses without unnecessary delay and without driving hard bargains. The power of the insurance superintendent in this regard, so far as the law is concerned, amounts to practically nothing and good results obtained by me have been attained only because I have chosen to use the power of this department along this line. The insurance department has no legally imposed duty in this matter and from the view point of public policy I believe this extremely unfortunate.

My policy with regard to complaints of policyholders has become widely understood throughout the State and has resulted in a great benefit, both through the remedying of individual injustices and from the fact that it has resulted in many companies ceasing objectionable business practices.

Furthermore of great importance, I have conducted investigations into the conditions existing in practically every form of insurance in this State, for the purpose of informing myself as to whether or not the business was being conducted in the interest of the public and whether or not its plan was of such a nature as to meet the public needs. As a result of these investigations I am proposing some marked remedial legislation in my legislative recommendations following, which I believe to be an absolute necessity in this State, both from the standpoint of the insuring organizations and the people.

(2) The increase in the current work caused by the growth of the insurance business and the present policy of strict investigation of any violation of insurance law and the most careful and rigid examination of the acts and doings of insurance companies, has created a need for additional help in practically every division of this department. Without the full help required to meet the necessities, it is impossible for the heads of departmental divisions to devote proper time, or practically any time, to constructive work.

Also, with the enactment of laws requested, if the department is to properly do the things it is required by law to do there should be no barriers presented by lack of help. In the past, the defeat of necessary appropriations for assistants, such as investigators and those doing like important work, has been as effective a victory for illegitimate insurance institutions, as the defeat of the law providing for the investigators, would have been. There is required in this department for the clerical duties alone to meet the requirements of present laws, at least eight or ten additional clerks. During the past years the working force has not been materially increased, but this is now absolutely necessary. It may be stated, however, that although the current work has greatly increased, yet many changes in the way of efficiency have been introduced which have materially relieved the situation. During my administration also, the regular office hours have been lengthened one hour and thirty minutes each day.

I believe these things should be brought to the attention of the Legislature. It is certainly a public misfortune that a department such as this should find itself without available resources to cope with

the emergencies that are continually arising, demanding immediate attention by competent and trained men.

SPECIAL INVESTIGATIONS.

1. Fire Insurance.
2. Social Insurance.
3. Industrial Life Insurance.
4. Industrial Accident and Health Insurance.
5. Unauthorized Companies.
6. Promotion Schemes, or Sale of Stock of Companies in process of Organization.

(1) *Fire Insurance.*

Having become convinced by my investigation into fire insurance rates and conditions in Illinois that several illegal combinations existed for the purpose of fixing and maintaining fire insurance rates in this State, I have taken steps to have these matters brought before the courts for adjudication.

My investigations showed that fire insurance rates in the whole of the State, outside of Cook County, were controlled by two illegal organizations or combines of insurance companies. One of these is known as the "union," sometimes called the "Western Union," and comprises a majority of the fire insurance companies doing business in the State outside of Cook County. This combine was the first one to be organized. Somewhat later, a rival organization, known as the "Western Bureau," was created by companies not members of the Western Union. There was considerable rivalry for a number of years, but finally a combine of combines was effected and an agreement reached between the two as to the rates that should be charged. Since that time the same rates have been charged by the members of both combines, and there was created a so-called "governing committee," with members from both, to which was referred all matters of differences between the two organizations as to rates, etc. This committee also had charge of compelling the individual members of the combines to observe the rates agreed upon, which function they have exercised up to the present time, and still exercise.

Owing to this unlawful condition of fire insurance affairs, I began in the Circuit Court of Sangamon County, an injunction suit against all of the companies, 133 in number, as well as many of their officers and agents who were concerned in the organization and operation of these illegal combines. Following their usual tactics, the insurance companies have resorted to every means of delay, but the demurrer which they filed has been decided against them, and the suit is now awaiting the appointment of a special master and the taking of testimony.

There had grown up in the fire insurance business, an illegal method of carrying on such business through the operation of so-called "underwriters' agencies" or "annexes." These were unincorporated organizations which performed all the functions of insurance companies, but which by secret agreement had their policies signed and guaranteed by some regularly licensed insur-

ance company or companies. Their illegitimate method of operation having been called to my attention, after giving a hearing to those engaged in the practice which permitted them to present whatever evidence and arguments there might be in their favor, I issued a ruling against their legality, in which it was stated that I would make application to the courts for adjudication of their right to conduct a fire insurance business in that manner. A large majority of the companies, however, did not wait until such proceedings were begun, but rushed into the United States Court with a bill to enjoin me from presenting the matter to the courts of Illinois. After having thus halted any action by the courts of Illinois, the insurance companies have not pushed the case to conclusion so that it is still pending in the United States Court.

There were, however, a few companies maintaining underwriters' annexes which did not join in the United States Court suit. I consequently began suits against these in the Circuit Court of Sangamon County where they are still pending.

In Cook County, which comprises about one-half of the population and more than one-half of the insurable property in Illinois, the insurance rates have been, for many years, absolutely fixed and controlled by the so-called "Chicago Board of Underwriters of Chicago." This organization has a charter granted by a special act of the Legislature, February 22, 1861. It claims that this charter gives it the right to fix and control insurance rates in Cook County, and it has made use of this "power" in the most oppressive manner, so that the rates in Chicago are higher than in any other city in the United States where the conditions are similar. For instance—the dwelling house rates are so excessive that less than one-third of the amounts charged as premiums are returned to the policyholders in payment for losses. As this was an organization the scope of operation of which was limited to Cook County, I presented the matter to Hon. MaClay Hoyne, State's attorney of Cook County, and he has begun a *quo warranto* suit against the Chicago Board of Underwriters, demanding its dissolution because it has abused and perverted its charter rights and created an insurance monopoly in Cook County. This suit is pending before the Circuit Court of Cook County.

The statutes of the State of Illinois relating to fire insurance, section 21 of the Act of May 25, 1881, provide that the insurance superintendent shall make a classification of all the insurable property in this State in not less than four classes, and require annual reports of the Illinois experience of the fire insurance companies in each class. There has previously been only a perfunctory execution of this law, the fire insurance risks being divided into four classes in such a manner that the information derived from the annual classification reports was of no value whatever. It was clear to everyone conversant with the facts that the companies were charging excessive and discriminatory rates in this State on many kinds of property, but in the absence of specific information it was very difficult to point out just where these extortions were or to prove them. To remedy this defect, I determined to adopt a complete and detailed classification of all fire

risks in this State. The National Board of Fire Underwriters had at that time just adopted and promulgated a classification of fire insurance risks which was in use for the purpose of keeping their records by a large majority of the fire insurance companies doing business in this State. In order to avoid confusion and also to avoid causing the companies extra labor, I adopted this classification which separates all insurable property into about four hundred classes.

It is also recognized by everyone conversant with the fire insurance business, that the risk or hazard of destruction by fire on a given kind of property varies in different cities according to the fire protection and other factors. The National Board of Fire Underwriters had also made a classification of the cities of the State into ten grades, with reference to fire protection. I also adopted this classification of the cities for the same reason that I adopted the same organization's classification of risks, and have required that the companies report their experience on each class of risk in each grade of city and also on farm risks, separately. This report was first required of the 1914 business of the companies, but there was considerable reluctance and resistance to furnishing this, and the returns for that year are not satisfactory. For the year 1915, however, the returns have been complete and the results which have been published as a special report show the existence of very great injustices and discriminations in fire insurance rates which are fully explained in the introduction to the report compiled from the reports of the companies. From the experience gained in the collection of the 1914 and 1915 business, I have worked out a new plan of report blank and detailed regulations for making the report which will conduce greatly to the prompt and accurate compilation of these reports by the companies in the future. Although the results already obtained are sufficient to show the necessity of reform in a great many classes, this compilation should be kept up continuously and should ultimately result in legislation which will relieve property owners of this State from the unjust exactions and merciless extortions practiced upon them by the fire insurance combines.

The above describes generally the legal steps that have been taken to bring about fire insurance reform in Illinois. I believe, however, that the results of the vigorous campaign for this reform already evident will also be of interest.

At your direction early in 1914, I began an extensive investigation into the business of fire insurance. In reports made to your excellency on May 6 and November 19, 1914, respectively, it was shown by unquestioned statistics that fire insurance rates were unreasonable and business practices oppressive. A bill was prepared and presented to the House of Representatives at the 1915 session of the General Assembly, providing for the creation of an insurance commission empowered to supervise and control fire insurance rates and practices.

This law received great support from property owners and the press of this State, but the House Insurance Committee, after weeks of hearings, failed to take any action.

In spite of this failure to secure reform legislation, the agitation and disclosures of unjust rates brought such a pressure of public opinion to bear upon the insurance combines in Illinois that they have been compelled to grant certain reductions in rates, particularly in Chicago. Examples of these reductions are shown by the following table of rates, which went into effect on September 23, 1915:

	Old rate. Buildings and contents combined.	New rate. Buildings—Contents.	
District 1—Brick, stone, tile or concrete dwellings, with noncombustible roofs.....	.27	.18	.198
Shingle frame dwellings with noncombustible roofs, detached, not less than 50 feet in all directions .....	.45	.288	.317
Shingle frame dwellings, detached, not less than 50 feet in all directions, with combustible roof	.50	.32	.352
Frame dwellings, shingle roof, detached not less than 25 feet in all directions.....	.54	.36	.396
Brick flats or apartment houses, not exceeding three stories, noncombustible roof.....	.36	.234	.257
Brick flats or apartment houses, not exceeding three stories, shingle or other combustible roof	.40	.288	.315

In addition to the reductions accomplished in various localities, a most important result of this strong fight was the prevention of a proposed raise in Illinois fire insurance rates that would have involved an arbitrary flat increase of 25 per cent throughout the entire State on many important classes, such as dwelling houses in cities, small mercantile buildings, farm buildings, and contents. When the fight was begun, the fire insurance combine had decreed that each property owner should pay 4 annual premiums for a 5-year policy, and 2½ premiums for 3 years, instead of the former rule of 3 premiums for 5 years, and 2 for 3. This increase was decreed for the entire Middle West and was actually put into effect in many states, but in Illinois the companies did not dare to increase the rates in this manner under the conditions prevailing.

Furthermore, as an effective aid to the public, this department has fostered competition by strong and well supervised mutual companies and inter-insurance exchanges. These organizations have not only brought reduced rates to their own policyholders, but their competition has worked great benefit to the public through its effect on the "combine" rates. These organizations have shown a great development during this administration.

Along with legislation hereinafter recommended governing fire insurance rates, constructive legislation is also being recommended so as to permit the safe and satisfactory growth and operation of these mutual organizations.

(2) *Welfare (Social) Insurance.*

One of the most important social and economic movements of recent times has been that toward the establishment of systems of social or welfare insurance. Welfare insurance is a plan for making provision against the economic losses occurring to wage earners and other persons of moderate resources and their dependents, resulting from accident, sickness, unemployment, old age and premature death, by means of a fund accumulated from regular contributions, either voluntary or compulsory from the assured, the employee and the state,

or one or more of them, out of which indemnity for such losses is paid, and by this means distribute such losses throughout the entire community, state or nation covered by this insurance, instead of allowing the losses to crush the unfortunate individuals to whom they occur, and thus maintain each individual member of the community, state or nation in a condition of well-being. One branch of this insurance, workmen's compensation, is now, by virtue of a law passed by the Legislature in 1911, in full operation in this State. Proposals for the adoption of other branches of welfare insurance, and particularly health insurance, have been made. Consequently, beginning in 1915, I have conducted a thorough investigation into the questions of welfare insurance. This has been carried on by me nominally as chairman of the Social Insurance Committee of the National Convention of Insurance Commissioners, which committee was appointed in December, 1915. I have prepared an exhaustive report to said convention on all branches of welfare insurance, but this has not yet been printed. I have also appeared by special request before the labor committee of the United States House of Representatives in the hearing held by that committee on the resolution for the appointment of a national commission to investigate and report on the subject of social insurance. Besides this, I have been invited to address a number of important societies in relation to different branches of welfare insurance, among others the American Academy of Medicine, at its annual meeting in Detroit, June 9, 1916, on unemployment insurance; The National Convention of Insurance Commissioners at their meeting September 28, 1916, at Richmond, Virginia, on the general subject of welfare insurance; the conference on social insurance, December 5, to 9, 1916, Washington, D. C., called by the International Association of Industrial Accident Boards and Commissions, on health insurance; and also the American Association for Labor Legislation at Columbus, Ohio, on December 28, 1916, at its annual conference.

I am reliably informed that bills for creating systems of health insurance will be presented at the next session of the Illinois General Assembly, as well as in all of the other important industrial states, and I am glad to be able to present the results of my investigation for the information of the General Assembly on this very important subject, which is set forth in a separate document.

(3) Special Investigation on Industrial Life Insurance.

I have also had occasion to call for special reports and make a special investigation into the results obtained by the life insurance companies conducting their business on what is known as the "industrial" plan. This plan of insurance is sought chiefly by industrial workers in an effort to obtain as much protection as possible for their dependents, through the payment of small weekly or monthly premiums. The results of my investigation show that the proportion of the premiums collected, taken by the insurance companies writing this kind of business for acquisition and administrative costs and in exorbitant profits, is excessively high and clearly beyond all justification. It is the duty of the State to see that insurance for industrial workers is provided at the lowest possible cost and brought within the reach

of the great masses of our people who are in serious need of this kind of insurance, and who can only carry same through the payment of small weekly or monthly premiums. I therefore, urge legislation that will bring this protection to these people in reasonable amounts and without oppression.

(4) Industrial Health and Accident Insurance.

I have also conducted a similar examination into the industrial health and accident insurance business and find conditions in this business comparable to that discovered as mentioned above in industrial life insurance. The dues are also collected weekly and from the same classes of the community as industrial life insurance, and the same excessive and unreasonable rates are charged. Reports have been required from the companies transacting this business, and the information secured is now being compiled. A report thereon will be completed within a very short time.

(5) Unauthorized Companies.

I have sent investigators to various sections of the State to report on the practices of insurance agents, especially prevalent in the southern portion, of writing insurance in unlicensed fire insurance companies.

Particularly where a considerable portion of the population is of foreign extraction, these illegitimate agents have operated extensively. In certain instances, these men have not only issued policies in wildcat companies, having no stability, but they have in addition made no report of premiums to such companies in which policies were written. It constitutes only a scheme to defraud.

The fire insurance law provides that every fire insurance agent shall have a certificate from this department showing that the company he represents is licensed. The penalty for failure to hold such a license is \$500, which, however, must be collected by a civil action rather than criminal, and there is no criminal penalty whatever provided for the offense. The representation by an agent of an unauthorized company should be made a misdemeanor.

This State has a law commonly called "The Surplus Line Law," the expressed purpose of which was originally to permit property owners to secure insurance in outside companies where duly licensed companies would not furnish protection. This law provides that an agent may procure a license from this department permitting him to act as agent to procure insurance in unauthorized fire companies. The law requires that he shall file an affidavit within thirty days after business is written, stating that he was unable to secure the insurance in licensed companies. He pays a tax of 2 per cent on premiums of policies so written. The company in which the insurance is placed meets no requirements, financial or otherwise. Most of the unlicensed companies accepting "surplus lines" business are companies which have been unable to meet the requirements for license. The law does not properly safeguard this business.

An investigation made of this business, as conducted under the present law, revealed a startling condition of affairs, which demands immediate legislative attention.

Every possible restriction should be placed upon the writing of business in unauthorized companies and give authorized companies every opportunity to secure any such open business.

(6) Promotion Schemes, or Sale of Stock in Companies in Process of Organization.

One important phase of the insurance business which has been utterly disregarded and neglected by Illinois insurance legislation, and which is the cause of an annual loss of many thousands of dollars to our citizens, is that of the sale of stock in insurance companies in process of organization.

During my administration as insurance superintendent, this department has received a great number of letters from citizens of this and other states inquiring as to concerns no longer in existence, and detailing stories of fraud and imposition by insurance stock salesmen.

The insurance business offers a splendid field for investment of money. The nature of the business and State supervision over funds of insurance companies, combined with the financial profits of old established companies, easily permit the deception of the uninformed investor. Misrepresentation in the sale of stock seems to be the rule rather than the exception, and the Insurance Superintendent is denied all right of supervision during the promotion or organization period.

Our laws provide that incorporators may file a charter with the insurance department, and if this charter is technically sufficient, the incorporators may begin to take subscriptions to the capital stock. The insurance department has no supervision over the promoters until the company is ready to begin business. An examination is then made to see that the capital is fully paid. However, if the company never completes its sale of capital stock, and the records show that the greater proportion of them do not, those who have subscribed and paid for all or a part of their stock, have no redress, because the promoters have either disappeared or are financially irresponsible.

The law provides no limitation as to commissions or expenses which the organizers may take for the sale of stock. The professional promoters may pay themselves whatever they like. In many cases even where the organization of a company was accomplished, it began business with the heavy handicap of such excessive organization expenses that it could never succeed.

In an investigation just completed, in the case of two companies, it was found that 60 per cent of the money received on subscriptions to capital stock had been consumed by the promoters.

A great mass of detail could be presented, but I will only say that an investigation made of the 25 companies in which stock is being sold at this time, reveals a condition demanding the immediate enactment of a law, providing complete and strict supervision over insurance promotions, including a limitation of the promotion expense based upon a percentage of the original subscription. Copy of all stock selling contracts and like documents should also be submitted

to this department and approved, and examination at frequent intervals required.

CASUALTY INSURANCE.

The business of casualty insurance is rapidly falling into the hands of monopoly. The trend is toward the same condition now so marked in the fire insurance business. It may be true that cooperation of insurance interests in this business is necessary because of certain conditions, but we may not expect that a combination of insurance companies controlling rates, commissions and business policies will carefully conserve the public interest in their secret agreements. Our own Illinois companies need our protection at this time, to prevent their absorption by the great and aggressive eastern institutions.

The extremely objectionable condition now prevailing in the fire insurance business is the result of negligence on the part of the State in permitting combination to go on for years unrestrained and unsupervised.

Therefore, I believe that the casualty business demands legislative attention in order to preserve the smaller institutions, mutuals and inter-insurers, the very existence of which is threatened by the great monopolistic combinations, and to conserve and encourage such proper competition as will protect the public from extortionate rates. Then, if competition is believed impossible or ineffective, the State should be given power to pass upon the reasonableness of rates and supervise all business practices.

LEGISLATIVE RECOMMENDATIONS.

I respectfully recommend the enactment of proper legislation covering the following matters. Certain of these recommendations have already been referred to in this communication, but are repeated so that the specific recommendations may be more readily referred to.

First.

(a) The creation, as a division of the insurance department, of a commission consisting of three members appointed by the Governor. This commission should be given general control and supervision over all fire insurance business, and should be required to examine into the methods, practices and agencies thereof, and also to prepare a complete classification of fire risks in the State, and further of the cities of the State with reference to fire protection, and accumulate full statistics and other information as to the percentage of loss on each class of risks in the State and in each class of cities, counties, or other administrative divisions of the State.

(b) It should be declared by law that fire insurance premium rates must be just and reasonable, taking into account the varying hazards and other conditions on different classes and locations of risks. The fire insurance commission should be given full power and control over premium rates and business practices of the companies. A right of appeal should be given from any order of said commission as to rates or other matters to the Circuit Court of Sangamon County, with an appeal therefrom direct to the Supreme Court.

(c) There should be a stringent prohibition against fire insurance companies becoming parties to any agreement, combination, trust or other scheme for the purpose of fixing, controlling or maintaining fire insurance rates.

(d) Said commission should be required to prepare a standard form or forms of policies for use by all insurers, and these should contain a detailed analysis or itemization of the various charges which go to make up the complete rate on each class of risks, in order that the insurer may know what rate reductions he can obtain by repairing or improving his property.

(e) Companies should be prohibited from cancelling insurance policies unless there have been material misrepresentations in the application, or there has since occurred a material change in the hazard therein, or there exists some other substantial reason.

(f) Insurance for a greater sum than 85 per cent of the value of the property should be prohibited.

(g) The issuance of policies should be prohibited excepting on written application of the owner or his agent, comprising a description of the property countersigned by the agent of the company. Making material misrepresentations in applications for insurance should be punished as a criminal offense.

(h) The operation of so-called "underwriter agencies," or departments, should be prohibited. Insurance companies should be permitted to do business only in their true corporate names.

(i) Provision should be made for the collection and dissemination of information on the subject of fire prevention, through the publication of a complete report, giving full details and particulars as to the best means of fire prevention, for free distribution to all citizens of this State, and use of the same as a textbook in all schools. Adequate instruction in fire prevention should be compulsory in all schools and colleges supported by taxation.

(j) The enactment of an agent's qualification law, providing proper qualifications for insurance agents, and containing a clause prohibiting any discrimination in the issuance of licenses; and also a further provision that if any insurance agent shall collect premiums or other money belonging to an insurance company or an insurer, and neglects and refuses to deliver the same to the company or insured entitled thereto, he shall, in addition to having his license revoked, be deemed guilty of larceny, and punished accordingly, notwithstanding that he may be entitled to receive or retain a part of such premium or other money as his compensation or commission.

(k) The conducting of insurance business should be confined to agents resident in the State of Illinois; and also provisions regulating brokers and public adjusters should be enacted.

(l) In order to bring more forcibly to the attention of the public the present rule of law in this State as established by the Supreme Court in the case of *Nall v. Taylor*, 247 Ill., 580, viz: that any person or corporation is liable for damages resulting from fires which are in consequence of, or spread because of, the negligence of such person or corporation, and make this rule a matter of common knowledge, I

recommend that an explicit and detailed statement of the same be enacted as a statutory provision.

(Bill incorporating the above is attached hereto.)

Second.

Legislation is needed concerning casualty insurance business, as noted above. The specific policy of this legislation has been considered, but I am not prepared at this moment to submit recommendations in full detail. This will be done at the earliest possible moment.

Third.

One State department should cover all matters pertaining to the business of insurance. The State Industrial Board and the State Fire Marshal's office should become associated with the insurance department. The work of these departments come clearly within the general purposes of the department of insurance, and are so closely related to the duties imposed by law upon the insurance superintendent concerning general insurance matters, that they can be more economically and effectively administered with the insurance department than independently.

Fourth.

Under this administration, fraternal insurance has received every attention possible in order that it might most efficiently serve the public. This kind of insurance has always been closest to the public and a most serviceable method of meeting personal misfortunes. It deserves the aid of the State. Our present laws should be so amended as to further the progress of fraternal insurance, prevent its commercialization, and protect the public against exploitation of this system by individuals seeking only their personal profit. A specific law will be submitted at the earliest moment.

I am of the opinion, following careful consideration, that fraternal societies are entitled to provide whole family protection, or protection to minors. This is clearly authorized by decisions of the Supreme Court of this State. I believe it to be a great need of our people, particularly those in moderate circumstances, as providing a means of furnishing funeral and sick benefits on the lives of children. The high cost of industrial insurance, as carried on by stock companies, makes some such legislation necessary. Accordingly, I attach to this communication a copy of recent ruling made by me showing the basis of this opinion, together with a bill which I believe will provide a satisfactory method of operation for a system of whole family protection.

Fifth.

The importance and growth of the movement toward the establishment of systems of welfare insurance in this country have previously been referred to in this communication. It is certain that legislation on this subject will be introduced in the coming session of the Legislature. I recommend that a legislative commission be created to make a thorough investigation into this subject, and its full report to be made the basis for proper legislation.

Sixth.

This State has no flat or general tax on the premiums of insurance companies, except a tax of one-fourth of 1 per cent on fire premiums for the maintenance of Fire Marshal's department. Any premium taxes collected are based upon the retaliatory clause of our various statutes, under which we are required to collect the same taxes from companies of other states as such other states require of Illinois companies. We find, however, that those eastern states which are the great insurance centers require no premium taxes and, therefore, their companies operate here without paying any minimum State tax. This system is extremely inequitable, and favors the big companies.

The Fire Insurance Law provides that municipalities may collect taxes for local purposes of not to exceed 2 per cent of the premiums. The State should place a minimum tax on the premium income of insurance companies, giving these companies credit in the payment of State taxes for any amounts which may have been paid to municipalities. A law providing a 2 per cent tax on premium income of insurance companies, enacted in this State some years ago, was held to be unconstitutional because it endeavored to relieve the companies of certain constitutional taxes. The system here recommended is that the State tax be a minimum amount, which the companies must pay either to the State or to municipalities. Bill for this purpose is being prepared and will be submitted at the earliest possible moment.

Seventh.

The operation of assessment insurance under the present system is faulty and unsatisfactory and demands remedial legislation. Two plans of assessment insurance are in use; one providing for assessments to pay current obligations; and the other providing for a so-called stipulated premium, with a clause reserving the right to increase the rate if necessary. In the first instance, the burden of payment increases as the members grow older and deaths are more frequent; and in the second instance, the absence of any legal standard renders uncertain the accumulation of sufficient reserve. Provision should be made for more strict supervision over assessment associations, fixing a legal standard of solvency, and limiting salaries of officers and expenses of management.

Eighth.

There exist at present a number of small associations of various kinds for the purpose of providing annuities and other benefits for their members, but owing to the comparatively small membership of each association, lack of technical knowledge of the insurance business, difficulty of making safe and profitable investments of small funds, high expenses, and other causes, these associations have not been able to accomplish their full purpose. Their aim is a worthy one and in line with advanced doctrines of social solidarity and they should be encouraged and aided in every legitimate way. This plan would be very useful to associations of ministers, teachers and other professions, as well as to farmers and labor unions, and all similar organiza-

tions. Such associations are a direct benefit to the State by providing for the care of its citizens when rendered helpless by accident, sickness or old age, for otherwise there is the possibility that they might become direct burdens upon the State. The truest charity is that which assists people to provide and care for themselves. Consequently, the State is not only entirely justified but fails in its plain duty if it does not create means whereby the funds of such associations may be collected, invested and disbursed by the State without any charge whatever to the members on plans technically and scientifically correct. Explicit provisions should be enacted so that committees or boards representing different associations would have the right at all times to examine into details of the receipts, investments and disbursements of the funds.

Therefore, I recommend that a law be enacted making provisions for carrying out the above purposes.

Ninth.

Inter-insurance is a highly meritorious system by which citizens and property owners are enabled to secure insurance protection against financial loss by fire or other casualty, at cost. This plan of protection has passed the experimental stage but the present laws in force in Illinois, relative to inter-insurance organizations, are insufficient, and do not serve the purpose for which they were enacted. I recommend that a complete law be enacted providing for adequate supervision and regulation, and permitting inter-insurance against all risks which may legally be the subject of insurance, except life, personal accident and health.

Tenth.

Although recognized and authorized by law, there is little supervision over Lloyd's associations, and, these being unincorporated concerns operated for profit, I believe that a deposit should be made by them for the security of policyholders and as a guarantee that they will fulfill their obligations.

Eleventh.

There are at present various organizations and individuals doing an insurance business without supervision by the Insurance Department, merely because there is no positive law governing their particular kind of business. This opens the field for irresponsible and wildcat concerns, and the welfare of the people of this State demands that all insurance organizations of every kind and character should be brought under the supervision of this department.

Twelfth.

There should be a complete codification of the insurance laws of this State for the purpose of providing a general supervision act governing all classes of the business alike in this respect; uniform provisions for fees, taxes and licenses; investments, deposits, etc.; a general insurance statute is being prepared, and will be submitted.

Thirteenth.

At present the liquidation of insolvent or retiring insurance companies is accomplished in practically the same manner as any other corporation. This procedure is often against the best interests of the policyholders of such companies, and it is also unnecessarily expensive. The insurance department can, at small expense, and with absolute justice to all parties concerned, easily liquidate the affairs of insolvent companies. Such a law is in force in New York, and many other leading states.

Fourteenth.

A complete and comprehensive law governing the investment of funds and capital stock deposit of insurance companies should be enacted, enumerating specifically the kind of securities in which companies may invest their funds; preventing officers or agents connected with an insurance company from having any personal interest, direct or indirect, in the making of investments of the funds of the company; and making a violation of this provision a criminal offense.

Fifteenth.

It should be made a criminal offense for an officer or employee of any insurance company to fail to produce all books of the company for examination by the insurance superintendent, and a similar offense for making a false statement or false entries on its books. The person committing such act should be liable to prosecution in the county where the act was committed, or where the documents are by law required to be filed.

Sixteenth.

In order to permit the insurance department to make proper investigations and examinations relative to the insurance business, it is necessary that a law be enacted compelling every person to appear and testify at any hearing held by the insurance superintendent, upon any insurance matter, and produce any and all records and evidence in his possession relating to the operations or condition of any insurance company or organization upon summons by the insurance superintendent.

Seventeenth.

All disbursements of insurance companies of this State where the total amount paid is \$50, or more, should be made by voucher, such voucher to show the exact nature of the obligation or service for which payment is made, and to contain the signature of the person, his attorney or representative receiving the payment. This will greatly aid examiners in tracing all disbursements of a company, and ascertaining the purpose and legitimacy of the payments. Such a law is now in force in many states.

Eighteenth.

The power of examination of the insurance department should be extended to include the records of any agency or branch office of an insurance company, or the records of any company connected with

an insurance company, such as a holding, operating or promoting company. Also, it is often necessary to verify a company's financial statement by an examination of the records of a bank.

Nineteenth.

There should be a full and complete law governing the reinsurance, merger, or consolidation of all insurance organizations organized under the laws of, or doing business in this State, and a provision requiring approval by the insurance superintendent and the Attorney General of this State of any such reinsurance agreement.

Twentieth.

I believe that a local investment act would be of great benefit to the State of Illinois, making it compulsory for all insurance companies doing business in this State to invest a reasonable percentage of their premium income from this State in Illinois securities. Such a law would secure for Illinois citizens the benefit of a wider market for their securities, and would also afford greater security for policyholders by preventing to some extent the speculation now somewhat prevalent owing to the great centralization of insurance money in eastern money centers.

Twenty-first.

There should be standard provisions policy form laws covering each branch of insurance business. Insurance policies are practically unilateral contracts, and the rights of policyholders should be protected by such a law.

Twenty-second.

This department should have complete supervision over all insurance companies in process of organization from the time charter papers are filed. There should also be a limitation of the amount of money which may be expended in the organization of a company, figured as a percentage of the original subscription. The citizens of this State have too long been the prey of the promoters of insurance stock selling schemes.

Twenty-third.

There should be an anticompact law applying to all insurance organizations doing business in this State, prohibiting companies, officials of companies, agents or representatives in any branch of the insurance business from entering into any agreement or understanding whatever as to premium rates or business practices, which affect premium rates.

Twenty-fourth.

There should be a statutory limitation of the maximum percentage of capitalization which any insurance company, except life, may put at risk in a single hazard.

Twenty-fifth.

There should be a law covering all lines of insurance business, prohibiting rebating of premiums or discrimination against risks of

equal hazard. Such act should also prohibit an agent or officer of one company from "twisting" the business or agents of another company.

Twenty-sixth.

There is at present a well defined sentiment upon the part of legitimate insurance agents, the insuring public and the insurance companies, that there should be enacted a complete agent's qualification law, covering all branches of insurance.

I also recommend that insurance brokers and public adjusters be placed under the supervision of the insurance department, and that a reasonable license fee be charged.

Twenty-seventh.

There should be a provision of law penalizing any insurance organization bringing a suit in the federal courts or removing a suit already brought in the State courts to the federal courts, relative to any controversy with any citizen or official of this State, by a revocation of its license by the insurance superintendent.

Twenty-eighth.

A copy of all financial statements or reports of every kind and character, made by certified public accountants or private auditors, of the business of any insurance organization, other than any regular employee, should be filed with the insurance department within thirty days of the time the same is filed with such organization.

Twenty-ninth.

In the fire insurance statute recommended, bill for which is referred to in recommendation 1, there is provision for general control of surplus line insurance, or the practice of writing insurance in unauthorized companies where licensed companies will not accept the business. I am preparing, however, for submission to the Legislature, bill covering specifically the regulation which I believe to be necessary if this practice is to be legally recognized and continued.

Respectfully submitted,

RUFUS M. POTTS.
Insurance Superintendent.

PROPOSED FIRE INSURANCE LAW.

A BILL

For an Act concerning, and to regulate fire, lightning, sprinkler leakage, windstorm, hail and marine insurance; and to create an Illinois Insurance Commission with authority to make insurance rates, and otherwise regulate and control fire, lightning, sprinkler leakage, windstorm, hail and marine insurance; and to provide for the expenses and salaries of such commission and its employees; and to create an insurance fund to be administered by the Illinois Insurance Commission upon the occurrence of certain contingencies; and to give the Illinois Insurance Commission authority to make rules and to provide a system and means for the administration of such fund; and to fix penalties for the

violation of the provisions of this Act; and to repeal Acts or parts of Acts in conflict with the provisions of this Act.

SECTION 1. *Be it enacted by the People of the State of Illinois, represented in the General Assembly:* That it is hereby declared that fire, lightning, sprinkler leakage, windstorm, hail, and marine insurance are impressed with a public interest and subject to control and regulation by law, and that all rates or charges made, demanded or received by any person, firm, association or corporation engaged in any of said branches of insurance shall be just and reasonable. Every unjust or unreasonable charge or rate for said insurance is hereby prohibited and declared unlawful.

§ 2. In order to regulate and control said branches of insurance, there is hereby created a commission to be known as the Illinois Insurance Commission, hereinafter styled "commission" to consist of three members, as follows: The insurance superintendent, by virtue of his office, shall be one of the members of the commission and shall be chairman thereof; and two additional members to be appointed by the Governor, with the advice and consent of the Senate, at least one of whom shall be experienced in the business of fire insurance. The additional members shall be appointed within thirty days after this Act shall take effect and shall continue in office until the first day of March, 1917, and thereafter the term of each such member of the commission shall be four years: *Provided*, that if any vacancy occurs during the recess of the Senate, a temporary appointment may be made by the Governor until the next meeting of the Senate. Each member shall hold office until his successor shall have been appointed and qualified. Two members shall constitute a quorum which shall have authority to exercise all the powers of the commission.

§ 3. The commission shall have power, with the approval of the Governor, to employ such assistants, actuaries, engineers, experts, inspectors and other employees as may be reasonably necessary to enable the commission to carry out the provisions of this Act, and to perform the duties and exercise the powers conferred by law upon the commission. Such appointments, other than those of chief actuary, chief engineer, chief inspector and one private secretary to each commissioner, and experts, temporarily employed, and other positions which may be exempted by the Civil Service Commission, shall be included in the classified civil service of the State, and shall be made subject to the provisions of an Act, entitled, "An Act to regulate the Civil Service of the State of Illinois," approved May 11, 1905, in force July 14, 1905, and Acts amendatory thereto.

§ 4. Each commissioner as such, before entering upon the duties of his office, shall take and subscribe the constitutional oath of office. No person in the employ of any insurer subject to regulation by the commission, and no person holding stocks or bonds in any insurer or in any other manner pecuniarily interested therein, directly or indirectly, except as a policyholder, shall hold the office of commissioner, or be employed by the commission; and, if any person shall voluntarily become so interested, his office or employment shall by that fact immediately become vacant: *Provided*, that if any person becomes so

interested by gift, devise or descent, he shall immediately inform the commission of such fact in writing, and thereafter, within a reasonable time, divest himself of such interest, and, if he fails so to do, his office or employment shall become and be declared vacant by the Governor or by the commission, whichever appointed such person, and a successor appointed as in the case of other vacancies. No commissioner or person appointed or employed by the commission shall solicit or accept any gratuity, emolument or employment from any insurer subject to the supervision of the commission, or from any officer, agent or employee thereof, either directly or indirectly; nor solicit or recommend, directly or indirectly, to any insurer, or to any officer, agent or employee thereof, the appointment of any person to any place or employment. Every such insurer or officer, agent or employee thereof, is hereby forbidden to offer, directly or indirectly, to any commissioner or any person appointed or employed by the commissioner any gratuity, emolument, employment or other consideration.

§ 5. If any commissioner or any person employed by the commission shall violate any provision of the foregoing section, his office or employment shall be declared vacant by the Governor or commission whichever appointed such person and such person shall thereby be removed from the office or employment held by him. Every person violating the provisions of the foregoing section shall also be guilty of a misdemeanor and punished as hereinafter provided.

§ 6. Before entering upon the duties of his office, each commissioner shall give bond or security to be approved by the Governor in the sum of ten thousand dollars, conditioned for the faithful performance of his duty as such commissioner. Every person appointed or employed by, or for the commission may, in the discretion of the commission, before entering upon the duties of his office or appointment, be required to give bond for the faithful discharge of his duties in such sum as the commission may designate, which bond shall be approved by the commission.

§ 7. The Insurance Superintendent shall receive no compensation as a member of the commission other than his salary as Insurance Superintendent. The two additional members of the commission shall each receive a salary of five thousand dollars per annum. The compensation of all employees of the commission shall be fixed by the commission subject to the approval of the Governor. The commissioners and all employees shall have reimbursed to them all traveling expenses and disbursements necessarily incurred or made by them in the discharge of their official duties, upon a detailed, verified statement of same. The commission may also incur necessary expenses for its offices, office furniture, maintenance and supplies. All items of expense incurred by the commission as such, or any member or employee thereof, shall be paid, upon the order of the chairman of the commission, approved by the Governor, out of the money appropriated for the commission.

§ 8. The office of the commission shall be located in the State Capitol building. The office of the commission shall be open for business between the hours of 8 o'clock in the morning and 5 o'clock in

the evening throughout the year (Sundays and legal holidays excepted), and one or more of the commissioners, or some employee to be designated by the chairman of the commission, shall be on duty during the office hours and in immediate charge thereof.

§ 9. The commission shall adopt reasonable and proper rules and regulations relative to the exercising of its powers, and to govern its proceedings and to regulate the mode and manner of all investigations and hearings, with power to alter and amend same.

§ 10. The commission shall hold stated meetings on the first Monday of each month at its principal office for hearing petitions and complaints, and for any other purpose within the purview of this Act. Special meetings may be held by the commission or any two members thereof at such time or times, place or places, within the State as the commission may designate.

§ 11. The commission shall, for the authentication of its records, process and proceedings, adopt, keep and use a common seal, of which seal judicial notice shall be taken in all courts in the State; and any process, writ, notice or other paper which the commission may be authorized by law to issue, shall be deemed sufficient if signed by the chairman, or, in his absence, by any other member of the commission, and authenticated by such seal; and all other acts, orders, proceedings, rules, entries, minutes, schedules and records of the commission, and all reports and documents filed by the commission may be proved in any court in this State by a copy thereof certified to by the chairman of the commission, or, in his absence, by any other commissioner.

§ 12. The commission shall have the sole and exclusive power and authority, and it is its duty to prescribe, fix, determine, alter and promulgate the rates of premiums to be charged and collected by all insurers subject to the provisions of this Act. As soon as practicable after the appointment and qualification of the members thereof, the commission shall proceed to make a classification of all the insurable real and chattel property in this State, including property in transit and marine risks for insurance purposes, placing in separate classes similar kinds of property, under similar conditions of location, and other hazards. In making such classification, the commission may avail itself in such manner as it deems proper of all classifications and information heretofore collected by insurers or otherwise on this subject, and also of the services of insurance experts.

§ 13. If, in the judgment of the commission, there exists insurable property, either real or chattel, which, by reason of location, exposure or any other peculiarity can not be conveniently included in any class, then it shall so find and make a record thereof and separate rates may be made by the commission as hereinafter provided for each separate property so excepted from the general classification of property.

§ 14. The commission shall fix just and reasonable premium rates for the branches of insurance within the purview of this Act on each class of property in the State, taking into due account all the different hazards from location or other factors which affect the same. These rates shall be revised from time to time, according to such changes

as may occur in the loss ratio of each city, town, village and of each county in the State, outside of said municipalities, in such manner as will grant each locality such reduction in rate as may be deemed just and reasonable by the commission on account of any reduction of the loss ratio, and shall make such an increase in rates as it may deem just and reasonable on account of any increase in the loss ratio in each city, town or village, or in each county, outside of said municipalities: *Provided*, that until the work of fixing and determining and promulgating the rates of insurance to be charged and collected by the insurers throughout the State, and the making and adoption of its schedules of rates for each class and locality shall have been fully completed, as to such class and locality, the commission shall have power and authority to adopt and continue in force the rates of premiums which have heretofore been charged and collected, or any portion thereof, modified or changed in any way it may direct, for such time as it may prescribe, not exceeding, for any class of property, the time when the work of making and promulgating such schedules for such class of property for any locality of the State shall have been completed.

And, provided, further, that the provisions of this Act concerning the regulation and making of premium rates shall not be construed to apply to the amounts of the initial and subsequent deposits made by members of bona fide mutual insurance companies not organized or operated for profit; but the commission shall have power to make an examination into the business and affairs of such mutual companies in such manner as shall disclose the methods, details and results of the assessments for, and the payment of losses, as well as their general operation.

§ 15. The premium rates fixed by the commission, in pursuance of the provisions of this Act, shall be, at all times, reasonable and the schedules thereof made and promulgated by the commission, as herein provided, shall be in such form as will, in the judgment of the commission, most clearly and definitely and in detail disclose the premium rates so fixed and determined by the commission to be charged and collected for policies of such insurance. The commission, in making and publishing schedules of the rates fixed and determined by it, shall show charges, credits, terms, privileges and conditions which in anywise affect such rates, and copies of any schedule shall be furnished by the commission upon request to any person, resident in the locality to which the same applies. No rate or rates fixed or determined by the commission shall take effect until it shall have entered an order or orders fixing and determining the same, which order shall state the time when such rate shall go into effect; and notice thereof shall be given to every insurer affected by this Act by depositing in the United States mails a copy of the same properly stamped and addressed to the principal office in the United States of such insurer.

§ 16. The rates of insurance fixed by the commission shall be taken and considered as maximum rates only, and any insurer shall be free to grant such lower rates of insurance as it or they may see

the evening throughout the year (Sundays and legal holidays excepted), and one or more of the commissioners, or some employee to be designated by the chairman of the commission, shall be on duty during the office hours and in immediate charge thereof.

§ 9. The commission shall adopt reasonable and proper rules and regulations relative to the exercising of its powers, and to govern its proceedings and to regulate the mode and manner of all investigations and hearings, with power to alter and amend same.

§ 10. The commission shall hold stated meetings on the first Monday of each month at its principal office for hearing petitions and complaints, and for any other purpose within the purview of this Act. Special meetings may be held by the commission or any two members thereof at such time or times, place or places, within the State as the commission may designate.

§ 11. The commission shall, for the authentication of its records, process and proceedings, adopt, keep and use a common seal, of which seal judicial notice shall be taken in all courts in the State; and any process, writ, notice or other paper which the commission may be authorized by law to issue, shall be deemed sufficient if signed by the chairman, or, in his absence, by any other member of the commission, and authenticated by such seal; and all other acts, orders, proceedings, rules, entries, minutes, schedules and records of the commission, and all reports and documents filed by the commission may be proved in any court in this State by a copy thereof certified to by the chairman of the commission, or, in his absence, by any other commissioner.

§ 12. The commission shall have the sole and exclusive power and authority, and it is its duty to prescribe, fix, determine, alter and promulgate the rates of premiums to be charged and collected by all insurers subject to the provisions of this Act. As soon as practicable after the appointment and qualification of the members thereof, the commission shall proceed to make a classification of all the insurable real and chattel property in this State, including property in transit and marine risks for insurance purposes, placing in separate classes similar kinds of property, under similar conditions of location, and other hazards. In making such classification, the commission may avail itself in such manner as it deems proper of all classifications and information heretofore collected by insurers or otherwise on this subject, and also of the services of insurance experts.

§ 13. If, in the judgment of the commission, there exists insurable property, either real or chattel, which, by reason of location, exposure or any other peculiarity can not be conveniently included in any class, then it shall so find and make a record thereof and separate rates may be made by the commission as hereinafter provided for each separate property so excepted from the general classification of property.

§ 14. The commission shall fix just and reasonable premium rates for the branches of insurance within the purview of this Act on each class of property in the State, taking into due account all the different hazards from location or other factors which affect the same. These rates shall be revised from time to time, according to such changes

as may occur in the loss ratio of each city, town, village and of each county in the State, outside of said municipalities, in such manner as will grant each locality such reduction in rate as may be deemed just and reasonable by the commission on account of any reduction of the loss ratio, and shall make such an increase in rates as it may deem just and reasonable on account of any increase in the loss ratio in each city, town or village, or in each county, outside of said municipalities: *Provided*, that until the work of fixing and determining and promulgating the rates of insurance to be charged and collected by the insurers throughout the State, and the making and adoption of its schedules of rates for each class and locality shall have been fully completed, as to such class and locality, the commission shall have power and authority to adopt and continue in force the rates of premiums which have heretofore been charged and collected, or any portion thereof, modified or changed in any way it may direct, for such time as it may prescribe, not exceeding, for any class of property, the time when the work of making and promulgating such schedules for such class of property for any locality of the State shall have been completed.

And, provided, further, that the provisions of this Act concerning the regulation and making of premium rates shall not be construed to apply to the amounts of the initial and subsequent deposits made by members of bona fide mutual insurance companies not organized or operated for profit; but the commission shall have power to make an examination into the business and affairs of such mutual companies in such manner as shall disclose the methods, details and results of the assessments for, and the payment of losses, as well as their general operation.

§ 15. The premium rates fixed by the commission, in pursuance of the provisions of this Act, shall be, at all times, reasonable and the schedules thereof made and promulgated by the commission, as herein provided, shall be in such form as will, in the judgment of the commission, most clearly and definitely and in detail disclose the premium rates so fixed and determined by the commission to be charged and collected for policies of such insurance. The commission, in making and publishing schedules of the rates fixed and determined by it, shall show charges, credits, terms, privileges and conditions which in anywise affect such rates, and copies of any schedule shall be furnished by the commission upon request to any person, resident in the locality to which the same applies. No rate or rates fixed or determined by the commission shall take effect until it shall have entered an order or orders fixing and determining the same, which order shall state the time when such rate shall go into effect; and notice thereof shall be given to every insurer affected by this Act by depositing in the United States mails a copy of the same properly stamped and addressed to the principal office in the United States of such insurer.

§ 16. The rates of insurance fixed by the commission shall be taken and considered as maximum rates only, and any insurer shall be free to grant such lower rates of insurance as it or they may see

fit: *Provided*, that such lower rate shall be the same to all applicants for all property belonging to each of the respective classes made by the commission. If any insurer grants a lower rate on any class of property than that fixed by the commission, it shall, within five days, file a notice of the same with the commission, and such rate shall not be raised until at least one year has elapsed without the approval of the commission.

§ 17. The commission shall have full power and authority to alter, amend, modify or change any rate fixed and determined by it, or to prescribe that any such rate or rates shall be in effect for a limited time, and also to prescribe reasonable rules whereby, in case no rate of premium shall have been fixed and determined by the commission for any risks or classes of risks, policies may be written thereon at rates to be determined by the insurers: *Provided, however*, that such insurers shall immediately report to the commission such risks so written, and the rate charged therefor, and such rates shall be subject to review by the commission.

§ 18. It shall be the duty of the commission and of any inspector or other agent or employee thereof, who shall inspect any risk for the purpose of obtaining information concerning the same to enable the commission to fix and determine the reasonable rate to be charged thereon, to furnish to the owner or occupant of such risk, at the time of the completion of such inspection, a duplicate copy of his report of such inspection, showing all particulars which may affect such rate. Any owner or occupant, who considers that said inspection report is not true or just, shall have the right to present a protest to the commission, which shall be heard within 10 days by the commission or some member or employee thereof designated by the chairman, who shall hear the same in a summary manner and make such order confirming such inspection report, either wholly or in part, or directing a reinspection of said property by another inspector as may be deemed just and reasonable under the circumstances. Any such owner or occupant shall have a similar right of appeal from such order to that granted in section 24 herein.

§ 19. The commission, upon the request of any property owner, shall furnish to him a written or printed analysis of the premium rate fixed by the commission upon such property, showing all the items of charge or credit which go to make up the total premium rate. The commission shall make a charge therefor of 25 cents. In case any insured makes such improvements in his property as removes or substantially reduces any of the hazards affecting the rate on such property, then the rate on such property shall be reduced accordingly and the excess of premium for the remainder of the period of insurance refunded to the insured. In case the insurer neglects or refuses after ten days' notice to reduce such rate and refund premiums as herein provided, the insured shall have the right to petition the commission for an order directing such refund with the same procedure provided in section 23, or the insured may bring suit for the same in any court having jurisdiction.

§ 20. All schedules of rates promulgated by the commission shall be open to the public at all times, and every local agent of any insurer transacting business in this State shall have, and exhibit to the public, copies of such schedules, covering all risks upon which he is authorized to write insurance.

§ 21. Any insurer affected by this Act shall have the right at any time to petition the commission for an order changing or modifying any rates fixed or determined by the commission: *Provided*, that notice shall be given of the hearing on such petition at least 20 days in advance by publication, at least twice, in such manner, and in such localities, affected by said petition as the commission may direct by its order endorsed upon the copy of said petition filed with it. The commission shall consider such petition and enter such order thereon as it may deem just and equitable.

§ 22. Any citizen or number of citizens in this State, or any policy holder or holders, or any board of trade, chamber of commerce, or any civic organization, or the civil authorities of any town, city, village or county shall also have the right to file a petition with the commission, setting forth any cause of complaint that they may have as to any order made by the commission, or any rate fixed and determined by the commission or any rate demanded by insurers in case where the commission has not fixed any rate: *Provided*, that not less than 10 days' notice of a hearing thereon shall be given to such insurers as may be directed by the commission by its order endorsed on said petition, by depositing copies of a notice of such hearing in the United States mail addressed to the principal office in the United States of such insurers. Petitioners and respondents shall have the right to offer evidence in relation to the allegations of such petitions and answers thereto in such manner as may be prescribed by the rules of the commission. It shall not be necessary for any of the parties to be present before the commission at the time set for hearing, but the commission shall, nevertheless, consider all evidence, and if it is found that the complaint made in such petition is well founded, or that changes or modifications of rates or orders of the commission should be made, then such change or other action necessary to remedy the matter complained of shall be ordered and the same entered in its record by the commission.

§ 23. Any petitioner or respondent shall have the right to appeal from any order of the commission or finding entered by the commission to the Circuit Court of Sangamon County. Such appellant shall set forth, in a petition praying for such appeal, the principal ground or grounds of objection to such order or finding, and the issue shall be formed and the controversy tried according to the rules of chancery practice of this State. Said Circuit Court may set aside, vacate or annul any such order or finding of the commission, or any part thereof, which may be found by the said court to be unlawful or unjust, without disturbing the remainder thereof.

§ 24. No injunction or interlocutory order suspending or restraining the enforcement of any schedule, rate, order or finding of

the commission shall be granted, but said court shall proceed to hear said cause in a summary manner at the earliest time practicable, not less than 20 days after the filing of such appeal, and shall enter such final judgment as it shall deem just. Either party to such appeal, if dissatisfied with the judgment of said court, may appeal therefrom direct to the Supreme Court.

§ 25. The commission shall inquire into and keep informed as to the methods by which the business of all of the branches of insurance included herein are conducted, and also keep informed as to the general condition, franchises, capitalization, agencies, rates and other charges with respect to the security afforded by insurers, and also with respect to compliance with established rates and the provisions of this Act, and any other law, and with the orders of the commission.

§ 26. The information and statistics mentioned in section 13, and also such other statistics of all branches of insurance within the purview of this Act, both past and present, which may be desired and directed by the commission; shall be preserved and accumulated, from year to year, continuously hereafter, and tabulated in such manner as will show any change or variation, from year to year, in the loss ratio as to each class of property in each locality of the State; and as will also show any variation which may occur in the average loss ratio of each city, town or village, and also in each county of the State, outside of the municipalities above mentioned.

§ 27. Such information shall be kept permanently on file in the office of the commission, and shall be accessible, under reasonable rules and regulations, to any citizen of the State of Illinois, and such information, or a summary thereof, shall be included in the annual report of the commission.

§ 28. Hearings, examinations and investigations may be conducted by one or more commissioners, designated by the chairman, and a report thereof, in writing, made to the commission. Any commissioner conducting such hearing, examination or investigation as aforesaid, shall have power in any county in the State of Illinois to summon and compel the attendance of witnesses before him, or to testify in relation to any matter relative to such hearing, examination or investigation, and may require the production of any books, papers or documents deemed pertinent thereto by him, and shall be authorized and empowered to administer oaths and affirmations to any person or persons appearing as witnesses before him; and false swearing, in any matter or proceeding aforesaid shall be deemed perjury and shall be punished as such. Any witness who refuses to be sworn, or who refuses to testify, or who disobeys any lawful order of any person conducting such hearing, examination or investigation, or who fails or refuses to produce any book, paper or document touching any matter under examination, or who is guilty of any contemptuous conduct after being summoned to appear before him to give testimony in relation to any matter or subject under investigation as aforesaid, shall be

deemed guilty of a misdemeanor and it shall be the duty of the person conducting such hearing, examination or investigation to make complaint against such person or persons, before any justice of the peace, police magistrate or any court of record in the county in which said hearing, examination or investigation is being had, and, upon the filing of such complaint, the trial of such cause shall proceed in the same manner as the trial of other misdemeanors, and upon conviction any such person guilty of a violation of the provisions of this Act shall be fined in a sum not exceeding \$100, and imprisoned until such fine is paid: *Provided, however*, that any person so convicted shall have the right of appeal.

§ 29. The commission may conduct hearings and take testimony relative to any pending legislation concerning any matter within its jurisdiction, if requested so to do by the General Assembly, or either branch thereof, or by a standing committee of either branch thereof, and shall report its conclusions to the General Assembly.

§ 30. Every insurer engaged in any of the branches of insurance, within the jurisdiction of the commission, shall furnish to it all information required by it to carry into effect the provisions of this Act, and shall make specific answer under oath to all questions submitted by the commission. Any insurer receiving from the commission any blanks, with directions to fill the same, shall cause the same to be properly filled so as to answer fully and correctly each question therein propounded, and, in case it is unable to answer any question, it shall give a good and sufficient reason for such failure; and said reason shall be verified under oath by either the president, secretary, superintendent, general manager, manager for the State of Illinois, agent or attorney in fact, as the commission may direct, and returned to the commission at its office within the period fixed by the commission.

§ 31. Whenever required by the commission, every insurer engaged in any of the branches of insurance within the jurisdiction of the commission, shall permit inspection of any or all maps, fire maps, documents, books, accounts, papers, reports, records and files in its possession, or in any way relating to its property, or affecting its business, by such persons and in such form as the commission may direct, and also furnish verified copies of the same except fire maps if required by the commission.

§ 32. Every insurer engaged in insurance, within the jurisdiction of the commission, shall obey and comply with each and every requirement of every order, decision, direction, rule or regulation made or prescribed by the commission in the matters herein specified or any other matter in any way relating to or affecting its business, and shall do everything necessary or proper in order to comply with and observe every such order, decision, direction, rule or regulation by all of its officers, agents and employees, and failure so to do shall render the offender or offenders liable to the penalties hereinafter provided.

§ 33. All proceedings of the commission and its documents and records shall be public records. The commission shall on or before May 1 of each year prepare and file with the Governor a report giving a summary of the acts and proceedings of the commission to and including December 31 of the previous year.

§ 34. In case any person by arson, carelessness or negligence starts or permits to be started a fire which causes damage to the property of others, he shall be liable for all damages thereby caused to the person or property of others. In case there is insurance on the property of other persons damaged, and such insurance is paid, then the insurer shall be subrogated to the rights of the owner of the property damaged.

§ 35. Every insurer within the purview of this Act is prohibited from entering into or becoming party to any agreement, understanding, combination, pool, trust or any device or scheme whatsoever, either directly or indirectly, for the purpose of controlling, fixing or maintaining insurance rates and is forbidden to maintain jointly, or send policies or reports thereof to any joint stamping bureau or similar institution or device.

§ 36. It shall not be lawful for any person to act as agent for any insurer, within the purview of this Act, by soliciting business or countersigning policies without procuring annually, on or before the first day of February, a certificate of authority from the insurance superintendent for which a fee of \$2.00 shall be paid by all nonresident insurance companies. Such certificate of authority shall not be issued to any person not a bona fide resident of the State of Illinois. The commission is authorized to make such reasonable rules and regulations as it deems proper with reference to the qualifications of such insurance agents, and no certificate of authority shall be issued by the insurance superintendent to any applicant who does not possess the qualifications prescribed by the commission. The insurance superintendent may, for good cause, revoke such certificate of authority. No policy of insurance shall be issued or delivered in this State by any nonresident insurer licensed to transact business in this State, except through a duly authorized agent.

§ 37. No insurer or any officer or agent thereof shall rebate or return, either directly or indirectly, to any insured, the premium received, or any part thereof, except as provided for cancellation, and shall not, directly or indirectly, by any means or device whatsoever charge different rates of premium on the same class of property having the same hazard, in the same city, town, village or county, excepting that rates may be raised or lowered to all insured as herein provided.

§ 38. All terms and conditions of policies of insurance within the purview of this Act, shall be just and equitable. All insurers engaged in the branches of insurance in this State within the purview of this Act shall, before they use the same, file with the commission, copies of all policies. The commission shall examine all such policies, and if in its opinion any of the terms or conditions

of any policy are unjust and inequitable, it shall so find and notify the insurer proposing to use the same and thereafter it shall be unlawful for any insurer to use any policy containing such disapproved terms and conditions. Any such insurer may appeal from any order of the commission under this section to the Circuit Court of Sangamon County as provided in section 23 of this Act. The commission shall on or before the first day of December, 1918, for the information of the Legislature, prepare as many standard forms of policies, containing just and equitable terms and conditions to apply to the different classes of property and varying circumstances as it shall deem necessary or be desirable, and shall submit the same to the first session of the Legislature convening thereafter.

§ 39. For the purpose of preventing overinsurance and fraudulent removal of merchandise insured from stocks which are being diminished or increased from time to time by sale or purchase, the commission is hereby authorized and required to make such rules and regulations and amend the same from time to time as its experience may suggest with regard to keeping records of purchases, sale, removal of property and any other provision which will in its judgment aid in preventing the carrying of insurance at any time in excess of the market value of the merchandise or other chattel property, and also any other rules and regulations which will, in its judgment, aid in preventing fraud, arson or other crimes in connection with insurance. Misrepresentations, knowingly and wilfully made concerning the value, condition, location or other material particulars concerning the property applied to be insured; or concerning the applicant, shall be considered as false pretense under the criminal statutes of this State, and any person guilty of making such misrepresentation shall be punished as is now provided by law for making false pretenses.

§ 40. No insurer shall grant insurance on any single risk for a greater amount than 10 per cent of its paid up capital and net surplus. Reinsurance by any insurer of a whole or part of any risk is forbidden, except as allowed by order of the commission, and then only to other insurers admitted to do business in this State. All reinsurers shall make a report to the commission, at such time and manner, as by it directed of all reinsurance carried by them.

§ 41. No insurance by unadmitted companies, commonly known as "surplus line insurance," shall be issued, except upon the written permission of the commission or some employee thereof authorized by the chairman to grant such permission, and all unadmitted insurers so writing such insurance shall be within the supervision and control of the commission with the same power over them as is provided for admitted companies.

§ 42. No insurer shall issue a policy in any other than its true name, or containing or bearing thereon any endorsement showing that it is issued by or through any underwriters annex, department or agency. The operation of so-called underwriters annexes, agencies, or departments, which issue policies of insurance, guaranteed or signed by regularly licensed insurance companies, is pro-

hibited. The license of any insurer violating the provisions of this section shall be revoked by the insurance superintendent.

§ 43. If any insurer domiciled in or a resident of any other state of the United States, or of any foreign nation, and admitted to do business in this State, begins a suit against a State official, individual or corporation concerning any transaction in or relating to property in this State in a United States Court, or transfers a suit begun against such insurer in any court of this State to a United States Court, then it shall be the duty of the insurance superintendent to at once revoke the license of such insurer, and such insurer shall not be permitted to do business in this State so long as such insurer maintains any such suit in a United States Court.

§ 44. The commission shall, with such assistance and advice as it deems desirable and as soon as practicable, prepare, or cause to be prepared, a comprehensive report giving an enumeration and explanation in detail of all the various kinds of fire hazard, and the origin and cause of destructive fires, together with the best methods of removing or minimizing the same, and lessening danger to life from fire, and setting forth the use and advantage of sprinklered systems, fire prevention and fire resisting constructions and other means of providing and lessening the hazard to property, and also explaining such methods of repair and improving of existing buildings as will lessen the hazard thereon. Said report shall be made with a special view of the same or a part thereof being used for purposes of instruction in the public schools, colleges and universities of this State, and shall be revised from time to time so as to contain all new information on these subjects.

§ 45. These reports shall be distributed free of charge to all citizens of the State who shall request the same, and furnished to all schools. Instruction as to the origin and causes of fires and fire hazards, fire prevention, avoidance of danger to life by fire and related subjects shall be given in the public schools, colleges and universities supported by the State.

§ 46. It shall be the duty of the commission to prepare model building codes and other municipal ordinances for the various classes of cities and villages in this State for the purpose of preventing and lessening danger to life and property by fire, and it shall recommend the same for adoption; and shall also, upon request, advise the authorities of any municipality concerning the revision of existing ordinances, rules and regulations for purposes of fire prevention and protection.

§ 47. No person shall be excused from giving testimony or producing evidence when called upon to do so at any hearing before the commission, or any person conducting a hearing under this Act, on the ground that it may incriminate him under the laws of this State; but no person shall be prosecuted criminally or subject to any criminal penalty on account of any transaction, matter or thing concerning which he may testify or produce evidence under this Act, except for perjury in so testifying.

§ 48. The violation of any provision of this Act, including the doing of any act or thing herein prohibited, for which penalties have not been hereinbefore specifically provided, shall be punished by a fine of not less than one hundred, or more than one thousand dollars for the first offense, and not less than five hundred or more than two thousand dollars for succeeding offenses.

§ 49. If insurers, coming within the purview of this Act, or any of them, shall by concerted action, agreement, or understanding, at any time, either at once or gradually, cease to write insurance in this State; withdraw from this State; fail to file their annual statements as required by law, or cancel policies of insurance in this State in such numbers as shall in the judgment of the commission materially impair the insurance protection, the commission shall make an investigation thereof, and if, upon an investigation, it shall find that any one or more of these things have been done by such insurers, in the manner as herein stated, the commission shall enter such finding of record, naming such insurers found to have participated in such concerted action, agreement, or understanding, and, upon the entering of record of such finding, it shall thereupon become and be the duty of the insurance superintendent to revoke and annul the license of any of such insurers so found to have participated in such concerted action, agreement, or understanding, and no license shall be revived, issued, or reissued for a period of ten years thereafter: *Provided*, that nothing herein contained shall apply to insurers entering into a lawful agreement of reinsurance or consolidation.

§ 50. There is hereby created and established a State Insurance Fund, hereinafter called "insurance fund," which shall be begun, accumulated and administered by the commission in the manner and only upon the conditions hereinafter set forth, without liability upon the part of the State beyond the amount and the surplus accumulations of such insurance fund. Such insurance fund shall be used by the commission for the purpose of paying the losses and expenses incurred by reason of the making, granting and furnishing insurance by the commission, of the kinds within the purviews of this Act, upon insurance property in this State.

§ 51. If such number of insurers within the purview of this Act, shall by concerted action, agreement or understanding, at any time, either at once or gradually, cease to write insurance in this State, or withdraw from this State, as shall, in the judgment of the commission, materially impair insurance protection of this State, or if such insurer shall cancel policies of insurance in this State in such numbers as shall, in the judgment of the commission, materially impair the insurance protection of this State, and whenever it shall be determined by the commission that the facilities for obtaining insurance afforded by insurers authorized to conduct the branches of insurance within the purview of this Act, in this State are, by reason of the above causes, inadequate or insufficient to meet the needs of citizens and property owners of this State seeking such insurance, then the commission shall enter in its records

a finding of the existence of such condition, and shall certify such finding to the Governor, and it shall thereupon become and be the duty of the commission, with the approval of the Governor, to begin and make operative said insurance fund, and to give public notice thereof. Said insurance fund shall be administered by the commission, without liability on the part of the State beyond the amount of such insurance fund and surplus accumulations thereof and any money appropriated for that purpose by law, for the purpose of granting insurance of the kinds within the purview of this Act, on insurable property located within the State.

§ 52. The State Treasurer shall be *ex officio* treasurer and custodian of the insurance fund, but all other matters in relation thereto shall be under the supervision and control of the commission. The treasurer shall give such bond therefor as may be required and approved by the Governor, which bond shall be in addition to his official bond. Subject to the general direction of the commission as to the amount to be invested, and the kind, value and maturity of securities, the treasurer shall cause the moneys in the insurance fund to be invested and reinvested in notes or bonds secured by mortgages on unincumbered real estate located within this State of the cash market value of at least twice the amount of the loan made thereon, or in bonds of this State or of any of the incorporated cities, counties, townships, school districts or other municipal corporations therein, subject to the approval of the commission. All interest, earnings and accumulations received from such investments shall become and be a part of such insurance fund.

§ 53. When the commission shall proceed to begin and make operative the insurance fund hereby created, it shall prepare, and furnish for use, forms of applications for policies, and policy forms, schedules of premium rates and such other forms and data as may be necessary for carrying out the provisions of this Act. The commission shall have power to inspect and classify properties, fix rates and schedules of rates, make and issue policies of insurance and collect premiums, and make any and all necessary rules and regulations concerning such insurance; to provide offices at convenient locations throughout the State where persons seeking such insurance may make application for the same, and where policies of insurance may be issued; to hire any and all such employees as may be necessary for the conduct of such insurance in its various branches, and to do and perform any and all other acts and things which may be necessary and proper to be done for the carrying out of the purposes of this insurance fund, and provisions of this Act, in relation thereto.

§ 54. Premium rates shall be such as will accumulate and maintain, at all times, a surplus reserve which, in the judgment of the commission, shall be adequate for the purpose of meeting any conflagration emergency. The securities belonging to the insurance fund may be pledged or sold by the State Treasurer at the direction of the commission for the purpose of providing current

funds to pay losses. In case at any time current funds are exhausted, the treasurer, upon the written direction of the commission, approved by the Governor, shall have the power to, and shall issue, and sell, for the purpose of providing funds to pay losses, interest bearing notes which shall be redeemed only out of future receipts of the insurance fund.

§ 55. On and after the date on which such insurance fund shall begin and become operative, no administrative board, governing body, officer or agent of this State, or of any county, township, school district, city or other municipal corporation within the State, and no person or persons having charge of any public buildings or insurable property of this State, or of any county, township, school district, city or other municipal corporation within the State, shall in any manner contract for or incur any indebtedness against the State, or any county, township, school district, city or other municipal corporation within the State, on account of any insurance of the kinds within the purview of this Act, or shall disburse any public moneys or funds on account of such insurance upon any of the public buildings, furniture, fixtures or property of any kind whatever belonging to the State, or any county, township, school district, city or other municipal corporation within the State, except for insurance in said insurance fund. Every administrative board, governing body, officer, or agent of the State, or any county, township, school district, city or other municipal corporation in the State, which shall desire to insure property in their charge and custody shall effect such insurance of the kinds within the jurisdiction of the commission only by means of the insurance fund, as herein provided.

§ 56. Nothing in this Act shall affect or apply to district, county and township, mutual fire insurance companies nor district mutual windstorm, cyclone or tornado insurance companies, nor county mutual windstorm insurance companies organized and doing business under the laws of this State.

§ 57. If any part of this Act be held for any reason unconstitutional, it shall not affect any other portion or part of this Act.

§ 58. All Acts and parts of Acts in conflict with the provisions of this Act are hereby repealed.

PROPOSED WHOLE FAMILY PROTECTION LAW.

A Bill to Provide Whole Family Protection for Members of Fraternal Benefit Societies.

SECTION 1. Any fraternal benefit society authorized to do business in this State and operating on the lodge plan, may provide in its constitution and by-laws, in addition to other benefits provided for therein, for the payment of death or annuity benefits upon the lives of children between the ages of 2 and 18 years at next birthday, for whose support and maintenance a member of such society is responsible. Any such society may at its option organize and operate branches for such chil-

dren and membership in local lodges and initiation therein shall not be required of such children, nor shall they have any voice in the management of the society. The total benefits payable as above provided shall in no case exceed the following amounts at ages at next birthday at time of death, respectively, as follows: Two, \$34; three, \$40; four, \$48; five, \$58; six, \$140; seven, \$168; eight, \$200; nine, \$240; ten, \$300; eleven, \$380; twelve, \$460; thirteen to fifteen, \$520; and sixteen to eighteen years, where not otherwise authorized by law, \$600.

§ 2. No benefit certificate as to any child shall take effect until after medical examination or inspection, in accordance with the laws of the society, nor shall any such benefit certificate be issued unless the society shall simultaneously put in force at least 500 such certificates, on each of which at least one assessment has been paid, nor where the number of lives represented by such certificate falls below 500. The death benefit contributions to be made upon such certificate shall be based upon the "Standard Industrial Mortality Table" or the "English Life Table No. 6" and a rate of interest not greater than 4 per cent per annum, or upon a higher standard: *Provided*, that contributions may be waived or returns may be made from any surplus held in excess of reserve and other liabilities, as provided in the by-laws: *And, provided, further*, that extra contributions shall be made if the reserves hereafter provided for become impaired.

§ 3. Any society entering into such insurance agreement shall maintain on all such contracts the reserve required by the standard of mortality and interest adopted by the society for computing contributions as provided in section 2, and the funds represented in the benefit contributions and all accretions thereon shall be kept as separate and distinct funds, independent of the other funds of the society, and shall not be liable for nor used for the payment of the debts and obligations of the society other than the benefits herein authorized: *Provided*, that a society may provide that when a child reaches the minimum age for initiation into membership in such society, any benefit certificate issued hereunder may be surrendered for cancellation and exchanged for any other form of certificate issued by the society: *Provided*, that such surrender will not reduce the number of lives insured in the branch below 500, and upon the issuance of such new certificate any reserve upon the original certificate herein provided for shall be transferred to the credit of the new certificate. Neither the person who originally made application for benefits on account of such child, nor the beneficiary named in such original certificate, nor the person who paid the contribution, shall have any vested right in such new certificate, the free nomination of a beneficiary under the new certificate being left to the child so admitted to benefit membership.

§ 4. An entirely separate financial statement of the business transactions and of assets and liabilities arising therefrom shall be made in its annual report to the insurance commissioners by any society availing itself of the provisions hereof. The separation of assets, funds and liabilities required hereby shall not be terminated, rescinded

or modified, nor shall the funds be diverted for any use other than as specified in section 3, as long as any certificates issued hereunder remain in force, and this requirement shall be recognized and enforced in any liquidation, reinsurance, merger or other change in the condition of the status of the society.

§ 5. Any society shall have the right to provide in its laws and the certificate issued hereunder for specified payments on account of the expense or general fund, which payments shall or shall not be mingled with the general fund of the society as its constitution and by-laws may provide.

§ 6. In the event of the termination of membership in the society by the person responsible for the support of any child, on whose account a certificate may have been issued, as provided herein, the certificate may be continued for the benefit of the estate of the child: *Provided*, the contributions are continued, or for the benefit of any other person responsible for the support and maintenance of such child, who shall assume the payment of the required contributions.

SPECIAL REPORT

CONTAINING

Compilation of Classified Reports

OF ALL

Fire Insurance Business In Illinois

During the Year 1915

LETTER OF TRANSMITTAL.

OFFICE OF THE INSURANCE SUPERINTENDENT,
SPRINGFIELD, ILL., *December 30, 1916.*

*To His Excellency, Edward F. Dunne, Governor, State of Illinois,
Springfield.*

SIR: I submit herewith the following report, supplemental to my annual fire report for the year ending December 31, 1915. This report is compiled from the sworn classification reports made by the stock fire insurance companies, mutuals, interinsurers and Lloyds. Owing to the delay of the fire insurance companies in furnishing the Insurance Department with the individual reports containing the data compiled in this report, it was not completed in time to be included in my regular annual fire report.

Yours very respectfully,

RUFUS M. POTTS,
Insurance Superintendent.

INTRODUCTION.

Before presenting the tables compiled from the data in the reports of the fire insurance companies, it will be desirable to give a few paragraphs explaining the purposes for which this information was collected and the plan upon which the tables given below have been compiled.

PREMIUM RATES SHOULD BE PROPORTIONATE TO FIRE LOSSES.

In the very beginning of the fire insurance business, it was recognized that it was not just to charge the same premium rates for fire insurance on different kinds of property, because some kinds of property were much more subject to destruction by fire than others; wooden buildings being more hazardous than brick; shingle roofs more dangerous than slate, metal or other noncombustible roofs; wood-working establishments much more liable to fire than marble works, and so on throughout all of the several hundred classes in which modern buildings and property can be classified.

To be just, the premium rate must be fixed according to the average losses which occur in each class of property. A trustworthy average, however, can only be obtained when all the losses, or as it is commonly termed, the "experience," in relation to large numbers of risks are taken into account. Such wide experience may be secured in two ways; first, where there is a small number of risks, by taking the average of the business extending over a number of years; second, where there is a large number of risks, by taking the average for a shorter period—a period of one year being sufficient to give a close approximation where there is a very large number of risks in the class.

At first the differences in fire insurance premium rates were entirely arbitrary—simply guesses by the manager of the company at a premium rate he believed would be profitable. It was, however, later realized that the only scientific and just way of fixing the premium rates for various kinds of property is by collecting and compiling the fire losses occurring in the different classes of risks and continuing this until it is determined what proportion, approximately, of each class of risks is destroyed by fire. When this proportion or "burning ratio" is obtained, it is an easy matter to fix an approximately just and equitable rate for each class of property by adding to the amount required to pay the annual fire loss, whatever is reasonably necessary for expense and profit. Fire insurance companies should be allowed to charge rates sufficient to pay the average losses on each class of property they insure, and also for reasonable expense and profit. The latter items are included when losses are hereafter mentioned unless otherwise stated. What should be considered a reasonable expense and profit will be discussed later.

As a matter of fact, it has been on some such plan as this that all of the successful fire insurance companies individually fixed their rates until the time came when these were fixed by a combine or combines through open agreements, or secret ones, when necessary to evade the laws of the respective states. But even after the rates were fixed by agreement (which always has been and is now essentially monopolistic and illegal), the collection of fire loss statistics was kept up by the separate companies for the purpose of ascertaining the results of their business, and particularly, for the purpose of finding out the classes which were most profitable. Such business they made a special effort to obtain, and likewise avoided as far as possible those classes which their statistics showed were unprofitable.

In some other kinds of insurance, particularly life insurance, very reliable results, approximating closely to absolute mathematical accuracy, have been obtained. The statistics, however, which are useful in life insurance include not only those of the average term of life of insured persons, but valuable information is derived from the average term of life of the whole population obtained from the vital statistics which are now kept in nearly all civilized countries. Life insurance statistics show that under similar conditions of residence in similar geographical divisions, occupations, age, sex, etc., that there is a remarkably close approximation to regularity in the number of persons in a thousand or hundred thousand who attain all the different ages within the range of human longevity, which enables accurate estimates to be made of the number of such groups which will die each year thereafter until all are dead, and used as a correct basis for fixing life insurance rates. It has also been found that, as civilization advances and general living and sanitary conditions are improved, there has been a gradual but constant decrease in the death rate, or, what amounts to the same thing, an increase in the average length of life. These facts furnish a firm foundation for the gigantic life insurance business now carried on in all civilized countries in the world.

In other branches of insurance, the same close approximation to mathematical accuracy in estimating future losses has not yet been attained for several reasons, the two principal ones being:

(1) Wider variations in the conditions affecting the occurrence of the contingency insured against, both as regard different periods of time and different localities;

(2) As large a collection of reliable statistics is not yet available because records of the occurrence of the contingencies insured against have not been kept with anything like the same completeness that records of births and deaths have been kept.

This is particularly true of fire insurance. Although this business has been carried on for over 250 years, it was long quite limited in application, and has been in extensive use less than a century. Moreover, there have been no complete collections in any country of detailed statistics of fire losses according to classes of property. The corporations engaged in the fire insurance business have closely guarded as business secrets the number of fires occurring in the different classes of risks they insured.

The result has been that in fire insurance the premium rates have been fixed at such sums as, in the judgment of the managers of the companies, would be sufficient to pay losses and expenses, and provide "satisfactory" profits, these often amounting to 50 per cent to 100 per cent annually. The average in 1913 was 45.1 per cent for all American joint stock companies.* Rates were modified from time to time to meet competition (when this existed) or according to the favorable or unfavorable results of the business of the company. The raise in rates following unfavorable results was always prompt, but a drop in rates following favorable results was very slow and frequently never occurred. For example: the companies raised rates on most classes over nearly all of the United States following the Baltimore conflagration but have never restored previous rates although the raise had already paid the Baltimore conflagration losses dozens of times.

"Experience" had, however, some general influence on fire insurance rates until about the year 1866. At that date the National Board of Fire Underwriters was organized. The chief original function of this organization was to fix and maintain premium rates, and it performed this function effectively for a number of years, but eventually internal difficulties arose which caused this particular organization to give up its power of fixing fire insurance rates. This function was, however, effectively and promptly assumed by other combines including the same companies but covering areas much smaller, territorially, than the whole United States. This is the condition with relation to fire insurance which exists in Illinois at the present time where insurance premiums rates are fixed and maintained as follows:

In the State outside of Cook County, rates are controlled by two combines, one called the "Union" or "Western Union," and the other the "Bureau" or the "Western Bureau." There is a working agreement between these two by means of which uniform rates are fixed and charged by all of the stock fire insurance companies that are members (which includes practically all doing business in the State). The rates on specific properties are calculated by an alleged independent concern called the "Illinois Inspection Bureau," but in reality this is the property of and controlled by the two "combines" which take effective measures to compel all their members to maintain the rates fixed by the "Illinois Inspection Bureau."

I have begun and there is still pending in the Circuit Court of Sangamon County, a suit against all of the fire insurance companies, 133 in number, which are members of these unlawful combines, for the purpose of having the activities of these combines adjudged illegal by the courts, and an injunction decreed against them prohibiting the continuance of their illegitimate operations. In my judgment there is no doubt that this will be the result of these suits if they are vigorously prosecuted. By the decision in the Fergus case (*Fergus v. Russell*, 270 Ill., 304), the prosecution of this litigation has been taken out of my control and placed in the hands of the Attorney General. The breaking up of these two illegal and monopolistic "combines" by the courts would be of the greatest benefit to the People of this State.

* This is the latest year for which the percentages have been worked out. See my special report on "Investigation of Fire Insurance Conditions and Rates in Illinois (1914)."

The fire insurance rates in Cook County are fixed by a local organization known as the Chicago Board of Underwriters of Chicago, in which the local insurance agents of the city of Chicago are the controlling factor. This organization has an "inspection bureau" of its own which makes the fire insurance rates for Chicago directly without any such subterfuge as the "Illinois Inspection Bureau" employed by the combines which control the remainder of the State.

A quo warranto suit against the Chicago Board of Underwriters with the object of having their purposes and methods declared illegal by the courts and said corporation ordered dissolved for abuse of its franchise, has been begun by the Hon. Maclay Hoyne, State's attorney of Cook County, in the Circuit Court of that county, and is now pending before Judge Walker. The results of this suit will be of the greatest importance to the people of the city of Chicago, because it will determine whether or not fire insurance companies or their agents can legally create and maintain a local monopoly for the purpose of fixing and maintaining fire insurance premiums in Chicago at the present exorbitant and discriminatory rates.

PREVIOUS STATISTICS WORTHLESS.

The only information that has been available up to the present time to ascertain whether or not fire insurance rates in Illinois, or in any part of the United States were just and equitable or not, were general figures furnished by the insurance companies. These, however, only gave the combined results of all classes of the fire business in the United States, or in a particular state. All that such figures disclose are the gross amount of premiums collected on all classes of risks, the total amount of losses in all classes combined, and the ratio between the two.

The figures alone are absolutely worthless so far as showing the justice or injustice of rates as charged on different classes of fire risks, but do disclose the important fact that the expenses and profits of the fire insurance business in the United States for many years have, on the average, consumed about one-half of the premiums collected from the policyholders. But this does not take into account the large additional sums received by the fire insurance companies from premiums paid in advance, interest on capital stock, banking profits, etc. When the income from these sources is added to the premiums received, the proportion of their income returned to policyholders for losses becomes even smaller than one-half. There has not been and is not now furnished by the "combines" or any of the companies any means of ascertaining whether the premium rates on the different classes of property in the different localities of the State are just and equitable or not.

LAW ONLY PERFUNCTORILY ENFORCED.

Fire insurance companies recognize that the risk or danger of fire is much greater in some classes of property than in others by charging different rates on different kinds of property, but there has not been any way for property owners to find out whether or not these differences in rates were proportionate to the actual differences of danger of fire in relation to the different classes of property. To supply this deficiency, a law

was long ago placed in the Statutes of the State of Illinois relating to fire insurance, (Section 21 of the act of March 11, 1869), providing that the Insurance Superintendent shall make a classification of all the insurable property in this State into *not less* than four classes, and require annual reports of the experience of the fire insurance companies doing business in this State in each class.

There has been heretofore only a perfunctory enforcement of this law, fire insurance risks being divided into only four classes, and these such that no information of value could be obtained from statistics concerning them. It has been and is now plain to everyone acquainted with the facts that the fire insurance companies have charged, and now charge, excessive and discriminatory rates in this State on many kinds of property; but, in the absence of specific statistics on the various classes of risks it was, and is very difficult to point out and prove extortion in relation to any particular class or classes.

Consequently, I determined, more than two years ago, to adopt a complete and detailed classification of all fire risks in this State, and require annual reports on results in each class. The so-called National Board of Fire Underwriters had adopted and promulgated about that time a classification of fire insurance risks for use for the purpose of keeping company statistics which was adopted by a large majority of the fire insurance companies doing business in this State. In order to avoid causing the companies the extra expense and the confusion liable to arise if they had to prepare two different sets of statistics, I adopted the National Board classification which separates all insurable property into about four hundred and eighty classes.

Furthermore, it is recognized by everyone conversant with the fire insurance business, that the risk or hazard of destruction by fire on a given kind of property varies in different cities according to the fire protection and other factors. The National Board of Fire Underwriters had also prepared a classification of the cities of the United States into ten grades according to fire hazard, degree of protection, etc. I also adopted this classification for the cities of this State for the same reasons that I adopted said National Board's classification of property risks, and required the companies to report their experience on each class of property risk in each grade of city in the State separately, as well as their experience on farm risks. This report was first required of the 1914 business, but there was considerable resistance to furnishing this, and the returns for that year were not complete. For the year 1915, however, complete returns were secured and the combined results which are contained in the tables given hereafter show the existence of very great injustices and discriminations in fire insurance rates.

Before giving the figures and discussing the results, a short explanation of the plan of the tables may be helpful to those not familiar with insurance statistics.

EXPLANATION OF PLAN OF TABLES, LOSS RATIOS, ETC.

The tables which follow are a compilation of the reports of all the joint stock fire insurance companies, and other fire insurance organizations, which did business in Illinois during the year 1915.

The business of the different kinds of insurance organizations was reported separately as follows:

- (1) Joint stock companies;
- (2) Mutual companies;
- (3) Inter-insurers;
- (4) American Lloyds;
- (5) London Lloyds.

From the reports of each of the above forms of fire insurance organizations, tables were compiled giving the experience of each form of organization in each class of the National Board classification of property, in each grade of city in the State.

Following the tables for each class of risks, totals are given of the business done in that class of risk by the different kinds of insurance organizations. At the end are given also "grand total" tables which combine the statistics of the different classes in various ways for the purpose of presenting the combined results of all the fire insurance business in the State in convenient form for consideration.

EFFECT OF THE NUMBER OF RISKS IN EACH CLASS ON THE VALUE OF FIRE INSURANCE STATISTICS.

The probability that the results given in the different tables will be similar in succeeding years depends primarily on the number of risks included in any subdivision of the tables. If there is a large number of risks the probabilities are very strong that the results in succeeding years will be very much the same, but if the number of risks is small, probability is correspondingly less that "experience" in succeeding years will be similar. In those classes, however, in which there is a comparatively small number of risks, reliable figures can be obtained by continuing the compilation of figures for a number of years and then combining the results of all the years. It is, of course, very desirable that the compilation of all figures be continued for a series of years, but it is not necessary to wait a number of years before approximately reliable and trustworthy results can be obtained in those classes in which there are a large number of risks in different grades of cities, such as dwelling houses, small store buildings, stables, etc. In these, results entirely trustworthy can be obtained in one year. The only factor which causes any noticeable variation in the loss ratio from year to year in the classes containing large numbers of risks is difference in the seasons. A dry summer or a severe winter causes a greater number of fires than a wet summer or a mild winter. The variation attributable to this cause is, however, comparatively slight.

For this first year, many of the classes of the National Board classification, further subdivided according to grades of cities, only contain a comparatively small total number of risks in Illinois which was too small to furnish any approximation to a reliable law of average. In such small classes, therefore, the figures for the different grades of cities in the State for each of the different kinds of insurance organizations have not been printed. As an arbitrary rule for selecting which should be printed in detail, it was decided to print in full those classes

in grade three cities (Chicago) when the number of risks in either "buildings" or "contents" in this grade was 450 or more, and in the remaining classes of cities print full details only of those in which the average number of risks in each class in the grades of cities was 100 or greater. The totals, however, are separately given for each class. Therefore, when nothing but the totals appear it will be understood that the number of the risks in the various grades of cities did not come within the above rules, but in a few instances for special reasons somewhat smaller classes than called for by said rules are printed in detail. In all of those instances in which a part of the detailed statistics under the various classes of cities are omitted according to the above rules, the totals of such omitted statistics are also given following the detailed figures, and all are included in the grand totals which appear on pages 451 et sq. All detailed statistics not printed are preserved in the records of the Insurance Department where they can be consulted at any time.

When statistics accumulate after the lapse of a sufficient number of years to establish a law of average in each risk class in each grade of city, a compilation of complete statistics of all classes of risks in all the various grades of cities will be printed which will afford complete information, in relation to all classes of risks in all grades of cities in the State. The publication at the present time, however, of detailed statistics in those classes in which insurance of a sufficient number of risks has not yet been effected to establish a law of average would afford no information of value and would be a needless expense.

EXPLANATION OF TABLES.

Each table is divided into two parts horizontally; the left side giving the figures for buildings and the right side for contents of same. Under each of these subdivisions, the first column gives the number of risks insured, the second the total amount for which the property in that class of city was insured, the third the premium paid for such insurance, the fourth the losses paid on the same, and in the fifth column is given the loss ratio. This loss ratio is the relation between the premium charged and losses paid, or in other words, it is the percentage which the losses paid are of the premiums received by fire insurance companies. That is, if \$100 was collected in premiums and \$50 was paid out in losses, the loss ratio would be 50 per cent. If \$100 was collected in premiums and \$62.50 was paid out in losses, the loss ratio would be 62.5 per cent.

LOSS RATIO.

The loss ratio is very important for it shows whether the rates charged by the fire insurance companies are excessive or reasonable. It should be noted, however, in this connection, that a *high* loss ratio shows that the rates are reasonable, and a *low* loss ratio shows that the rates are excessive. For example, if the loss ratio is 75 per cent, this means that 75 cents out of each dollar of premiums collected by the companies was returned to policyholders in payment of losses and 25 cents retained by

the company for expenses and profits. A 30 per cent loss ratio means that only 30 cents out of each dollar was returned to policyholders in payment of losses, and 70 cents retained for expenses and profits. The tables given below show that the latter exorbitant expense and profit is collected by the companies on many large classes of property, particularly dwellings in Chicago.

This fact concerning the inverse relation of loss ratios and reasonable rates should particularly be kept in mind when examining the statistics of the mutual insurance companies. It will there be seen that usually the *loss ratio is higher* in the mutual company statistics than in the stock company statistics. This does not mean that the results in mutual insurance are less favorable than stock company insurance, but that the *premium rates are lower*, so that a larger proportion of the premiums are returned to the policyholders in payment of losses.

There are no grade 1 and grade 2 cities in this State. Consequently, it will be noticed that the grades of cities are numbered 3, 4, 5, 6, 7, 8, 9 and 10. Chicago is the only city in the State of grade 3. The grades of all the cities in the State are given in Appendix "A," page 462. Following the grade ten cities, is a line giving totals which are the figures for all of the grades of cities in the State.

The figures for the farm risks are given separately, beginning on page 444, and in the "grand total" tables found at the end, an extra line appears for the farm risks figures in addition to those for the different grades of cities.

BLANKET POLICIES.

A large part of the business of mutuals and inter-insurers is written as so-called "blanket policies" by which the building and the contents are insured together in one policy. Consequently, there is no means of knowing what part of the insurance is on the building and what part is on the contents. Mutuals and inter-insurers are allowed to report such business as "blanket policies" without segregating buildings from contents. Such blanket policies appear in the statistics of a large number of classes but in most of these there were so few policies, that they were entirely inadequate to establish any law of average or be useful for any purpose whatever if printed separately. Accordingly, a selection has been made of all of those risk classes in which the number of "blanket policies" was 20 or larger, and the figures for each of these have been printed following the other figures for that class. The remaining blanket policies are summarized in a separate total which appears among the totals tables given on page 460, and are also included in the "grand totals" of all companies and all business on page 461.

SPRINKLERED RISKS.

For convenience in comparison, the statistics for the sprinklered risk classes are given immediately following the same risk class un-sprinklered, each sprinklered risk class having the number assigned to

it by the "National Board." Of course, this interferes with the placing of the statistics of all of the classes in numerical order, but an index is provided at the end of this report from which the figures for any class of property can be readily found. The unsprinklered risks are arranged in the order of the numbers assigned them by the "National Board" excepting farm risks which, for convenience of reference, are grouped together, following the business done in cities, beginning on page 444.

The sprinklered business statistics deserve special attention. These show that the loss ratio in this kind of business is extremely low being nothing (0 per cent) in many classes containing large numbers of risks.*

DISCUSSION OF TABLES.

One feature of these tables of great interest is the extraordinary wide variation in the loss ratios on different classes of property in the State. For convenience, a list arranged in numerical order of loss ratios, is given below of those classes containing over 500 risks in which the loss ratio is less than 40 per cent, and another of those in which the loss ratio is greater than 90 per cent. There are many other classes which show equal or even greater variations than these, but the number of risks being smaller, the probability is not so strong that the loss ratios in succeeding years will be the same. It is highly desirable, however, that the collection of statistics be continued regularly so as to determine definitely what the loss ratio of such smaller classes is.

TOO HIGH AND TOO LOW RATES BOTH WRONG.

It is wrong for premium rates to be either too high or too low. In the first place, it is inequitable to charge the owner of a class of property which suffers little or no destruction from fire a rate that exceeds what is necessary to pay the losses in such a class. The statistics given hereafter show that this condition exists at the present time in Illinois with regard to many kinds of property.

On the other hand, the fixing of a rate on any class of property which is not sufficient to pay its fire losses, is unjust and contrary to public policy. Such discrimination and favoritism is frequently accorded to big interests having large lines of insurance. Whether granted through favoritism or not, it amounts to collecting from owners of non-hazardous property to pay losses on extra-hazardous property, which is not only unjust, but worse, for it permits and encourages the owners of dangerous property to continue dangerous conditions. It is well known that in certain risk classes, a large part of the losses are criminal in their origin, the fires occurring, by the act of and for profit of the owner. This is not only one of the most heinous of crimes for it endangers adjacent property, and causes frequent loss of life, but makes careful owners pay for the losses of criminal origin.

* The marvelous benefits of sprinklering risks and particularly their unique and extraordinary power of preventing conflagrations are fully explained in my address, "Protecting the Congested Districts in Cities," delivered before the National Convention of Insurance Commissioners at Monterey, Cal., September 27, 1915, and reprinted in my volume of Addresses and Papers on Insurance published by the State of Illinois, 1916, and distributed free to all citizens of the State requesting copies.

In certain other classes of risks where the losses exceed the premiums collected by the companies, the large fire losses may not be due to incendiarism by owners, but are due to the criminal carelessness of these owners and their refusal to install automatic sprinklers and other modern methods of fire prevention. Nine out of ten fires which occur in mercantile and manufacturing establishments, are absolutely preventable by readily available methods. In establishments which are properly equipped, with automatic sprinklers, wired glass windows, etc., the fire loss is less than one-tenth of those not so equipped. Negligent or obstinate owners cannot be excused on the ground that the expense of installing automatic sprinklers is prohibitive, because the reduction in insurance rates which can be obtained by the installation of effective automatic sprinklers, will alone pay for the installation of such a system in from three to five years.

If the statistics collected concerning fire insurance are complete, and include the amount of premiums collected as well as the losses paid on each class of property, and the rates are thereupon adjusted accordingly, then owners of extra-hazardous property will be subject to a continuous and effective pressure to adopt these readily available modern methods of fire protection which will render their property practically immune from fire danger.

It is a discouraging and discreditable but undeniable fact, however, that such a reduction of fire loss is the very thing which the insurance companies do *not* desire to see happen. If all mercantile and manufacturing properties were sprinklered, the premiums from these very large classes would be reduced to less than one-tenth present amounts which would mean a proportionate reduction of commissions, salaries, profits from banking departments, etc.

Following each loss ratio in these tables is given the cost to the policyholders of each dollar of indemnity repaid to them for loss. This can easily be obtained for any loss ratio by dividing the loss ratio into 100. The mathematics is plain when it is recalled that the loss ratio indicates the amount of cents in each dollar of premiums collected by the companies which they returned to policyholders in settlement of losses. Consequently, if the loss ratio is divided into one dollar, the result will be the amount each dollar of fire insurance indemnity received by policyholders cost them.

CLASSES CONTAINING OVER 500 RISKS IN WHICH THE LOSS RATIOS ARE LESS THAN FORTY PER CENT.

National Board of Fire Underwriters class number.	Name of risk.	No. of risks.	Premiums.	Losses.	Loss ratio—per cent.	What each dollar of indemnity repaid to policyholders for losses cost the policyholders.
498	Soap factories (when insured separately from packing house or other plants).....	457	\$ 18,546	\$ 80	.4	\$250 00
898	Printing establishments, lithographers, bookbinders, sprinklered.....	3,149	67,055	12,086	1.8	55 55
878	Grain elevators and warehouses, terminal, sprinklered.....	2,016	59,920	1,680	2.8	35 71
810	Dry goods—woolens—carpets, etc., sprinklered.....	1,527	44,110	1,532	3.5	28 57
805	Department stores, sprinklered.....	560	15,843	604	3.8	26 32
13	Dwellings and barns—summer or winter only.....	819	11,173	4,475	4.	25 00
152	Leather—hides—harness and trunks—wholesale.....	1,059	35,122	2,050	5.8	17 24
806	Department stores, sprinklered.....	1,893	79,094	5,424	6.8	14 71
112	Boots and shoes—wholesale.....	1,159	24,573	1,733	7.	14 29
354	Breweries.....	1,537	81,985	6,195	7.5	13 33
258	Warehouses, grain in sacks.....	912	16,383	1,310	8.	12 50
609	Blacksmith shops.....	850	13,456	1,106	8.2	12 20
620	Club houses (city)—Y. M. C. A.—Y. W. C. A.—gymnasiums.....	781	23,425	1,953	8.3	12 05
826	Warehouses, not specifically classified, sprinklered.....	3,519	53,576	4,495	8.4	11 90
885	Miscellaneous (manufacturing establishments operated with machinery, not otherwise classified), sprinklered.....	717	30,699	2,833	9.2	10 87
818	Mercantile—miscellaneous, sprinklered.....	5,255	111,265	11,145	10.	10 00
253	Warehouses—cold storage.....	789	15,748	1,902	10.1	9 90
278	Warehouses, whiskey.....	1,829	24,825	2,503	10.1	9 90
663	Plumbing, gas fitting, locksmiths and tin shop.....	675	14,630	1,758	12.	8 33
426	Glass works.....	990	30,224	3,715	12.3	8 13
674	Stockyards.....	1,523	103,987	13,126	12.6	7 94
654	Marble and stoneyards with power and mills.....	724	27,366	3,566	13.1	7 63
636	Garages (public).....	1,592	50,246	6,731	13.4	7 46
678	Street railway and traction properties, including storage and operating houses.....	1,202	262,054	35,548	13.6	7 35
300	Agricultural implement factories and other factories having woodworking (principally hard) in conjunction with ironwork, painting, etc.....	3,177	138,542	20,413	14.7	6 80
191	Telephone exchanges.....	861	19,127	2,898	15.2	6 58
133	Gas and electric fixtures—lamps and chandeliers.....	592	9,220	1,471	15.9	6 29
143	Hay—grain—feed—flour—seeds.....	559	13,926	2,220	15.9	6 29
154	Liquors—wines—wholesale.....	1,622	14,467	6,891	16.6	6 02
484	Potteries, brick, tile, plaster and crucible works, china decorating.....	868	32,843	5,729	17.4	5 75
814	Groceries—wholesale only, sprinklered.....	701	12,764	2,240	17.6	5 68
177	Rubber goods.....	562	7,864	1,408	17.9	5 59
650	Lumber yards—wholesale and mill.....	2,952	92,686	16,799	18.1	5 52
192	Telephone exchanges.....	1,052	27,850	5,060	18.2	5 49
880	Hemp and jute mills—cordage and bagging factories, sprinklered.....	530	16,112	3,018	18.7	5 35
842	Agricultural implement factories and other factories having woodworking (principally hard) in conjunction with ironwork painting, etc., sprinklered.....	1,325	41,437	7,899	19.	5 26
116	Clothing, hats, caps, furs and men's furnishings—wholesale.....	1,429	27,407	5,355	19.5	5 13
886	Miscellaneous (manufacturing establishments operated with machinery, not otherwise classified), sprinklered.....	4,610	132,293	28,145	21.3	4 69
476	Paint, varnish, white lead and oil color works, turpentine refineries, printing ink works.....	886	33,461	7,293	21.8	4 50
635	Garages (public).....	2,393	112,269	24,483	21.8	4 59
848	Moulding—turning—wheel—hub—spoke and spool factories—carpenters shops (power), planing mills—sash, door, blind and wooden box factories—dry houses, for lumber; saw mills, shingle, stave, lath, veneer and kindling wood mills—excelsior factories, sprinklered.....	523	15,484	3,479	22.3	4 48
150	Leather goods (other than boots and shoes)—harness—trunks—retail.....	1,714	29,508	6,674	22.6	4 42

CLASSES CONTAINING OVER 500 RISKS IN WHICH THE LOSS RATIOS ARE LESS THAN FORTY PER CENT—Continued.

National Board of Fire Underwriters class number.	Name of risk.	No. of risks.	Premiums.	Losses.	Loss ratio—per cent.	What each dollar of indemnity repaid to policy-holders for losses cost the policy-holders.
614	Bottling works for beers, mineral waters and soft drinks.....	516	\$ 9,442	\$ 2,150	22.8	\$4 39
139	Hardware—iron and steel bars and piping—cutlery—surgical instruments—retail.....	1,349	39,242	9,018	22.9	4 37
651	Lumber yards—retail.....	746	10,882	2,524	23.2	4 31
9Ba	Dwellings, brick, combustible roof.....	29,137	679,645	134,931	23.3	4 29
630	Exhibition buildings—carousels—rinks—fair ground, race tracks, ball grounds, and similar amusement properties.....	689	28,753	6,733	23.4	4 28
522	Weaving mills (weaving and knitting only of cotton, wool or elastic goods), embroidery and lace curtain factories.....	551	13,270	3,172	23.9	4 13
130	Dry goods, etc.—wholesale.....	1,501	30,459	7,354	24.1	4 15
166	Musical instruments—music—photographers' supplies—optical and scientific goods.....	1,916	36,668	8,909	24.3	4 12
262	Warehouses—glass.....	505	14,269	3,481	24.4	4 10
636	Miscellaneous—nonmanufacturing specials not otherwise classified.....	1,910	31,984	7,966	24.9	4 02
9Bb	Dwellings, brick, noncombustible roof.....	64,916	1,202,365	301,873	25.1	3 98
259	Warehouses—general storage (not otherwise classed).....	3,153	74,527	18,798	25.2	3 98
316	Planing mills—sash, door, blind and wooden box factories—dry houses for lumber.....	2,500	97,514	24,775	25.4	3 94
167	Offices and banks—sole or predominant occupancy.....	4,452	190,605	48,994	25.7	3 89
161	Millinery—feathers—artificial flowers—retail.....	684	22,384	5,781	25.8	3 88
446	Laundries (hand or power).....	1,523	35,497	9,270	26.1	3 83
429	Grain elevators and warehouses, terminal.....	1,337	45,597	12,105	26.5	3 77
652	Lumber yards—retail.....	6,165	136,990	37,262	27.2	3 68
176	Restaurants.....	3,680	69,032	18,886	27.4	3 65
142	Hardware, etc.—wholesale.....	1,166	33,325	9,468	28.4	3 52
606	Barns and stables (public), livery, sale, bus, express, hotel and boarding.....	8,413	183,813	52,658	28.6	3 50
209	Agricultural implement factories and other factories having woodworking (principally hard) in conjunction with ironwork, painting, etc.....	645	43,085	12,338	28.6	3 50
416	Electric light and power plants (when separately insured).....	1,330	33,428	9,614	28.8	3 47
148	Jewelry—clocks—watches—silverware and bric-a-brac.....	4,102	71,906	20,778	28.9	3 46
866	Clothing, cap and overall factories, collar, cuff, shirt, corset, waist and other white goods factories, sprinklered.....	3,392	71,674	20,917	29.1	3 44
610	Blacksmith shops.....	1,392	22,048	6,497	29.5	3 39
358	Canning and preserving works for fruit and vegetables.....	952	31,611	9,340	29.5	3 39
817	Mercantile—miscellaneous, sprinklered.....	989	34,700	10,249	29.5	3 39
106	Automobile and carriage salesrooms.....	1,029	22,815	6,824	29.9	3 35
11	Dwellings—palatial—of \$50,000 value or more.....	509	9,399	2,824	30.	3 23
102	Agricultural implements.....	1,658	36,867	11,239	30.5	3 28
474	Packing houses, slaughtering, rendering, oleo-margarine, lard, candle, crude glycerine and glue works.....	9,343	90,894	29,024	31.9	3 13
27	Schools and academies without dormitories.....	4,279	147,447	47,149	31.9	3 13
345	Bakeries—macaroni factories.....	1,126	33,666	10,824	32.2	3 11
260	Warehouses, general storage (not specifically classified).....	13,544	288,533	92,970	32.2	3 11
7	Schools and academies without dormitories.....	1,712	21,802	7,135	32.7	3
104	Artists' materials and art stocks—pictures and picture galleries.....	525	9,308	8,044	32.7	3 06
619	Club houses (city) Y. M. C. A.—Y. W. C. A.—gymnasiums.....	799	36,988	12,268	33.2	3 01
175	Restaurants.....	1,798	50,856	16,911	33.3	3 00
123	Drugs—chemicals—medicines—retail.....	1,115	32,763	10,938	33.4	2 99
180	Saloons (liquor).....	9,334	141,281	47,331	33.5	2 98
802	Miscellaneous—nonhazardous, sprinklered.....	1,092	9,670	3,250	33.6	2 98

CLASSES CONTAINING OVER 500 RISKS IN WHICH THE LOSS RATIOS ARE LESS THAN FORTY PER CENT—Concluded.

National Board of Fire Underwriters class number.	Name of risk.	No. of risks.	Premiums.	Losses.	Loss ratio—per cent.	What each dollar of indemnity repaid to policy-holders for losses cost the policy-holders.
657	Motion picture shows.....	1,147	\$ 51,520	\$17,297	33.6	\$2 98
302	Carpenter and cabinet shops without power— looking glass and picture frame factories— cooper shops.....	1,662	37,025	12,508	33.8	2 96
109	Boots and shoes—retail.....	633	15,400	5,207	33.8	2 96
485	Printing establishments, lithographers, book- binderies.....	1,386	40,746	13,797	33.9	2 95
135	Groceries, retail—meat—fish—butter—cheese— eggs—fruit and produce.....	7,373	175,982	59,986	34.2	2 92
168	Offices and banks—sole or predominant occu- pancy.....	5,933	86,795	29,733	34.2	2 92
324	Foundries for iron, brass, type work and stoves— furnaces—rolling mills.....	2,191	66,402	22,998	34.6	2 89
346	Bakeries—macaroni factories.....	1,932	38,125	13,456	35.	2 86
432	Grain elevators and warehouses—country.....	5,035	143,120	50,088	35.	2 86
113	Clothing, hats, caps, furs and men's furnishings— retail—merchant tailor—regalia—costumer —dressmaking.....	1,694	44,965	15,967	35.5	2 82
179	Saloons (liquor).....	4,714	158,419	56,461	35.6	2 81
605	Barns and stables (public), livery, sale, bus, express, hotel and boarding.....	4,232	118,821	42,464	35.7	2 80
117	Confectionery—ice cream parlors.....	1,084	2,844	10,459	36.7	2 72
514	Tobacco, cigars, cigarette and snuff factories.....	1,036	18,215	6,721	36.8	2 72
332	Machine shops without foundries.....	3,163	96,712	35,736	36.9	2 71
6	City and town halls—court houses, state capitols, armories, fire department houses.....	1,027	30,507	11,433	37.5	2 67
118	Confectionery—ice cream parlors.....	4,272	58,536	21,959	37.5	2 67
268	Warehouses—household furniture.....	3,704	38,889	14,983	38.5	2 60
156	Lodge and society rooms.....	3,179	37,100	14,333	38.6	2 59
108	Books—stationery—school supplies.....	1,809	33,575	13,004	38.7	2 58
420	Flour mills.....	836	46,771	18,211	38.9	2 57
122	Doors, sash, blinds—builders' materials.....	660	10,295	4,062	39.4	2 54
12	Dwellings—palatial,—of \$50,000 value or more.....	724	11,622	4,612	39.7	2 52

CLASSES CONTAINING OVER 500 RISKS IN WHICH THE LOSS RATIO EXCEEDS NINETY PER CENT.

National Board of Fire Underwriters class number.	Name of risk.	No. of risks.	Premiums.	Losses.	Loss ratio—per cent.	What each dollar of indemnity repaid to policy-holders for losses cost the policy-holders.
172	Paper (excluding stationery). This class includes new stocks of finished paper and has no reference to junk or old paper stocks.....	884	\$ 24, 738	\$ 22, 463	90.8	\$1 10
323	Automobile factories.....	930	35, 008	32, 081	91.6	1 09
338	Stamping works—tin, hollowware, iron bedstead, gas fixtures, lamp and iron toy factories—Japanneries.....	1, 153	32, 030	29, 326	91.6	1 09
164	Millinery, etc.—wholesale.....	538	14, 052	13, 194	93.9	1 06
390	Coal tipples and top works—bituminous.....	847	41, 306	39, 427	95.5	1 04
1	Barns and stables—private (other than farms)..	32, 419	121, 819	118, 490	97.2	1 02
186	Stores—general (village or city), usually carrying larger values than in country stores, with mixed stocks, but less complete or varied than in department stores.....	9, 214	222, 314	216, 149	97.3	1 02
655	Miscellaneous—nonmanufacturing specials not otherwise classified.....	698	16, 346	16, 256	99.4	1 01
120	Crockery, china and glassware.....	958	19, 139	19, 131	99.9	1 00
329	Machine shop (with foundries connected)—boiler shops, nut and bolt works, bicycle and firearms factories, locomotive works, wireworking and drawing.....	1, 331	44, 940	45, 688	101.6	98
670	Steam railway risks (excluding merchandise for other parties in freight houses).....	577	150, 707	158, 816	105.4	94
101	Agricultural implements.....	723	13, 418	14, 227	106.6	94
128	Dry goods—woolens—carpets and notions—Chinese and Japanese goods—retail.....	12, 123	212, 723	227, 766	107.	93
134	Gas and electric fixtures—lamps and chandeliers.....	1, 692	31, 289	33, 969	108.6	92
4	Churches and chapels.....	2, 346	34, 484	42, 613	124.7	80
162	Millinery—feathers—artificial flowers—retail.....	2, 199	29, 468	37, 617	127.5	78
264	Warehouses—hay, straw—broom corn.....	1, 122	19, 151	25, 219	131.7	75
184	Stores—country (remote or cross road) usually of moderate or small values.....	2, 133	41, 037	55, 495	135.2	73
892	Packing houses, slaughtering, rendering, oleomargarine, lard, candle, crude glycerine and glue works, sprinklers.....	527	23, 010	31, 353	136.3	73
623	Coal and wood yards—coal trestles.....	520	12, 576	18, 216	144.8	69
196	Tobacco, etc.—wholesale.....	702	17, 160	26, 704	155.6	64
188	Stores—department. Usually includes all classes of retail goods required for the person or the household— notable furniture, crockery and sometimes exhibition and entertainment halls and restaurants.....	3, 363	93, 663	219, 305	234.2	42
187	Department stores. Usually includes all classes of retail goods required for the person or the household—notably furniture, crockery and sometimes exhibition and entertainment halls and restaurants.....	522	19, 645	73, 211	372.7	26

I have given in the above table those classes in which the loss ratio was over 90 per cent as not having high enough premium rates. In reality, however, an average loss ratio of less than 100 per cent means that the rates on such class is too high, for, as I have fully explained elsewhere, if the insurance business was conducted without an unnecessary competitive agency system, and persons desiring insurance came to a local office of the insurance company and made application for insurance as a depositor brings his money to a bank, then the insurance companies' necessary expenses could be paid in the same way that the banks' expenses are paid—by interest collected on funds loaned or invested. Fire insurance premiums are paid in advance, and are held

by the insurance company much longer, on the average, than deposits are by banks, so that the income from interest out of which expenses could be paid would be larger than in the case of banks.

PROPERTY OWNERS SHOULD INVESTIGATE RATES.

It is earnestly recommended that every property owner in the State carefully examine the tables showing premium rates and losses, and, by means of the index as explained below, find out whether or not equitable rates are charged on the kind of property which he owns. The studying of the subjoined tables by persons who pay fire insurance premiums, either directly or indirectly, will afford interesting and valuable information. The cautions given above with reference to number of risks necessary to afford conclusive results should, of course, be kept in mind. But as the statistics of successive years of fire insurance experience are cumulated, the result in classes containing small numbers of risks will also become conclusive.

The results shown by this report of the 1915 business are definite as to those classes comprising large numbers of risks, such as dwelling houses, barns, small mercantile establishments, drug stores, saloons, etc., and disclose that extortionate overcharges and other grave injustices exist in the fire insurance rates now charged in Illinois by the combine companies.

These results also prove the necessity and the inherent fairness of such a law as the present Texas fire insurance law according to which fire insurance rates for that state are fixed by a state commission in the same way the public utility rates are fixed in Illinois by our Public Utilities Commission. Under the Texas law, statistics of fire losses are collected both as to different classes of risks and also of each of the cities of the state, and fire rates on each class and in each city fixed accordingly. When improvements are made in water supply, fire fighting facilities, etc., which result in a lower fire loss, such classes or cities receive prompt credit in lowered insurance rates. If a city by negligence or otherwise allows fires to become more numerous and costly, its insurance rates are raised accordingly. This forms the strongest possible incentive for effective fire preventive measures. We seriously need a similar law in Illinois.

ADVANTAGE OF UNIFORM STATISTICS FOR THE WHOLE UNITED STATES.

If a uniform plan of collecting such statistics as are given in this report was adopted throughout the United States, then the number of risks in each class would be so large that one year's statistics would give decisive results on nearly all classes. It would not be difficult to grade all cities in the United States into ten classes, in each of which the danger of fire was approximately the same. In fact, such grading has already been partially carried out by the self-styled "National Board of Fire Underwriters."

If such uniform statistics were collected throughout the United States, then equitable fire premium rates could be determined in one year in nearly all classes, and in a very few years in the remainder. On dwelling houses and other classes containing numerous risks the experience in each state would be sufficient for fixing rates for such state, and for the classes with few risks the experience of adjacent states or even of the whole United States could be used subject to modification if, after several years, the average results in a particular class in a particular state were different from the average results on such class throughout the United States. I earnestly recommend the adoption of some uniform and complete plan for collecting fire statistics to the insurance departments and legislatures of every state in the Union.

USE OF INDEX.

Any one desiring to ascertain the results of the kind of property which he owns should consult the index where he will find the pages on which the figures are given for each kind of property. On turning to such page, the statistics for the class of property in which the owner's particular kind of property is included will be found, arranged separately for each grade of city whenever there are enough risks to justify this as explained heretofore. The grade of any city can be found by referring to the list which is printed at the end as appendix "A."

TABLES COMPILED FROM AND CONTAINING THE INFORMATION IN ALL THE SWORN CLASSIFICATION REPORTS OF ALL THE JOINT STOCK FIRE INSURANCE COMPANIES, MUTUAL FIRE INSURANCE COMPANIES, INTERINSURERS, AMERICAN LLOYDS, AND LONDON LLOYDS DOING FIRE INSURANCE BUSINESS IN THE STATE OF ILLINOIS FOR THE YEAR 1915.

NOTE.—Each class of buildings and the contents of same have different successive numbers assigned in the “National Board” classification, the building being given the *odd* number and the contents the *even* number. For example: Class Nos. 1 and 2, Barns and Stables—private (other than Farms). Class Nos. 109 and 110, Boots and Shoes—retail.

In the titles of the classes below both numbers will first be given followed by the class name describing the kind of property. Dwelling house classes are further subdivided according to material and kind of roof as indicated in the titles of the subdivided classes. The headings of tables show plainly which figures are buildings and which are contents. It will also be understood where totals are given for other than the kinds of insurance organizations for which detailed statistics are given that only those kind of other insuring organizations did business in that class whose names are included in the title of such total. When no figures are given for totals of any other kind of insuring organization following detailed statistics for one or more kind of insuring organizations, it will be understood that there was no business done in this class by any other kind of insuring organization than the kind or kinds for which the detailed statistics are given.

The line which is drawn under a few figures means that these are minus amounts in the algebraic sense; that is, instead of representing numbers greater than zero they represent numbers less than zero. They are figures which in manuscript would appear in red ink.

CLASSES 1 AND 2, BARN AND STABLES—PRIVATE (OTHER THAN FARMS).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	10,173	\$4,233,283	\$55,117 69	\$51,174 64	92.8	4,077	\$2,394,982	\$31,572 16	\$29,647 66	93.9
4.....	1,957	587,912	7,279 28	5,939 32	81.6	865	367,814	4,967 90	3,898 76	78.5
5.....	2,552	816,945	7,983 21	7,314 14	95.2	839	342,632	3,490 98	3,792 69	108.6
6.....	2,201	815,584	6,953 39	6,684 16	96.1	697	304,791	3,072 40	1,676 13	54.6
7.....	5,102	1,592,954	13,578 54	10,343 93	76.2	1,676	604,309	5,787 58	4,971 21	85.9
8.....	4,152	1,406,356	12,985 13	12,800 49	103.8	1,425	553,444	5,172 67	3,321 34	64.2
9.....	1,810	723,426	5,972 93	6,045 98	101.2	592	240,162	2,222 92	1,337 72	60.2
10.....	4,207	1,118,152	10,399 34	15,370 64	147.8	2,060	572,788	5,274 91	3,036 43	57.6
Totals for stock companies.....	32,153	\$11,294,614	\$119,664 51	\$116,673 30	97.5	12,231	\$5,380,922	\$61,561 22	\$51,681 69	84.0
Totals for mutuals, interinsurers and London Lloyds.....	266	180,081	2,154 70	1,816 98	84.3	247	175,920	2,202 70	1,330 00	60.3

All Companies.

Grand totals for all insurance organizations..	32,419	\$11,474,695	\$121,819 21	\$118,490 28	97.2	12,478	\$5,556,842	\$63,763 92	\$53,011 69	88.9
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Blanket Policies—Buildings and Contents Combined.

Totals.....	51	\$85,838	\$857 13
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CLASSES 3 AND 4, CHURCHES AND CHAPELS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,776	\$5,598,863	\$97,272 12	\$90,982 26	93.5	726	\$1,229,631	\$18,757 78	\$36,408 08	194.1
4.....	256	557,581	8,204 28	3,047 11	37.1	130	118,327	1,567 99	619 13	39.5
5.....	332	870,908	10,979 63	1,347 85	12.3	120	132,975	1,838 46	286 94	15.6
6.....	331	937,114	10,356 01	13,649 17	131.8	125	126,249	1,467 98	170 27	11.6
7.....	572	1,404,723	16,949 71	959 71	5.7	239	277,106	3,657 97	293 72	8.0
8.....	412	1,148,235	14,925 86	5,695 62	38.2	164	183,875	2,259 03	641 77	28.4
9.....	209	454,485	7,221 76	8,736 04	121.0	76	56,114	827 83	3,813 20	460.6
10.....	481	1,212,418	17,802 71	1,742 29	9.8	210	156,353	2,176 70	11 52	.5
Totals for stock companies.....	4,369	\$12,184,327	\$183,711 08	\$126,110 05	15.5	1,790	\$2,280,630	\$32,553 74	\$42,244 63	129.8
Mutual Companies.										
3.....	80	\$357,779	\$2,807 14	\$4,401 96	156.8	46	\$36,372	\$224 08		
4.....	21	69,945	386 76			14	16,102	69 34		
5.....	25	115,250	499 05	17 25	3.5	18	15,120	57 52		
6.....	17	77,125	857 37	98 06	27.4	12	7,850	32 09		
7.....	75	410,684	1,625 95	750 00	46.1	53	40,686	304 85		
8.....	101	376,078	1,918 01	291 42	15.7	111	80,172	728 49		
9.....	81	233,917	1,213 14			73	26,985	225 18	\$ 16 00	7.1
10.....	307	667,820	2,983 01	130 00	4.4	229	43,681	289 69	352 95	121.8
Totals for mutual companies.....	707	\$2,308,598	\$11,790 44	\$5,688 69	48.2	556	\$266,468	\$1,931 24	\$368 95	19.1
All Companies.										
Grand totals for all insurance organizations..	5,076	\$14,492,925	\$195,501 52	\$131,798 74	67.4	2,346	\$2,547,098	\$34,484 98	\$42,613 58	124.07

CLASSES 5 AND 6, CITY AND TOWN HALLS—COURT HOUSES, STATE CAPITOLS, ARMORIES, FIRE DEPARTMENT HOUSES,

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	76	\$220,724	\$3,671 11	\$7,074 71	192.7	50	\$119,716	\$1,084 12	\$ 8 88	0.8
4.....	82	317,363	2,948 07	163 15	5.5	24	72,446	569 62		
5.....	83	142,016	2,464 00	37 12	1.5	43	58,981	1,056 53	33 71	3.2
6.....	121	196,803	2,527 84	160 59	6.4	32	29,916	371 55	153 48	41.8
7.....	224	625,410	6,480 75	81 92	1.3	124	100,400	1,477 85	8 90	.6
8.....	233	471,019	7,208 14	3,810 20	52.9	97	79,176	1,153 90	250 00	21.7
9.....	83	114,190	1,888 33	09		38	36,347	686 05	10 36	1.5
10.....	113	184,603	2,712 90	105 75	3.9	29	33,525	597 49	5 10	.9
Totals for stock companies.....	1,015	\$2,272,128	\$29,901 14	\$11,433 53	38.2	437	\$530,506	\$6,996 11	\$470 43	0.7
Totals for mutuals.....	12	32,950	606 09			24	16,525	150 09		

All Companies.

Grand totals for all insurance organizations..	1,027	\$2,305,078	\$30,507 23	\$11,433 53	37.5	461	\$3,082,744	\$7,176 20	\$470 43	0.6
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CLASSES 7 AND 8, COLLEGES—UNIVERSITIES, BOARDING SCHOOLS—CONVENTS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	328	\$1,970,210	\$19,925 24	\$ 1,862 31	9.3	242	\$675,018	\$9,429 19	\$13,320 66	103.7
4.....	122	135,999	1,929 02	1,310 69	65.0	63	70,959	985 95	2,617 29	265.5
5.....	202	260,111	2,681 51	504 70	18.8	30	44,368	465 46	29 40	6.3
6.....	87	257,153	2,881 14	697 32	24.2	57	102,207	1,157 88	159 99	16.4

7.....	233	458,938	4,665 87	21,411 12	458.9	37	40,101	397 76	12,864 26	3,234.2
8.....	47	90,162	1,849 44	290 73	19.4	17	12,542	179 69	5 06	4.5
9.....	15	23,000	343 18	40 00	11.7	5	1,960	37 07	.....	.....
10.....	39	107,624	1,818 97	1,810 98	72.1	14	26,221	508 79	2,262 66	455.1
Totals for stock companies.....	1,073	\$3,308,797	\$35,634 07	\$27,406 85	76.9	465	\$976,376	\$13,187 59	\$31,322 34	238.1
Totals for mutuals.....	19	106,550	1,032 70	597 54	57.8	7	5,675	59 50	404 40	679.6

All Companies.

Grand totals for all insurance corporations...	1,092	\$3,410,347	\$36,666 77	\$28,004 39	76.8	472	\$982,051	\$13,217 09	\$31,726 74	239.9
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CLASSES 9 AND 10 B.a.—DWELLINGS, BRICK COMBUSTIBLE ROOF.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	21,536	\$49,134,647	\$474,232 60	\$101,738 28	21.5	22,026	\$20,721,749	\$152,397 22	\$61,800 10	40.6
4.....	1,619	2,731,209	21,395 33	8,580 07	40.1	1,290	1,294,933	9,019 07	4,004 90	51.1
5.....	1,545	2,811,732	25,869 45	4,783 84	18.5	899	761,465	5,770 17	1,889 12	32.7
6.....	1,615	2,293,148	18,608 87	1,971 80	10.6	788	675,182	4,079 54	1,327 32	28.4
7.....	1,347	2,286,334	16,330 24	6,815 14	44.5	731	552,524	3,996 19	1,279 19	32.0
8.....	693	1,400,139	10,393 36	2,836 84	27.3	762	1,000,650	8,171 35	5,507 53	67.4
9.....	220	399,319	2,508 08	2,009 81	80.1	136	97,977	780 99	374 00	51.2
10.....	287	723,906	5,377 76	5,458 84	101.5	298	342,170	2,488 85	2,749 13	110.5
Totals for stock companies.....	28,862	\$61,795,434	\$573,711 29	\$134,194 62	23.4	26,930	\$25,436,660	\$187,253 38	\$79,531 89	42.5
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	275	659,042	5,838 78	737 33	12.0	243	236,190	1,978 77	480 50	24.2

All Companies.

Grand totals for all insurance organizations..	29,137	\$62,454,476	\$579,549 07	\$134,931 95	23.3	27,173	\$25,672,840	\$189,232 15	\$80,012 39	42.2
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CLASSES 9 AND 10 B.b.—DWELLINGS, BRICK, NONCOMBUSTIBLE ROOF.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	55,133	\$129,411,754	\$1,061,774 26	\$259,448 58	24.4	45,939	\$47,799,974	\$335,170 40	\$160,940 69	48.0
4.....	2,212	3,987,938	27,023 64	6,730 47	24.9	2,074	2,034,174	13,179 56	2,506 19	21.3
5.....	2,051	3,923,166	29,698 81	7,764 70	26.1	1,845	1,731,752	14,356 80	3,400 56	23.7
6.....	1,565	2,789,889	20,248 03	4,292 18	21.2	1,207	1,250,287	6,268 50	1,429 83	17.3
7.....	1,602	3,210,239	20,932 50	9,653 74	46.1	1,232	1,251,151	7,368 28	2,929 80	39.8
8.....	864	1,767,769	13,154 32	7,719 90	58.7	589	502,886	3,534 46	1,222 98	34.6
9.....	236	410,399	2,897 56	1,215 45	42.4	458	259,808	2,278 27	1,792 28	73.7
10.....	732	2,077,359	16,938 90	3,748 21	22.1	1,710	1,673,023	11,353 31	4,251 59	37.4
Totals for stock companies.....	64,395	\$147,578,513	\$1,192,638 02	\$300,573 23	25.2	55,054	\$56,592,035	\$395,507 58	\$178,773 92	45.2

Mutual Companies.

3.....	350	\$841,761	\$6,689 04	\$1,249 20	18.7	511	\$630,040	\$4,255 40	\$1,542 39	36.2
4.....	9	14,900	80 30	14 33	17.8	11	6,500	32 19	.....	.....
5.....	7	13,000	74 62	.....	.....	2	1,700	10 40	.....	.....
6.....	5	11,200	49 59	30 50	61.5	18	16,300	72 06	2 50	2.4
7.....	12	26,400	208 27	6 20	2.7	10	9,300	92 19	.....	.....
8.....	90	156,201	1,729 81	.....	.....	7	6,200	19 75	500 00	2,431.6
9.....	44	75,360	893 01	.....	.....	.....	150	1 80	.....	.....
10.....	1	1,500	3 00	.....	.....	2	2,800	9 01	.....	.....
Totals for mutual companies.....	518	\$1,140,322	\$9,707 64	\$1,300 23	13.4	561	\$672,490	\$4,469 40	\$2,044 89	45.5
Totals for interinsurers and American Lloyds	3	5,500	19 86	.....	.....	15	22,500	317 88	.....	.....

All Companies.

Grand total for all insurance organizations...	64,916	148,724,335	\$1,202,365 52	\$301,873 46	25.1	55,630	\$57,198,025	\$400,314 86	\$180,818 81	45.1
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CLASSES 9 AND 10 F.a.—DWELLINGS, FRAME, COMBUSTIBLE ROOF.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	54,033	\$87,382,906	\$1,019,139 35	\$392,166 21	38.7	85,596	\$31,144,524	\$325,505 35	\$159,173 49	48.9
4.....	13,734	19,492,402	184,005 13	81,657 27	44.4	8,912	6,064,217	50,078 92	25,666 22	51.1
5.....	18,221	26,106,489	216,176 64	85,113 49	39.4	11,924	8,923,094	69,132 32	19,832 73	28.7
6.....	14,947	24,261,814	181,640 28	65,655 21	36.1	10,369	7,261,298	54,705 62	27,000 34	49.4
7.....	29,596	38,826,040	294,192 15	169,342 37	57.6	18,441	13,216,991	96,820 09	71,525 81	73.9
8.....	21,074	31,221,780	265,482 55	181,541 76	71.1	14,433	9,495,915	75,585 42	59,746 01	79.0
9.....	8,602	11,402,693	92,648 84	60,279 32	65.1	4,813	3,190,625	23,628 16	21,998 00	69.1
10.....	14,504	18,933,748	154,841 92	108,027 42	69.8	10,644	6,403,790	52,502 36	39,112 11	74.5
Totals for stock companies.....	174,711	\$257,627,842	\$2,391,120 37	\$1,143,782 95	47.8	116,132	\$85,690,454	\$747,958 24	\$428,952 71	56.7

Mutual Companies.

3.....	426	\$ 783,000	\$9,810 93	\$ 1,786 42	18.2	405	\$305,495	\$3,011 49	\$ 764 16	25.0
4.....	385	470,200	2,972 08	1,129 46	38.0	183	127,338	689 04	1,181 44	171.3
5.....	132	231,370	1,743 15	503 20	28.8	125	52,235	553 96	719 40	138.9
6.....	170	261,818	1,887 63	10 17	.5	125	77,530	530 32	118 85	21.5
7.....	610	767,456	5,379 43	5,204 88	97.1	394	230,631	1,538 04	1,242 98	80.8
8.....	438	630,680	4,653 55	2,669 67	56.2	236	150,622	704 01	1,092 29	155.2
9.....	100	120,793	695 89	6 00	1.0	55	50,890	178 26	3 25	2.0
10.....	514	1,014,693	4,309 22	5,130 43	119.1	97	70,585	236 82	501 50	211.8
Totals for mutual companies.....	2,775	\$4,280,010	\$31,351 78	\$16,340 23	52.1	1,590	\$1,095,326	\$7,442 54	\$5,601 85	75.8
Totals for interinsurers and American Lloyds	32	52,400	158 85	.....	.....	28	20,800	138 85	.....	.....

All Companies.

Grand totals for all insurance organizations..	177,518	\$261,960,252	\$2,422,635 00	\$1,160,123 18	47.9	116,750	\$86,806,580	\$755,534 63	\$429,554 56	56.9
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CLASSES 9 AND 10 F.b.—DWELLINGS, FRAME, NONCOMBUSTIBLE ROOF.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	14,343	\$22,532,824	\$264,679 54	\$88,900 11	33.6	10,226	\$8,216,435	\$93,714 02	\$50,786 49	54.2
4.....	4,162	5,465,461	45,463 96	16,483 84	36.3	2,968	2,224,686	17,109 63	11,685 60	67.7
5.....	3,239	4,311,778	39,190 06	11,433 91	26.2	2,732	2,196,231	14,875 62	7,289 75	49.7
6.....	3,095	4,833,800	35,988 50	23,105 93	64.2	2,146	1,694,093	10,962 38	4,958 06	45.2
7.....	4,352	5,763,378	44,980 34	28,739 09	63.9	3,528	2,545,758	18,963 80	11,128 97	58.6
8.....	3,637	4,385,723	39,181 89	29,114 47	74.3	1,833	1,266,205	9,486 40	6,333 32	66.8
9.....	1,406	1,620,390	13,004 84	10,179 01	78.3	906	610,091	4,115 59	4,678 81	113.6
10.....	2,977	3,192,592	29,033 84	16,416 90	56.5	1,157	671,760	6,293 42	3,839 63	61.0
Totals for stock companies.....	37,211	\$52,095,946	\$511,522 97	\$224,373 28	43.9	25,495	\$19,325,259	\$175,350 86	\$100,598 13	57.4

Mutual Companies.

3.....	69	\$ 94,500	\$1,351 22	\$ 845 53	62.6	108	\$122,600	\$1,094 88	\$60 00	5.5
4.....	75	119,900	685 22	322 80	47.1	41	27,800	146 69	85	.8
5.....	19	30,250	247 53	11 50	4.6	20	11,900	97 73	.....	.....
6.....	49	66,700	587 15	24 89	4.4	15	8,300	73 95	.....	.....
7.....	95	140,567	1,390 81	3,608 32	159.4	22	18,503	195 42	.....	.....
8.....	13	15,700	162 88	.....	.....	7	12,400	71 20	.....	.....
9.....	44	70,219	718 91	.....	.....	1	400	1 02	.....	.....
10.....	16	72,550	244 32	.....	.....	1	1,000	6 40	.....	.....
Totals for mutual companies.....	380	\$610,886	\$5,368 04	\$4,813 04	89.7	215	\$203,408	\$1,687 29	\$60 85	3.6
Totals for interinsurers.....	9	10,200	36 39	.....	.....	3	1,100	6 73	.....	.....

All Companies.

Grand totals for all insurance organizations..	37,600	\$52,716,532	\$516,927 40	\$229,186 30	44.3	25,713	\$19,529,762	\$177,044 88	\$100,658 98	56.8
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CLASSES 11 AND 12, DWELLINGS, PALATIAL—OF \$50,000 VALUE OR MORE.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Am.ount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	509	\$1,106,931	\$9,399 96	\$2,824 31	30.0	724	\$1,411,679	\$11,622 26	\$4,612 89	39.7

CLASSES 13 AND 14, DWELLINGS AND BARNs—SUMMER OR WINTER ONLY.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	156	\$251,349	\$4,001 97	\$2,026 40	50.6	76	\$65,510	\$1,262 57	\$ 19 57	1.6
4.....	55	34,251	428 60	10 00	2.3	16	6,599	91 21	1 09	1.2
5.....	42	35,467	454 43	511 78	112.6	29	28,660	271 38	5 00	1.8
6.....	47	37,636	446 40	6 00	1.3	29	12,124	236 48	.....	.....
7.....	142	138,166	1,678 64	215 59	13.8	50	17,362	239 40	15 00	6.4
8.....	198	187,083	2,014 60	235 50	11.7	79	48,182	450 42	428 90	95.2
9.....	37	38,887	548 37	900 00	164.1	45	31,744	446 59	175 00	39.2
10.....	120	123,937	1,451 84	569 99	39.3	76	35,830	432 67	469 25	108.5
Totals for stock companies.....	806	\$836,775	\$11,024 85	\$4,475 24	40.6	400	\$246,011	\$3,424 72	\$1,113 81	32.5
Totals for mutuals.....	13	8,350	148 20	.....	.....	6	2,300	88 87	.....	.....

All Companies.

Grand totals for all insurance organizations..	819	\$845,125	\$11,173 05	\$4,475 24	4.0	406	\$248,311	\$3,463 59	\$1,113 81	32.1
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CLASSES 21 AND 22, GARAGES—PRIVATE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,470	\$1,755,710	\$23,425 78	\$7,589 12	32.4	609	\$434,362	\$5,265 79	\$1,511 72	28.7
4.....	283	133,037	1,847 72	1,554 56	84.1	131	93,416	977 63	.....	.....
5.....	325	528,524	6,307 21	154 98	2.5	99	59,535	474 24	.....	.....
6.....	140	61,822	705 80	634 63	89.9	115	68,318	580 37	.....	.....
7.....	214	150,405	1,371 25	719 00	52.4	143	79,610	782 91	.....	.....
8.....	164	75,678	876 84	416 00	47.4	76	38,884	398 54	1,350 00	335.7
9.....	56	20,573	209 17	400 00	191.2	25	10,132	7 62	75 00	.....
10.....	188	52,738	826 17	3,398 01	411.3	66	30,639	327 76	.....	.....
Totals for stock companies.....	3,820	\$2,778,487	\$35,569 94	\$14,866 30	41.8	1,264	\$815,096	\$8,814 90	\$2,936 72	33.3
Totals for mutuals and interinsurers.....	33	18,925	241 06	.....	.....	145	158,780	3,691 37	2,482 00	67.2
All Companies.										
Grand totals for all insurance organizations..	3,853	\$2,797,412	\$35,811 00	\$14,866 30	41.5	1,409	\$973,876	\$12,506 27	\$5,418 72	43.3

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CLASSES 23 AND 24, HOSPITALS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	269	\$1,415,464	\$11,588 23	\$2,706 79	23.4	150	\$548,338	\$4,669 60	\$1,399 37	30.0
4.....	56	98,022	1,840 94	215 00	11.7	54	31,460	392 70	90 00	2.0
5.....	39	141,110	1,709 80	.....	.....	30	22,598	392 68	.....	.....
6.....	53	55,281	570 80	177 15	31.0	24	18,879	257 44	22 32	8.7

7.....	53	181,642	1,522 17	3,326 71	251.4	60	47,655	639 47	857 54	134.1
8.....	41	144,444	2,328 01	3,384 36	145.4	60	103,458	1,410 48	446 59	81.7
9.....	3	4,451	100 10	.....	.....	4	3,399	67 61	.....	.....
10.....	8	57,180	1,428 85	96	.1	10	39,809	940 18	.....	.....
Totals for stock companies.....	522	\$2,097,594	\$21,038 90	\$10,310 97	48.9	392	\$815,591	\$8,770 14	\$2,815 92	32.1
Totals for mutuals.....	6	22,900	177 77	.....	.....	3	2,800	64 85	.....	.....

All Companies.

Grand totals for all insurance organizations..	528	\$2,120,494	\$21,266 67	\$10,310 97	48.5	395	\$818,391	\$8,834 99	\$2,815 82	31.9
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CLASSES 25 AND 26, LIBRARIES—PUBLIC—MUSEUMS OF ART OR NATURAL HISTORY.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
3.....	89	\$200,291	\$2,396 45	\$ 19 13	0.8	198	\$639,305	\$6,606 13	\$594 46	9.0
4.....	127	66,462	959 07	132 81	19.1	140	66,645	1,118 65	217 16	19.4
5.....	50	90,197	815 99	52 52	6.4	18	20,018	237 11	.....	.....
6.....	47	65,542	1,040 55	11 12	1.1	18	28,060	468 77	.....	.....
7.....	37	170,354	1,695 90	833 59	49.2	11	117,817	1,119 45	33 14	3.0
8.....	82	101,941	1,063 95	119 97	11.3	26	37,640	427 06	.....	.....
9.....	10	13,640	191 60	15 24	8.0	25	10,145	157 67	200 00	128.8
10.....	23	35,447	557 61	30 05	5.4	27	16,987	306 36	.....	.....
Totals for stock companies.....	495	\$743,874	\$8,720 82	\$1,264 43	14.5	561	\$936,677	\$10,441 20	\$1,044 76	10.0
Totals for mutuals.....	.....	.....	.....	.....	.....	.....	.....	14 40	.....	.....

All Companies.

Grand totals for all insurance organizations..	495	\$743,874	\$8,720 82	\$1,264 43	14.5	561	\$936,677	\$10,426 80	\$1,044 76	10.0
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CLASSES 27 AND 28, SCHOOLS AND ACADEMIES WITHOUT DORMITORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	625	\$2,010,449	\$27,572 55	\$ 5,433 62	19.7	243	\$515,580	\$5,801 13	\$ 812 90	14.0
4.....	345	552,608	7,168 05	582 38	346.9	108	124,823	1,658 39	93 65	5.6
5.....	490	1,699,158	19,641 71	3,069 56	15.6	250	213,530	2,979 97	219 02	7.2
6.....	838	937,878	13,441 52	1,451 71	10.8	106	144,433	1,779 52	12 64	.7
7.....	747	1,893,448	22,187 69	17,556 57	79.2	222	205,109	2,975 38	2,557 85	36.0
8.....	555	1,351,225	21,411 19	8,304 31	38.8	224	174,577	2,255 08	1,987 57	38.1
9.....	341	715,556	10,600 37	4,333 61	40.9	130	80,719	1,089 20	916 84	34.2
10.....	817	1,741,849	24,811 19	6,427 92	25.9	423	243,835	3,259 50	535 01	16.4
Totals for stock companies.....	4,261	\$10,902,171	\$148,814 27	\$47,149 68	32.1	1,706	\$1,702,608	\$21,798 17	\$7,135 48	32.5
Totals for mutuals and American Lloyds....	18	22,450	633 22	.....	.....	6	23,750	471	.....	.....
All Companies.										
Grand totals for all insurance organizations..	4,279	\$10,924,621	\$147,447 49	\$47,149 68	31.9	1,712	\$1,678,856	\$21,802 88	\$7,135 48	32.7

CLASSES 801 AND 802, MISCELLANEOUS—NONHAZARDOUS—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	234	\$813,701	\$9,036 04	\$10,318 72	3.5	417	\$1,602,026	\$3,079 63	\$2,671 83	33.0
4.....	5	21,500	228 75	.....	.....	629	102,842	579 65	229 87	39.7
5.....	4	23,120	184 83	3 80	2.0	4	38,250	99 95	.....	.....
6.....	8	11,200	140 75	345 74	245.6	10	15,625	101 21	345 74	341.6
7.....	6	7,340	197 57	.....	.....	9	79,310	430 37	1 28	3
8.....	2	8,500	122 50	.....	.....	4	4,000	106 10	.....	.....
9.....	7	6,800	97 65	.....	.....	.....	.....	.....	.....	.....
10.....	1	1,000	2 60	.....	.....	1	2,500	17 00	.....	.....
Totals for stock companies.....	265	\$890,161	\$10,005 49	\$10,668 26	106.6	1,074	\$1,844,583	\$9,418 91	\$3,248 72	34.5
Totals for mutuals, interinsurers and American Lloyds.....	1	29,000	110 66	.....	.....	18	511,100	257 03	1 71	3.8

All Companies—Sprinklered.

Grand totals for all insurance organizations..	266	\$919,161	\$10,116 15	\$10,668 26	105.5	1,092	\$2,355,683	\$9,670 94	\$3,250 43	33.6
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CLASS 801, MISCELLANEOUS—NONHAZARDOUS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	26	\$162,189	\$733 69	\$258 74	35.3	.....	.....	.....	.....	.....

CLASSES 101 AND 102—AGRICULTURAL IMPLEMENTS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	63	\$ 45,947	\$1,137 01	\$ 29 25	2.6	143	\$321,031	\$3,458 40	\$ 539 67	.....
4.....	41	77,377	520 34	.....	.....	130	260,933	3,221 76	.....	.....
5.....	64	112,926	2,236 52	832 25	37.2	143	223,468	3,127 35	770 58	24.6
6.....	57	36,845	682 91	.....	.....	93	113,837	1,737 55	.....	.....
7.....	124	142,810	2,558 86	6,429 83	251.3	346	518,445	7,111 61	4,830 51	67.9
8.....	100	112,672	2,168 81	30 00	1.4	200	267,905	4,521 31	.....	.....
9.....	70	62,552	1,046 82	540 56	51.6	152	207,154	3,435 55	2,506 40	100.5
10.....	150	112,255	2,204 76	3,860 00	170.4	271	343,139	6,311 63	1,790 89	28.4
Totals for stock companies.....	669	\$703,384	\$12,616 03	\$11,721 89	92.9	1,478	\$2,255,915	\$32,975 16	\$10,358 77	31.4
Totals for mutuals, interinsurers and American Lloyds.....	54	62,100	802 52	2,505 43	312.2	180	320,990	3,892 55	880 50	22.6

All Companies.

Grand totals for all insurance organizations..	723	\$765,484	\$13,418 55	\$14,227 32	106.0	1,658	\$2,576,905	\$36,867 71	\$11,239 27	30.5
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CLASSES 803 AND 804, AGRICULTURAL IMPLEMENTS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	11	\$67,500	\$453 65	\$3 24	0.7	71	\$568,477	\$1,968 09	.....	.....

CLASSES 103 AND 104, ARTISTS' MATERIALS AND ART STOCKS—PICTURES AND PICTURE GALLERIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals	77	\$224,857	\$2,848 95	\$43 00	1.5	525	\$660,349	\$9,308 27	\$3,044 30	32.7

CLASSES 105 AND 106, AUTOMOBILE AND CARRIAGE SALESROOMS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	181	\$445,384	\$6,852 40	\$10,720 58	156.5	571	\$919,609	\$15,829 48	\$6,169 01	39.0
Totals for remaining grades of cities.....	137	188,360	3,103 70	1,481 00	47.7	446	379,152	6,600 82	655 68	9.9
Totals for mutuals and London Lloyds.....	11	13,200	194 81	5 43	2.7	12	16,400	385 45	.....	.....

All Companies.

Grand totals for all insurance organizations ..	329	\$646,044	\$10,150 91	\$12,207 01	120.3	1,029	\$1,315,161	\$22,815 75	\$6,824 69	29.9
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CLASSES 107 AND 108—BOOKS—STATIONERY—SCHOOL SUPPLIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	130	\$321,134	\$3,892 90	\$36 44	0.9	1,136	\$1,868,780	\$24,188 84	\$4,684 83	19.4
Totals for remaining grades of cities.....	56	63,710	953 26							
Totals for mutuals, interinsurers and American Lloyds.....	11	15,000	106 41			64	86,050	1,008 84	2,000 00	198.2
All Companies.										
Grand totals for all insurance organizations..	197	\$399,844	\$4,952 57	\$36 44	0.7	1,869	\$2,568,352	\$33,575 80	\$13,004 26	38.7

CLASSES 109 AND 110, BOOTS AND SHOES—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	229	\$453,754	\$8,274 49	\$3,238 66	39.1	2,594	\$3,428,378	\$41,534 61	\$37,781 22	90.9
4.....	61	73,055	1,169 26	92 07	7.9	535	693,786	7,268 34	10,446 02	143.7
5.....	41	90,394	528 51	60 69	11.5	484	639,018	6,819 48	5,598 55	84.6
6.....	33	69,417	628 58	35 10	5.6	450	521,510	6,204 77	8,712 28	140.4
7.....	95	143,402	2,046 95	388 73	19.0	737	782,179	9,303 14	560 75	6.0
8.....	77	83,266	1,493 45	78 16	5.2	351	455,972	5,981 02	4,201 39	70.2

9.....	43	81,983	399 15	1,073 18	268.9	90	84,563	1,025 01	2,233 01	217.9
10.....	31	38,274	455 32	241 17	53.0	113	159,336	1,616 91	2,273 20	140.6
Totals for stock companies.....	610	\$973,545	\$14,993 71	\$5,207 76	84.7	5,854	\$6,764,742	\$79,603 28	\$71,806 51	90.2
Totals for mutuals and interinsurers.....	28	33,650	406 44	.....	.....	419	531,735	5,539 23	4,553 16	82.2

All Companies.

Grand totals for all insurance organizations..	633	\$1,007,195	\$15,400 15	\$5,207 76	33.8	5,773	\$7,296,477	\$85,142 51	\$76,359 67	89.7
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CLASSES 111 AND 112, BOOTS AND SHOES—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
8.....	103	\$192,250	\$2,003 34	.....	.....	796	\$1,619,987	\$18,802 62	\$1,527 04	8.1
Totals for remaining grades of cities.....	52	94,250	1,381 55	1 02	.07	357	434,908	5,211 12	206 73	8.9
Totals for mutuals, interinsurers and London Lloyds.....	1	2,700	33 96	.....	.....	6	18,500	559 61	.....	.....

All Companies.

Grand totals for all insurance organizations..	156	\$289,200	\$3,418 85	\$1 02	.02	1,159	\$2,073,395	\$24,573 35	\$1,733 77	7.0
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CLASSES 113 AND 114, CLOTHING, HATS, CAPS, FURS AND MEN'S FURNISHINGS—RETAIL—MERCHANT TAILOR—REGALIA—COSTUMER—DRESSMAKING.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	804	\$1,597,905	\$28,393 15	\$7,196 15	27.3	8,852	\$11,294,259	\$142,584 00	\$108,192 61	75.9
4.....	72	89,848	1,349 87	841 95	62.4	1,180	1,300,320	16,314 30	5,531 25	33.9
5.....	86	183,460	2,254 12	902 05	40.0	1,479	2,171,173	25,055 67	27,453 38	109.6
6.....	117	240,287	2,657 53	257 78	9.7	1,240	1,601,071	18,613 78	2,002 88	15.9
7.....	202	319,024	4,696 73	306 12	6.5	1,812	2,287,915	27,718 63	9,368 07	33.8
8.....	218	261,338	4,888 39	4,638 85	105.7	1,279	1,741,222	22,408 05	10,758 77	48.0
9.....	59	76,822	1,254 34	39 75	2.4	384	600,973	6,351 84	1,408 40	23.1
10.....	46	65,844	1,378 06	1,597 31	115.9	342	504,136	6,707 40	4,430 06	66.0
Totals for stock companies.....	1,664	\$2,834,278	\$44,372 19	\$15,789 96	35.5	16,674	\$21,861,069	\$285,754 27	\$170,163 42	64.0
Totals for mutuals, Interinsurers, American Lloyds and London Lloyds.....	30	44,800	592 95	107 84	33.3	536	1,124,024	8,058 31	9,907 60	124.1

All Companies.

Grand totals for all insurance organizations..	1,694	\$2,879,078	\$44,965 14	\$15,907 80	35.5	17,110	\$22,485,093	\$273,812 58	\$180,161 02	65.7
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CLASSES 115 AND 116, CLOTHING, HATS, CAPS, FURS AND MEN'S FURNISHINGS—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	625	\$405,497	\$5,478 65	\$3,190 67	58.3	1,014	\$1,768,226	\$20,283 94	\$4,682 36	24.6
4.....	8	6,680	108 18	.....	.....	60	152,678	1,451 13	11 23	8
5.....	5	3,900	108 03	.....	.....	77	98,078	1,155 13	.....	.....

6.....	3	6,900	12 85	.....	.....	49	84,710	709 74	.....	.....
7.....	6	9,300	180 60	.....	.....	83	98,485	1,219 38	178 40	14.5
8.....	6	9,900	145 59	.....	.....	47	42,342	538 93	106 31	21.0
9.....	2	1,000	20 98	.....	.....	12	10,510	292 77	.....	.....
10.....	19	20,750	415 58	.....	.....	42	63,098	812 27	79 45	9.8
Totals for stock companies.....	674	\$463,907	\$6,530 44	\$3,196 67	49.0	1,393	\$2,298,625	\$26,430 31	\$5,355 75	20.3
Totals for mutuals and London Lloyds.....	3	7,300	51 28	.....	.....	36	65,075	976 75	.....	.....

All Companies.

Grand totals for all insurance organizations..	677	\$471,207	\$6,581 72	\$3,196 67	48.5	1,429	\$2,363,700	\$27,407 06	\$5,355 75	19.5
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CLASSES 117 AND 118, CONFECTIONERY—ICE CREAM PARLORS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	523	\$857,365	\$17,051 86	\$6,389 86	37.5	2,456	\$2,196,989	\$30,539 45	\$9,328 51	30.5
4.....	54	69,126	897 01	746 33	83.2	289	268,152	4,246 29	4,079 42	96.1
5.....	54	69,421	1,064 12	806 15	75.8	262	265,075	3,899 74	559 59	14.2
6.....	75	76,663	1,116 73	1,696 07	151.9	236	223,571	3,391 23	2,190 60	64.0
7.....	132	174,402	2,758 71	763 72	27.7	408	384,294	5,957 03	1,223 89	20.5
8.....	96	126,344	2,382 66	.....	.....	306	321,627	5,505 46	832 55	15.1
9.....	49	47,252	896 45	57 00	6.4	96	92,152	1,614 72	7 15	.4
10.....	58	58,259	1,289 38	.....	.....	119	87,762	1,471 18	3,291 94	223.8
Totals for stock companies.....	1,041	\$1,478,832	\$27,456 92	\$10,459 13	39.1	4,172	\$3,839,622	\$56,625 15	\$21,507 65	38.0
Totals for mutuals, interinsurers and London Lloyds.....	43	66,400	1,017 34	.....	.....	100	136,050	1,910 90	451 71	23.6

All Companies.

Grand totals for all insurance organizations..	1,084	\$1,545,232	\$28,474 26	\$10,459	36.7	4,272	\$3,975,672	\$58,536 05	\$21,959 36	37.5
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CLASSES 119 AND 120, CROCKERY, CHINA AND GLASSWARE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	77	\$179,268	\$2,551 83	\$17,674 42	692.6	557	\$883,898	\$12,351 46	\$18,280 60	148.0
Totals for remaining grades of cities.....	31	43,570	756 99	2,181 00	288.1	379	424,657	6,013 24	850 64	14.1
Totals for mutuals and interinsurers.....	1	1,000	13 40			22	82,500	774 37		

All Companies.

Grand totals for all insurance organizations..	109	\$223,838	\$3,322 22	\$19,855 42	597.6	968	\$1,391,055	\$19,139 07	\$19,131 24	99.9
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CLASSES 121 AND 122, DOORS, SASH, BLINDS—BUILDERS' MATERIALS,

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	162	\$180,444	\$2,853 01	\$27 53	0.9	560	\$740,655	\$10,295 36	\$4,062 65	39.4

CLASSES 123 AND 124, DRUGS, CHEMICALS—MEDICINES—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	339	\$819,246	\$12,005 11	\$2,031 94	16.9	3,297	\$4,827,368	\$56,265 55	\$48,302 10	85.8
4.....	65	129,446	1,868 13	1,148 89	61.5	444	492,547	6,816 04	445 84	16.5
5.....	71	128,251	1,966 98	25 42	1.3	594	694,771	9,070 85	6,228 95	68.7
6.....	63	135,115	1,683 14	576 53	34.3	478	538,105	7,114 46	40 00	.6
7.....	165	287,679	4,107 56	851 61	29.7	1,036	1,101,295	15,619 07	7,314 04	46.8
8.....	136	240,354	3,474 96	707 80	20.4	764	926,746	14,812 99	818 97	5.5
9.....	79	109,531	2,502 02	1,692 20	67.6	248	340,322	5,144 11	4,033 48	78.4
10.....	127	163,021	3,805 07	3,330 17	87.5	328	405,430	6,484 39	4,806 84	74.1
Totals for stock companies.....	1,045	\$2,012,643	\$31,412 97	\$10,364 56	33.0	7,189	\$9,326,584	\$121,327 46	\$71,990 22	59.3
Totals for mutuals, interinsurers and American Lloyds.....	70	109,500	1,350 63	571 57	42.3	898	1,239,120	13,032 86	6,649 42	51.0
All Companies.										
Grand totals for all insurance organizations..	1,115	\$2,122,143	\$32,763 60	\$10,936 13	33.4	8,087	\$10,565,704	\$134,360 32	\$78,639 64	58.5

CLASSES 125 AND 126, DRUGS, CHEMICALS—MEDICINES—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	25	\$ 89,540	\$1,205 33	\$ 415 92	34.5	839	\$1,204,698	\$16,744 32	\$5,799 16	34.6
Totals for remaining grades of cities.....	131	152,870	2,130 78	1,623 87	76.2	554	760,569	9,712 81	7,206 72	63.9
Totals for mutuals, interinsurers and London Lloyds.....	2	3,000	40 46	.....	.....	34	89,850	1,346 39	302 78	2.2

All Companies.

Grand totals for all insurance organizations..	158	\$245,410	\$3,376 57	\$2,039 79	60.4	1,427	\$2,055,117	\$27,803 52	\$13,308 66	47.8
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CLASSES 807 AND 808, DRUGS, CHEMICALS AND MEDICINES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals	80	\$279,500	\$1,178 74	\$1,313 14	111.4	412	\$1,885,643	\$7,493 02	\$1,335 53	17.8

CLASSES 127 AND 128, DRY GOODS—WOOLENS—CARPETS AND NOTIONS—CHINESE AND JAPANESE GOODS—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	536	\$1,372,907	\$19,656 57	\$4,700 52	23.9	4,583	\$6,688,372	\$77,424 19	\$ 40,872 35	52.8
4.....	129	153,282	2,078 06	613 92	29.5	773	1,193,481	13,853 45	32,769 51	236.0
5.....	105	282,653	3,509 66	11,177 84	318.5	996	1,652,831	19,411 18	116,283 34	599.1
6.....	70	135,038	1,701 41	266 73	15.7	989	1,554,107	16,307 75	2,415 25	14.3
7.....	209	353,725	4,342 45	1,020 14	23.5	1,844	2,677,534	30,969 69	12,336 23	41.4
8.....	228	258,651	4,255 28	2,032 80	47.3	1,280	1,945,139	25,075 31	2,267 11	9.0
9.....	55	92,659	1,281 94	2,245 55	175.2	269	499,800	6,622 99	332 93	5.0
10.....	57	61,064	1,372 58	359 99	26.2	313	536,548	6,838 16	14,053 25	205.5
Totals for stock companies.....	1,389	\$2,709,979	\$38,197 95	\$22,417 49	58.7	11,347	\$16,749,812	\$196,532 72	\$221,834 96	112.9
Totals for mutuals, Interinsurers and London Lloyds.....	36	58,000	657 93	1,403 76	213.3	776	1,549,050	16,190 61	5,931 06	36.6
All Companies.										
Grand totals for all insurance organizations..	1,425	\$2,767,979	\$38,855 88	\$23,821 25	61.3	12,123	\$18,298,862	\$212,723 33	\$227,766 02	107.0

CLASSES 129 AND 130, DRY GOODS—WOOLENS—CARPETS AND NOTIONS—CHINESE AND JAPANESE GOODS—WHOLE-SALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	131	\$272,125	\$2,210 01	\$380 30	17.2	856	\$2,018,948	\$20,016 13	\$3,239 12	16.2
4.....	13	26,290	373 78	690 77	184.8	107	155,743	1,759 74	139 18	7.9
5.....	28	33,400	607 10	.....	.....	116	188,176	2,217 89	2,794 20	126.0
6.....	10	15,300	211 81	.....	.....	73	96,567	1,178 34	1 00	.1
7.....	3	6,030	125 88	.....	.....	59	81,350	1,004 22	1,177 07	117.2
8.....	41	33,050	558 36	.....	.....	156	203,720	2,876 03	.....	.....
9.....	3	7,800	182 88	.....	.....	40	32,095	474 78	.....	.....
10.....	9	12,350	214 30	.....	.....	65	16,128	191 35	.....	.....
Totals for stock companies.....	238	\$406,345	\$4,484 12	\$1,071 07	23.9	1,472	\$2,792,727	\$29,718 48	\$7,350 57	24.8
Totals for mutuals and London Lloyds.....	1	1,500	4 87	.....	.....	29	54,700	741 16	4 29	.57
All Companies.										
Grand totals for all insurance organizations..	239	\$407,845	\$4,479 25	\$1,071 07	23.8	1,501	\$2,847,427	\$30,459 64	\$7,354 86	24.1

CLASSES 809 AND 810, DRY GOODS—WOOLENS—CARPETS AND NOTIONS—CHINESE AND JAPANESE GOODS—Sprinklered.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	160	\$1,095,170	\$6,762 89	\$ 59 22	0.87	1,261	\$8,785,708	\$35,034 78	\$ 521 68	1.48
Totals for remaining grades of cities.....	13	17,962	327 30	250 55	110.2	186	589,072	2,172 40	1,010 68	46.5
Totals for mutuals, interinsurers and American Lloyds.....	10	292,500	1,043 73	.....	.....	80	4,528,550	6,903 75	.....	.....
All Companies.										
Grand totals for all insurance organizations..	183	\$1,405,632	\$8,133 92	\$309 77	3.8	1,527	\$13,903,330	\$44,110 93	\$1,532 26	3.5

CLASSES 131 AND 132, FURNITURE STORES—UNDERTAKERS' ESTABLISHMENTS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	613	\$1,373,839	\$24,947 52	\$ 6,460 44	25.9	3,268	\$4,829,300	\$69,250 11	\$33,574 05	48.5
4.....	69	141,970	1,989 84	11,759 54	591.0	444	514,504	6,904 85	26,120 76	378.3
5.....	112	218,705	4,061 82	122 06	3.0	456	593,364	8,101 52	1,742 51	21.5
6.....	68	99,253	1,827 68	2 40	.1	447	489,403	6,615 06	1,574 02	23.8
7.....	228	353,032	5,547 97	340 21	6.1	719	796,023	11,558 79	4,511 89	39.0
8.....	163	265,702	4,876 67	1,903 63	39.0	516	624,855	10,028 04	2,488 34	24.8
9.....	87	121,386	2,340 85	738 68	31.6	177	217,671	3,742 88	35 04	.9
10.....	128	161,627	3,123 69	1,283 01	41.1	243	304,096	5,124 06	1,879 03	36.7
Totals for stock companies.....	1,458	\$2,735,514	\$48,716 04	\$22,609 97	46.4	6,270	\$8,369,216	\$121,334 31	\$71,923 64	59.3
Totals for mutuals, interinsurers and London Lloyds.....	56	108,116	1,542 71	.....	.....	347	622,061	6,935 88	3,865 17	55.7

All Companies.

Grand totals for all insurance organizations ..	1,514	\$2,843,630	\$50,258 75	\$22,609 97	45.0	6,617	\$8,991,277	\$128,270 19	\$75,788 81	58.9
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CLASSES 811 AND 812, FURNITURE STORES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	59	\$505,475	\$2,492 26	\$1,416 34	56.8	390	\$2,606,615	\$10,459 84	\$746 25	7.1

CLASSES 133 AND 134, GAS AND ELECTRIC FIXTURES—LAMPS AND CHANDELIERS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	421	\$304,980	\$5,364 74	\$567 04	10.6	788	\$1,178,784	\$16,135 44	\$13,620 81	84.4
4.....	19	29,700	356 49	.....	.....	136	163,123	1,018 10	12,156 78	633.8
5.....	23	87,750	773 59	1 19	.2	212	337,932	4,005 48	6,708 51	142.6
6.....	21	37,300	488 99	.....	.....	148	175,414	2,016 63	107 82	8.3
7.....	27	57,515	773 16	29 50	3.8	120	269,925	2,615 53	440 23	16.6
8.....	65	89,600	1,119 80	848 00	75.7	123	125,142	1,928 72	1,048 60	54.4
9.....	4	3,350	46 63	.....	.....	71	54,948	1,872 72	435 69	49.0
10.....	9	16,700	218 04	25 90	11.9	92	65,117	1,113 64	29 10	2.6
Totals for stock companies.....	689	\$569,895	\$9,141 24	\$1,471 63	16.1	1,670	\$2,362,385	\$30,606 82	\$33,607 79	109.8
Totals for mutuals and London Lloyds.....	8	8,000	79 51	.....	.....	22	71,820	683 52	362 07	53.0
All Companies.										
Grand totals for all insurance organizations..	692	\$574,895	\$9,220 75	\$1,471 63	15.9	1,692	\$2,423,705	\$31,289 84	\$33,969 86	108.6

CLASSES 135 AND 136, GROCERS, RETAIL—MEAT—FISH—BUTTER—CHEESE—EGGS—FRUIT AND PRODUCE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	3,041	\$5,402,215	\$97,852 86	\$25,059 04	25.6	12,277	\$12,668,607	\$159,925 33	\$72,479 65	45.3
4.....	576	605,849	8,243 27	7,514 51	91.2	1,538	1,410,289	20,132 03	19,006 79	94.4
5.....	622	849,453	10,009 00	2,912 28	29.1	1,448	1,641,588	20,015 27	6,422 12	32.1
6.....	480	644,634	8,044 06	8,017 30	99.7	1,234	1,122,558	16,207 33	7,433 86	45.9
7.....	937	1,068,023	15,691 57	3,139 82	20.0	2,288	2,186,352	30,902 85	10,828 10	35.0
8.....	664	859,218	15,031 10	6,168 05	41.0	1,615	1,764,060	26,947 81	13,235 54	49.1
9.....	343	353,487	6,263 94	2,698 75	43.1	726	717,062	10,769 45	2,444 36	22.7
10.....	485	540,371	10,149 75	4,094 32	40.3	986	986,374	15,086 82	10,887 07	72.2
Totals for stock companies.....	7,148	\$10,323,150	\$171,285 55	\$59,604 07	34.8	22,112	\$22,494,890	\$299,986 89	\$142,737 49	47.6

Mutual Companies.

3.....	44	\$82,650	\$1,215 61	\$217 39	17.9	384	\$513,134	\$5,028 24	\$1,472 45	29.2
4.....	47	60,150	699 75	.....	.....	134	151,435	1,505 81	56 84	3.8
5.....	20	28,000	318 74	10 01	3.1	89	106,475	1,003 34	2,550 00	2.5
6.....	16	19,360	270 64	.....	.....	89	105,675	901 72	.....	.....
7.....	51	76,950	1,061 13	12 93	1.2	190	217,935	2,299 36	2,238 80	97.4
8.....	32	82,725	765 84	50 00	6.5	128	158,750	1,927 92	702 23	36.4
9.....	8	10,900	186 09	.....	.....	25	31,360	378 43	.....	.....
0.....	2	3,800	21 23	92 50	435.7	22	28,150	323 07	.....	.....
Totals for mutual companies.....	220	\$344,525	\$4,539 03	\$382 83	8.4	1,061	\$1,312,814	\$13,367 89	\$7,020 32	52.5
Totals for interinsurers.....	5	8,600	157 60	.....	.....	14	55,800	289 88	414 93	.....

All Companies.

Grand totals for all insurance organizations..	7,373	\$10,676,275	\$175,982 18	\$59,986 90	34.2	23,187	\$23,863,504	\$313,064 90	\$150,172 74	48.0
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CLASSES 137 AND 138, GROCERIES, ETC., WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	306	\$734,271	\$11,406 16	\$7,222 79	63.3	2,033	\$4,589,489	\$62,554 65	\$60,782 03	97.2
4.....	39	77,517	1,106 90	925 43	83.6	411	847,315	9,123 69	5,511 14	60.4
5.....	44	90,973	1,096 47	2,581 55	235.4	293	623,261	6,284 20	12,820 30	204.1
6.....	32	67,485	923 82	420 00	45.5	226	382,691	5,284 46	72 50	1.4
7.....	50	100,770	1,184 20	.....	.....	204	362,192	4,486 05	1,603 62	35.7
8.....	84	55,690	872 44	457 48	55.9	98	144,235	1,898 27	262 24	13.8
9.....	6	6,950	82 57	18 00	21.8	42	48,469	763 27	27 27	3.6
10.....	9	14,600	364 08	1,980 00	543.8	65	75,361	976 20	44 03	4.5
Totals for stock companies.....	570	\$1,148,166	\$17,036 64	\$13,635 25	80.0	3,372	\$7,073,013	\$91,380 79	\$81,123 13	88.8
Totals for mutuals, interinsurers and American Lloyds.....	16	65,650	750 63	.....	.....	167	1,259,500	12,892 80	37,287 40	289.2

All Companies.

Grand totals for all insurance organizations ..	586	\$1,213,816	\$17,787 27	\$13,635 25	76.6	3,539	\$8,332,513	\$104,273 69	\$118,410 53	113.5
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CLASSES 813 AND 814, GROCERIES—WHOLESALE ONLY—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	123	\$1,028,642	\$2,063 17	\$48 05	2.3	701	\$6,196,583	\$12,764 66	\$2,240 18	17.6

CLASS 813, GROCERIES—WHOLESALE ONLY—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	61	\$673,490	\$868 95	\$23 66	2.7					

CLASSES 139 AND 140, HARDWARE—IRON AND STEEL BARS AND PIPING—CUTLERY—SURGICAL INSTRUMENTS—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	225	\$487,247	\$9,006 34	\$ 735 52	8.2	1,927	\$2,705,648	\$35,528 67	\$21,390 86	60.2
4.....	37	68,200	1,205 73	5 00	.4	374	434,342	5,413 86	4,135 28	76.4
5.....	57	151,350	2,090 40	1,762 27	84.3	311	380,828	5,110 90	9,848 41	192.7
6.....	34	67,979	857 61	54 19	6.3	337	401,254	4,937 14	57 61	1.2
7.....	170	250,017	3,736 26	164 38	.....	783	1,080,904	13,802 71	1,223 88	8.9
8.....	159	475,478	6,890 49	98 44	1.4	613	853,317	13,469 70	4,903 33	36.4
9.....	131	166,377	3,191 15	1,500 00	47.0	260	385,767	6,450 90	291 12	4.5
10.....	233	261,849	5,383 26	857 99	15.9	416	688,272	11,898 04	3,173 22	26.7
Totals for stock companies.....	1,046	\$1,928,497	\$32,361 24	\$4,849 03	15.0	5,021	\$6,910,332	\$96,611 92	\$45,023 71	46.6

Mutual Companies.

3.....	20	\$32,900	\$ 618 52	.....	.....	172	\$318,705	\$4,357 42	\$ 12 28	0.3
4.....	6	6,760	120 97	.....	.....	41	67,690	889 98	.....	.....
5.....	6	7,050	99 41	.....	.....	105	193,300	2,556 14	5,595 08	218.9
6.....	4	3,250	73 22	.....	.....	51	92,980	1,116 35	43 00	3.9
7.....	26	46,185	712 23	\$139 18	19.5	297	561,622	7,942 91	694 45	8.8
8.....	34	67,545	1,011 89	.....	.....	254	495,955	8,699 09	2,541 11	29.2

9.....	16	23,000	666 82	.....	.....	128	318,820	5,658 84	.....	.....
10.....	38	62,090	1,202 65	.....	.....	107	475,755	9,431 97	9,507 06	100.9
Totals for mutual companies.....	150	\$249,440	\$4,535 61	\$ 139 18	8.1	1,215	\$2,524,627	\$40,652 40	\$18,392 98	45.8
Totals for interinsurers.....	153	230,320	2,845 87	4,030 19	172.0	609	1,211,788	14,029 36	7,653 49	56.7
All Companies.										
Grand totals for all insurance organizations..	1,349	\$2,417,267	\$39,242 72	\$9,018 40	22.9	6,905	\$10,646,747	\$151,293 68	\$71,370 18	47.18

CLASSES 141 AND 142, HARDWARE, ETC. (SAME AS 139-140)—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	90	\$211,313	\$2,372 55	\$25 00	1.1	880	\$2,551,370	\$28,630 09	\$8,891 19	31.1
4.....	10	11,300	3 08	.....	.....	104	102,571	1,840 43	58 45	3.2
5.....	6	7,750	64 09	.....	.....	46	49,875	696 41	303 07	52.1
6.....	5	3,400	52 98	.....	.....	33	55,250	566 52	155 79	27.5
7.....	4	5,500	54 75	.....	.....	30	30,162	432 90	.....	.....
8.....	44	24,350	353 07	.....	.....	29	29,400	518 58	.....	.....
9.....	.....	.....	.....	.....	.....	9	9,450	152 74	.....	.....
10.....	4	3,200	41 55	.....	.....	3	5,826	73 85	.....	.....
Totals for stock companies.....	163	\$66,813	\$2,912 67	\$25 00	.8	1,134	\$2,924,304	\$32,912 12	\$9,468 50	28.8
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	8	19,400	107 57	.....	.....	32	302,700	413 26	03	.....
All Companies.										
Grand totals for all insurance organizations..	171	\$286,213	\$3,050 24	\$25 00	0.9	1,166	\$3,317,004	\$33,325 38	\$9,468 53	28.4

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CLASSES 815 AND 816, HARDWARE—Sprinklered.
Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	27	\$343,580	\$365 63	\$7 71	2.1	329	\$1,859,222	\$5,429 17	\$393 39	7.2

CLASSES 143 AND 144, HAY—GRAIN—FEED—FLOUR—SEEDS.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	251	\$379,046	\$8,571 71	\$885 79	10.3	988	\$994,551	\$19,390 82	\$12,345 31	63.7
4.....	37	43,487	697 70	.....	.....	191	139,810	2,305 52	1,656 81	71.9
5.....	42	49,462	598 43	343 15	57.2	198	138,345	2,212 04	319 60	14.4
6.....	36	41,300	610 97	404 01	66.1	136	106,698	2,286 85	.....	.....
7.....	52	42,925	988 65	.....	.....	271	209,653	3,287 60	2,571 48	78.2
8.....	45	47,285	1,011 64	567 50	56.1	191	161,885	3,207 00	933 15	26.1
9.....	23	18,095	461 67	.....	.....	57	56,789	939 63	.....	.....
10.....	57	45,347	734 89	.....	.....	140	94,543	1,490 26	350 00	23.5
Totals for stock companies.....	543	\$668,957	\$13,674 71	\$2,200 45	16.1	2,172	\$1,901,554	\$35,119 72	\$18,176 35	51.8
Totals for mutuals and London Lloyds.....	16	20,200	251 70	20 25	8.0	24	49,800	968 88	101 78	10.5
All Companies.										
Grand totals for all insurance organizations..	559	\$687,157	\$13,926 41	\$2,220 70	15.9	2,196	\$1,951,354	\$36,088 60	\$18,278 13	50.7

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CLASSES 145 AND 146, HOUSEHOLD FURNITURE IN MERCANTILE BUILDINGS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	67	\$114,244	\$2,235 29	\$305 30	13.7	16,581	\$9,618,418	\$152,315 63	\$65,229 99	42.8
4.....	8	12,300	208 23	20 60	9.9	1,035	596,110	8,434 96	6,278 71	74.4
5.....	3	2,100	47 86	.....	.....	889	488,628	7,507 29	2,666 50	35.5
6.....	2	1,200	12 00	.....	.....	721	373,930	5,685 12	1,413 21	25.3
7.....	8	10,650	251 55	.....	.....	985	518,345	7,979 01	1,906 10	23.9
8.....	9	6,750	98 64	.....	.....	785	457,240	7,900 89	2,027 38	26.0
9.....	1	600	25 95	.....	.....	238	144,470	2,776 05	1,705 00	61.4
10.....	3	2,600	46 40	.....	.....	874	382,153	7,057 10	2,581 91	36.6
Totals for stock companies.....	101	\$149,444	\$2,923 42	\$325 90	11.1	22,138	\$12,549,294	\$199,556 05	\$83,808 60	42.0
Totals for mutuals and interinsurers.....	4	6,700	105 60	.....	.....	187	101,771	1,532 79	628 66	41.0
All Companies.										
Grand totals for all insurance organizations..	105	\$156,144	\$3,028 92	\$325 90	10.8	22,325	\$12,651,065	\$201,088 84	\$84,437 66	42.0

CLASSES 147 AND 148, JEWELRY—CLOCKS—WATCHES—SILVERWARE AND BRIC-A-BRAC.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	148	\$222,130	\$4,305 83	\$ 160 34	3.7	2,309	\$5,549,953	\$44,316 93	\$5,932 57	13.4
4.....	13	20,947	253 59			233	280,188	3,108 43	436 94	14.1
5.....	29	58,545	433 43			300	379,271	4,452 48	9,492 24	213.2
6.....	29	39,005	767 21			253	272,031	3,433 18	223 57	6.5
7.....	44	63,760	1,062 82			383	373,991	4,911 00	870 15	17.7
8.....	61	107,767	1,319 64	14 00	1.1	253	324,963	4,222 43	206 37	4.9
9.....	24	30,840	334 16	2,500 00	748.1	82	101,591	1,105 22	1,224 91	110.8
10.....	19	27,120	544 41	74 67	13.7	106	81,429	1,306 49	530 26	40.6
Totals for stock companies.....	367	\$570,114	\$9,021 09	\$2,749 01	30.5	3,919	\$7,363,417	\$66,856 16	\$18,917 01	28.3
Totals for mutuals interinsurers and London Lloyds.....	18	25,450	252 58			183	556,425	5,050 43	1,861 51	36.8
All Companies.										
Grand totals for all insurance organizations..	385	\$595,564	\$9,273 67	\$2,749 01	29.6	4,102	\$7,919,842	\$71,906 59	\$20,778 52	28.9

CLASSES 149 AND 150, LEATHER GOODS—(OTHER THAN BOOTS AND SHOES)—HARNES—TRUNKS—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	63	\$139,797	\$1,844 21	\$ 120 26	6.5	534	\$682,551	\$9,126 74	\$1,276 78	14.0
4.....	26	62,414	1,011 10	88 46	8.7	202	315,761	4,702 15	470 80	10.0
5.....	16	19,688	292 27	23 53	8.1	93	81,765	1,284 17	474 96	37.0

6.....	16	20,276	263 07	816 11	107.9	142	174,699	2,870 58	1,774 00	61.8
7.....	68	74,068	1,169 41	1,088 47	93.1	204	212,005	3,101 81	861 74	11.7
8.....	68	54,412	1,021 53	240 48	23.5	183	173,286	2,625 18	379 86	14.5
9.....	41	32,781	657 88	559 45	85.0	105	107,585	1,804 08	224 77	11.8
10.....	68	56,229	1,053 60	604 60	57.4	123	118,452	2,060 17	1,696 30	82.3
Totals for stock companies.....	386	\$459,865	\$7,843 07	\$3,041 36	41.4	1,686	\$1,866,104	\$27,674 86	\$6,658 71	24.1
Totals for mutuals and interinsurers.....	29	89,500	609 72	478 58	77.7	128	148,130	1,833 61	15 88	8.6

All Companies.

Grand totals for all insurance organizations..	415	\$499,165	\$7,952 79	\$3,514 94	44.1	1,714	\$2,014,234	\$29,508 17	\$6,674 59	22.6
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CLASSES 151 AND 152, LEATHER—HIDES—HARNESS AND TRUNKS—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	98	\$249,897	\$2,970 77	\$4,915 19	165.5	850	\$2,061,429	\$25,710 99	\$ 653 12	2.5
Totals for remaining grades of cities.....	33	43,470	578 58	552 27	96.2	192	620,357	8,954 48	1,384 93	15.4
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	2	2,800	58 99	.....	.....	17	55,550	487 26	12 07	2.6

All Companies.

Grand totals for all insurance organizations..	128	\$266,167	\$3,603 34	\$5,467 46	151.7	1,059	\$2,737,336	\$35,122 73	\$2,050 12	5.8
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CLASSES 153 AND 154, LIQUORS—WINES—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	201	\$446,715	\$5,985 84	\$935 59	15.6	1,166	\$2,727,730	\$34,066 08	\$3,141 55	9.2
4.....	19	38,822	371 76	61 99	16.7	194	311,691	3,484 11	1,050 74	30.2
5.....	20	20,650	358 67	.....	.....	86	51,045	659 66	19 72	3.0
6.....	13	19,150	430 92	177 67	41.2	78	84,134	1,269 43	2,559 33	201.6
7.....	11	14,100	250 10	86 00	14.4	48	57,741	724 41	39 44	5.4
8.....	9	4,272	75 28	.....	.....	67	54,371	813 22	52 62	6.5
9.....	3	4,200	89 81	.....	.....	17	7,051	129 30	15 78	12.2
10.....	1	960	34 73	159 76	46.0	3	1,282	15 92	11 83	78.8
Totals for stock companies.....	277	\$543,869	\$7,696 61	\$1,371 01	18.0	1,600	\$3,295,045	\$41,161 23	\$6,891 01	16.7
Totals for mutuals.....	3	4,100	64 25	.....	.....	13	17,550	305 87	.....	.....
All Companies.										
Grand totals for all insurance organizations..	280	\$547,969	\$7,660 86	\$1,371 01	17.8	1,622	\$3,312,595	\$41,467 10	\$6,891 01	16.6

CLASSES 155 AND 156, LODGE AND SOCIETY ROOMS (MASONIC, ODD FELLOWS, ETC.)

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
.....	222	\$568,099	\$12,330 00	\$13,908 40	112.8	870	\$581,438	\$11,997 26	\$7,929 54	66.1
.....	51	135,494	2,308 01	2,076 92	91.2	235	228,012	3,626 66	.....	.....
.....	44	115,213	2,019 81	732 60	37.8	232	155,994	3,049 37	1,741 17	57.1
.....	26	62,380	654 11	176 58	27.0	203	144,168	2,640 45	1,523 55	57.7

7.....	181	244,618	3,729 80	322 93	8.7	615	381,631	6,296 44	319 77	5.1
8.....	96	134,842	2,701 33	1,284 01	47.5	404	201,797	3,983 35	300 00	9.8
9.....	76	80,324	1,492 57	1,376 12	92.2	174	96,496	1,584 73	1,578 00	99.6
10.....	152	174,265	3,433 07	2,018 18	58.8	412	220,509	3,157 82	851 15	27.0
Totals for stock companies.....	798	\$1,505,230	\$28,626 00	\$21,923 74	76.6	3,145	\$2,010,043	\$36,626 08	\$14,333 18	39.1
Totals for mutuals.....	8	21,400	366 09	.....	.....	34	20,835	474 06	.....	.....

All Companies.

Grand totals for all insurance organizations..	806	\$1,526,630	\$28,992 09	\$21,923 74	75.6	3,179	\$2,030,878	\$37,100 14	\$14,333 18	38.6
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CLASSES 157 AND 158, MACHINERY—BELTING—MILL EQUIPMENT SUPPLIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	943	\$496,480	\$10,088 46	\$7,314 10	72.5	643	\$1,288,935	\$15,816 03	\$3,285 15	20.8
4.....	8	12,555	201 53	195 48	97.0	32	70,315	669 70	1,444 01	219.9
5.....	89	324,203	5,168 19	366 69	7.1	66	78,001	944 89	1,796 74	190.0
6.....	45	79,010	1,120 26	138 43	12.4	31	59,435	444 95	1 79	.4
7.....	161	285,100	5,849 28	933 51	17.1	22	17,085	257 59	.....	.....
8.....	68	84,350	1,385 20	765 51	55.3	102	54,610	862 76	10 00	1.2
9.....	36	28,215	558 45	.....	.....	66	37,965	607 64	200 00	32.9
10.....	8	12,020	160 35	170 00	106.0	17	24,560	341 03	.....	.....
Totals for stock companies.....	1,358	\$1,321,883	\$24,331 67	\$9,913 72	40.7	974	\$1,625,916	\$19,931 69	\$6,736 69	33.8
Totals for mutuals and London Lloyds.....	3	500	24 83	.....	.....	7	15,800	249 44	.....	.....

All Companies.

Grand totals for all insurance organizations..	1,361	\$1,322,383	\$24,306 84	\$9,913 72	40.8	981	\$1,641,716	\$20,181 03	\$6,736 69	33.4
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CLASSES 159 AND 160, MERCANTILE MISCELLANEOUS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	21,201	\$57,215,889	\$892,870 42	\$444,474 86	49. 8	15,606	\$20,409,987	\$283,742 10	\$277,970 86	98. 0
4.....	2,806	5,091,264	75,007 73	95,810 27	127. 9	1,552	1,301,629	19,025 28	21,397 84	112. 5
5.....	2,654	4,877,640	80,778 88	139,055 38	172. 1	1,570	1,570,794	21,802 98	19,228 88	91. 4
6.....	1,973	3,305,920	48,892 89	23,618 80	48. 3	1,245	1,061,791	13,579 26	4,880 62	34. 5
7.....	3,100	5,043,610	76,806 24	38,913 07	50. 7	2,282	1,698,166	24,868 61	7,488 11	30. 0
8.....	2,630	4,206,221	75,652 23	30,728 91	40. 6	1,557	1,350,125	20,400 63	13,579 63	66. 6
9.....	873	1,274,443	21,663 81	9,868 79	45. 6	618	468,106	7,325 31	791 38	10. 8
10.....	1,408	1,891,136	38,194 69	41,628 62	109. 0	948	628,640	12,371 04	12,456 16	100. 7
Totals for stock companies.....	36,875	\$82,906,123	\$1,309,866 89	\$824,198 80	62. 9	25,358	\$28,487,228	\$403,115 16	\$358,273 68	88. 9
Mutual Companies.										
3.....	174	\$621,236	\$10,359 65	\$2,469 70	23. 8	174	\$288,961	\$5,748 51	\$7,400 95	128. 7
4.....	86	162,460	2,384 29	2,541 54	106. 6	45	34,425	481 87	88 84	.....
5.....	39	63,750	1,061 64	59 80	5. 6	23	20,074	346 57	128 50	38. 5
6.....	60	101,830	1,659 79	19 97	1. 2	31	41,350	432 91	.....	.....
7.....	88	142,600	2,403 74	767 49	81. 9	51	46,750	719 41	.....	.....
8.....	38	70,811	1,330 01	1,814 20	136. 4	16	14,529	242 58	1 10	1. 2
9.....	13	14,100	258 87	750 00	289. 7	2	2,000	32 50	.....	.....
10.....	10	22,400	422 85	2,000 00	473. 0	5	12,700	89 37	1,600 00	1,780. 3
Totals for mutual companies.....	508	\$1,199,177	\$19,880 84	\$10,422 70	52. 4	347	\$460,789	\$8,093 78	\$9,038 71	111. 7
Totals for mutuals, American Lloyds and London Lloyds.....	.....	.....	.....	.....	.....	41	371,956	5,087 96	.....	.....
All Companies.										
Grand totals for all insurance organizations ..	87,183	\$84,105,300	\$1,329,747 73	\$834,621 50	62. 9	25,746	\$29,319,973	\$416,296 90	\$367,312 39	88. 02

CLASSES 817 AND 818, MERCANTILE—MISCELLANEOUS—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	902	\$7,020,188	\$31,731 91	\$5,711 87	18.0	4,958	\$29,361,917	\$106,772 71	\$10,273 72	9.6
Totals for remaining grades of cities.....	58	301,871	1,495 89	4,481 22	299.5	219	787,389	3,413 96	536 98	15.7
Totals for mutuals interinsurers, American Lloyds and London Lloyds.....	29	206,600	1,472 46	55 99	3.7	79	1,266,908	1,078 89	334 97	30.9
All Companies—Sprinklered.										
Grand totals for all insurance organizations..	989	\$7,528,459	\$34,700 26	\$10,249 08	29.5	5,256	\$31,316,214	\$111,265 06	\$11,145 67	10.0

CLASSES 161 AND 162, MILLINERY—FEATHER—ARTIFICIAL FLOWERS—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	302	\$847,301	\$14,042 52	\$3,450 21	24.6	1,065	\$1,165,987	\$16,990 53	\$21,375 83	125.8
4.....	38	55,300	882 95	310 95	35.2	149	142,152	1,952 80	2,216 59	113.5
5.....	29	34,300	501 36	.....	.....	140	113,377	1,787 35	11,440 98	640.1
6.....	31	43,610	695 07	1,212 25	174.4	190	141,088	2,050 69	597 33	29.1
7.....	110	148,102	2,544 19	112 61	4.4	277	186,273	2,979 96	362 51	12.2
8.....	71	92,843	1,654 04	589 47	35.6	156	101,604	1,860 51	622 01	33.4
9.....	31	25,879	499 56	.....	.....	82	44,943	570 02	207 75	36.4
10.....	68	74,100	1,457 21	106 23	7.3	126	59,863	1,047 50	572 88	54.7
Totals for stock companies.....	680	\$1,321,435	\$22,276 90	\$5,781 72	26.0	2,185	\$1,955,287	\$29,239 36	\$37,395 88	127.9
Totals for mutuals.....	4	7,300	107 88	.....	.....	14	25,650	229 38	222 07	96.8
All Companies.										
Grand totals for all insurance organizations..	684	\$1,328,735	\$22,384 78	\$5,781 72	25.8	2,199	\$1,980,937	\$29,468 74	\$37,617 95	127.5

CLASSES 163 AND 164, MILLINERY, ETC.—(SAME AS 161-162)—WHOLESALE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	50	\$140,352	\$2,042 24	\$2,247 74	110.1	460	\$996,324	\$12,820 51	\$7,062 91	55.0
Totals or remaining grades of cities.....	25	20,550	290 85	3,668 05	1,261.4	77	77,014	1,070 83	3,037 82	283.6
Totals for mutuals and London Lloyds.....	3	5,600	87 53	.....	.....	1	10,750	161 60	3,103 46	1,920.4
All Companies.										
Grand totals for all insurance organizations..	78	\$166,502	\$2,420 62	\$5,915 79	244.4	538	\$1,084,088	\$14,052 94	\$13,194 19	93.0

CLASSES 165 AND 166, MUSICAL INSTRUMENTS—MUSIC—PHOTOGRAPHERS' SUPPLIES—OPTICAL AND SCIENTIFIC GOODS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	284	\$451,823	\$4,609 86	\$135 21	2.9	1,102	\$1,708,919	\$23,551 03	\$3,084 09	13.1
4.....	8	7,340	106 14	72 25	68.1	155	157,974	2,257 66	2,988 46	132.4
5.....	16	22,662	245 17	.....	.....	138	148,089	1,944 34	158 21	8.1
6.....	10	11,260	180 83	45 01	24.9	97	78,950	1,030 08	378 75	36.8
7.....	16	16,850	395 05	12 00	3.0	133	117,370	1,689 32	934 95	55.3
8.....	21	19,980	404 70	.....	.....	172	185,903	2,740 29	910 72	33.2
9.....	4	25,080	120 42	.....	.....	24	26,332	395 99	.....	.....
10.....	6	6,500	157 88	.....	.....	37	25,167	394 63	425 00	107.7
Totals for stock companies.....	365	\$561,495	\$6,219 55	\$204 47	4.3	1,858	\$2,443,704	\$34,004 24	\$8,880 18	25.9
Totals for mutuals, Interinsurers and London Lloyds.....	9	12,250	162 14	.....	.....	58	\$263,800	\$2,664 39	28 97	1.1

All Companies.

Grand totals for all insurance organizations..	374	\$573,745	\$6,381 69	\$264 47	4.2	1,916	\$2,707,504	\$36,668 63	\$8,909 15	24.3
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CLASSES 167 AND 168, OFFICE AND BANKS—SOLE OR PREDOMINANT OCCUPANCY.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,104	\$23,134,091	\$136,100 31	\$27,301 61	20.1	2,345	\$4,267,164	\$47,484 68	\$11,729 28	24.7
4.....	341	894,587	7,591 83	6,284 25	82.8	584	450,208	6,235 88	9,415 67	151.0
5.....	197	1,127,908	7,679 52	1,515 69	19.7	413	408,332	4,626 17	2,686 36	68.1

6.....	228	522,776	5,894 13	1,512 99	26.0	358	307,174	4,787 57	583 70	12.3
7.....	454	870,369	9,466 12	3,179 46	33.9	705	553,951	7,908 28	1,115 94	14.0
8.....	389	665,831	9,356 78	1,770 68	18.9	309	440,890	6,156 90	164 53	2.7
9.....	180	288,373	3,743 88	1,009 33	11.8	283	199,558	2,868 27	130 29	4.5
10.....	434	554,247	8,540 79	6,263 75	73.3	314	366,795	5,093 18	3,490 20	68.9
Totals for stock companies.....	4,422	\$27,858,182	\$188,303 36	\$48,927 66	26.0	5,810	\$6,984,071	\$85,158 93	\$29,315 97	34.4
Totals for mutuals, American Lloyds and London Lloyds.....	30	266,350	2,302 42	66 65	2.8	123	134,000	1,636 71	418 00	25.5

All Companies.

Grand totals for all insurance organizations..	4,452	\$28,144,532	\$190,605 78	\$48,994 31	25.7	5,933	\$7,118,071	\$86,795 64	\$29,733 97	34.2
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CLASSES 169 AND 170, PAINTS—OILS—GLASS—PAPER HANGINGS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	428	\$980,998	\$14,707 03	\$13,843 07	94.1	1,711	\$2,241,526	\$32,664 50	\$19,058 09	58.3
4.....	32	74,585	861 17	366 15	55.4	192	154,827	2,394 59	18 25	.8
5.....	44	77,815	1,036 90	299 98	28.9	219	192,371	3,293 19	15,518 39	471.2
6.....	40	35,135	629 69	25 72	4.1	170	152,897	2,537 57	384 62	15.2
7.....	56	81,315	1,247 71	288 60	23.1	120	90,047	1,486 33	1,712 13	115.2
8.....	58	38,124	927 34	.....	.....	65	68,032	1,276 00	8 60	.7
9.....	38	49,140	839 25	.....	.....	23	19,008	346 13	1,083 76	313.1
10.....	12	7,360	252 31	35 04	13.9	68	65,386	994 27	.....	.....
Totals for stock companies.....	708	\$1,344,472	\$20,301 40	\$14,858 54	73.2	2,568	\$2,984,594	\$44,992 58	\$37,781 84	84.0
Totals for mutuals and London Lloyds.....	12	9,525	173 95	.....	.....	59	73,195	1,087 77	2,018 21	185.5

All Companies.

Grand totals for all insurance organizations ..	720	\$1,353,997	\$20,475 35	\$14,858 54	72.5	2,627	\$3,057,789	\$46,080 35	\$39,800 05	86.4
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CLASSES 171 AND 172, PAPER—(EXCLUDING STATIONERY).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	203	\$402,885	\$6,057 92	\$2,704 16	44.6	724	\$1,978,026	\$21,965 82	\$22,304 01	101.5
Totals for remaining grades of cities.....	22	33,335	475 41	.....	.....	130	162,035	1,991 97	140 90	7.0
Totals for mutuals and interinsurers.....	4	5,500	56 24	.....	.....	30	72,500	779 08	18 51	2.3

All Companies.

Grand totals for all insurance organizations ..	229	\$441,720	\$6,589 57	\$2,704 16	41.0	884	\$2,213,461	\$24,736 88	\$22,468 48	90.8
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CLASSES 173 AND 174, PAWNBROKERS' STOCKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	57	\$88,425	\$1,570 59	\$216 47	13.8	485	\$464,414	\$6,503 79	\$500 09	8.7

CLASSES 175 AND 176, RESTAURANTS.
Kind of Insuring Organisation—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	619	\$1,484,914	\$26,228 16	\$5,167 30	19.7	2,086	\$2,744,007	\$46,567 93	\$8,081 43	17.4
4.....	136	173,173	2,678 86	539 79	29.1	197	154,617	2,144 15	705 75	32.9
5.....	115	136,423	2,310 74	905 75	39.3	167	184,503	2,661 43	722 95	27.1
6.....	91	116,041	2,083 12	5 50	.3	143	116,653	2,018 14	343 90	17.0
7.....	259	263,895	4,933 24	1,622 30	32.9	349	250,533	4,296 49	235 02	5.5
8.....	216	227,303	4,726 04	1,658 54	39.3	298	237,816	4,497 27	2,069 12	46.0
9.....	114	105,266	2,348 62	2,045 08	87.1	135	105,355	2,046 66	2,457 34	120.1
10.....	236	242,182	5,021 25	4,242 12	84.5	289	189,827	3,844 90	3,855 53	100.3
Totals for stock companies.....	1,776	\$2,778,197	\$50,310 05	\$16,386 38	32.6	3,634	\$3,963,311	\$69,076 97	\$18,470 44	27.1*
Totals for mutuals, American Lloyds and London Lloyds.....	22	32,700	545 99	525 40	96.2	46	65,650	955 71	415 63	43.5
All Companies.										
Grand totals for all insurance organisations..	1,798	\$2,810,897	\$50,856 04	\$16,911 78	33.3	3,680	\$4,028,961	\$69,032 68	\$18,886 07	27.4

CLASSES 177 AND 178, RUBBER GOODS.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	484	\$323,051	\$6,227 15	\$1,061 89	17.1	617	\$1,128,036	\$13,719 44	\$11,188 78	81.6
Totals for remaining grades of cities.....	78	95,973	1,637 26	346 53	21.1	198	176,930	2,763 37	3,540 61	128.1
Totals for mutuels.....						3	13,000	167 10		
All Companies.										
Grand totals for all insurance organizations..	562	\$419,024	\$7,864 41	\$1,408 42	17.9	818	\$1,317,966	\$16,649 91	\$14,729 39	88.5

CLASSES 179 AND 180, SALOONS (LIQUOR).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,206	\$5,159,683	\$94,441 20	\$20,361 64	31.1	5,811	\$6,356,859	\$91,631 52	\$20,268 95	22.1
4.....	494	715,325	10,853 92	8,546 08	78.7	728	594,318	8,894 90	4,937 22	55.5
5.....	346	516,781	8,490 64	1,833 53	21.6	596	539,922	7,215 54	5,498 52	76.2
6.....	294	406,232	7,654 53	4,746 94	62.0	552	558,541	7,593 66	2,425 33	31.9
7.....	412	610,121	10,528 85	5,626 88	53.4	564	491,364	7,510 07	1,676 64	22.3
8.....	458	661,463	12,978 56	2,116 24	16.3	554	492,343	8,723 32	5,442 06	62.4
9.....	152	202,366	4,111 25	10 03	0.2	164	138,392	2,477 91	5,103 44	206.0
10.....	201	356,358	7,420 34	3,476 59	46.8	260	280,830	4,981 94	1,946 69	39.1
Totals for stock companies.....	4,653	\$8,628,329	\$156,479 88	\$55,717 93	35.6	9,229	\$9,442,569	\$139,028 86	\$47,298 85	34.0
Totals for mutuals.....	61	110,600	1,939 94	743 41	38.3	105	141,565	2,242 95	32 22	1.4
All Companies.										
Grand totals for all insurance organizations..	4,714	\$8,738,929	\$158,419 82	\$56,461 34	35.6	9,334	\$9,584,134	\$141,271 81	\$47,331 07	33.5

CLASSES 181 AND 182, SHIP CHANDLERY.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	188	\$337,070	\$7,600 33	\$1,805 33	24.0	466	\$543,913	\$7,044 81	\$4,284 67	60.9

21
Grade
of
city.

183

CLASSES 183 AND 184, STORES—COUNTRY (REMOTE OR CROSS ROAD).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	16	\$ 7,883	\$ 213 91	.....	.....	108	\$124,357	\$ 1,759 06	\$ 309 96	17.6
4.....	10	7,600	157 80	.....	.....	44	46,979	771 22	3,166 37	410.6
5.....	39	32,950	606 06	.....	.....	88	114,580	1,787 70	1,811 25	101.3
6.....	62	61,330	1,087 91	.....	.....	123	156,269	2,397 01	1,474 23	61.5
7.....	95	79,873	1,603 88	\$ 400 00	24.9	338	407,348	6,823 10	9,013 15	132.1
8.....	73	93,330	1,426 89	437 41	30.7	669	657,748	10,154 99	12,771 87	125.8
9.....	69	74,012	1,384 73	3,384 35	244.4	317	456,866	7,616 00	9,532 55	125.2
10.....	151	142,854	2,264 28	40 58	1.8	415	533,102	9,065 54	17,416 16	192.1
Totals for stock companies.....	515	\$499,832	\$8,745 46	\$4,262 34	48.7	2,102	\$2,497,249	\$40,374 62	\$55,495 54	137.5
Totals for mutuals and interinsurers.....	11	8,840	112 23	.....	.....	31	45,075	662 69	.....	.....
All Companies.										
Grand totals for all insurance organizations..	526	\$508,672	\$8,857 69	\$4,262 34	48.2	2,133	\$2,542,324	\$41,037 31	\$55,495 54	135.2

CLASSES 185 AND 186, STORES—GENERAL (VILLAGE OR CITY).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	102	\$ 229,248	\$ 4,182 20	\$ 4,870 80	109.8	746	\$1,161,836	\$14,733 53	\$17,598 89	119.4
4.....	83	106,977	1,728 21	6,928 14	400.9	225	286,267	3,954 80	9,064 11	239.2
5.....	128	173,808	2,370 95	7,854 85	331.3	423	688,827	8,983 99	41,001 80	456.4
6.....	151	189,167	3,009 70	3,424 81	113.8	553	798,745	10,989 51	5,121 45	46.6
7.....	567	803,758	12,345 31	7,088 88	57.4	1,533	2,254,698	31,194 88	27,217 42	87.2
8.....	499	769,151	13,378 76	4,713 49	35.2	1,471	2,270,483	33,008 80	23,976 30	72.0
9.....	447	539,868	9,235 51	150 21	.....	950	1,776,736	25,717 09	5,882 50	23.1
10.....	1,262	1,794,669	31,533 26	34,557 12	109.6	2,395	4,706,906	72,502 88	78,352 81	103.1
Totals for stock companies.....	3,239	\$4,596,141	\$77,771 99	\$68,981 88	88.7	8,296	\$13,948,998	\$201,085 04	\$208,016 28	103.4

Mutual Companies.

3.....	1	\$ 4,000	\$ 30 00	.....	.....	20	\$ 32,874	\$ 305 47	\$ 46 07	15.3
4.....	1	800	7 14	.....	.....	11	25,024	193 83	.....	.....
5.....	5	4,500	69 00	.....	.....	18	31,774	348 74	2,450 43	702.7
6.....	7	11,450	154 78	.....	.....	33	55,924	338 01	.....	.....
7.....	27	42,750	556 07	\$250 00	45.0	227	359,174	3,659 83	394 63	24.5
8.....	29	43,100	780 48	139 97	17.9	210	362,550	4,072 05	2 30	.....
9.....	21	26,150	391 04	.....	.....	123	216,855	2,900 72	47 46	1.6
10.....	109	210,976	2,736 88	8 00	.3	157	301,355	4,494 90	2,108 34	46.9
Totals for mutual companies.....	200	\$343,726	\$4,724 43	\$397 97	8.4	802	\$1,385,530	\$16,558 85	\$5,549 83	33.5
Totals for Interinsurers.....	18	41,900	415 12	.....	.....	116	403,475	4,670 67	2,584 40	55.3

All Companies.

Grand totals for all insurance organizations..	3,452	\$4,981,767	\$82,911 54	\$69,379 85	83.6	9,214	\$15,733,002	\$222,314 36	\$216,149 51	97.3
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CLASSES 187 AND 188, STORES—DEPARTMENT.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	257	\$968,250	\$9,208 34	\$19,384 38	210.5	1,231	\$3,113,595	\$36,877 11	\$ 44,997 42	122.0
4.....	42	122,304	1,472 66	2,291 53	154.9	323	598,693	6,812 93	25,316 53	415.6
5.....	59	212,588	2,225 84	51,344 27	2,306.7	558	1,292,037	15,053 06	123,093 55	816.1
6.....	25	59,437	1,274 84	5 91	.5	257	525,725	6,098 97	153 42	2.5
7.....	49	104,109	1,685 55	9 14	.5	283	515,561	6,388 98	6,457 05	101.1
8.....	44	73,588	1,222 02	57 83	4.7	133	223,794	2,856 85	131 06	4.6
9.....	29	40,898	874 11	128 46	14.7	148	143,736	2,048 46	2,499 89	122.0
10.....	15	47,627	1,530 11	34	.....	371	832,291	14,492 67	8,519 69	58.8
Totals for stock companies.....	520	\$1,626,829	\$19,493 47	\$73,211 86	375.6	3,304	\$7,245,332	\$90,658 86	\$214,168 41	236.2
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	2	17,000	151 95	.....	.....	59	351,750	3,004 75	5,137 27	170.9
All Companies.										
Grand totals for all insurance organizations..	522	\$1,643,829	\$19,645 42	\$73,211 86	372.7	3,363	\$7,597,082	\$93,663 61	\$219,305 68	234.2

CLASSES 805 AND 806, DEPARTMENT STORES—Sprinklered.

Kind of Insuring Organisation—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
8.....	386	\$3,245,104	\$13,756 62	.....	.....	1,546	\$14,731,395	\$66,868 23	\$1,710 55	2.6
Totals for remaining grades of cities.....	170	170,489	2,299 78	\$602 31	26.2	267	971,775	3,715 57	200 92	.....
Totals for mutuals, interinsurers and American Lloyds.....	4	60,000	79 43	2 31	2.5	80	4,599,400	8,510 59	3,915 35	46.0
All Companies—Sprinklered.										
Grand totals for all insurance organizations..	560	\$3,475,593	\$16,135 78	\$604 62	3.8	1,893	\$20,302,571	\$79,094 38	\$5,424 98	6.8

CLASSES 189 AND 190, STOVES—TINWARE—HOUSE FURNISHINGS—WOODEN, WILLOW AND BASKETWARE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	74	\$139,487	\$2,149 81	\$2,554 11	118.8	713	\$1,150,234	\$15,025 62	\$1,847 62	11.0
Totals for remaining grades of cities.....	76	113,964	1,741 02	37 95	2.1	445	580,144	8,034 90	3,347 42	103.9
Totals for mutuals and London Lloyds.....	3	4,000	81 30	.....	.....	38	103,950	1,288 94	275 86	21.3

CLASSES 189 AND 190, STOVES—TINWARE—HOUSE FURNISHINGS—WOODEN, WILLOW AND BASKETWARE—Concluded.
All Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Grand totals for all insurance organizations ..	153	\$257,451	\$3,972 13	\$2,592 06	65.3	1,196	\$1,834,328	\$24,349 52	\$10,270 40	42.1

CLASSES 191 AND 192, TELEPHONE EXCHANGES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	513	\$5,611,250	\$13,023 05	\$1,854 90	14.2	500	\$3,322,551	\$17,331 98	\$4,138 21	23.9
4.....	28	140,590	1,088 79	.....	.....	37	35,676	685 19	386 93	56.5
5.....	28	87,047	870 84	.....	.....	87	188,020	1,834 67	.....	.....
6.....	18	32,351	615 40	.....	.....	96	196,395	3,396 66	4 08	.1
7.....	22	30,050	476 67	.....	.....	94	123,145	1,758 42	.....	.....
8.....	33	51,750	551 98	85 69	6.5	81	84,975	1,260 60	144 13	11.4
9.....	27	23,042	403 47	.....	.....	58	34,783	630 46	153 00	24.3
10.....	152	38,584	659 24	1,008 15	152.9	86	35,247	725 63	.....	.....
Totals for stock companies.....	821	\$6,014,664	\$17,688 44	\$2,898 74	16.4	1,039	\$4,020,792	\$27,623 59	\$4,826 35	17.5
Totals for mutuals.....	40	566,700	1,438 73	.....	.....	15	25,500	226 55	233 75	103.1

All Companies:

Grand totals for all insurance organizations ..	861	\$6,581,364	\$19,127 17	\$2,898 74	15.2	1,054	\$4,046,292	\$27,850 14	\$5,060 10	18.2
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CLASSES 193 AND 194, TOBACCO—CIGARS—SMOKERS' ARTICLES—RETAIL.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	128	\$247,818	\$2,828 28	\$67 98	2.4	1,736	\$1,826,847	\$25,501 14	\$9,381 48	36.6
4.....	6	10,800	108 68	28 40	26.7	108	149,768	2,196 84	2,726 87	124.1
5.....	28	20,952	228 64	.....	.....	234	243,088	3,004 16	1,612 66	50.4
6.....	11	12,869	172 87	.....	.....	352	120,680	1,778 66	1,001 17	56.7
7.....	17	14,922	290 48	4 66	1.6	165	142,241	2,077 28	.....	.....
8.....	13	16,320	263 84	13 26	8.2	92	77,750	1,226 66	25 00	2.0
9.....	1	600	12 45	.....	.....	13	7,800	136 44	1,063 58	1,446.8
10.....	1	600	12 00	.....	.....	18	10,326	214 70	10 00	4.7
Totals for stock companies.....	200	\$329,169	\$3,999 04	\$11 430	2.9	2,568	\$2,578,460	\$36,137 87	\$16,030 76	46.0
Totals for mutuals.....	4	3,750	54 18	.....	.....	36	33,225	470 98	.....	.....
All Companies.										
Grand totals for all insurance organizations..	204	\$332,919	\$4,053 17	\$114 30	2.9	2,604	\$2,611,681	\$36,608 85	\$16,030 76	45.4

CLASSES 195 AND 196, TOBACCO, ETC.—(SAME AS 193-194)—WHOLESALE.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	46	\$132,170	\$1,402 12	\$435 41	31.1	569	\$1,007,674	\$14,661 14	\$26,148 39	174.8
Totals for remaining grades of cities.....	13	16,670	260 76	.....	.....	127	149,560	2,089 97	551 15	20.4
Totals for mutuals and London Lloyds.....	.....	.....	.....	.....	.....	6	9,500	109 07	4 59	4.2

CLASSES 195 AND 196, TOBACCO, ETC.—(SAME AS 193-194)—WHOLESALE—Concluded.

All Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Grand totals for all insurance organizations..	59	\$148,740	\$1,652 88	\$435 41	26.3	702	\$1,160,734	\$17,160 18	\$26,704 13	155.6

CLASSES 197 AND 198, WHARF RISKS—FERRY HOUSES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	111	\$198,625	\$1,922 51	\$7,230 00	376.1	158	\$198,694	\$2,322 50	.....	.....

CLASSES 251 AND 252, WAREHOUSES—ACID AND CHEMICAL.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	31	\$25,420	\$506 12	.....	.....	25	\$30,714	\$961 34	\$2,323 59	236.8

CLASSES 253 AND 254, WAREHOUSES—COLD STORAGE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
3.....	425	\$1,899,758	\$12,773 68	\$ 240 06	1.9	10,815	\$15,432,333	\$238,867 43	\$15,621 27	6.5
4.....	18	34,819	309 28			200	227,266	3,473 21		
5.....	26	50,911	621 61	1,320 81	212.6	95	111,430	1,659 75		
6.....	20	34,740	375 28	59 58	15.9	33	38,644	573 26		
7.....	35	75,758	591 49	1 50	.3	53	85,878	1,165 39		
8.....	26	8,085	530 35			115	128,650	2,219 40		
9.....	3	5,120	56 78			18	19,911	258 68		
10.....	11	31,005	435 54			26	9,175	295 94		
Totals for stock companies.....	564	\$1,635,196	\$15,694 01	\$1,621 95	10.3	11,356	\$16,053,077	\$248,542 06	\$15,621 27	6.8
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	205	161,835	3,054 89	281 00	9.2	917	1,449,231	31,152 21	20,973 87	67.3
All Companies.										
Grand totals for all insurance organizations ..	769	\$1,797,031	\$18,748 90	\$1,902 95	10.1	12,273	\$17,502,308	\$279,694 27	\$36,595 14	13.1

CLASSES 255 AND 256, WAREHOUSES—COTTON (NO COMPRESSING).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	22	\$36,800	\$483 26	\$3 17	0.7	183	\$343,949	\$7,710 70	\$27 21	.....

CLASSES 819 AND 820, WAREHOUSES FOR STORAGE OF COTTON.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....		\$2,500	\$27 85			19	\$6,748	\$215 76		

CLASSES 257 AND 258, WAREHOUSES—GRAIN IN SACKS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	47	\$176,229	\$1,242 35	\$ 5 39	0.4	443	\$718,854	\$10,020 99	\$663 30	6.6
4.....	19	38,067	280 70	400 66		92	116,400	1,556 23	618 52	39.7
5.....	18	19,485	244 70			24	46,970	435 11		
6.....	21	19,601	234 41			52	44,625	570 03		
7.....	20	24,295	305 35			133	167,868	1,586 88	28 57	1.8
8.....	15	12,998	242 17			68	53,540	868 85		
9.....	10	3,178	55 24			32	11,636	325 63		
10.....	18	12,201	137 27			21	24,305	347 26		
Totals for stock companies.....	168	\$306,054	\$2,752 19	\$395 27		865	\$1,184,198	\$15,690 98	\$1,310 39	8.4
Totals for mutuals.....	18	1,000	279 81			47	72,925	692 27		

All Companies.

Grand totals for all insurance organizations..	186	\$307,054	\$3,032 00	\$395 27		912	\$1,257,123	\$16,383 25	\$1,310 39	8.0
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CLASSES 259 AND 260, WAREHOUSES—GENERAL STORAGE (NOT SPECIFICALLY CLASSED).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,378	\$3,680,790	\$46,893 06	\$13,879 78	29.7	10,027	\$19,357,533	\$217,019 56	\$75,256 66	34.7
4.....	263	472,668	5,394 89	161 95	8.0	632	1,341,527	15,470 73	5,890 44	38.1
5.....	227	330,681	4,826 77	727 28	15.1	528	1,172,667	12,974 67	3,463 09	28.7
6.....	211	211,126	3,556 11	804 66	22.6	427	561,931	8,091 45	428 98	5.3
7.....	368	264,962	4,641 90	1,134 03	25.0	614	925,845	11,489 24	1,208 98	10.5
8.....	277	219,905	3,953 67	805 24	20.4	473	774,862	8,681 87	4,836 90	55.7
9.....	146	96,613	1,728 78	352 33	20.4	185	159,146	2,342 64	640 00	23.1
10.....	204	119,773	1,948 94	20 26	.....	284	256,877	3,376 13	553 41	16.4
Totals for stock companies.....	3,074	\$5,396,421	\$72,643 92	\$17,845 01	24.6	13,170	\$24,560,368	\$279,440 24	\$92,173 44	33.0
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	79	128,840	1,884 00	953 17	50.6	374	732,438	9,142 99	796 91	8.7
All Companies.										
Grand totals for all insurance organizations..	3,153	\$5,525,261	\$74,527 92	\$18,798 18	25.2	13,544	\$25,282,826	\$288,583 23	\$92,970 35	32.2

CLASSES 825 AND 826, WAREHOUSES—NOT SPECIFICALLY CLASSIFIED—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS:					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
B.....	354	\$2,803,268	\$7,549 76	\$708 83	9.3	3,020	\$16,006,945	\$45,227 28	\$1,877 47	3.0
Totals for remaining grades of cities.....	48	160,067	587 81	107 77	18.3	266	980,871	3,734 52	2,457 07	65.8
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	39	301,712	223 28			203	1,571,887	4,614 57	661 42	14.3

All Companies—Sprinklered.

Grand totals for all insurance organizations..	441	\$3,325,047	\$7,913 79	\$816 60	10.3	3,519	\$18,559,688	\$53,576 37	\$4,495 96	8.4
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CLASS 825, WAREHOUSES—NOT SPECIFICALLY CLASSIFIED—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1,101	\$11,645,420	\$18,987 79	\$17,290 33	91.0	.....	.....	.....	.....	.....

CLASSES 261 AND 262, WAREHOUSES—GLASS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	199	\$194,077	\$3,060 23	\$13 10	0.4	505	\$1,079,640	\$14,269 50	\$3,481 06	24.4

CLASSES 263 AND 264, WAREHOUSES—HAY, STRAW—BROOM CORN.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
8.....	50	\$78,341	\$1,660 88	\$ 15 42	0.9	261	\$364,532	\$9,477 10	\$ 1,379 96	21.3
4.....	18	29,694	689 01	.....	.....	89	96,435	1,318 02	100 09	7.6
6.....	19	4,070	274 76	990 00	360.3	55	25,505	544 34	45 49	8.4
.....	19	14,342	339 68	.....	.....	45	31,258	871 89	72 79	8.4
7.....	41	27,515	613 12	4,577 48	746.6	322	255,152	5,240 89	11,696 28	222.2
8.....	15	10,386	235 11	998 00	422.4	114	92,052	1,543 17	9,132 04	591.8
9.....	19	16,792	499 28	.....	.....	111	75,447	1,168 97	1,065 50	91.9
10.....	14	10,357	266 28	.....	.....	121	98,819	1,676 47	1,727 22	108.0
Totals for stock companies.....	195	\$190,297	\$4,518 07	\$6,576 90	145.5	1,108	\$1,039,200	\$18,830 42	\$25,219 47	133.9
Totals for mutuals and London Lloyds.....	5	3,100	78 88	.....	.....	14	20,800	320 97	.....	.....

All Companies.

Grand totals for all insurance organizations..	200	\$193,397	\$4,596 90	\$6,576 90	143.1	1,122	\$1,060,000	\$19,151 39	\$25,219 47	131.7
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CLASSES 265 AND 266, WAREHOUSES—HEMP—JUTE—OTHER VEGETABLE FIBRES NOT SPECIFICALLY CLASSED.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	81	\$7,753	\$582 08	\$2 26	0.4	249	\$322,628	\$4,111 61	\$15 43	0.4

CLASSES 823 AND 824, WAREHOUSES FOR STORAGE OF HEMP, JUTE AND OTHER VEGETABLE FIBRES EXCEPT COTTON—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1	\$3,000	\$79 80	.....	.....	39	\$278,500	\$841 92	\$12 57	1.5

CLASSES 267 AND 268, WAREHOUSES—HOUSEHOLD FURNITURE.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	264	\$686,486	\$7,110 71	\$3,728 02	52.4	3,074	\$2,881,018	\$31,690 55	\$7,313 91	23.1
Totals for remaining grades of cities.....	49	68,795	852 01	1,080 00	232.3	606	522,218	6,621 20	7,069 93	115.8
Totals for mutuals and London Lloyds.....	6	8,900	80 03	.....	.....	24	201,450	571 25	.....	.....
All Companies.										
Grand totals for all insurance organizations..	309	\$714,181	\$8,042 75	\$5,708 02	70.9	3,704	\$3,604,686	\$38,889 00	\$14,983 84	38.5

CLASSES 269 AND 270, WAREHOUSES—NAVAL STORES—IN STOREHOUSE OR YARD.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	16	\$26,775	\$453 88	\$938 00	208.7	122	\$90,060	\$1,150 37	\$25 00	2.2

CLASSES 271 AND 272, WAREHOUSES—OIL.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	43	\$119,586	\$880 63	\$328 02	37.2	139	\$266,738	\$2,829 12	\$242 97	8.6

CLASSES 273 AND 274, WAREHOUSES—RICE.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	3	\$6,750	\$48 31	.....	.....	28	\$3,362	\$387 11	.....	.....

CLASSES 275 AND 276, WAREHOUSES—TOBACCO.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	46	\$62,415	\$584 27	\$22 69	3.9	519	\$1,336,710	\$10,410 97	\$9,269 19	89.0

CLASSES 821 AND 822, WAREHOUSES FOR STORAGE OF TOBACCO—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	23	\$128,140	\$190 61	\$14 77	7.7	98	\$574,585	\$1,846 90	\$514 53	27.9

CLASS 821, WAREHOUSES FOR STORAGE OF TOBACCO—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	46	\$389,012	\$633 47							

CLASSES 277 AND 278, WAREHOUSES—WHISKEY.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	22	\$ 58,645	\$ 511 70	.....	.....	241	\$ 389,244	\$ 3,152 03	\$1,379 66	43.8
4.....	177	300,252	1,926 54	.....	.....	1,307	2,806,031	15,883 68	1,118 93	7.0
5.....	2	2,250	13 72	\$32 50	236.9	66	146,265	708 91	.....	.....
6.....	25	84,400	698 50	.....	.....	192	558,546	4,179 75	4 65	.1
7.....	2	800	13 53	.....	.....	41	79,239	538 94	.....	.....
8.....	1	266	32 75	.....	.....	9	19,713	189 89	.....	.....
9.....	1	200	1 50	.....	.....	3	11,389	66 36	.....	.....
10.....	1	150	1 14	.....	.....	1	6,600	82 02	.....	.....
Totals for stock companies.....	231	\$444,831	\$3,170 32	\$32 50	1.0	1,830	\$4,015,927	\$24,798 58	\$2,503 24	10.1
Totals for mutuals.....	1	500	9 55	.....	.....	1	2,400	27 10	.....	.....

All Companies.

Grand totals for all insurance organizations..	232	\$445,331	\$3,179 87	\$32 50	1.0	1,829	\$4,018,327	\$24,825 68	\$2,503 24	10.1
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CLASSES 279 AND 280, WAREHOUSES—WOOL.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	54	\$126,756	\$1,665 11	\$949 23	57.0	463	\$1,874,495	\$12,743 22	\$2,915 66	22.9

CLASSES 299 AND 300, AGRICULTURAL IMPLEMENT FACTORIES AND OTHER FACTORIES HAVING WOODWORKING (PRINCIPALLY HARD) IN CONJUNCTION.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	229	\$3,090,968	\$29,279 55	\$7,538 68	25.7	2,020	\$6,969,713	\$92,193 82	\$9,231 19	10.0
4.....	97	195,645	2,459 67	72 45	2.9	269	594,172	7,741 01	2,227 50	28.8
5.....	86	260,624	3,307 37	34 58	1.0	255	916,966	10,539 65	1,164 76	1.11
6.....	35	60,447	941 32	4,293 58	456.1	132	169,644	3,454 66	4,637 27	134.2
7.....	114	333,384	4,291 17	385 67	9.0	319	1,162,194	16,809 22	1,243 41	7.4
8.....	22	40,935	756 90	.....	.....	70	116,272	2,420 26	.....	.....
9.....	1	40	1 75	.....	.....	15	16,066	264 97	.....	.....
10.....	2	1,030	14 91	.....	.....	22	67,629	968 93	1,531 05	158.0
Totals for stock companies.....	586	\$3,983,073	\$41,052 64	\$12,324 94	30.0	3,102	\$10,002,676	\$134,392 52	\$20,035 18	14.9
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	59	190,826	2,032 49	11 67	.5	75	393,424	4,155 97	378 48	9.0

All Companies.

Grand totals for all insurance organizations..	645	\$4,173,899	\$43,085 13	\$12,336 61	28.6	3,177	\$10,396,100	\$138,548 49	\$20,413 66	14.7
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CLASSES 847 AND 848, WOODWORKING IN ROUGH—Sprinklered.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	121	\$886,142	\$4,279 72	\$55 77	1.3	523	\$3,918,530	\$15,484 15	\$3,479 93	22.3

CLASSES 301 AND 302, CARPENTER AND CABINET SHOPS WITHOUT POWER—LOOKING GLASS AND PICTURE FRAME FACTORIES—COOPER SHOPS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	377	\$493,315	\$9,576 61	\$5,925 48	61.9	1,047	\$1,401,736	\$24,882 94	\$10,872 21	43.7
4.....	40	26,764	639 97	.....	.....	117	121,559	2,427 44	.....	.....
5.....	34	31,088	620 58	104 45	16.8	64	97,562	1,255 37	.....	.....
6.....	28	13,647	323 24	1 20	.4	77	70,039	1,123 92	450 00	40.0
7.....	66	39,855	804 78	150 00	18.6	101	131,430	2,179 34	559 92	25.7
8.....	36	21,953	519 06	.....	.....	107	76,938	1,948 44	617 12	31.7
9.....	17	8,443	229 20	.....	.....	37	15,524	364 89	.....	.....
10.....	26	8,044	231 02	.....	.....	64	80,664	1,517 03	.....	.....
Totals for stock companies.....	614	\$643,099	\$12,944 46	\$6,181 13	47.8	1,614	\$1,995,452	\$35,699 37	\$12,499 25	35.0
Totals for mutuals, interinsurers and London Lloyds.....	22	34,749	574 80	.....	.....	48	86,376	1,326 44	9 71	.7

All Companies.

Grandtotals for all insurance organizations..	636	\$677,848	\$13,519 26	\$6,181 13	45.8	1,662	\$2,081,828	\$37,025 81	\$12,508 96	33.8
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CLASSES 303 AND 304, CHAIR, PAIL, TUB, TANK, BOBBIN, LADDER, WOODEN TOY AND OTHER WOODENWARE FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	100	\$206,622	\$4,484 70	\$12,224 72	272.6	340	\$603,340	\$11,422 35	\$5,475 67	47.9

CLASSES 305 AND 306, FURNITURE, PIANO, ORGAN, GRAPHOPHONE, RATTAN, WOODEN TRUNK, CASKET AND BILLIARD TABLE FACTORIES—CLOCK FACTORIES—IF WITH WOODWORKING.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	201	\$619,519	\$12,948 86	\$9,517 45	73.5	1,332	\$2,505,049	\$54,148 84	\$37,077 63	68.5
Totals for remaining grades of cities.....	69	88,690	2,225 88	212 22	9.5	269	472,092	10,201 67	1,122 71	11.0
Totals for mutuels, interinsurers and American Lloyds.....	23	85,173	628 94	18 39	2.9	90	209,976	3,628 19	753 98	20.7

All Companies.

Grand totals for all insurance organizations..	883	\$743,382	\$15,797 88	\$9,748 06	61.7	1,691	\$3,277,117	\$67,078 20	\$38,954 32	57.3
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Blanket Policies—Building and Contents Combined.

Totals.....	38	\$103,250	\$2,020 56							
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CLASSES 307 AND 308, MARINE RAILWAYS, SHIP YARDS, BOAT BUILDING, DRY DOCKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	32	\$30,100	\$670 61	\$994 80	148.3	104	\$76,578	\$3,632 07	\$882 23	24.4

CLASSES 309 AND 310, MATCH FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	85	\$38,530	\$747 15	.....	.....	48	\$92,599	\$1,668 50	\$422 17	25.3

CLASSES 311 AND 312, MISCELLANEOUS WOODWORKERS—NOT OTHERWISE PROVIDED FOR.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	143	\$193,348	\$4,983 15	\$11,314 20	227.0	617	\$722,387	\$17,910 54	\$7,306 18	40.8

Blanket Policies—Buildings and Contents Combined.

Totals.....	64	\$160,200	\$2,044 84
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CLASSES 845 AND 846, MISCELLANEOUS—Sprinklered.
Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	12	\$56,845	109 59	\$65 00	.....	163	\$645,970	\$3,587 62	\$473 61	13.2

CLASSES 841 AND 842, WOODWORKING WITH IRONWORKING AND PAINTING—Sprinklered.
Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	26	\$ 544,052	\$2,700 86	\$106 48	3.9	546	\$4,931,375	\$19,545 97	\$4,502 41	23.0
Totals for remaining grades of cities.....	116	1,160,253	3,111 11	610 32	19.6	591	6,095,942	16,279 81	3,394 70	20.8
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	95	1,166,854	1,968 38	1 29	.06	188	2,277,467	5,611 57	1 99	.03
All Companies—Sprinklered.										
Grand totals for all insurance organizations..	237	\$2,871,159	\$7,780 35	\$718 09	9.2	1,325	\$13,304,784	\$41,437 35	\$7,899 10	190.

CLASS 841, WOODWORKING WITH IRONWORKING AND PAINTING—Sprinklered.
Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1,047	\$21,948,758	\$29,575 25	\$4,402 90	14.9	.....	.....	.....	.....	.....

CLASSES 843 AND 844, WOODWORKING WITH FINISHING—Sprinklered.
Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	144	\$1,138,972	\$6,382 50	\$1,451 13	22.7	986	\$7,236,694	\$37,039 03	\$28,009 65	75.6
Totals for remaining grades of cities.....	58	445,285	2,163 96	33 66	15.5	443	3,053,611	14,709 61	1,719 23	11.6
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	31	355,635	752 90	.....	.....	283	2,219,986	7,913 16	524 85	6.6

All Companies—Sprinklered.

Grand totals for all insurance organizations..	233	\$1,939,892	\$9,299 36	\$1,484 79	16.0	1,712	\$12,510,291	\$59,661 80	\$30,253 78	50.7
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CLASS 843, WOODWORKING WITH FINISHING—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	455	\$4,280,985	\$1,020 18	\$4,846 78	455.5	.....	.....	.....	.....	.....

CLASSES 313 AND 314, MOULDING—TURNING—WHEEL—HUB—SPOKE AND SPOOL FACTORIES—CARPENTER SHOPS (POWER).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	165	\$221,443	\$4,778 97	\$187 00	4.9	492	\$740,995	\$15,854 00	\$3,183 67	20.1

CLASSES 315 AND 316, PLANING MILLS—SASH—DOOR—BLIND AND WOODEN BOX FACTORIES—DRY HOUSES FOR LUMBER.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	384	\$640,692	\$15,264 11	\$3,085 36	24.2	1,493	\$2,411,347	\$62,275 59	\$11,217 83	18.0
4.....	49	61,627	1,149 78	734 01	63.8	129	171,611	3,739 83	7,859 90	210.2
5.....	57	67,679	1,424 10	3,317 18	232.9	162	202,826	4,967 88	4,775 22	96.1
6.....	31	46,623	841 64	52 16	6.2	170	282,723	5,645 05	303 39	5.4
7.....	47	86,944	1,700 82	.....	.....	140	177,784	4,383 93	168 92	3.6
8.....	24	18,190	577 60	.....	.....	55	53,905	1,504 70	38 48	2.6
9.....	3	1,668	45 78	.....	.....	13	14,454	801 00	.....	.....
10.....	6	2,921	78 02	207 23	272.6	18	13,563	379 02	.....	.....
Totals for stock companies.....	601	\$916,344	\$21,069 95	\$7,995 93	37.9	2,178	\$3,328,163	\$83,197 00	\$24,353 74	29.3
Totals for mutuals, interinsurers and American Lloyds.....	231	676,866	9,263 64	4 17	.04	322	896,332	14,317 03	421 55	2.9

All Companies.

Grand totals for all insurance organizations..	832	\$1,593,210	\$30,323 59	\$8,000 10	26.4	2,500	\$4,224,495	\$97,514 03	\$24,775 29	25.4
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Blanket Policies—Building and Contents Combined.

Totals.....	164	\$520,750	\$10,576 16	\$1,218 02	11.5
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CLASSES 317 AND 318, SAWMILLS.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	43	\$13,902	\$891 81	\$113 52	12.7	195	\$611,073	\$8,510 41	\$52 11	0.6

CLASSES 319 AND 320, SHINGLE, STAVE, LATH, VENEER AND KINDLING WOOD MILLS—EXCELSIOR FACTORIES.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	53	\$76,492	\$1,678 72	\$0 89	.05	246	\$398,345	\$8,798 69	\$1,609 65	18.8

CLASSES 321 AND 322, AUTOMOBILE FACTORIES.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	124	\$324,491	\$4,820 03	\$375 41	7.8	396	\$768,509	\$13,654 68	\$268 37	2.0

CLASSES 323 AND 324, FOUNDRIES FOR IRON, BRASS, TYPE WORK AND STOVES—FURNACES—ROLLING MILLS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	438	\$1,890,097	\$19,759 99	\$17,687 89	89.5	1,348	\$3,042,353	\$37,512 44	\$9,575 17	25.5
4.....	101	211,662	2,702 45	163 78	6.1	217	696,090	6,288 03	2,233 62	35.5
5.....	65	132,136	2,034 49	316 95	15.6	156	415,975	5,222 42	98 88	1.9
6.....	160	226,334	8,652 49	93 85	2.6	245	618,920	8,576 09	2,192 16	25.6
7.....	47	114,948	1,660 51	14 16	.9	71	145,431	2,171 99	315 51	14.5
8.....	29	48,086	748 98	20 39	2.7	48	168,322	2,079 10	614 94	29.6
9.....			6 30			2	1,212	17 66	8 10	45.9
10.....	11	29,411	465 06			15	86,157	628 04		
Totals for stock companies.....	841	\$2,652,644	\$30,817 65	\$18,296 52	69.4	2,102	\$5,025,560	\$62,495 77	\$15,038 88	24.1
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	89	371,088	4,190 69	13,785 05	328.9	89	361,933	3,907 11	7,959 78	203.7
All Companies.										
Grand totals for all insurance organizations..	930	\$3,023,727	\$35,008 34	\$32,081 57	91.6	2,191	\$5,387,493	\$66,402 88	\$22,998 16	34.6

**CLASSES 325 AND 326, HARDWARE FACTORIES FOR MANUFACTURING CUTLERY, COPPER OR BRASSWARE, AXES, TOOLS,
—ALL CLOCK FACTORIES IF NO WOODWORKING.**

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	186	\$461,876	\$6,520 85	\$ 846 90	13.0	764	\$1,694,578	\$21,468 84	\$16,248 50	75.7
Totals for remaining grades of cities.....	107	248,885	3,249 46	1,474 23	45.8	268	625,393	8,373 53	5,488 62	65.5
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	20	57,917	875 50	292 85	33.4	44	92,618	1,121 87	364 58	32.5
All Companies.										
Grand totals for all insurance organizations..	313	\$768,478	\$10,645 81	\$2,613 98	24.6	1,076	\$2,412,589	\$30,964 24	\$22,101 70	71.4

CLASSES 851 AND 852, METAL-WORKERS—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	287	\$3,122,066	\$9,069 18	\$1,065 78	11.7	2,645	\$17,548,283	\$68,109 14	\$17,208 91	25.3
Totals for remaining grades of cities.....	54	724,728	1,882 54	220 27	11.7	330	5,191,556	15,392 16	993 97	6.4
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	113	761,016	2,038 22	749 03	36.7	313	2,705,563	7,403 06	10,821 47	146.0

CLASSES 851 AND 852, METAL-WORKERS—Sprinklered—Concluded.

All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Grand totals for all insurance organizations..	454	\$4,607,800	\$12,989 94	\$2,035 08	15.7	3,294	\$25,445,402	\$90,894 36	\$29,024 35	31.9

CLASS 851, METAL-WORKERS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1,524	\$22,116,512	\$23,945 56	\$25,625 52	107.0	.....	.....	.....	.....	.....

CLASSES 327 AND 328, JEWELRY, WATCH, DENTAL, SCIENTIFIC AND SURGICAL INSTRUMENT FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	113	\$267,708	\$3,504 14	\$2,421 79	69.1	410	\$756,128	\$13,185 64	\$1,897 49	14.4

CLASSES 329 AND 330, MACHINE SHOPS (WITH FOUNDRIES CONNECTED).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	742	\$2,817,107	\$25,817 28	\$ 8,010 26	81.6	1,875	\$5,271,862	\$63,400 26	\$21,875 33	84.5
4.....	80	104,712	2,257 88	15,376 78	641.2	201	468,921	6,077 81	8,061 08	132.6
5.....	190	245,775	3,847 78	3,464 75	84.9	197	345,989	6,539 86	2,643 88	40.4
6.....	118	241,591	3,748 83	9,483 52	253.0	178	430,576	7,405 35	814 27	10.0
7.....	89	816,906	4,358 05	1,012 55	23.2	140	388,232	5,308 07	3,007 14	72.8
8.....	55	112,043	1,870 05	3,146 00	168.2	80	209,342	3,307 42	330 24	10.3
9.....	3	2,809	60 57	95 00	156.5	7	9,645	151 09	4 89	3.2
10.....	6	3,713	214 09	.....	.....	19	45,448	645 40	67	.1
Totals for stock companies.....	1,228	\$3,804,516	\$41,714 04	\$40,579 19	97.3	2,607	\$7,173,998	\$93,071 52	\$37,840 04	40.4
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	103	288,613	3,220 31	5,108 93	189.3	98	310,054	3,984 31	10,282 72	258.0

All Companies.

Totals for all insurance organizations.....	1,331	\$3,893,129	\$44,940 35	\$45,688 12	101.6	2,705	\$7,484,047	\$97,055 83	\$47,922 36	49.4
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CLASS 329, MACHINE SHOPS (WITH FOUNDRIES CONNECTED).

Kind of Insuring Organization—Blanket Policies—Building and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	21	\$102,900	\$1,175 69	.....	.....	.....	.....	.....	.....	.....

CLASSES 331 AND 332, MACHINE SHOPS WITHOUT FOUNDRIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	737	\$1,959,439	\$25,875 03	\$3,343 28	12.9	2,282	\$5,025,937	\$68,898 72	\$14,446 60	21.0
4.....	80	153,852	1,812 80	1,459 79	80.5	207	339,357	5,181 15	5,554 69	107.2
5.....	67	124,224	1,789 54	760 98	42.5	163	382,683	5,811 66	1,031 90	19.4
6.....	78	177,441	1,776 30	4,522 49	251.6	138	274,995	4,573 22	5,215 86	114.1
7.....	95	178,855	2,322 12	6,168 02	276.4	191	372,384	6,140 93	8,661 28	144.3
8.....	32	51,774	1,087 47	10.62	1.0	49	92,673	1,702 79	.....	.....
9.....	9	10,000	195 82	.....	.....	14	18,282	441 61	.....	.....
10.....	16	12,373	281 22	.....	.....	29	61,445	1,224 17	.....	.....
Totals for stock companies.....	1,114	\$2,687,958	\$35,060 30	\$16,266 18	46.4	3,073	\$6,567,736	\$93,474 25	\$35,110 33	37.6
Totals for mutuals and interinsurers.....	40	135,330	1,574 88	9,448 69	599.9	90	309,220	3,238 61	626 13	19.3

All Companies.

Grand totals for all insurance organizations..	1,154	\$2,803,288	\$36,635 18	\$25,714 87	70.2	3,163	\$6,876,956	\$96,712 86	\$35,736 46	38.9
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CLASSES 333 AND 334, MISCELLANEOUS METAL-WORKERS NOT OTHERWISE SPECIFIED.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	185	\$570,244	\$5,211 09	\$1,327 64	25.5	702	\$1,519,310	\$18,811 90	\$13,631 50	72.5
Totals for remaining grades of cities.....	70	89,989	1,462 31	261 57	17.8	174	421,770	4,204 16	2,316 08	55.0
Totals for mutuals and interinsurers.....	23	42,172	605 23	9,059 20	1,496.8	20	55,178	705 82	85 71	12.1

All Companies.

Grand totals for all insurance organizations..	278	\$702,405	\$7,278 63	\$10,648 41	146.3	806	\$1,996,258	\$23,721 88	\$16,033 29	67.5
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CLASSES 335 AND 336, SILVER, ALUMINUM AND TABLEWARE FACTORIES—ELECTROPLATING.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	58	\$100,575	\$1,149 23	\$66 87	5.8	293	\$515,596	\$6,507 33	\$1,325 42	20.4

CLASSES 337 AND 338, STAMPING WORKS—TIN, HOLLOWWARE, IRON BEDSTEAD, GAS FIXTURES, LAMP AND IRON TOY FACTORIES—JAPANNERIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	211	\$574,009	\$6,739 84	\$2,017 83	29.9	907	\$1,670,108	\$24,157 56	\$19,086 51	79.0
Totals for remaining grades of cities.....	91	202,934	2,600 45	.....	.....	221	541,899	7,325 11	9,992 79	136.4
Totals for mutuals, interinsurers and London Lloyds.....	4	9,800	93 01	.....	.....	25	64,775	547 83	247 36	45.1

All Companies.

Grand totals for all insurance organizations..	307	\$787,743	\$9,442 75	\$2,042 07	21.6	1,153	\$2,276,782	\$32,030 50	\$29,326 66	91.6
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CLASSES 339 AND 340, ARTIFICIAL FLOWER FACTORIES—FEATHER WORKING.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	27	\$58,157	\$651 12	\$36 42	5.6	92	\$131,938	\$2,234 27	\$387 85	17.4

CLASSES 341 AND 342, ASPHALT, TAR, ROOFING MATERIAL WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	115	\$225,470	\$2,876 56	\$8,348 70	311.9	412	\$1,208,893	\$14,274 71	\$7,264 19	50.9

CLASSES 343 AND 344, BAG-MAKING, ALL KINDS EXCEPT PAPER.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	22	\$49,311	\$647 61	\$61 20	9.5	127	\$295,825	\$3,464 22	\$745 97	21.5

CLASSES 345 AND 346, BAKERIES—MACARONI FACTORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	659	\$1,529,484	\$23,210 93	\$5,982 91	25.6	1,227	\$1,858,785	\$25,957 76	\$7,320 90	28.2
4.....	54	75,935	926 99	200 00	21.6	126	169,179	2,371 18	1,840 28	77.6
5.....	65	116,473	1,529 44	688 76	45.0	95	90,077	1,424 20	58 75	4.1
6.....	69	66,410	1,263 50	305 32	24.2	69	63,935	1,033 59	746 51	72.2
7.....	95	109,611	1,644 88	212 13	12.8	141	142,884	1,910 15	271 81	14.2
8.....	77	102,509	2,902 19	3,400 90	169.9	102	129,942	2,247 01	61 10	2.7
9.....	37	45,441	843 60	50 70	6.0	44	31,535	559 05	623 09	111.5
10.....	53	73,612	1,498 41	33 68	2.2	63	45,137	860 54	1,993 36	231.6
Totals for stock companies.....	1,099	\$2,117,475	\$32,918 85	\$10,824 40	32.9	1,867	\$2,630,674	\$36,363 48	\$12,915 30	35.5
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	28	57,975	756 94	24 24	3.2	64	127,825	1,762 33	541 37	30.7

All Companies.

Grand totals for all insurance organizations..	1,126	\$2,174,450	\$33,666 34	\$10,824 40	32.2	1,932	\$2,658,499	\$38,125 81	\$13,456 67	35.0
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CLASSES 853 AND 854, BAKERIES—MACARONI FACTORIES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	71	\$553,000	\$1,938 79	\$31 62	1.6	238	\$2,963,935	\$8,023 32	\$33 64	.4

CLASSES 347 AND 348, BLUEING MUCILAGE, PASTE AND INK WORKS (EXCLUDING PRINTING INK WORKS).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	64	\$92,632	\$1,227 03	\$1,486 60	120.2	219	\$342,789	\$4,649 74	\$5,132 04	110.4

CLASSES 349 AND 350, BLEACHERIES, DYE AND PRINT WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	148	\$269,380	\$4,102 13	\$220 16	5.4	191	\$302,519	\$3,560 83	\$1,897 71	53.3

CLASSES 855 AND 856, BLEACHERIES, DYE AND PRINT WORKS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	20	\$82,319	\$500 91	\$33 26	6.6	156	\$460,633	\$2,066 88	\$422 70	20.5

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CLASS 855, BLEACHERIES, DYE AND PRINT WORKS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	40	\$347,680	\$763 69							

CLASSES 351 AND 352, BOOT, SHOE, SLIPPER, HEEL AND COUNTER FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	100	\$182,283	\$2,825 27	\$685 73	24.3	327	\$782,299	\$9,342 22	\$3,473 70	37.2

CLASSES 857 AND 858, BOOTS, SHOE, SLIPPER, HEEL AND COUNTER FACTORIES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	65	\$829,678	\$1,490 29	\$73 25	4.9	386	\$3,685,466	\$3,057 25	\$302 44	3.8

CLASS 857, BOOTS, SHOE, SLIPPER, HEEL AND COUNTER FACTORIES—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	103	\$856,500	\$3,082 46	\$7 16	0.2	.....	.....	.....	.....	.....

CLASSES 353 AND 354, BREWERIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	250	\$1,545,235	\$13,265 62	\$4,066 15	30.7	998	\$7,695,325	\$62,040 98	\$4,691 08	7.6
4.....	40	90,139	799 78	.....	.....	158	508,405	5,524 98	742 50	1.2
5.....	32	154,570	1,208 50	.....	.....	119	482,698	4,989 21	.....	.....
6.....	44	140,709	1,384 38	.....	.....	83	313,687	3,302 00	500 00	15.1
7.....	36	52,068	747 08	297 44	39.8	106	162,702	2,044 93	219 23	10.7
8.....	20	53,339	631 02	89 12	14.1	40	192,023	2,256 74	26 53	1.2
9.....	6	12,615	148 97	.....	.....	5	24,965	317 07	13 79	4.3
10.....	1	2,000	52 80	.....	.....	5	18,310	314 57	.....	.....
Totals for stock companies.....	429	\$2,050,675	\$18,238 15	\$4,452 71	24.4	1,514	\$9,393,015	\$80,790 48	\$6,193 13	7.7
Totals for mutuals, interinsurers and London Lloyds.....	3	18,333	42 54	.....	.....	23	172,533	1,195 41	2 69	.22

All Companies.

Grand totals for all insurance organizations..	432	\$2,069,008	\$18,280 69	\$4,452 71	24.4	1,537	\$9,565,548	\$81,985 89	\$6,195 82	7.5
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CLASS 353, BREWERIES.

Kind of Insuring Organization—Blanket Policies—Building and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	89	\$1,714,250	\$9,949 43	\$55 35	0.6	.....	.....	.....	.....	.....

CLASSES 355 AND 356, BRUSH AND BROOM FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	85	\$101,281	\$1,864 76	\$949 97	50.9	315	\$711,585	\$10,680 49	\$1,982 31	18.6

CLASSES 357 AND 358, CANNING AND PRESERVING WORKS FOR FRUIT AND VEGETABLES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	68	\$152,304	\$2,356 86	\$785 95	82.5	195	\$321,659	\$5,357 20	\$2,031 46	37.9
4.....	9	13,041	234 41			22	51,921	909 81		
5.....	29	45,807	444 07			98	227,801	2,481 86	370 02	14.9
6.....	6	6,480	81 77			35	38,420	601 98		
7.....	39	67,085	1,064 26			243	594,725	7,043 71	3,468 29	49.2
8.....	35	58,487	787 90			121	314,345	3,610 54		
9.....	7	19,500	262 70			23	66,990	852 98		
10.....	6	20,760	314 55	738 18	234.7	13	20,897	425 30	3,470 50	816.6
Totals for stock companies.....	199	\$384,714	\$5,546 02	\$1,504 13	27.1	755	\$1,642,768	\$21,283 38	\$9,840 27	43.9
Totals for mutuals and Interinsurers.....	101	534,855	5,222 66			197	902,017	10,328 24		

All Companies.

Grand totals for all insurance organizations..	300	\$919,569	\$10,768 68	\$1,504 13	14.0	952	\$2,544,785	\$31,611 62	\$9,840 27	39.5
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CLASSES 359 AND 360, CANNING WORKS FOR FISH.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	11	\$27,684	\$506 68	\$4 00	0.8	69	\$248,748	\$2,524 45	\$3,809 11	151.6

CLASSES 361 AND 362, CANNING WORKS FOR FISH.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	4	\$7,664	\$56 11	.....	.....	7	\$12,130	\$172 23	\$3 02	1.8

CLASSES 363 AND 364, CARPET LINING AND BATTING FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	13	\$44,000	\$592 42	.....	.....	29	\$33,236	\$467 16	\$162 13	34.7

CLASSES 365 AND 366, CELLULOID AND CELLULOID GOODS FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	24	\$28,000	\$378 05	.....	.....	437	\$59,805	\$844 42	\$4 40	0.5

CLASSES 859 AND 860, CELLULOID AND CELLULOID GOODS FACTORIES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	10	\$10,200	\$8 17	\$38 50	.....	72	\$248,412	\$1,242 76	\$7,605 76	612.0

CLASSES 367 AND 368, CEMENT MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	50	\$261,060	\$2,128 37	\$113 68	5.3	129	\$585,504	\$5,250 18	\$1,307 16	24.9

CLASSES 369 AND 370, CEREAL MILLS—EXCEPT FLOUR AND RICE MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	45	\$47,895	\$1,109 97	\$71 96	6.5	162	\$296,963	\$5,767 46	\$589 46	10.2

CLASSES 861 AND 862, CEREAL MILLS—EXCEPT FLOUR AND RICE MILLS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	7	\$273,540	\$597 85	\$3 54	0.6	111	\$1,079,540	\$4,219 82	\$5 28	0.1

CLASSES 371 AND 372, CHEMICAL WORKS. ACIDS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$33,860	\$363 37	\$47 21	13.0	42	\$182,667	\$2,746 36	\$53 09	1.9

CLASSES 373 AND 374, CHEMICAL WORKS. HEAVY CHEMICALS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	30	\$69,755	\$937 95	\$18,939 37	2,019.2	214	\$514,596	\$7,293 69	\$16,147 18	221.4

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CLASSES 375 AND 376, CHEMICAL WORKS. CHEMICALS OF A KNOWN HAZARDOUS NATURE.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	10	\$16,844	\$262 70			55	\$85,354	\$1,147 07	\$4,716 72	411.2

CLASSES 377 AND 378, CHEMICAL WORKS. ELECTROLYTIC PLANTS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	7	\$18,485	\$201 10			79	\$323,880	\$3,908 29	\$106 00	2.7

CLASSES 379 AND 380, CHEMICAL WORKS. VOLATILE SOLVENTS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	21	\$52,068	\$591 59	\$41 20	6.9	66	\$136,882	\$1,761 69	\$2,144 51	121.7

CLASSES 381 AND 382, CHEMICAL WORKS. MISCELLANEOUS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	70	\$183,458	\$2,301 88	\$7,388 54	321.0	316	\$710,462	\$10,769 84	\$899 02	8.4

CLASSES 863 AND 864, CHEMICAL WORKS, ALL KINDS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	43	\$112,528	\$770 10	\$37 62	4.9	115	\$431,007	\$2,047 66	\$689 11	33.7

CLASSES 383 AND 384, CLEANING ESTABLISHMENTS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	173	\$206,822	\$3,607 71	\$1,881 83	51.4	496	\$451,273	\$7,482 47	\$4,740 62	63.4

CLASSES 385 AND 386, CLOTHING, CAP AND OVERALL FACTORIES (FOR RUBBER CLOTHING, SEE 490).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	369	\$847,496	\$13,424 64	\$8,545 23	63.7	3,540	\$3,708,600	\$57,627 09	\$31,322 55	54.4
Totals for remaining grades of cities.....	95	182,442	2,243 68	.....	.....	374	-542,577	6,976 58	3,388 32	48.5
Totals for mutuals, interinsurers and London Lloyds.....	3	16,760	287 51	.....	.....	56	128,500	1,876 08	1,714 04	102.2
All Companies.										
Grand totals for all insurance organizations..	467	\$1,046,688	\$15,955 83	\$8,545 23	53.5	3,970	\$4,379,677	\$66,279 75	\$36,424 91	55.0

CLASSES 865 AND 866, CLOTHING, CAP AND OVERALL FACTORIES (FOR RUBBER CLOTHING, SEE 902); CUFF, COLLAR, SHIRT, CORSET, WAIST AND OTHER WHITE GOODS FACTORIES—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	129	\$1,333,255	\$9,271 35	\$521 80	5.3	3,102	\$15,596,676	\$66,401 88	\$20,473 12	30.8
Totals for remaining grades of cities.....	24	95,345	369 54	123 46	33.4	128	649,750	2,325 44	298 75	12.8
Totals for mutuals, interinsurers and American Lloyds.....	29	135,145	339 97	.....	.....	162	1,801,785	2,946 81	145 72	4.9

All Companies—Sprinklered.

Grand totals for all insurance organizations..	182	\$1,563,745	\$9,980 86	\$645 26	6.5	3,392	\$18,048,211	\$71,674 13	\$20,917 59	29.1
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CLASS 865, CLOTHING, CAP AND OVERALL FACTORIES, (FOR RUBBER CLOTHING, SEE 902); COLLAR, CUFF, SHIRT, CORSET, WAIST AND OTHER WHITE GOODS FACTORIES—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	109	\$887,375	\$1,018 77	\$170 76	16.8	.....	.....	.....	.....	.....

CLASSES 387 AND 388, COAL BREAKERS AND MINING BUILDINGS—ANTHRACITE.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	74	\$164,863	\$2,914 65	\$2,141 68	73.5	206	\$420,833	\$7,102 10	\$4,104 01	57.8

CLASSES 389 AND 390, COAL TIPPLES AND TOP WORKS—BITUMINOUS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	31	\$136,496	\$1,702 03	\$ 2,429 42	142.7	106	\$490,994	\$6,967 17	\$ 2,035 08	29.2
4.....	24	48,422	608 66			53	231,847	3,215 15	280 00	8.7
5.....	101	136,614	2,921 16	16,92 77	579.4	173	687,097	5,734 24	19,481 34	339.7
6.....	38	53,811	1,041 50			94	219,894	3,835 60	2,110 50	55.0
7.....	51	92,511	1,470 96	392 98	26.7	105	278,909	3,462 14	1,120 73	32.4
8.....	59	143,913	2,052 81			155	694,556	9,265 79	5,959 74	64.3
9.....	24	51,211	895 08	2,374 12	254.0	57	123,973	2,128 13	740 13	34.8
10.....	20	58,982	733 22	1,417 28	193.3	101	390,233	6,580 08	7,700 00	117.0
Totals for stock companies.....	348	\$721,960	\$11,425 42	\$23,439 57	205.2	844	\$3,118,102	\$41,188 30	\$39,427 52	95.7
Totals for mutuals.....						3	5,250	117 90		

All Companies.

Grand totals for all insurance organizations..	348	\$721,960	\$11,425 42	\$23,439 57	205.2	847	\$3,123,352	\$41,306 20	\$39,427 52	95.5
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CLASS 389, COAL TIPPLES AND TOP WORKS—BITUMINOUS.

Kind of Insuring Organization—Blanket Policies—Building and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	240	\$898,332	\$15,593 57	\$13,926 80	89.3					

CLASSES 391 AND 392, COFFEE, SPICE AND MUSTARD MILLS.
 Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	121	\$326,384	\$5,081 82	\$10,099 63	197.7	320	\$652,233	\$9,966 38	\$5,680 68	57.1

CLASSES 393 AND 394, COLLAR, CUFF, SHIRT, CORSET, WAIST AND OTHER WHITE GOODS FACTORIES.
 Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	68	\$186,949	\$2,343 08	\$1,114 60	47.6	399	\$562,488	\$7,306 14	\$3,833 94	52.5

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CLASSES 395 AND 396, CONFECTIONERY, CHOCOLATE AND CHEWING GUM FACTORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	182	\$543,026	\$7,698 56	\$ 139 95	1.8	639	\$955,799	\$15,632 57	\$ 707 12	4.5
Totals for remaining grades of cities.....	180	272,007	3,852 65	1,667 09	43.2	303	448,531	6,798 03	10,662 31	156.8
Totals for mutuals, interinsurers and London Lloyds.....	7	53,500	551 12	.....	.....	12	29,000	248 33	.....	.....

All Companies.

Grand totals for all insurance organizations.,	349	\$668,533	\$12,102 33	\$1,807 04	14.9	954	\$1,433,330	\$22,678 93	\$11,369 43	50.1
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CLASSES 867 AND 868, CONFECTIONERY, CHOCOLATE AND CHEWING GUM FACTORIES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	50	\$431,951	\$1,495 74	\$197 68	13.2	356	\$3,588,363	\$8,879 46	\$7,364 49	82.9

CLASS 387, CONFECTIONERY, CHOCOLATE AND CHEWING GUM FACTORIES—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	83	\$408,152	\$404 60							

CLASSES 397 AND 398, CORK WORKS (VEGETABLE).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	5	\$8,600	\$191 52	\$2 58	1.3	78	\$152,025	\$2,616 82	\$10 00	0.4

CLASSES 399 AND 400, CORUNDUM, EMERY WHEEL AND SAND-PAPER FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$10,763	\$167 81	\$4,440 97	2,645.4	43	\$92,364	\$1,418 34		

CLASSES 401 AND 402, COTTON GINS.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1		\$8 00			16	\$90,595	\$1,204 94	\$25 02	2.1

CLASSES 403 AND 404, COTTON MILLS (THREAD AND FABRIC)—LINEN AND FLAX MILLS AND COTTON HOSIERY, FULL PROCESS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	35	\$60,156	\$553 55	\$416 65	75.3	140	\$256,794	\$2,717 18	\$237 30	8.7

CLASSES 869 AND 870, COTTON MILLS (THREAD AND FABRIC)—LINEN AND FLAX MILLS, COTTON HOSIERY, WHEN FULL PROCESS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered;

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	34	\$165,566	\$1,923 99			40	\$217,948	\$1,284 26	\$57 88	4.5

CLASS 869, COTTON MILLS (THREAD AND FABRIC)—LINEN AND FLAX MILLS, COTTON HOSIERY, WHEN FULL PROCESS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	62	\$627,610	\$556 15							

CLASSES 405 AND 406, CREAMERIES, POWDERED AND CONDENSED MILK, CASEIN AND CHEESE FACTORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	80	\$192,405	\$2,247 44	\$ 13 33	0.6	219	\$466,033	\$6,216 47	\$5,634 57	90.6
4.....	18	27,958	326 10			56	88,432	1,439 07	2,303 78	160.8
5.....	29	45,800	810 86	198 56	24.5	50	99,027	1,311 63		
6.....	18	33,116	657 69	4,156 00	745.2	55	116,064	1,860 15	3,978 34	313.2
7.....	35	64,799	782 52			148	348,069	4,767 04	6 25	.1
8.....	48	86,988	1,467 79	453 90	30.9	118	215,780	3,318 25		
9.....	19	22,934	394 93			61	107,766	1,586 62		
10.....	32	38,753	671 48			73	92,334	1,509 32	4,087 36	270.8
Totals for stock companies.....	279	\$512,752	\$7,258 31	\$4,821 79	66.4	780	\$1,534,105	\$21,998 55	\$16,010 25	72.8
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	31	131,215	1,366 50			65	393,335	3,631 33		

All Companies.

Grand totals for all insurance organizations..	310	\$643,967	\$8,644 81	\$4,821 79	55.8	845	\$1,927,440	\$25,629 88	\$16,010 25	62.5
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CLASS 405, CREAMERIES, POWDERED AND CONDENSED MILK, CASEIN AND CHEESE FACTORIES.

Kind of Insuring Organization—Blanket Policies—Building and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	26	\$155,000	\$1,508 27							

CLASSES 407 AND 408, CREMATORIES—INCINERATING PLANTS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	34	\$53,800	\$792 76	\$281 54	85.5	21	\$62,508	\$850 46		

CLASSES 409 AND 410, CREOSOTE AND WOOD PRESERVING WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	19	\$67,105	\$869 88	\$22 83	2.8	78	\$401,015	\$4,446 20	\$2,883 77	64.9

CLASSES 411 AND 412, DISTILLERIES—RECTIFYING WORKS (STEAM).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	87	\$325,935	\$5,801 80	\$1,642 80	23.3	473	\$1,536,954	\$27,060 01	\$7,306 16	26.9

CLASSES 413 AND 414, DRUG, DYEWOOD, BARK EXTRACT AND LICORICE MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	23	\$16,264	\$168 87	\$498 21	295.9	188	\$322,690	\$5,041 85	\$1,040 36	20.6

CLASSES 871 AND 872, DRUG, DYEWOOD, BARK EXTRACT AND LICORICE MILLS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	2	\$8,500	\$32 92	\$57 16	173.6	35	\$172,625	\$660 02	\$1,803 74	273.3

CLASSES 415 AND 416, ELECTRIC LIGHT AND POWER PLANTS (SEPARATELY INSURED).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	265	\$2,049,158	\$5,608 51	\$ 74 41	1.3	754	\$2,777,549	\$15,144 52	\$2,494 13	16.5
4.....	27	166,976	1,549 15	199 29	12.9	49	400,935	3,412 51	84 37	2.5
5.....	31	174,673	1,128 01	3,502 75	310.5	72	443,688	2,372 66	1,374 85	57.9
6.....	21	73,169	646 86	.....	.....	62	219,158	1,861 98	.....	.....
7.....	70	161,879	1,434 01	103 41	7.2	207	681,498	5,557 99	5,343 26	96.1
8.....	33	76,380	679 82	2,038 90	299.9	64	151,335	2,063 79	313 99	15.2
9.....	10	24,088	266 81	55 64	20.9	17	31,931	419 13	.....	.....
10.....	27	75,444	452 42	.....	.....	51	99,474	1,026 93	.....	.....
Totals for stock companies.....	484	\$2,801,767	\$11,766 59	\$5,974 40	50.8	1,276	\$4,705,468	\$31,859 51	\$9,610 60	30.2
Totals for mutuals and American Lloyds.....	3	15,000	113 35	.....	.....	54	120,000	1,568 85	3 54	.001

All Companies.

Totals.....	487	\$2,816,767	\$11,879 94	\$5,974 40	50.3	1,330	\$4,825,468	\$33,428 36	\$9,614 14	28.8
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CLASSES 417 AND 418, FERTILIZER AND PHOSPHATE FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	66	\$141,625	\$1,990 01	\$16 00	0.8	167	\$250,015	\$6,080 69	\$2,123 38	34.9

CLASSES 419 AND 420, FLOUR MILLS.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	17	\$59,242	\$604 75	\$ 863 31	142.8	201	\$416,726	\$9,388 45	\$ 62 02	0.7
4.....	20	24,317	524 94	.....	78	98,512	1,983 63	.....	.....	.....
5.....	19	22,031	712 44	421 92	59.2	43	74,732	2,050 62	1,167 16	66.9
6.....	11	9,060	201 66	.....	62	70,259	1,678 40	4 02	.....	.....
7.....	29	21,849	459 59	1,145 85	249.3	42	40,214	1,626 59	1,341 53	82.5
8.....	18	23,325	522 32	.....	46	60,032	1,812 73	.....	.....	.....
9.....	8	6,786	271 12	.....	25	31,402	894 67	.....	.....	.....
10.....	8	4,793	166 57	.....	16	9,183	312 86	.....	.....	.....
Totals for stock companies.....	130	\$171,413	\$ 3,463 39	\$ 2,431 08	70.2	508	\$801,060	\$19,748 15	\$2,674 78	13.9
Totals for mutuals and interinsurers.....	169	690,650	15,345 95	34,519 51	224.9	328	829,141	27,023 60	15,637 16	57.8
All Companies.										
Grand totals for all insurance organizations..	299	\$762,063	\$18,809 34	\$36,950 59	196.4	836	\$1,630,201	\$46,771 75	\$18,211 89	38.9

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CLASSES 873 AND 874, FLOUR MILLS—Sprinklered.
Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	42	\$251,134	\$2,535 16	\$51 63	0.8	165	\$900,220	\$6,180 96	\$267 71	4.3

CLASS 419, FLOUR MILLS.

Kind of Insuring Organization—Blanket Policies—Building and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	37	\$195,100	\$9,434 88	\$27,576 40	292.3	.....	.....	.....	.....	.....

CLASSES 421 AND 422, FOUNDRY FACING WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	15	\$96,919	\$99 75	\$36 94	36.0	45	\$59,601	\$1,130 03	\$6,442 99	570.2

CLASSES 423 AND 424, FUR HAT, FUR CUTTING, FORMING AND DRESSING MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	21	\$48,764	\$845 82	\$23 74	3.7	250	\$552,390	\$11,605 06	\$344 98	3.0

CLASSES 875 AND 876, FUR HAT, FUR CUTTING, FORMING AND DRESSING MILLS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	6	\$22,900	\$99 28			69	\$221,995	\$1,155 66	\$60 18	5.3

CLASSES 425 AND 426, GLASS WORKS.

Kind of Insuring Organization—Stock Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	54	\$944,949	\$3,326 58	\$ 88 08	2.6	497	\$ 845,121	\$ 9,209 68	\$ 211 07	2.3
Totals for remaining grades of cities.....	72	185,988	2,858 84	5,750 52	201.1	476	1,164,489	19,781 87	3,502 76	17.7
Totals for mutuals, American Lloyds and London Lloyds.....	2		39 70			17	103,000	1,232 84	1 43	.11

All Companies.

Grand totals for all insurance organizations..	128	\$1,130,937	\$6,224 62	\$5,838 60	9.4	990	\$2,112 610	\$30,224 39	\$3,715 26	12.3
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CLASSES 427 AND 428, GLUCOSE AND STARCH FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	22	\$54,536	\$623 93	\$19 40	3.1	56	\$209,624	\$1,654 47	\$607 13	36.7

CLASSES 429 AND 430, GRAIN ELEVATORS AND WAREHOUSES, TERMINAL (FOR GRAIN IN SACK WAREHOUSES, SEE 258).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	697	\$1,598,742	\$20,911 88	\$ 721 28	3.4	5,894	\$8,359,301	\$152,977 89	\$10,827 65	7.1
4.....	166	240,601	5,988 63	447 66	7.5	445	639,478	16,777 46	708 23	4.2
5.....	34	86,362	1,283 92	1,983 03	154.5	46	68,540	1,515 52	2,944 12	187.7
6.....	100	238,707	4,362 07	228 16	5.2	172	386,567	9,302 56	281 79	2.5
7.....	104	172,391	3,356 75	2,866 62	85.4	157	196,215	3,890 22	6,298 65	161.9
8.....	100	53,540	2,056 78	.....	.....	273	423,207	6,334 05	463 37	7.3
9.....	25	28,566	704 16	.....	.....	61	99,411	1,247 53	13	.01
10.....	40	110,726	1,813 47	5,858 40	323.0	71	13,059	458 20	958 62	.....
Totals for stock companies.....	1,266	\$2,509,635	\$40,477 66	\$12,105 13	29.9	7,119	\$10,159,660	\$191,578 33	\$22,332 56	11.7

Mutual Companies.

3.....	3	\$12,800	\$262 20	.....	30	\$38,200	\$234 62	.....
4.....	2	.....	20 00	.....	5	8,000	262 61	.....
5.....	1	.....	187 34	.....	13	17,000	257 70	.....
6.....	4	8,000	242 37	.....	5	10,000	102 33	.....
7.....	5	10,000	543 59	.....	4	500	70 13	.....
8.....	8	17,000	178 12	.....	2	12,000	202 78	.....
9.....	.....	.....	.....	.....	1	6,000	10 00	.....
10.....	.....	.....	.....	.....	.....	87,000	202 36	.....
Totals for mutual companies.....	18	\$ 84,400	\$1,886 72	.....	60	\$ 60,200	\$ 937 58	.....
Totals for interinsurers and London Lloyds..	68	190,460	8,732 86	370	843,800	13,102 90	\$3,630 70	27.7

All Companies.

Grand totals for all insurance organizations..	1,837	\$2,754,485	\$45,597 24	\$12,105 13	26.5	7,549	\$10,753,100	\$205,618 81	\$25,903 26	12.6
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CLASSES 877 AND 878, GRAIN ELEVATORS AND WAREHOUSES, TERMINAL—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
8.....	233	\$488,465	\$6,479 18	.....	.....	1,857	\$5,028,713	\$55,046 55	\$1,680 43	3.0
Totals for remaining grades of cities.....	23	195,750	370 60	.....	.....	57	160,610	2,189 41	.....	.....
Totals for mutuals and London Lloyds.....	12	19,050	170 78	.....	.....	102	104,950	84 74	.....	.....

All Companies—Sprinklered.

Grand totals for all insurance organizations..	206	\$703,265	\$7,020 51	2,016	\$6,194,273	\$57,920 70	\$1,680 43	2.9
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CLASSES 431 AND 432, GRAIN ELEVATORS AND WAREHOUSES—COUNTRY—(FOR GRAIN IN SACK WAREHOUSES, SEE 258).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	80	\$118,425	\$ 1,821 88	\$ 2,933 95	161.0	146	\$ 429,522	\$ 8,157 84	\$ 1,090 00	13.4
4.....	41	68,626	1,218 15	.....	.....	65	62,964	1,938 29	.....	.....
5.....	82	166,039	3,104 84	1,151 90	37.1	91	135,412	2,087 49	504 00	24.1
6.....	124	209,878	3,756 82	3,169 15	84.3	184	388,970	5,712 48	214 89	3.8
7.....	384	601,512	11,282 78	16,854 09	149.6	677	1,160,079	15,057 90	14,982 05	99.5
8.....	475	622,772	11,334 61	.....	.....	4	1,028,141	14,345 22	.....	.....
9.....	194	314,757	6,445 54	3,804 34	59.0	360	627,795	8,547 16	655 78	7.7
10.....	553	1,439,413	24,164 60	10,814 74	44.8	975	2,351,083	32,014 01	13,887 50	43.4
Totals for stock companies.....	1,913	\$3,541,522	\$63,107 72	\$38,772 17	61.4	3,077	\$6,182,966	\$87,859 57	\$31,334 22	35.7

Mutual Companies.

3.....	1	\$ 334	\$ 55 67	.....	.....	13	\$ 24,766	\$ 208 25	.....	.....
4.....	2	2,250	126 50	.....	.....	14	33,740	129 38	.....	.....
5.....	8	19,500	383 06	.....	.....	10	33,500	308 93	.....	.....
6.....	23	42,130	1,155 89	.....	.....	54	155,510	1,093 94	\$ 1,432 61	131.0
7.....	138	305,234	7,911 97	\$ 2,276 72	197.0	80.0	671,650	7,884 90	5,233 47	66.4
8.....	230	484,075	11,612 88	6,319 81	8.2	324	1,366,450	9,316 93	23 00	6.3
9.....	186	432,210	7,803 85	2,316 45	29.7	149	363,150	6,124 91	787 75	12.9
10.....	741	1,384,670	23,879 57	17,721 77	74.2	1,133	2,372,180	28,796 68	11,272 67	39.1
Totals for mutual companies.....	1,329	\$2,674,403	\$52,932 39	\$29,589 39	55.9	1,932	\$5,320,946	\$53,863 92	\$18,764 50	34.8
Totals for interinsurers and London Lloyds .....	.....	.....	.....	.....	.....	28	66,750	1,397 08	.....	.....

All Companies.

Grand totals for all insurance organizations..	3,242	\$6,215,925	\$116,040 11	\$68,361 56	58.9	5,035	\$11,571,662	\$143,120 57	\$50,088 72	35.0
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CLASSES 433 AND 434, GRAPHITE AND PENCIL WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	26	\$28,360	\$512 66	\$10 13	2.0	69	\$121,571	\$2,399 13	\$0 54	.....

CLASSES 435 AND 436, GRIST AND FEED MILLS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	34	\$45,715	\$ 816 69	\$ 110 72	13.6	113	\$177,132	\$3,265 87	\$2,768 85	84.8
4.....	42	46,793	1,197 51	23 52	2.0	119	172,186	3,598 55	.....	.....
5.....	24	26,485	641 80	1 17	.2	48	80,956	2,022 44	1,791 58	88.6
6.....	18	16,090	349 79	1 87	.5	52	74,990	1,278 37	.....	.....
7.....	27	29,336	628 26	2,704 32	430.4	73	83,629	2,257 47	1,500 61	66.5
8.....	41	48,235	1,067 76	752 10	70.4	82	102,938	2,167 45	250 00	11.5
9.....	25	24,387	581 56	1,608 43	276.6	28	26,546	658 29	.....	.....
10.....	23	14,358	360 86	71	.2	41	41,093	1,023 49	.....	.....
Totals for stock companies.....	234	\$251,409	\$5,644 23	\$5,202 84	92.2	556	\$761,470	\$16,271 93	\$6,311 04	38.8

CLASSES 435 AND 436, GRIST AND FEED MILLS—Concluded.
Mutual Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....						3	\$ 4,750	\$ 107 73		
4.....						1	1,500	34 35		
5.....										
6.....			\$ 59 50			1	3,000	42 00		
7.....	3		63 50			6	14,550	459 05	\$ 846 21	184.3
8.....	3	\$ 2,350	62 03			3	15,250	565 44		
9.....	9	28,600	1,296 17	\$2,574 63	198.6	105	323,000	2,443 21	504 62	20.7
10.....	46	143,750	5,813 19	6,793 06	116.8	325	1,064,150	5,967 19	6,923 61	116.0
Totals for mutual companies.....	61	\$174,700	\$7,294 39	\$9,387 69	128.4	444	\$1,426,200	\$9,618 97	\$8,274 44	86.0
Totals for London Lloyds.....						7	26,660	639 62	5,829 2	912.3

All Companies.

Grand totals for all insurance organizations..	205	\$426,109	\$12,938 62	\$14,570 53	112.6	1,007	\$2,214,330	\$26,530 52	\$20,415 20	78.9
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CLASSES 437 AND 438, HEMP AND JUTE MILLS—CORDAGE AND BAGGING FACTORIES (FOR BAG-MAKING, SEE 344).
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	25	\$37,200	\$564 72			139	\$271,858	\$3,707 71	\$135 78	

CLASSES 879 AND 880, HEMP AND JUTE MILLS—CORDAGE AND BAGGING FACTORIES—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	5	\$ 7,500	\$136 80	.....	.....	493	\$3,437,320	\$15,419 57	\$2,768 85	17.9
Totals for remaining grades of cities.....	6	20,500	115.90	.....	.....	37	170,200	692 83	249 33	35.9
All Companies—Sprinklered.										
Grand total for all insurance organizations..	11	\$28,000	\$252 20	.....	.....	530	\$3,607,610	\$16,112 40	\$3,018 18	18.7

CLASSES 439 AND 440, HORN, IVORY (ANIMAL AND VEGETABLE), TORTOISE AND PEARL GOODS FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	34	\$68,715	\$808 82	\$2,066 34	254.2	102	\$162,830	\$2,244 37	\$71 41	3.2

CLASSES 441 AND 442, ICE FACTORIES.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	199	\$412,870	\$4,034 52	\$4,064 05	100.7	624	\$2,050,842	\$20,189 02	\$8,278 99	41.0

CLASS 441, ICE FACTORIES.
Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	76	\$759,900	\$6,161 17	\$58 00	0.9	.....	.....	.....	.....	.....

CLASSES 443 AND 444, LAMP AND BONE BLACK, BLACKING AND STOVE POLISH WORKS.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	57	\$68,635	\$1,337 03	.....	.....	170	\$131,431	\$2,545 44	\$48 62	1.9

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	517	\$1,023,931	\$17,263 74	\$11,087 90	64.2	935	\$1,438,895	\$22,785 52	\$6,193 28	27.2
4.....	73	88,742	1,340 04	210 08	15.7	122	126,184	1,985 24	236 96	11.9
5.....	97	142,442	2,208 11	588 76	26.5	128	144,295	2,352 73	414 50	17.6
6.....	54	86,073	1,073 59	107 00	10.0	75	70,861	1,187 91	87 60	3.2
7.....	80	72,764	1,369 28	.....	.....	107	91,500	1,727 71	.....	.....
8.....	86	43,737	922 39	709 30	78.9	60	58,401	1,305 70	10.00	0.8
9.....	4	2,108	79 87	.....	.....	6	8,680	135 29	.....	.....
10.....	7	8,681	196 17	.....	.....	7	8,990	187 98	5 75	3.4
Totals for stock companies.....	868	\$1,496,398	\$24,450 49	\$12,698 04	51.9	1,440	\$1,947,806	\$31,648 17	\$6,898 09	21.8
Totals for mutuals and interinsurers.....	22	51,050	672 47	2,778 62	413.1	83	317,400	3,849 07	2,372 42	61.6

All Companies.

Grand totals for all insurance organizations.	890	\$1,519,448	\$25,122 96	\$15,476 66	61.6	1,523	\$2,265,206	\$35,497 24	\$9,270 51	26.1
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CLASS 445, LAUNDRIES (HAND OR POWER).

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	75	\$345,400	\$3,560 79	\$710 15	19.9	.....	.....	.....	.....	.....

CLASSES 447 AND 448, LEAD PIPE AND SHEET LEAD WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	13	\$14,920	\$162 89			40	\$207,656	\$2,000 49		

CLASSES 449 AND 450, LEATHER GOODS FACTORIES (EXCEPT BOOT AND SHOE) SUCH AS HARNESS, SADDLERY, POCKETBOOK, GLOVE, BAG, LEATHER TRUNK, WHIP AND SPORTING GOODS.

Kind of Insuring Organization—Stock Companies.

Grade of Risk	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
1	115	\$284,802	\$3,739 45	\$409 78	11.0	799	\$1,389,769	\$21,378 79	\$2,607 81	12.2
2	17	25,915	204 98			68	94,880	1,027 20	600 64	58.5
3	14	16,514	176 80	202 40	114.5	33	22,746	397 13	469 45	118.2
4	13	20,070	232 04			69	107,470	1,358 13	542 20	39.9
5	9	8,042	87 06	125 00	143.6	46	59,178	1,112 50	127 00	11.4
6	9	7,485	110 91			14	6,818	131 41		
7	2	1,260	25 99			5	2,110	60 61		
8		955	2 02			7	2,695	100 10		
9	179	\$360,933	\$4,575 21	\$737 18	16.1	1,040	\$1,685,466	\$25,565 87	\$4,347 10	17.0
10	4	4,000	16 30			27	69,692	743 55	327 23	44.0
All Companies.										
	183	\$364,933	\$4,591 51	\$737 18	16.1	1,067	\$1,755,158	\$26,309 42	\$4,674 33	17.

Grand totals for all insurance conventions

CLASSES 883 AND 884, LEATHER GOODS FACTORIES (EXCEPT BOOT AND SHOE)—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	52	\$1,916,847	\$3,760 96	\$212 40	5.6	399	\$2,122,187	\$7,890 28	\$924 37	12.6

CLASS 883, LEATHER GOODS FACTORIES (EXCEPT BOOT AND SHOE)—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	116	\$296,400	\$687 95	\$177 10	23.7	.....	.....	.....	.....	.....

CLASSES 451 AND 452, MALT HOUSES.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	147	\$496,686	\$5,178 69	\$2,833 34	54.7	313	\$1,246,580	\$11,391 00	\$5,263 88	46.2
4.....	3	8,400	215 84	.....	.....	10	21,175	611 50	.....	.....
5.....	5	6,000	73 37	3 78	6.2	2	3,125	47 54	.....	.....
6.....	.....	2,000	66 67	.....	.....	2	1,050	27 05	.....	.....
7.....	5	8,000	147 10	.....	.....	4	2,450	51 88	.....	.....
8.....	1	400	16 00	.....	.....	6	4,475	83 23	.....	.....
9.....	.....	.....	.....	.....	.....	3	2,100	15 83	.....	.....
10.....	1	2,000	36 99	.....	.....	1	75	62	.....	.....
Totals for stock companies.....	160	\$519,486	\$5,734 66	\$2,837 12	49.5	341	\$1,281,030	\$12,228 65	\$5,263 88	43.0
Totals for mutuals and London Lloyds.....	4	15,000	120 69	.....	.....	11	20,000	560 12	.....	.....
All Companies.										
Grand totals for all insurance organizations..	164	\$534,486	\$5,855 35	\$2,837 12	48.5	352	\$1,301,030	\$12,788 77	\$5,263 88	41.2

CLASSES 453 AND 454, MATTRESS FACTORIES, FEATHER RENOVATING AND PILLOW FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	102	\$163,789	\$7,103 16	\$232 69	3.3	289	\$340,069	\$6,201 48	\$2,432 57	39.2

CLASSES 455 AND 456, MEDICINE FACTORIES, PERFUMERY AND EXTRACT WORKS, PHARMACEUTICAL WORKS (FOR BARK EXTRACT, SEE 414).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	68	\$186,478	\$3,089 55	\$1,238 56	40.1	591	\$1,166,471	\$17,001 60	\$7,498 13	44.1
Totals for remaining grades of cities.....	29	56,290	817 96	120 32	14.7	102	180,570	2,615 03	1,663 56	63.6
Totals for mutuals and interinsurers.....	2	16,500	43 54	42 50	97.6	18	25,000	408 38	.....	.....
All Companies.										
Grand totals for all insurance organizations..	99	\$259,268	\$3,951 05	\$1,401 88	35.5	711	\$1,372,041	\$20,025 01	\$9,161 69	45.7

CLASSES 457 AND 458, MINING RISKS (OTHER THAN COAL) INCLUDING MINING DREDGES.

All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	67	\$183,463	\$2,600 15	\$8,585 37	330.2	410	\$2,509,347	\$21,468 19	\$4,973 99	23.2

CLASSES 459 AND 460, MISCELLANEOUS (MANUFACTURING ESTABLISHMENTS OPERATED WITH MACHINERY, NOT OTHERWISE CLASSIFIED).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,056	\$5,040,972	\$76,521 06	\$49,528 63	64.7	4,579	\$7,212,306	\$114,197 31	\$57,937 06	50.7
4.....	117	474,800	4,145 49	5,025 52	121.2	554	302,923	10,008 57	8,520 74	86.1
5.....	87	145,153	2,416 12	2,705 29	114.5	195	277,551	3,890 54	3,997 45	80.2
6.....	52	112,537	1,508 91	252 37	15.7	124	273,021	3,615 52	4,330 88	110.5
7.....	77	119,044	1,504 75	100 00	6.6	161	311,147	3,492 24	55 20	1.4
8.....	34	45,434	850 51	233 70	27.2	57	53,513	1,114 36	1,336 51	119.9
9.....	9	37,775	472 43	.....	.....	13	18,942	200 83	43	.2
10.....	8	19,044	229 76	1,169 70	509.1	61	119,427	1,970 51	8 58	.4
Totals for stock companies.....	2,440	\$5,985,879	\$87,758 03	\$59,075 21	67.3	5,095	\$9,069,130	\$139,259 98	\$75,286 85	54.1
Totals for mutuals, American Lloyds and London Lloyds.....	33	64,875	1,408 03	311 66	22.1	61	134,450	1,438 42	542 79	36.4

All Companies.

Grand totals for all insurance organizations..	2,473	\$6,050,754	\$89,166 06	\$59,386 87	66.6	5,756	\$9,203,580	\$140,748 40	\$75,929 64	54.0
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CLASSES 885 AND 886, MISCELLANEOUS (MANUFACTURING ESTABLISHMENTS OPERATED WITH MACHINERY, NOT OTHERWISE CLASSIFIED)—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	639	\$6,195,391	\$27,216 96	\$2,564 41	9.4	4,004	\$26,679,863	\$108,340 98	\$17,799 12	16.7
Totals for remaining grades of cities.....	35	374,049	1,545 65	180 67	11.6	421	4,689,557	20,704 88	10,230 77	49.4
Totals for mutuals, interinsurers, American Lloyd's and London Lloyd's.....	43	495,500	1,936 61	87 93	4.4	95	1,894,907	5,247 85	116 05	2.2

All Companies—Sprinklered.

Grand totals for all insurance organizations..	717	\$7,064,940	\$30,699 22	\$2,833 01	9.2	4,610	\$33,264,327	\$132,293 71	\$28,145 94	21.3
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CLASS 885, MISCELLANEOUS (MANUFACTURING ESTABLISHMENTS OPERATED WITH MACHINERY, NOT OTHERWISE CLASSIFIED)—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	287	\$3,161,125	\$6,300 98	\$1,216 22	19.3	.....	.....	.....	.....	.....

CLASSES 461 AND 462, OIL CLOTH, OIL CLOTHING, SHADE CLOTH, LINOLEUM AND CORTICENE FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	55	\$130,548	\$2,139 06	\$42 23	2.0	212	\$307,152	\$4,872 69	\$812 93	16.7

CLASSES 887 AND 888, OIL CLOTH, OIL CLOTHING, SHADE CLOTH, LINOLEUM AND CORTICENE FACTORIES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	31	\$175,282	\$1,029 66	\$7 02	0.7	117	\$1,074,475	\$4,424 55	\$384 49	8.7

CLASSES 463 AND 464, OIL WORKS—VEGETABLE.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	40	\$59,685	\$934 90	.....	.....	222	\$842,492	\$6,915 11	\$7,770 61	112.4

CLASSES 889 AND 890, OIL FACTORIES—VEGETABLE—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	9	\$82,800	\$392 82	\$6,134 27	1,561.6	117	\$926,200	\$5,029 61	\$9,798 02	194.8

CLASSES 465 AND 466, OIL—VEGETABLE IN TANKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$35,925	\$223 72	.....	.....	116	\$345,925	\$3,314 72	\$986 54	29.7

CLASSES 467 AND 468, OIL WORKS (FISH).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1	\$7,000	\$64 07	.....	.....	92	\$191,065	\$2,185 37	\$134 19	6.1

CLASSES 469 AND 470, OIL WORKS (MINERAL) REFINERIES, OIL DERRICKS, PIPE LINES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	43	\$262,922	\$4,121 89	\$1,299 11	31.5	106	\$630,349	\$9,590 69	\$1,832 92	19.0

CLASSES 471 AND 472, OIL—MINERAL IN TANKS AND SUMPS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	45	\$112,857	\$1,694 30	.....	.....	109	\$494,994	\$7,444 44	\$4,966 26	66.7

CLASSES 473 AND 474, PACKING HOUSES, SLAUGHTERING, RENDERING, OLEOMARGARINE, LARD, CANDLE, CRUDE GLYCERINE AND GLUE WORKS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	969	\$2,219,070	\$30,175 79	\$17,847 12	59.1	7,761	\$16,373,540	\$260,166 99	\$81,494 71	31.3
4.....	37	79,461	1,132 94	.....	.....	399	894,127	12,942 52	2,170 36	18.8
5.....	28	44,554	922 22	2 39	.3	115	150,613	3,657 76	17 04	.5

6.....	44	41,848	853 45	400 00	81.3	113	34,430	2,056 16	812 81	44.4
7.....	41	36,217	814 82	1,031 49	126.6	85	91,871	2,114 38	2,043 24	98.6
8.....	17	12,064	318 86	493 00	154.6	45	28,626	640 81	209 00	32.6
9.....	49	25,604	624 80	1,522 70	243.7	98	72,997	1,803 57	115 80	6.4
Totals for stock companies.....	1,229	\$2,528,566	\$36,085 94	\$21,387 45	59.3	8,669	\$17,805,669	\$287,872 63	\$87,400 02	30.4
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	86	262,205	4,208 57	805 38	.....	677	2,918,769	49,384 47	17,220 83	.....

All Companies.

Grand totals for all insurance organizations..	1,315	\$2,790,801	\$40,293 91	\$22,192 83	55.1	9,343	\$20,724,438	\$336,757 10	\$104,620 85	31.0
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CLASSES 891 AND 892, PACKING HOUSES, SLAUGHTERING, RENDERING, OLEOMARGARINE, LARD, CANDLE, CRUDE GLYCERINE AND GLUE WORKS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	81	\$1,191,344	\$4,008 42	\$2,617 46	65.3	527	\$5,932,781	\$23,010 63	\$31,353 10	136.3

CLASS 891, PACKING HOUSES, SLAUGHTERING, RENDERING, OLEOMARGARINE, LARD, CANDLE, CRUDE GLYCERINE AND GLUE WORKS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	111	\$1,156,365	\$2,002 00	\$153 47	7.7	.....	.....	.....	.....	.....

CLASSES 475 AND 476, PAINT, VARNISH, WHITE LEAD AND OIL COLOR WORKS, TURPENTINE REFINERIES, PRINTING INK WORKS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	134	\$284,404	\$3,175 03	\$1,053 61	38.2	729	\$2,459,468	\$25,028 39	\$6,981 09	27.9
Totals for remaining grades of cities.....	52	\$4,861	1,221 49	19 92	1.6	218	353,681	6,043 18	228 71	3.7
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	1	3,000	48 30	.....	.....	39	201,975	2,890 18	84 00	3.5

All Companies.

Grand totals for all insurance organizations..	187	\$372,265	\$4,444 82	\$1,073 53	24.2	986	\$3,015,124	\$33,461 75	\$7,293 80	21.8
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CLASSES 893 AND 894, PAINT, VARNISH, WHITE LEAD AND OIL COLOR WORKS, TURPENTINE REFINERIES—Sprinklered.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	64	\$481,863	\$3,642 69	\$7,650 05	210.0	403	\$3,823,610	\$17,339 95	\$1,937 12	11.2

CLASSES 477 AND 478, PAPER BOX, PAPER BAG AND ENVELOPE FACTORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
8.....	117	\$311,444	\$4,450 50	\$1,010 18	22.7	654	\$1,403,509	\$19,421 80	\$ 2,258 74	11.6
Totals for remaining grades of cities.....	72	131,554	1,808 07	.....	.....	177	418,170	5,232 47	10,638 81	201.3
Totals for mutuals and London Lloyds.....	4	10,875	116 56	.....	.....	8	49,375	431 23	.....	.....

All Companies.

Grand totals for all insurance organizations..	193	\$453,873	\$6,375 13	\$1,010 18	15.8	839	\$1,871,054	\$25,135 50	\$12,897 55	51.3
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CLASSES 479 AND 480, PAPER, PULP, LEATHER BOARD AND STRAW BOARD MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	39	\$110,473	\$1,419 04	\$1,543 41	108.8	241	\$492,860	\$7,528 75	\$4,656 42	51.8

CLASSES 895 AND 896, PAPER, PULP, LEATHER BOARD AND STRAW BOARD MILLS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	30	\$325,409	\$947 31	.....	.....	190	\$1,443,063	\$4,858 52	\$ 28 16	15.0

CLASS 895, PAPER, PULP, LEATHER BOARD AND STRAW BOARD MILLS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	138	\$1,115,077	\$1,709 90	\$499 41	35.0	.....	.....	.....	.....	.....

CLASSES 481 AND 482, PEANUT FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	12	\$256	\$211 87	\$28 63	12.6	86	\$125,824	\$2,159 25	.....	.....

CLASSES 483 AND 484, POTTERIES, BRICK, TILE, PLASTER AND CRUCIBLE WORKS, CHINA DECORATING.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	84	\$235,242	\$3,373 36	\$ 606 39	18.0	265	\$982,799	\$11,859 5	\$ 108 80	0.9
4.....	22	22,765	493 37	2,500 00	517.2	42	54,800	948 01	770 00	81.2
5.....	43	69,933	1,386 30	.....	.....	104	200,888	3,822 21	1,452 77	37.6
6.....	28	30,266	601 69	.....	.....	122	167,782	3,429 13	3,000 00	57.5
7.....	61	119,018	2,267 26	54 38	2.4	153	232,959	6,342 74	14 88	0.2
8.....	62	64,028	1,478 85	4,222 96	265.6	120	164,726	3,739 91	288 60	10.4
9.....	6	2,725	68 37	.....	.....	19	23,789	611 85	.....	.....
10.....	27	41,088	780 70	.....	.....	34	88,011	1,588 07	.....	.....
Totals for stock companies.....	333	\$575,085	\$10,319 90	\$7,383 73	71.5	899	\$2,015,712	\$32,381 17	\$5,729 85	17.7
Totals for mutuals, interinsurers and London Lloyds.....	2	3,777	33 64	18 69	55.6	9	21,373	462 10	.....	.....
All Companies.										
Grand totals for all insurance organizations..	335	\$578,842	\$10,353 54	\$7,402 42	71.5	908	\$2,037,085	\$32,843 27	\$5,729 85	17.4

CLASSES 485 AND 486, PRINTING ESTABLISHMENTS, LITHOGRAPHERS, BOOKBINDERIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	620	\$2,079,240	\$24,186 14	\$8,665 81	35.8	4,710	\$9,270,973	\$116,117 39	\$27,152 09	23.4
4.....	90	171,262	1,793 98	3,355 30	193.6	614	321,529	11,781 54	36,011 64	307.0
5.....	117	178,801	3,034 21	331 11	10.9	564	798,061	11,285 94	4,896 78	43.4
6.....	92	129,687	1,639 46	880 74	53.7	448	490,187	7,063 94	1,035 72	14.7
7.....	234	321,339	4,838 07	137 00	2.8	674	808,522	12,448 08	1,884 91	15.1
8.....	98	134,239	1,542 21	252 00	16.8	373	550,597	8,681 80	4,645 27	53.5
9.....	54	46,931	979 89	77 00	7.9	153	176,942	2,978 79	20 00	7
10.....	52	42,382	877 84	44 75	5.1	216	338,326	5,726 54	26 00	5
Totals for stock companies.....	1,357	\$3,099,881	\$39,840 90	\$13,743 71	34.5	7,752	\$13,255,137	\$176,028 92	\$76,672 41	43.0
Totals for mutuels, interinsurers and London Lloyds.....	29	45,550	905 40	54 23	5.9	275	615,043	6,168 91	3,803 63	58.4
All Companies.										
Grand totals for all insurance organizations..	1,386	\$3,145,431	\$40,746 30	\$13,797 94	33.9	8,027	\$13,870,180	\$182,197 83	\$79,276 04	43.5

CLASSES 897 AND 898, PRINTING ESTABLISHMENTS, LITHOGRAPHERS, BOOKBINDERIES—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	161	\$1,235,905	\$8,849 51	\$1,919 94	21.7	2,790	\$12,361,897	\$60,280 16	\$11,135 87	18.5
Totals for remaining grades of cities.....	8	64,116	193 05	.....	.....	121	605,749	2,595 81	148 08	5.7
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	38	528,450	979 36	.....	.....	238	1,503 200	4,179 49	802 54	19.1

All Companies—Sprinklered.

Grand totals for all insurance organizations..	207	\$1,828,471	\$10,021 92	\$1,919 94	19.6	3,149	\$14,470,346	\$67,055 46	\$12,066 49	1.8
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Blanket Policies—Buildings and Contents Combined—Sprinklered.

Totals.....	508	\$3,472,625	\$5,114 48	\$2,900 45	57.5
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CLASSES 487 AND 488, RICE MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	14	\$84,990	\$348 98	\$827 94	97.5	83	\$118,166	\$1,871 47	\$160 12	8.6

CLASSES 899 AND 900, RICE MILLS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$28,000	\$101 60	\$8 18	8.0	19	\$56,375	\$301 29		

CLASSES 489 AND 490, RUBBER MILLS INCLUDING MANUFACTURE OF RUBBER GOODS AND CLOTHING.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	47	\$117,279	\$1,624 27			441	\$623,698	\$9,249 14	\$2,041 78	22.0

CLASSES 901 AND 902, RUBBER MILLS, INCLUDING MANUFACTURE OF RUBBER GOODS AND CLOTHING, ALSO RUBBER RECLAIMING—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$40,338	\$170 00			54	\$380,902	\$1,868 04	\$1 60	.18

**CLASS 901, RUBBER MILLS, INCLUDING MANUFACTURE OF RUBBER GOODS AND CLOTHING, ALSO RUBBER RECLAIM-
ING—Sprinklered.**

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	51	\$396,220	\$632 02							

CLASSES 491 AND 492, SALT WORKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	3	\$7,500	\$90 70			9	\$14,334	\$207 77	\$3,088 67	1,496.6

CLASSES 493 AND 494, SILK MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	7	\$8,275	\$117 07	\$58 67	50.1	55	\$118,975	\$1,289 87	\$17 90	1.4

CLASSES 903 AND 904, SILK MILLS—Sprinklered.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	3	\$10,000	\$34 68	.....	.....	28	\$249,750	\$306 44	\$60 09	7.5

CLASS 903, SILK MILLS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	28	\$410,000	\$438 03	.....	.....	.....	.....	.....	.....	.....

CLASSES 495 AND 496, SOAP STONE AND TALC FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	11	\$13,783	\$177 34	.....	.....	20	\$38,679	\$401 33	\$62 61	12.7

CLASSES 497 AND 498, SOAP FACTORIES (WHEN INSURED SEPARATELY FROM PACKING HOUSE OR OTHER PLANTS).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
B.....	104	\$172,581	\$2,699 67	\$2 40	0.1	514	\$894,239	\$16,646 71	\$80 70	0.5
Totals for remaining grades of cities.....	18	15,230	281 98	.....	.....	52	64,811	1,230 82	.....	.....
Totals for mutuals and London Lloyds.....	.....	.....	.....	.....	.....	8	32,000	669 21	.....	.....
All Companies.										
Grand totals for all insurance organizations..	122	\$187,811	\$2,981 55	\$2 40	0.1	574	\$990,550	\$18,546 74	\$80 70	0.4

CLASSES 499 AND 500, STRAW GOODS FACTORIES, MATTINGS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	36	\$49,104	\$722 83	.....	.....	151	\$203,300	\$3,370 63	\$417 90	12.4

CLASSES 501 AND 502, SUGAR HOUSES.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	7	\$11,623	\$109 06	.....	.....	14	\$23,275	\$243 22	.....	.....

CLASSES 503 AND 504, SUGAR (CANE AND BEET) REFINERIES.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$21,125	\$175 78	.....	.....	30	\$66,167	\$910 82	.....	.....

CLASSES 505 AND 506, TANNERIES (SOLE LEATHER).
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	60	\$*3,342	\$2,264 44	\$30 66	1.4	175	\$605,201	\$8,024 69	\$1,061 54	13.2

**CLASSES 507 AND 508, TANNERIES (UPPER LEATHER), CURRING SHOPS, MOROCCO WORKS AND LEATHER-MAKING
GENERALLY, WITHOUT JAPANING.**

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	135	\$374,364	\$4,208 37	\$274 65	6.5	424	\$1,440,870	\$16,564 48	\$449 08	2.7

CLASSES 905 AND 906, TANNERIES AND LEATHER-MAKING OF ALL KINDS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	351	\$647,853	\$11,419 22	\$155 63	1.4	246	\$3,022,439	\$9,911 27	\$897 01	9.1

CLASS 905, TANNERIES AND LEATHER-MAKING OF ALL KINDS—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	67	\$362,300	\$440 75	\$209 59	.....	.....	.....	.....	.....	.....

CLASSES 509 AND 510, TANNERIES (UPPER LEATHER) WITH JAPANNING OR ENAMELING.

Kind of Insuring Organization—All Companies.

	BUSINESS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	5	\$3,000	\$170 73	.....	.....	37	\$112,792	\$1,488 14	\$87 72	4.6

CLASSES 511 AND 512, TENT, AWNING, SAIL AND RIGGING LOFTS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	45	\$69,037	\$937 77	\$5 00	0.5	244	\$244,860	\$5,030 98	.....	.....

CLASSES 513 AND 514, TOBACCO, CIGAR, CIGARETTE AND SNUFF FACTORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	116	\$240,286	\$3,226 90	\$360 20	11.2	612	\$756,400	\$11,961 18	\$4,705 92	39.3
Totals for remaining grades of cities.....	168	174,915	2,680 35	.....	.....	418	406,355	6,153 09	2,016 40	32.7
Totals for mutuals and interinsurers.....	4	5,300	92 23	.....	.....	6	3,675	100 81	.....	.....
All Companies.										
Totals.....	288	\$420,501	\$5,999 48	\$360 20	6.0	1,036	\$1,166,430	\$18,215 08	\$6,721 32	36.8

CLASSES 907 AND 908, TOBACCO, CIGAR, CIGARETTE AND SNUFF FACTORIES, TOBACCO STEMMERIES, PRIZERIES AND REHANDLING HOUSES—Sprinklered.

Kind of Insuring Organization—Stock Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$46,865	\$210 95	.....	.....	94	\$399,900	\$953 45	\$421 57	44.2

CLASS 907, TOBACCO, CIGAR, CIGARETTE AND SNUFF FACTORIES, TOBACCO STEMMERIES, PRIZERIES AND RENHANDLING HOUSES—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	341	\$2,444,991	\$2,963 35	.....	.....	.....	.....	.....	.....	.....

CLASSES 515 AND 516, TOBACCO STEMMERIES, PRIZERIES AND REHANDLING HOUSES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	15	\$9,850	\$145 42	.....	.....	49	\$34,250	\$726 49	\$21 04	2.9

CLASSES 517 AND 518, WALL PAPER FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	13	\$38,150	\$555 71	.....	.....	137	\$267,351	\$3,131 08	.....	.....

CLASSES 519 AND 520, WASTE AND SHODDY MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	8	\$5,100	\$0 12	\$942 99	.....	40	\$44,957	\$592 75	.....	.....

CLASSES 909 AND 910, WASTE AND SHODDY MILLS—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.	1	\$7,500	\$11 25	.....	.....	43	\$282,110	\$1,144 80	\$6 80	0.6

CLASSES 521 AND 522, WEAVING MILLS (WEAVING AND KNITTING ONLY OF COTTON, WOOL OR ELASTIC GOODS), EMBROIDERY AND LACE CURTAIN FACTORIES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	50	\$159,981	\$2,670 65	\$2 43	0.1	479	\$694,087	\$11,384 30	\$2,895 40	25.4
Totals for remaining grades of cities.....	14	19,454	198 86	.....	.....	65	131,228	1,707 92	.....	.....
Totals for mutuals.....	2	2,000	15 72	.....	.....	7	10,500	178 35	277 35	155.5

All Companies.

Grand totals for all insurance organizations..	66	\$181,435	\$2,885 23	\$2 43	0.1	551	\$835,815	\$13,270 57	\$3,172 75	23.9
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CLASSES 911 AND 912, WEAVING MILLS (WEAVING AND KNITTING ONLY OF COTTON, WOOL OR ELASTIC GOODS), EMBROIDERY AND LACE CURTAIN FACTORIES—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	2	\$5,500	\$15 50	.....	.....	38	\$102,508	\$508 84	.....	.....

CLASSES 523 AND 524, WHITING FACTORIES, GYPSUM, KALSOMINE, BARYTES AND PLASTER MILLS—LIME KILNS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	46	\$39,814	\$871 69	\$5,023 06	576.2	136	\$209,430	\$3,649 37	\$18,026 37	439.2

CLASSES 525 AND 526, WINERIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	1	\$625	\$3 56			39	\$47,720	\$573 56	\$1,212 62	211.4

CLASSES 527 AND 528, WOOLEN MILLS (FULL PROCESS—ALL WOOL OR MIXED STOCKS) WORSTED, CARPET, KNITTING, FELTING, WOOL HAT FACTORIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	67	\$131,113	\$1,878 27	\$1,244 51	66.3	389	\$526,293	\$7,409 05	\$1,367 96	18.5

**CLASSES 881 AND 882, KNITTING MILLS, FULL PROCESS (MIXED STOCK) FOR CLEAR COTTON, SEE 870; FOR CLEAR WOOL
SEE 914—Sprinklered.**

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	15	\$88,450	\$370 78	\$12 76	3.4	110	\$366,507	\$1,642 44	\$277 79	16.9

**CLASS 881, KNITTING MILLS, FULL PROCESS (MIXED STOCK) FOR CLEAR COTTON, SEE 870; FOR CLEAR WOOL, SEE 914—
Sprinklered.**

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	147	\$1,583,950	\$1,678 48							

**CLASSES 913 AND 914, WOOLEN AND WORSTED MILLS, FULL PROCESS—(FOR KNITTING MILLS, FULL PROCESS, SEE 882)
—Sprinklered.**

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	4	\$9,074	\$36 60	\$203 83		17	\$204,666	\$532 90	\$277 62	52.1

CLASSES 529 AND 530, WOOL PULLING AND SCOURING.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	29	\$27,160	\$419 26	\$165 00	39.4	67	\$556,200	\$1,647 69	\$324 00	19.7

CLASSES 531 AND 532, YEAST FACTORIES ESSENTIAL OILS, VINEGAR AND CIDER MILLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	88	\$212,478	\$2,712 19	\$5,938 17	218.9	385	\$1,037,546	\$11,618 65	\$28,866 30	248.4

CLASSES 601 AND 602, ASYLUMS (DEAF, DUMB, BLIND, ORPHAN), HOMES FOR AGED.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	143	\$411,469	\$6,074 95	\$510 60	8.4	200	\$398,227	\$7,044 72	\$4,023 54	57.1

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CLASSES 603 AND 604, ASYLUMS, INSANE AND INEBRIATE—SANITORIUMS—POOR FARMS—ALMSHOUSES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	89	\$290,740	\$4,561 95	\$ 85 50	0.8	78	\$252,131	\$4,862 48	\$2,552 43	52.5
4.....	37	55,559	1,094 75	290 81	26.6	48	42,230	748 97	122 37	16.3
5.....	23	23,363	522 58	35 34	6.8	18	22,653	338 22	533 11	158.6
6.....	22	23,191	342 70	35 30	10.3	43	34,554	670 25	.....	.....
7.....	35	60,158	1,074 46	2,500 00	232.7	62	120,880	2,204 92	742 79	33.7
8.....	73	100,808	1,802 75	108 21	5.9	89	81,984	1,973 80	25 61	1.3
9.....	5	9,602	100 53	100 53	100.0	24	23,761	648 56	.....	.....
10.....	60	72,151	1,466 36	124 64	8.5	36	182,422	2,277 88	2,530 92	111.1
Totals for stock companies.....	338	\$635,572	\$10,965 08	\$3,228 33	29.4	398	\$760,605	\$13,623 08	\$6,507 23	47.8
Totals for mutuals.....	1	5,000	90 00	10 58	11.7	4	4,600	62 35	.....	.....
All Companies.										
Grand totals for all insurance organizations..	339	\$640,572	\$11,055 08	\$3,238 91	29.3	402	\$765,205	\$13,685 43	\$6,507 23	47.5

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CLASSES 605 AND 606, BARNs AND STABLES (PUBLIC), LIVERY, SALE, BUS, EXPRESS, HOTEL AND BOARDING.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,769	\$2,908,594	\$64,122 72	\$10,418 71	16.2	5,179	\$6,889,877	\$116,967 31	\$35,824 33	30.6
4.....	413	427,717	9,302 46	1,806 73	19.4	871	1,558,287	23,615 13	1,857 51	7.9
5.....	365	400,542	7,783 60	19,642 98	252.4	534	655,654	8,675 35	3,342 65	38.6

6.....	237	264,664	4,904 90	207 26	4.2	450	1,802,868	7,678 86	241 64	3.1
7.....	539	503,677	11,475 17	1,303 09	11.4	528	510,907	9,764 24	3,524 73	36.1
8.....	434	425,311	10,568 39	5,982 59	56.4	413	424,268	8,754 07	4,689 25	53.6
9.....	181	146,450	4,123 94	1,100 00	26.7	183	157,651	3,375 40	1,998 72	61.0
10.....	268	229,218	5,568 56	2,023 28	36.2	202	171,933	4,020 16	1,062 70	26.4
Totals for stock companies.....	4,196	\$5,305,173	\$117,869 74	\$42,464 64	36.0	8,360	\$12,171,445	\$182,760 02	\$52,541 58	28.8
Totals for mutuals, interinsurers, London Lloyds and American Lloyds.....	36	59,375	951 47	.....	.....	53	72,680	1,063 55	116 67	10.9

All Companies.

Grand totals for all insurance organizations..	4,232	\$5,364,548	\$118,821 21	\$42,464 64	35.7	8,413	\$12,244,125	\$183,813 57	\$52,658 25	28.6
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CLASSES 607 AND 608, BILLIARD HALLS AND BOWLING ALLEYS.

Kind of Insuring Organization—Stock Companies.

Grade of city	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
3.....	113	\$181,336	\$3,356 88	\$ 854 45	25.5	3,669	\$1,920,885	\$32,899 55	\$22,628 58	68.8
4.....	47	37,650	740 52	.....	.....	108	169,956	2,498 62	734 30	29.4
5.....	25	41,616	601 66	.....	.....	202	228,547	3,392 86	1,549 07	45.7
6.....	31	29,585	408 38	13 00	3.2	121	132,591	1,827 75	2,116 86	115.8
7.....	57	67,807	1,109 08	4 38	.4	244	239,613	3,701 13	512 80	13.9
8.....	35	81,459	1,650 62	1,112 00	67.4	215	201,265	3,573 58	1,582 55	44.8
9.....	25	25,432	449 18	.....	.....	74	45,518	999 82	161 69	16.2
10.....	72	55,942	1,138 67	13 00	1.1	136	100,714	1,846 38	88 61	4.7
Totals.....	455	\$520,727	\$9,454 94	\$1,998 81	21.1	4,789	\$3,037,089	\$50,739 69	\$29,372 46	57.9
Totals for mutuals.....	7	10,700	199 03	500 00	251.2	12	10,283	160 06	116 67	72.8

All Companies.

Grand totals for all insurance organizations..	462	\$531,427	\$9,653 97	\$2,498 81	25.9	4,781	\$3,047,372	\$50,899 75	\$29,489 13	58.0
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CLASSES 609 AND 610, BLACKSMITH SHOPS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	202	\$239,273	\$4,316 08	\$552 80	12.1	367	\$413,890	\$8,049 66	\$1,906 93	23.7
4.....	51	35,940	571 96	49	.1	61	44,563	985 27	19 18	1.9
5.....	99	71,816	1,457 13	17 22	1.2	99	71,182	1,266 90	500 00	39.5
6.....	59	34,440	786 95	36	.....	101	70,097	1,376 76	1,802 97	131.0
7.....	101	56,360	1,267 55	344 00	26.5	220	126,594	2,858 01	852 53	29.8
8.....	134	109,010	2,196 63	186 48	8.5	169	92,925	2,331 39	849 32	36.4
9.....	52	25,720	739 48	18	.....	96	42,184	1,109 43	153 37	13.8
10.....	146	83,339	1,967 57	5 13	.3	264	141,104	3,868 67	25 00	.6
Totals.....	844	\$655,898	\$13,333 35	\$1,106 66	8.3	1,377	\$1,002,642	\$21,845 99	\$6,109 30	28.0
Totals for mutuals.....	6	6,886	123 88	.....	.....	15	10,275	202 22	388 50	192.1

All Companies.

Grand totals for all insurance organizations..	850	\$662,784	\$13,456 23	\$1,106 66	8.2	1,392	\$1,012,817	\$22,048 21	\$6,497 80	29.5
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CLASSES 611 AND 612, BOAT AND BATH HOUSES—YACHT AND ROWING CLUBS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	127	\$126,279	\$1,984 69	\$52 50	2.6	241	\$172,986	\$3,719 78	\$2,069 91	55.6

CLASSES 613 AND 614, BOTTLING WORKS FOR BEERS, MINERAL WATERS AND SOFT DRINKS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	273	\$584,777	\$8,042 14	\$4,926 59	61.3	516	\$636,777	\$9,442 31	\$2,150 40	22.8

CLASSES 615 AND 616, BRIDGES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	138	\$237,320	\$2,431 88	\$269 09	10.7	36	\$38,550	\$310 03	.....	.....

CLASSES 617 AND 618, BUILDERS' RISKS, BUILDINGS IN PROCESS OF CONSTRUCTION.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	993	\$4,073,965	\$34,437 68	\$21,344 95	62.0	157	\$280,890	\$2,421 85	\$65 18	2.7
Totals for remaining grades of cities.....	625	1,127,698	9,488 35	144 02	1.5	65	66,945	800 44	.....	.....
Totals for mutuals and American Lloyds....	21	107,200	195 78	.....	.....	11	41,500	70 63	.....	.....
All Companies.										
Grand totals for all insurance organizations..	1,639	\$5,308,863	\$44,121 81	\$21,488 97	48.7	233	\$369,335	\$3,292 92	\$65 18	2.0

CLASSES 619 AND 620, CLUB HOUSES (CITY)—Y. M. C. A.—Y. W. C. A.—GYMNASIUMS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	455	\$1,999,807	\$28,926 29	\$ 1,688 69	6.3	424	\$1,057,162	\$16,936 81	\$ 626 12	3.7
Totals for remaining grades of cities.....	338	769,911	9,742 90	10,597 38	108.7	349	367,179	5,196 23	1,327 02	25.6
Totals for mutuals and London Lloyds.....	6	22,808	319 17	.....	.....	8	66,792	1,292 82	.....	.....
All Companies.										
Grand totals for all insurance organizations..	799	\$2,792,526	\$36,988 36	\$12,268 07	33.2	781	\$1,491,133	\$23,425 86	\$1,953 14	8.3

CLASSES 621 AND 622, CLUB HOUSES (COUNTRY).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	369	\$834,685	\$13,165 65	\$5,780 06	43.9	599	\$870,889	\$19,756 07	\$13,122 28	66.4

CLASSES 623 AND 624, COAL AND WOOD YARDS—COAL TRESTLES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
S.....	324	\$510,547	\$8,702 82	\$ 5,876 73	67.5	939	\$2,331,827	\$37,268 58	\$ 8,210 52	22.0
Totals for remaining grades of cities.....	180	205,855	3,641 69	11,525 94	325.4	477	576,828	9,817 93	32,975 61	335.8
Totals for mutuals, American Lloyds and London Lloyds.....	16	18,750	332 42	813 66	244.7	36	89,267	1,647 94	.....	.....

All Companies.

Grand totals for all insurance organizations..	520	\$735,152	\$12,576 93	\$18,216 33	144.8	1,452	\$2,997,922	\$48,734 45	\$41,186 13	84.5
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CLASSES 625 AND 626, COTTON COMPRESSES WITH WAREHOUSES AND PLATFORMS IF COMMUNICATING THEREWITH.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	26	\$77,160	\$1,197 18	\$7,921 05	661.6	94	\$216,578	\$5,411 13	\$29 90	0.6

CLASSES 627 AND 628, COTTON YARDS AND PLATFORMS WHEN NOT COMMUNICATING WITH COMPRESS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	9	\$4,068	\$257 16	\$2 36	0.9	22	\$75,250	\$358 11	\$29 81	8.3

CLASSES 629 AND 630, EXHIBITION BUILDINGS—CAROUSELS—RINKS—FAIR GROUNDS, RACE TRACKS, BALL GROUNDS, AND SIMILAR AMUSEMENT PROPERTIES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	646	\$1,125,064	\$24,541 70	\$17,436 04	71.0	689	\$1,240,055	\$28,753 05	\$6,733 09	23.4

CLASSES 631 AND 632 FRUIT EVAPORATORS AND HOP KILNS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	18	\$43,220	\$491 16	\$29 24	5.9	46	\$81,188	\$1,060 90	\$6 22	0.6

CLASSES 633 AND 634 FRUIT PACKING HOUSES (NOT CANNING).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	7	\$7,946	\$206 34	.....	.....	22	\$30,996	\$607 73	.....	.....

CLASSES 635 AND 636, GARAGES (PUBLIC),
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,346	\$2,982,560	\$70,928 15	\$19,805 63	27.9	855	\$1,306,047	\$28,297 94	\$2,104 98	7.4
4.....	117	170,548	4,110 39	499 32	12.1	128	172,210	3,803 18	640 00	16.8
5.....	224	357,058	7,702 98	1,456 38	18.9	131	183,846	4,015 01	182 66	4.5
6.....	80	125,250	3,064 13	927 95	30.3	74	70,547	1,931 43	1,137 85	58.9
7.....	231	318,383	8,066 22	378 73	4.7	145	143,624	3,913 30	683 46	17.5
8.....	197	314,000	9,238 90	1,099 00	11.9	85	88,325	2,755 32	6 00	0.2
9.....	65	62,268	2,224 63	.....	.....	39	37,825	1,148 03	71 30	6.2
10.....	104	136,234	4,259 66	4 87	0.1	49	46,728	1,531 04	.....	.....
Totals for stock companies.....	2,364	\$4,486,281	\$109,594 06	\$24,171 88	22.1	1,506	\$2,049,151	\$47,395 25	\$4,826 25	10.2
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	29	50,400	2,675 63	311 77	11.6	86	138,572	2,851 19	1,905 38	66.8

All Companies.

Grand totals for all insurance organizations..	2,393	\$4,516,681	\$112,269 69	\$24,483 65	21.8	1,592	\$2,187,723	\$50,246 44	\$6,731 63	13.4
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CLASSES 951 AND 952, GARAGES (PUBLIC)—Sprinklered.
Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	21	\$101,967	\$610 80	\$90 27	14.8	154	\$701,885	\$3,388 60	\$6,493 38	191.6

CLASSES 637 AND 638, GAS WORKS.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	114	\$579,928	\$7,031 63	\$8,804 90	125.2	195	\$916,204	\$9,354 07	\$210 41	2.2

CLASSES 639 AND 640, GREENHOUSES (COMMERCIAL).
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	239	\$345,455	\$6,205 77	\$4,560 88	73.5	131	\$90,849	\$2,388 51	\$88 65	3.7

CLASSES 641 AND 642, HAY PRESSES AND BARNS.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	210	\$128,795	\$2,812 38	\$926 31	32.9	289	\$187,149	\$4,371 96	\$2,830 88	64.7

CLASSES 643 AND 644, HOTELS AND BOARDING HOUSES (ALL THE YEAR ROUND).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,846	\$12,961,415	\$165,664 05	\$61,689 40	37.2	1,837	\$3,643,284	\$68,790 75	\$21,216 01	30.8
4.....	313	652,653	10,914 45	2,279 64	20.9	343	494,297	7,888 87	1,638 85	20.7
5.....	306	777,187	13,397 66	1,354 67	10.1	380	499,738	7,926 01	893 85	11.3
6.....	214	477,079	9,230 62	57,183 01	619.5	244	269,204	4,803 11	14,316 63	298.1
7.....	494	783,416	17,787 31	9,137 36	51.4	359	363,956	6,562 40	2,919 48	44.5
8.....	386	905,385	16,764 97	8,276 47	49.4	268	273,217	5,937 39	1,819 55	30.6
9.....	181	293,850	6,725 70	745 87	11.1	109	87,637	2,033 66	76 06	3.7
10.....	244	519,451	11,144 66	2,975 98	26.7	174	141,619	3,009 58	879 17	29.2
Totals for stock companies.....	4,984	\$17,370,436	\$251,629 32	\$143,642 40	57.1	3,714	\$5,772,952	\$106,951 67	\$43,757 50	40.9
Totals for mutuals, interinsurers, American Lloyds and London Lloyds.....	95	349,175	4,727 34	6,154 60	130.1	91	176,950	2,650 39	6,685 29	252.2

All Companies.

Grand totals for all insurance organizations..	5,079	\$17,719,611	\$256,356 66	\$149,797 00	58.4	3,805	\$5,949,902	\$109,602 06	\$50,421 14	46.0
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CLASSES 645 AND 646, HOTELS AND BOARDING HOUSES (SUMMER OR WINTER ONLY).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	115	\$281,138	\$4,776 48	\$3,252 01	68.1	65	\$157,007	\$3,707 97	\$763 47	20.6

CLASSES 647 AND 648, ICE STORAGE HOUSES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	448	\$561,314	\$15,790 43	\$50,862 76	322.1	620	\$621,781	\$18,871 22	\$8,350 64	44.3

CLASSES 649 AND 650, LUMBER YARDS—WHOLESALE AND MILL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	76	\$111,313	\$2,162 78	\$1,247 96	57.7	1,540	\$3,902,327	\$51,153 40	\$11,050 82	21.6
4.....	15	15,458	281 19	4 61	1.6	205	661,114	5,583 70	58 25	1.0
5.....	20	13,816	151 49	.....	.....	275	562,973	5,001 83	.....	.....
6.....	11	17,250	240 65	.....	.....	287	714,658	8,939 47	1,353 56	15.1
7.....	26	37,234	427 20	.....	.....	152	400,932	4,632 41	120 61	2.6
8.....	6	9,840	114 35	1,106 00	967.2	94	250,707	2,492 11	1,111 00	44.6
9.....	2	6,728	49 33	.....	.....	45	155,052	1,415 37	.....	.....
10.....	-6	3,655	21 87	.....	.....	73	204,896	2,551 98	85 03	3.3
Totals for stock companies.....	162	\$215,094	\$3,448 66	\$3,358 57	68.4	2,671	\$6,842,659	\$81,750 27	\$13,779 27	16.9
Totals for mutuals, American Lloyds and London Lloyds.....	63	47,312	617 38	748 00	121.1	281	865,446	10,935 83	3,020 19	27.6

All Companies.

Totals.....	225	\$262,406	\$4,066 24	\$3,106 57	76.4	2,952	\$7,708,107	\$92,686 10	\$16,799 46	18.1
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CLASS 649, LUMBER YARDS—WHOLESALE AND MILLS.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	55	\$164,100	\$2,558 51							

CLASSES 651 AND 652, LUMBER YARDS—RETAIL.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	136	\$264,643	\$3,355 86	\$709 85	21.2	1,605	\$3,960,481	\$45,928 67	\$13,979 64	30.4
4.....	32	27,099	211 10	3 52	1.1	395	847,487	7,167 22	60 08	.8
5.....	46	49,612	485 65	9 88	2.0	469	892,036	7,166 81	3,639 28	30.8
6.....	48	67,016	617 63	227 40	33.8	463	999,656	9,447 33	6,602 20	68.8
7.....	106	102,590	1,858 04	28 77	2.8	839	1,755,504	15,302 44	4,412 71	28.8
8.....	55	75,352	683 71	40 40	6.8	707	1,496,365	13,087 86	3,478 44	23.6
9.....	55	68,520	647 74			372	800,217	7,162 16	1,758 61	24.5
10.....	115	196,324	1,796 82			554	1,403,362	12,713 47	16 01	.1
Totals.....	592	\$912,145	\$9,484 55	\$1,032 80	10.9	5,404	\$12,155,008	\$118,005 96	\$33,847 37	28.7

Mutual Companies.

3.....	4	\$ 8,000	\$101 88			249	\$861,000	\$6,466 07	\$ 4 17	0.1
4.....						36	100,500	835 26		
5.....	2	1,400	10 80			11	37,325	844 18		
6.....	4	6,485	81 29			50	145,500	1,617 12		
7.....	8	6,735	65 21			93	230,915	1,888 79	100 02	5.3
8.....	10	10,467	175 11			77	149,796	1,634 32		

9.....	8	9,124	117 28	.....	.....	49	115,951	1,379 05	.....	.....
10.....	25	25,555	407 62	.....	.....	94	166,070	1,920 26	.....	.....
Totals for mutual companies.....	67	\$67,786	\$959 19	.....	.....	659	\$1,807,057	\$16,085 05	\$ 104 19	0.6
Totals for interinsurers, American Lloyds and London Lloyds.....	86	49,295	438 65	\$1,491 25	339.9	102	323,655	2,899 25	3,310 83	114.1

All Companies.

Grand totals for all insurance organisations..	746	\$1,029,226	\$10,882 39	\$2,524 05	23.2	6,165	\$14,285,720	\$136,900 26	\$37,262 39	27.2
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CLASS 652, LUMBER YARDS—RETAIL.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	548	\$1,763,775	\$19,543 71	.....	.....	.....	.....	.....	.....	.....

CLASSES 653 AND 654, MARBLE AND STONE YARDS WITH POWER AND MILLS (FOR HAND SHOPS, SEE MISCELLANEOUS).

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Totals.....	203	\$261,120	\$4,203 52	\$73 00	1.7	724	\$1,811,187	\$27,366 98	\$3,596 63	13.1

CLASSES 655 AND 656, MISCELLANEOUS—NONMANUFACTURING SPECIALS NOT OTHERWISE CLASSIFIED.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	370	\$885,970	\$11,797 99	\$13,262 73	112.4	1,111	\$1,220,073	\$20,127 58	\$4,465 46	22.2
4.....	49	39,303	604 74	55 04	9.1	128	169,209	2,684 14	589 78	22.0
5.....	39	32,722	498 72	44 39	8.9	94	103,454	1,401 11	965 77	38.9
6.....	24	22,338	272 82	1 00	.4	85	50,944	1,227 93	649 44	52.9
7.....	97	91,858	1,473 20	31 45	2.1	186	133,191	2,253 75	.....	.....
8.....	65	39,236	752 56	242 00	32.2	104	92,080	1,485 93	39 87	2.7
9.....	18	18,889	236 60	.....	.....	46	36,568	864 51	.....	.....
10.....	32	14,540	371 81	2,619 41	704.5	44	28,713	926 55	889 59	96.0
Totals for stock companies.....	679	\$1,144,856	\$16,007 74	\$16,256 02	101.6	1,778	\$1,834,230	\$30,971 20	\$7,599 91	24.5
Totals for mutuals, American Lloyds and London Lloyds.....	19	47,993	339 17	.....	.....	32	54,632	1,013 20	366 98	36.2
All Companies.										
Grand totals for all insurance organizations..	698	\$1,192,849	\$16,346 91	\$16,256 02	99.4	1,810	\$1,888,862	\$31,984 40	\$7,966 89	24.9

CLASSES 953 AND 954, MISCELLANEOUS—NONMANUFACTURING SPECIALS NOT OTHERWISE CLASSIFIED—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	77	\$539,255	\$2,285 73	\$13 27	0.6	434	\$2,170,476	\$9,268 64	\$522 11	5.6

CLASS 953, MISCELLANEOUS—NONMANUFACTURING SPECIALS NOT OTHERWISE CLASSIFIED—Sprinklered.

Kind of Insuring Organization—Blanket Policies—Buildings and Contents Combined—Sprinklered.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	62	\$212,400	\$356 10							

CLASSES 657 AND 658, MOTION PICTURE SHOWS (FOR THEATRES, SEE 679-680).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	598	\$1,945,256	\$31,167 07	\$5,434 24	17.4	298	\$370,215	\$7,136 51	\$4,011 46	56.2
4.....	83	151,999	1,946 52	658 61	33.9	70	115,947	1,618 27	606 75	37.5
5.....	55	129,369	1,755 34	615 77	35.0	80	218,289	2,172 45	782 18	36.0
6.....	72	129,065	1,939 88	55 01	2.8	60	65,980	1,175 48	.....	.....
7.....	156	823,377	6,141 84	87 20	.6	120	101,723	1,684 92	1,683 90	99.9
8.....	110	206,598	4,439 28	2,520 37	56.8	84	64,143	1,377 29	165 67	12.0
9.....	29	43,939	1,378 94	576 47	41.8	37	28,520	843 23	.....	.....
10.....	57	81,671	2,097 16	7,400 00	352.9	39	38 139	853 52	400 00	46.9
Totals for stock companies.....	1,180	\$3,016,284	\$50,864 98	\$17,297 67	34.0	786	\$1,002,936	\$16,601 67	\$7,649 90	45.9
Totals for mutuals.....	17	42,675	655 22	.....	.....	14	19,750	425 68	.....	.....

All Companies.

Grand totals for all insurance organizations..	1,147	\$3,058,939	\$51,520 20	\$17,297 67	33.6	800	\$1,022,686	\$17,027 35	\$7,649 96	44.8
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CLASSES 659 AND 660, PAINT SHOPS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	210	\$250,173	\$4,363 41	\$412 67	9.5	314	\$244,785	\$3,993 32	\$1,718 49	43.0

CLASSES 661 AND 662, PHOTOGRAPHERS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	201	\$249,453	\$4,175 00	\$434 70	10.4	790	\$705,264	\$11,425 78	\$5,095 31	44.6

CLASSES 663 AND 664, PLUMBING, GAS FITTING, LOCKSMITHS AND TIN SHOP.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	292	\$235,618	\$8,468 50	\$790 45	9.3	1,040	\$1,307,194	\$18,640 66	\$11,131 86	59.7
4.....	53	48,116	721 58	.....	194	175,656	2,750 94	828 41	30.1	
5.....	65	53,694	784 88	297 15	19.1	204	189,210	2,645 78	45 00	1.8
6.....	43	38,881	622 10	.....	173	161,659	2,059 84	12 50	.....
7.....	96	95,754	1,558 10	198 52	12.6	100	187,292	2,625 28	351 55	13.4
8.....	68	63,867	1,345 99	.....	118	96,839	1,800 61	1,013 17	56.2	
9.....	15	14,694	267 93	.....	33	19,383	360 11	.....	.....
10.....	28	19,445	441 63	474 60	107.5	43	38,738	539 35	.....	.....
Totals for stock companies.....	660	\$569,867	\$14,208 71	\$1,758 72	12.4	1,995	\$2,175,971	\$31,322 55	\$13,381 89	42.7
Totals for mutuals and interinsurers.....	15	30,027	421 78	.....	45	46,423	694 26	65 07	9.3	

All Companies.

Totals.....	675	\$599,894	\$14,630 49	\$1,758 72	12.0	2,040	\$2,222,394	\$32,016 81	\$13,446 96	42.0
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CLASSES 665 AND 666, PRISONS, PENITENTIARIES, JAILS, REFORM SCHOOLS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	57	\$99,944	\$1,425 19	\$110 08	7.7	121	\$216,033	\$3,262 91	\$48 67	1.3

CLASSES 667 AND 668, RAG AND JUNK STORES.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	288	\$624,926	\$7,875 98	\$4,772 82	60.6	284	\$827,038	\$8,537 96	\$2,208 68	25.9

CLASSES 669 AND 670, STEAM RAILWAY RISKS (EXCLUDING MERCHANDISE FOR OTHER PARTIES IN FREIGHT HOUSES).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	210	\$2,921,918	\$16,098 15	\$5,836 30	36.3	379	\$19,791,083	\$119,412 58	\$84,555 92	70.8
4.....	2	13,865	250 37	615 46	245.8	62	360,579	3,832 93	2,400 00	62.6
5.....	7	15,475	117 71	506 54	430.3	7	61,808	351 77	.....	.....
6.....	4	5,180	74 04	.....	.....	17	88,244	1,008 72	9 25	.9

7.....	4	2,270	49 15	191 82	390.3	14	47,266	408 66	.....	.....
8.....	4	4,404	57 59	1 25	8.2	12	13,029	160 71	.....	.....
9.....	1	135	1 00	.....	.....	1	246	8 37	.....	.....
10.....	9	11,186	111 38	.....	.....	81	7,155,551	25,240 14	71,851 49	294.7
Totals for stock companies.....	237	\$2,974,443	\$16,769 38	\$7,151 37	42.7	578	\$27,517,816	\$150,407 14	\$158,816 66	105.6
Totals for mutuals and London Lloyds.....	.....	.....	.....	.....	.....	4	40,500	800 70	.....	.....

All Companies.

Grand totals for all insurance organizations..	237	\$2,974,443	\$16,769 38	\$7,151 37	42.7	577	\$27,558,316	\$150,707 84	\$158,816 66	105.4
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CLASSES 671 AND 672, STEAMERS, VESSELS, TUGS, FERRY BOATS, MARINE DREDGES, YACHTS—SHIPPING IN PORT OR LAID UP.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	116	\$240,580	\$4,675 06	\$2,029 08	43.6	117	\$1,068,011	\$12,017 08	\$1,031 14	16.9

CLASSES 673 AND 674, STOCK YARDS.
Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
B.....	95	\$475,646	\$8,642 82	\$949 81	11.0	998	\$5,542,952	\$76,674 17	\$10,974 46	14.3
Totals for remaining grades of cities.....	52	144,117	2,497 54	.....	.....	413	1,589,854	21,864 21	2,029 00	9.2
Totals for mutuals, American Lloyds and London Lloyds.....	10	46,000	701 30	.....	.....	112	446,750	5,449 50	123 40	2.2
All Companies.										
Grand totals for all insurance organizations..	157	\$665,763	\$11,841 66	\$949 81	8.0	1,523	\$7,579,556	\$103,967 88	\$13,126 86	12.6

CLASSES 675 AND 676, STONE CRUSHERS.
Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	143	\$463,987	\$7,165 84	\$10,928 26	15.2	374	\$804,744	\$16,430 96	\$12,250 26	7.5

CLASSES 677 AND 678, STREET RAILWAY AND TRACTION PROPERTIES, INCLUDING STORAGE AND OPERATING HOUSES.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	86	\$2,969,850	\$27,129 28	\$1,857 72	6.8	587	\$23,649,447	\$220,218 83	\$20,404 67	9.3
4.....	60	480,181	2,848 81	1,962 52	68.8	121	1,721,995	12,013 55	4,699 96	38.1
5.....	72	389,274	2,046 89	5,440 05	265.9	211	2,535,504	14,231 11	8,716 60	61.3
6.....	36	210,589	1,524 97	22 91	1.5	149	1,274,592	8,189 32	845 34	10.3
7.....	84	282,521	2,543 42	1,889 06	74.3	94	489,172	4,176 34	230 74	5.5
8.....	24	62,836	689 44			22	257,751	2,079 51	378 40	18.2
9.....						8	68,374	405 89	41 25	10.2
10.....	3	10,708	5 00			8	36,630	426 44	212 15	49.7
Totals for stock companies.....	365	\$4,384,543	\$36,786 81	\$11,172 26	30.4	1,200	\$30,003,465	\$261,740 49	\$35,529 11	13.6
Totals for mutuals and London Lloyds.....	1	200,000	67 30	14 35	21.3	2	37,000	314 82	19 75	6.2

All Companies.

Grand totals for all insurance organizations..	366	\$4,386,543	\$36,854 11	\$11,186 61	30.4	1,202	\$30,040,465	\$262,054 81	\$35,548 86	13.6
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CLASSES 955 AND 956, STREET RAILWAY AND TRACTION PROPERTIES (FOR CAR-BUILDING WORKS, SEE 842)—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.	19	\$142,047	\$365 40	\$9 00	2.5	53	\$319,105	\$1,314 13	\$64 07	4.9

CLASSES 679 AND 680, THEATRES AND OPERA HOUSES (WITH OR WITHOUT MOTION PICTURES) (FOR MOTION PICTURE SHOWS, SEE 657-658).

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	989	\$4,214,886	\$70,509 23	\$37,196 79	52.8	644	\$2,083,375	\$27,311 43	\$8,175 79	29.9
4.....	133	364,521	4,710 30	1,333 77	28.3	113	294,861	3,137 16	2,428 46	77.4
5.....	116	345,925	7,899 64	4,951 18	62.7	81	154,287	2,578 45	1,767 35	69.5
6.....	101	266,381	4,686 15	382 85	8.2	56	159,370	1,548 10	108 45	7.0
7.....	168	335,239	6,878 79	3,613 68	52.5	181	125,053	1,900 16	1,837 98	95.7
8.....	153	308,440	6,417 62	-----	-----	76	80,825	1,608 15	8 89	4.6
9.....	45	100,321	2,005 22	1,352 22	67.4	20	19,229	304 33	12 80	4.2
10.....	67	100,873	2,439 75	2,181 03	89.4	24	21,758	454 93	12 80	2.8
Totals for stock companies.....	1,772	\$6,036,596	\$105,546 70	\$51,011 52	48.3	1,194	\$2,938,558	\$38,842 71	\$14,352 52	36.9
Totals for mutuals.....	27	67,400	1,542 59	1,005 02	65.2	8	16,100	285 03	18 14	6.4

All Companies.

Grand totals for all insurance organizations..	1,799	\$6,103,996	\$107,089 29	\$52,016 54	48.6	1,202	\$2,954,658	\$39,127 74	\$14,370 66	36.7
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CLASSES 957 AND 958, THEATRES AND OPERA HOUSES (WITH OR WITHOUT MOTION PICTURES)—Sprinklered.

Kind of Insuring Organization—All Companies—Sprinklered.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	31	\$176,014	\$2,417 94	\$63 04	2.6	55	\$174,206	\$2,226 19	\$166 47	7.5

CLASSES 681 AND 682, TOBACCO BARNs.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	22	\$32,475	\$633 87	\$6 00	0.9	37	\$125,883	\$661 21	\$67 33	10.2

CLASSES 683 AND 684, WATER WORKS AND PUMPING STATIONS—FILTRATION PLANTS.

Kind of Insuring Organization—All Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	115	\$153,555	\$3,137 72	\$295 45	13.8	184	\$402,872	\$5,643 45	\$1,111 13	19.7

CLASS 701, CORDWOOD, LOGS, LUMBER AND BARK IN THE WOODS.

Kind of Insuring Organization—All Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	67	\$160,744	\$2,520 84	\$2,133 28	84.6

CLASS 702, FLOATERS.

Kind of Insuring Organization—Stock Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	687	\$3,794,650	\$43,428 77	\$6,630 21	15.3
Totals for remainder of stock companies	303	949,256	8,438 22	881 40	10.4

CLASS 702, FLOATERS.

Kind of Insuring Organization—London Lloyds.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,098	\$1,844,970	\$ 9,989 25	\$1,299 89	13.0
Totals for remainder of London Lloyds.	50	92,890	850 14	.....	.....
Totals for mutuals..	202	1,939,446	15,663 25	1,006 54	6.4

CLASS 702, FLOATERS.

Kind of Insuring Organization—All Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Grand totals for all insurance organizations.....	2,430	\$8,621,212	\$78,869 64	\$9,818 04	12.5

CLASS 705, FLOATERS—AUTOMOBILES.

Kind of Insuring Organization—London Lloyds.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	980	\$678,978	\$13,222 99	\$6,252 47	47.3
Totals for remainder of London Lloyds	370	158,725	2,991 10	3,567 11	119.3
Totals for stock companies and mutuals.....	846	953,010	18,665 20	8,006 34	42.9

CLASS 705, FLOATERS—AUTOMOBILES.

Kind of Insuring Organization—All Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Grand totals for all insurance organizations.....	2,198	\$1,790,708	\$34,879 29	\$17,825 92	51.1

CLASS 706, COTTON—ALL CLASSES NOT OTHERWISE PROVIDED FOR—INCLUDING FLOATERS.

Kind of Insuring Organization—All Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Totals.....	544	\$475,318	\$8,811 51	\$3,185 03	46.5

UNCLASSIFIED.

Kind of Insuring Organization—Stock Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	644	\$3,116,652	\$26,005 41	\$7,278 07	28.0
Totals for remainder of unclassified.....	891	3,494,369	21,590 41	4,561 42	21.3

UNCLASSIFIED.

Kind of Insuring Organization—All Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Grand totals for all insurance organizations.....	1,535	\$6,611,091	\$47,595 82	\$11,839 49	24.9

FARM BUSINESS.

NOTE.—It will be observed that a part of the farm business is subdivided according as to whether the buildings were occupied by owner or tenant, while the remainder is given with owner and tenant "unseparated." The reason that the statistics appear in this form is that when the companies charge rates on farm property occupied by a tenant different from those on farm property occupied by the owner, they were required to report separately as to owner and tenant, but when the same rate was charged irrespective of whether the farm property was occupied by owner or by tenant, they were permitted to report such farm business without any separation as to owner or tenant.

CLASSES 15 AND 16, DWELLINGS—OCCUPIED FOR FARMING PURPOSES.

Kind of Insuring Organization—Stock Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	13,723	\$44,812,595	\$306,066 75	\$219,152 86	71.6	10,129	\$19,920,135	\$141,553 08	\$89,926 38	63.5
Owner only.....	13,087	11,077,396	181,412 59	90,812 85	56.2	6,327	2,298,170	32,145 06	27,098 20	84.2
Tenant only.....	1,146	1,083,061	16,486 53	18,151 12	110.0	986	526,526	6,847 87	4,612 49	67.3
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	27,956	\$56,973,052	\$483,965 87	\$328,116 83	67.8	17,442	\$22,744,831	\$180,546 61	\$121,627 07	67.3

Mutual.

Owner only.....	210	\$226,814	\$2,021 79	\$2,963 60	146.6	152	\$57,976	\$662 16	\$300 00	45.2
Tenant only.....	84	101,656	779 44	722 88	92.7	78	29,999	297 08	25 00	8.4
Total of "owner only" and "tenant only".....	294	\$338,470	\$2,801 23	\$3,685 98	131.6	230	\$87,975	\$959 24	\$325 00	33.8

Stock and Mutual Combined.

Owner and tenant, unseparated.....	13,723	\$44,812,595	\$306,066 75	\$219,152 86	71.6	10,129	\$19,920,135	\$141,553 68	\$89,926 38	63.5
Owner only.....	13,297	11,314,210	163,434 88	93,776 45	67.4	6,479	2,356,146	32,807 22	27,388 20	83.5
Tenant only.....	1,230	1,184,717	17,265 97	18,873 80	109.3	1,064	566,635	7,144 95	4,637 49	64.9
Totals for "owner and tenant, unseparated," "owner only," "tenant only"	28,250	\$56,311,522	\$486,767 10	\$331,802 81	68.2	17,672	\$22,832,806	\$181,505 85	\$121,952 07	67.2

CLASSES 17 AND 18, FARM BARN AND OTHER OUTBUILDINGS OCCUPIED FOR FARMING PURPOSES.

Kind of Insuring Organization—Stock Companies.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss:	Loss ratio—per cent.	No. of risks.	Amount:	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	10,827	\$34,922,582	\$234,018 52	\$154,654 96	66.0	12,450	\$34,742,009	\$228,935 92	\$133,680 48	55.4
Owner only.....	9,571	5,815,104	89,164 50	69,572 22	78.0	12,438	5,610,983	80,320 71	52,114 22	64.9
Tenant only.....	1,611	1,737,454	28,484 37	12,724 64	44.7	2,489	874,888	11,481 81	10,918 38	95.1
Totals for "owner and tenant, unseparated," "owner only," and "tenant only"	22,009	\$42,475,140	\$351,662 39	\$286,951 82	67.4	27,386	\$41,227,880	\$320,738 44	\$196,713 08	61.3

Mutual.

Owner only.....	228	\$228,464	\$2,359 15	\$4,259 06	180.5	158	\$88,529	\$1,166 26	\$604 00	51.8
Tenant only.....	67	77,624	824 37	969 06	117.5	111	85,987	833 40	230 00	27.6
Totals of "owner only" and "tenant only"	293	\$301,088	\$3,184 02	\$5,228 06	164.2	269	\$174,516	\$1,999 66	\$834 00	41.6

CLASSES 17 AND 18, FARM BARNs AND OTHER OUTBUILDINGS OCCUPIED FOR FARMING PURPOSES—Concluded.
Stock and Mutual Combined.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	10,827	\$34,922,582	\$234,013 52	\$154,654 96	66.1	12,450	\$34,742,009	\$228,935 92	\$133,680 48	58.4
Owner only.....	9,797	6,038,668	91,523 65	73,831 22	80.7	12,596	5,699,512	81,486 97	52,718 22	64.7
Tenant only.....	1,678	1,815,078	29,309 24	13,693 70	46.7	2,609	960,875	12,315 21	11,148 38	90.5
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	22,302	\$42,776,228	\$354,846 41	\$242,179 88	68.2	27,655	\$41,402,396	\$322,738 10	\$197,547 08	61.2

ALL CLASSES—EXCEPT MISCELLANEOUS—THAT IS TO SAY BUILDINGS AND CONTENTS—CLASSES NOS. 15, 16, 17 AND 18.
Kind of Insuring Organization—Stock.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	24,550	\$79,735,177	\$540,080 27	\$373,807 82	69.1	22,579	\$54,662,144	\$370,489 60	\$223,606 86	60.4
Owner only.....	22,658	18,892,500	250,577 09	160,385 07	64.0	18,765	7,909,153	112,465 77	79,202 42	70.4
Tenant only.....	2,767	2,820,515	44,970 90	30,875 76	68.7	3,484	1,401,414	18,329 68	15,530 87	84.7
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	49,965	\$99,448,192	\$835,628 26	\$565,068 65	67.6	44,828	\$63,972,711	\$501,285 05	\$318,340 15	63.5

Mutual.

Owner only.....	436	\$460,378	\$4,380 94	\$7,222 60	164.9	910	\$146,505	\$1,828 42	\$904 00	49.4
Tenant only.....	161	179,260	1,604 31	1,691 44	105.4	189	115,986	1,130 48	255 00	22.6
Totals for "owner only" and "tenant only".....	587	\$639,558	\$5,985 25	\$8,914 04	148.9	490	\$262,491	\$2,958 90	\$1,159 00	39.2

Stock and Mutual Combined.

GRAND TOTAL.

Owner and tenant, unseparated.....	24,550	\$79,735,177	\$540,080 27	\$373,807 82	69.2	22,579	\$54,662,144	\$370,489 60	\$223,606 86	60.4
Owner only.....	23,094	17,352,778	264,958 03	167,607 67	65.7	19,075	8,055,658	114,294 19	80,106 42	70.1
Tenant only.....	2,908	2,999,795	46,575 21	32,567 20	69.9	3,673	1,617,400	19,460 16	15,786 87	81.1
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	50,552	\$100,087,760	\$841,613 51	\$573,982 69	68.2	45,327	\$64,235,202	\$504,243 95	\$319,499 15	63.4

CLASS 20, LIVE STOCK ON FARMS, IN OR OUT OF BUILDINGS.

Kind of Organization—Stock Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	11,656	\$48,389,744	\$306,096 20	\$166,598 09	54.4	.....	.....	.....	.....	.....
Owner only.....	9,479	8,052,552	114,072 34	52,512 92	46.0	.....	.....	.....	.....	.....
Tenant only.....	2,169	1,034,428	13,703 36	8,588 70	62.7	.....	.....	.....	.....	.....
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	23,304	\$57,476,724	\$433,871 90	\$227,699 71	52.5	.....	.....	.....	.....	.....

CLASS 20, LIVE STOCK ON FARMS, IN OR OUT OF BUILDINGS—Concluded.

Mutual.

	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner only.....	123	\$ 85,418	\$1,019 91	\$615 54	60.3	.....	.....	.....	.....	.....
Tenant only.....	117	104,292	861 88	.....	.....	.....	.....	.....	.....	.....
Totals for "owner only" and "tenant only".....	240	\$189,710	\$1,881 79	\$615 54	22.7	.....	.....	.....	.....	.....
Stock and Mutual Combined.										
Owner and tenant, unseparated.....	11,656	\$48,889,744	\$306,096 20	\$166,598 09	54.4	.....	.....	.....	.....	.....
Owner only.....	9,602	8,137,970	115,092 25	53,128 46	46.2	.....	.....	.....	.....	.....
Tenant only.....	2,296	1,138,720	14,565 24	8,588 70	59.0	.....	.....	.....	.....	.....
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	23,544	\$57,666,434	\$435,753 69	\$228,315 25	52.4	.....	.....	.....	.....	.....

NOTE.—In class No. 703 there was only one Mutual risk, and in class No. 704 only four Mutual risks. These being wholly insufficient to make a law of average, only the figures for the Stock Companies and Mutuals combined are printed for these classes in the tables which follow.

CLASS 703, GRAIN GROWING IN FIELDS.

Kind of Insuring Organization—Stock and Mutual Companies Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	17	\$510,226	\$6,282 61	\$3,678 34	58.4
Owner only.....	10	7,800	76 43	168 74	220.8
Tenant only.....	15	25,650	104 23		
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	42	\$543,676	\$6,463 27	\$3,841 18	59.4

CLASS 704, HAY AND GRAIN IN STACKS IN FIELD.

Kind of Insuring Organization—Stock and Mutual Companies Combined.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant, unseparated.....	1,204	\$776,280	\$10,212 51	\$5,777 92	56.0
Owner only.....	983	445,513	4,511 23	1,619 54	35.9
Tenant only.....	189	47,560	560 88	611 36	109.0
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	2,336	\$1,271,353	\$15,284 62	\$8,007 80	52.3

MISCELLANEOUS CLASSES—NOS. 20, 703 AND 704 COMBINED.

Kind of Insuring Organization—Stock Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner and tenant unseparated.....	12,834	\$49,665,975	\$321,616 42	\$175,477 58	54.6
Owner only.....	10,447	8,502,665	118,618 10	54,276 20	45.8
Tenant only.....	2,353	1,107,638	14,368 47	9,200 06	64.0
"Owner and tenant, unseparated," "owner only" and "tenant only".....	25,634	\$59,276,278	\$454,602 99	\$238,953 84	52.6

MISCELLANEOUS CLASSES—NOS. 20, 703 AND 704 COMBINED.

Kind of Insuring Organization—Mutual Companies.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
Owner only.....	128	\$ 88,618	\$1,061 81	\$640 54	60.3
Tenant only.....	117	104,292	861 88		
Totals for "owner only" and "tenant only".....	245	\$192,910	\$1,923 69	\$640 54	33.3

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MISCELLANEOUS CLASSES—NOS. 20, 703 AND 704 COMBINED.
 Kind of Insuring Organization—Stock and Mutual Companies
 Combined.

GRAND TOTAL.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Owner and tenant unseparated.....	12,877	\$49,678,250	\$322,592 30	\$176,047 35	54.5
Owner only.....	10,575	8,591,283	119,679 91	54,916 74	45.9
Tenant only.....	2,470	1,211,930	15,230 36	9,200 06	60.4
Totals for "owner and tenant, unseparated," "owner only" and "tenants only".....	25,922	\$59,481,463	\$457,502 50	\$240,163 15	52.4

**ALL CLASSES—INCLUDING MISCELLANEOUS—NOS. 15, 16, 17,
 18, 20, 703, 704.**

Kind of Insuring Organization—Stock Companies.

GRAND TOTAL.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Owner and tenant unseparated.....	59,963	\$184,063,296	\$1,232,186 29	\$772,892 26	62.7
Owner only.....	51,870	33,304,318	481,660 96	293,883 69	61.0
Tenant only.....	8,594	5,329,567	77,669 05	55,606 69	71.6
Totals for "owner and tenant, unseparated," "owner only," and "tenant only".....	120,427	\$222,697,181	\$1,791,516 30	\$1,122,362 64	62.6

**ALL CLASSES—INCLUDING MISCELLANEOUS—NOS. 15, 16, 17,
 18, 20, 703, 704.**

Kind of Insuring Organization—Mutual Companies.

GRAND TOTAL.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Owner only.....	874	\$695,401	\$7,271 17	\$8,767 14	120.6
Tenant only.....	457	399,568	3,596 67	1,946 44	54.1
Totals for "owner only" and "tenant only".....	1,331	\$1,094,969	\$10,867 84	\$10,713 58	98.6

**ALL CLASSES—INCLUDING MISCELLANEOUS—NOS. 15, 16, 17,
 18, 20, 703, 704.**

Kind of Insuring Organization—Stock and Mutual Companies
 Combined.

GRAND TOTAL.

	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
Owner and tenant, unseparated.....	60,006	\$184,075,571	\$1,233,162 19	\$773,462 03	62.7
Owner only.....	52,744	33,999,719	488,932 13	302,630 83	61.9
Tenant only.....	9,051	5,729,125	81,265 72	57,553 13	70.8
Totals for "owner and tenant, unseparated," "owner only" and "tenant only".....	121,801	\$223,804,415	\$1,802,460 00	\$1,133,645 99	62.8

GRAND TOTALS TABLES OF ALL THE FIRE INSURANCE BUSINESS IN THE STATE OF ILLINOIS, 1915.

ALL CLASSES—EXCEPT MISCELLANEOUS, FLOATERS AND UNCLASSIFIED.

Kind of Insuring Organization—Stock Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	234,821	\$550,810,213	\$5,998,883 84	\$2,206,253 76	36.8	377,466	\$715,266,539	\$7,044,300 74	\$2,751,768 61	39.1
4.....	35,408	54,347,604	564,680 96	352,012 06	62.3	46,969	69,464,408	712,350 25	469,209 00	65.9
5.....	39,166	61,874,481	638,826 03	458,785 98	76.5	43,038	60,185,126	597,048 86	639,072 83	107.1
6.....	32,555	51,025,147	492,003 71	276,635 81	56.2	37,018	43,185,087	518,490 23	198,772 13	38.5
7.....	58,850	77,871,617	780,666 83	413,959 95	53.0	59,110	63,508,860	721,197 79	332,737 77	46.1
8.....	44,015	60,906,411	689,193 52	389,240 13	56.5	43,898	44,826,864	564,350 60	252,862 34	44.8
9.....	17,797	22,066,725	249,578 44	139,204 65	55.8	16,671	16,641,056	211,050 45	100,713 62	47.7
10.....	33,344	41,442,756	487,118 27	326,581 04	67.0	33,128	41,925,469	468,484 23	378,137 02	80.7
Totals for cities.....	495,656	\$920,344,954	\$9,900,953 60	\$4,592,873 38	46.4	657,296	\$1,060,103,409	\$10,835,273 16	\$5,123,873 32	47.3
Totals for farm business.....	49,965	99,448,192	835,628 26	565,068 65	67.6	44,828	63,972,711	501,285 05	318,340 15	63.6
Totals for cities and farms.....	545,621	\$1,019,793,146	\$10,736,581 86	\$5,157,942 03	48.0	702,124	\$1,124,076,120	\$11,336,558 20	\$5,442,213 47	48.0

MISCELLANEOUS AND FLOATERS—CLASSES 701 TO 706.
Kind of Insuring Organization—Stock Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,120	\$4,575,651	\$59,569 04	\$12,065 95	20.3
4.....	191	313,750	4,663 70	1,633 30	35.0
5.....	268	790,181	7,218 07	177 52	2.5
6.....	55	119,518	1,661 79	89 02	5.2
7.....	500	274,565	3,999 93	3,273 31	81.8
8.....	155	128,090	2,514 64	2,833 99	112.7
9.....	114	80,316	942 70	27 03	2.9
10.....	58	34,383	1,315 12	1,288 91	.....
Totals for cities.....	2,461	\$ 6,259,688	\$ 79,254 75	\$ 21,386 03	27.0
Totals for farm business....	25,634	59,276,278	454,602 99	238,953 84	52.6
Totals for cities and farms.....	28,095	\$65,535,966	\$533,857 74	\$260,339 97	48.8

UNCLASSIFIED.

Kind of Insuring Organization—Stock Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	644	\$3,116,652	\$28,005 41	\$7,278 07	28.0
4.....	131	624,694	8,051 63	207 95	6.8
5.....	77	211,935	1,660 85	123 03	7.4
6.....	75	319,217	1,902 45	1,290 43	67.3
7.....	59	116,320	930 08	193 90	20.9
8.....	10	12,596	338 50	84 07	.....
9.....	6	10,370	147 30	37 86	25.4
10.....	530	2,215,349	14,101 50	2,624 62	18.6
Totals for cities.....	1,532	\$6,601,941	\$47,460 72	\$11,839 49	24.9

ALL CLASSES—INCLUDING MISCELLANEOUS, FLOATERS AND UNCLASSIFIED.

Kind of Insuring Organization—Stock Companies.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	614,051	\$1,273,769,055	\$13,128,759 03	\$4,977,366 39	37.9
4.....	82,699	124,750,456	1,294,746 54	833,062 31	64.1
5.....	82,549	123,067,723	1,244,755 81	1,128,759 36	90.7
6.....	69,701	99,648,969	1,012,058 18	476,784 39	47.1
7.....	118,219	141,771,362	1,506,794 63	750,164 99	47.8
8.....	88,078	105,948,769	1,255,720 26	645,020 53	51.4
9.....	34,548	28,804,467	461,718 89	239,982 66	52.0
10.....	67,060	85,549,191	988,388 88	708,631 59	73.2
Totals for cities.....	1,156,945	\$1,993,309,992	\$20,862,942 22	\$9,749,772 22	46.7
Totals for farm business.....	120,427	222,697,181	1,791,516 30	1,122,362 64	62.6
Totals for cities and farms—all stock company business.....	1,277,372	\$2,216,007,173	\$22,654,458 52	\$10,872,134 86	48.0

ALL CLASSES—EXCEPT BLANKET, MISCELLANEOUS AND FLOATERS.

Kind of Insuring Organization—Mutual Companies.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,435	\$7,939,350	\$71,738 00	\$20,198 96	28.2	6,749	\$18,194,656	\$143,716 18	\$49,589 98	34.5
4.....	898	1,515,617	12,649 23	10,423 91	82.4	1,847	2,558,445	21,636 28	20,592 46	95.2
5.....	440	829,837	9,779 76	4,285 21	43.8	1,052	1,402,921	17,316 36	28,203 72	162.9
6.....	602	1,301,876	15,677 59	7,584 59	49.0	1,138	2,036,550	21,312 92	6,498 24	30.5
7.....	1,694	3,192,695	37,226 27	19,913 14	53.5	3,024	4,981,453	59,402 39	15,488 89	26.1
8.....	1,337	2,521,701	34,175 48	61,594 81	180.2	2,326	4,483,943	49,734 80	37,782 95	76.0
9.....	645	1,209,563	19,695 27	9,647 08	49.0	978	2,153,947	28,882 92	4,249 00	14.7
10.....	2,024	4,180,995	48,952 26	33,087 49	67.6	2,487	5,155,182	63,166 15	39,166 72	62.0
Totals for cities.....	10,075	\$22,690,134	\$249,890 86	\$166,835 49	66.8	19,081	\$40,967,137	\$405,187 00	\$201,572 86	49.8
Totals for farm business.....	587	639,558	5,985 25	8,914 04	148.9	499	262,491	2,958 90	1,159 00	39.2
Totals for cities and farms.....	10,662	\$23,329,692	\$255,876 11	\$175,749 53	68.7	19,580	\$41,229,628	\$408,125 90	\$202,731 86	49.7

ALL CLASSES—BLANKET.

Kind of Insuring Organization—Mutual Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	5,296	\$58,051,644	\$87,334 23	\$27,185 03	31.1
4.....	526	6,324,332	11,342 79	2,367 00	20.9
5.....	140	1,552,100	4,452 41	1,149 33	25.8
6.....	411	5,453,165	9,887 23	1,199 35	12.1
7.....	448	5,500,488	16,363 02	419 37	2.6
8.....	420	3,988,880	11,664 96	40,376 04	346.1
9.....	130	745,182	5,462 65	1,132 16	20.7
10.....	489	1,921,770	26,027 66	49,680 72	190.9
Totals for cities.....	7,875	\$83,537,561	\$172,534 05	\$123,509 00	71.6

MISCELLANEOUS CLASSES AND FLOATERS.

Kind of Insuring Organization—Mutual Companies.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	33	\$1,117,408	\$8,455 16	\$908 71	10.7
4.....	13	59,959	645 60	.....	.....
5.....	19	54,700	1,665 90	17 38	3.1
6.....	53	143,747	1,182 97	.....	.....
7.....	77	183,543	1,124 52	.....	.....
8.....	28	104,813	1,456 88	65 60	4.5
9.....	25	91,089	1,166 14	.....	.....
10.....	66	214,756	2,215 77	14 85	.....
Totals for cities.....	314	\$1,980,011	\$16,812 94	\$1,006 54	6.0
Totals for farm business.....	245	192,910	1,923 69	640 54	33.3
Totals for cities and farms.....	559	\$2,172,921	\$18,736 63	\$1,647 08	8.8

ALL CLASSES—INCLUDING BLANKET, MISCELLANEOUS AND FLOATERS.

Kind of Insuring Organization—Mutual Companies.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	14,513	\$85,303,058	\$311,243 57	\$ 97,882 68	31.4
4.....	2,784	10,458,349	46,273 90	33,883 37	72.1
5.....	1,631	3,838,058	32,110 43	33,655 64	104.8
6.....	2,204	8,935,338	48,060 71	15,382 48	32.0
7.....	5,258	13,868,179	114,116 20	35,821 40	31.4
8.....	4,111	11,099,377	97,032 12	139,819 40	144.1
9.....	1,778	4,199,781	55,206 98	15,029 14	27.2
10.....	5,066	11,472,703	140,361 84	121,949 78	86.9
Totals for cities.....	37,345	\$149,174,843	\$844,405 75	\$492,923 89	58.4
Totals for farm business.....	1,331	1,094,959	10,887 84	10,713 58	98.6
Totals for cities and farms— all mutual business.....	38,676	\$150,269,802	\$855,273 59	\$503,637 47	58.9

ALL CLASSES—EXCEPT BLANKET.
Kind of Insuring Organization—Interinsurer.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	101	\$1,076,750	\$4,480 70	\$9,929 53	221.6	791	\$16,797,639	\$56,837 72	\$ 6,254 21	11.0
4.....	40	146,531	1,153 07	60 00	5.2	207	1,464,299	5,238 24	4,130 75	78.9
5.....	32	144,950	766 16	191 59	25.0	214	1,178,000	6,996 31	34,197 60	652.8
6.....	40	99,277	1,231 72	24 24	2.0	201	607,203	6,328 71	820 54	13.0
7.....	66	632,741	2,781 26	.....	.....	334	1,137,376	9,679 12	1,938 80	20.0
8.....	118	378,150	3,457 80	.....	.....	405	1,240,215	14,597 24	7,701 88	52.8
9.....	46	98,700	1,340 81	.....	.....	150	314,165	3,919 72	2,084 40	53.2
10.....	105	187,380	2,162 85	4,030 19	186.3	250	482,107	6,420 96	3,552 15	55.3
Total for cities.....	648	\$2,764,479	\$17,374 37	\$14,235 55	81.9	2,552	\$23,221,004	\$110,018 02	\$80,680 33	55.2

ALL CLASSES—BLANKET.
Kind of Insuring Organization—Interinsurer.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	50	\$1,509,950	\$7,293 64	\$ 55 35	0.7
4.....	51	966,950	2,074 33	3,950 77	190.5
5.....	40	414,850	3,201 82	699 87	18.7
6.....	64	524,450	4,376 15	5,834 51	133.3
7.....	70	447,450	4,575 83	.....	.....
8.....	42	426,100	3,958 00	.....	.....
9.....	12	68,000	638 77	58 00	9.0
10.....	4	7,450	119 20	.....	.....
Totals for cities.....	372	\$4,365,200	\$26,237 74	\$10,498 50	45.0.

ALL CLASSES—INCLUDING BLANKET.
Kind of Insuring Organization—Interinsurer.
GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	971	\$19,384,339	\$68,612 06	\$16,239 09	23.7
4.....	308	2,577,780	8,465 64	8,141 52	96.2
5.....	286	1,737,800	10,964 29	34,989 06	319.1
6.....	305	1,230,930	11,936 58	6,679 29	56.0
7.....	470	2,217,567	17,036 21	1,938 80	11.4
8.....	565	2,044,465	22,013 04	7,701 88	35.0
9.....	208	480,805	5,899 30	2,142 40	36.3
10.....	359	676,937	8,703 01	7,582 34	87.1
Totals for cities—all interinsurer business.....	3,472	\$30,350,683	\$153,630 13	\$85,414 38	55.6

ALL CLASSES.

Kind of Insuring Organization—American Lloyds.

GRAND TOTAL.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio— per cent.
3.....	314	\$1,297,422	\$5,894 55	\$ 408 17	6.9	931	\$8,454,309	\$41,911 43	\$5,200 20	12.4
4.....	9	14,500	102 10	50 00	49.0	122	1,509,815	4,427 33	306 42	6.9
5.....	8	5,000	42 75	.....	.....	29	115,750	799 88	.....	.....
6.....	26	11,300	163 35	54 23	33.2	63	478,950	2,260 00	403 43	17.9
7.....	25	235,900	731 75	1,260 75	172.3	67	444,650	2,711 21	2,291 33	84.5
8.....	19	8,500	141 35	978 50	692.3	23	96,500	990 93	3,268 40	329.8
9.....	15	6,000	49 10	.....	.....	24	500,800	1,076 14	.....	.....
10.....	19	11,170	164 50	.....	.....	27	169,680	1,087 76	.....	.....
Totals for cities.....	435	\$1,589,792	\$7,289 45	\$2,749 65	37.7	1,286	\$11,770,454	\$55,264 68	\$11,469 78	20.8

ALL CLASSES.
Kind of Insuring Organization—American Lloyds.
GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1,240	\$9,751,731	\$47,805 08	\$5,806 37	11.7
4.....	131	1,524,315	4,529 43	356 42	7.9
5.....	42	120,750	842 63	.....	.....
6.....	89	490,250	2,423 35	457 66	18.9
7.....	92	680,550	3,442 90	3,552 08	103.2
8.....	42	105,000	1,132 28	4,246 90	375.1
9.....	39	506,800	1,125 24	.....	.....
10.....	46	180,850	1,262 20	.....	.....
Totals for cities—all American Lloyds business.....	1,721	\$13,360,246	\$62,554 13	\$14,219 43	22.7

ALL CLASSES—EXCEPT MISCELLANEOUS, FLOATERS AND BLANKETS.
Kind of Insuring Organization—London Lloyds.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	125	\$552,837	\$9,493 24	\$ 825 63	8.7	1,551	\$3,719,355	\$70,976 80	\$47,285 75	66.6
4.....	13	63,000	953 45	.....	.....	125	351,400	6,204 24	230 96	3.7
5.....	2	10,000	100 00	.....	.....	14	76,000	826 69	.....	.....
6.....	2	7,000	98 00	.....	.....	16	152,000	1,125 32	.....	.....
7.....	11	51,000	482 06	5,050 00	1,047.6	51	452,975	4,616 76	.....	.....
8.....	11	48,100	1,042 69	.....	.....	22	107,550	1,699 47	247 65	15.5
9.....	12	28,100	419 22	38,785 65	9,251.9	16	35,750	1,222 58	.....	.....
10.....	6	37,750	921 25	.....	.....	11	9,250	369 57	.....	.....
Totals for cities.....	194	\$797,887	\$13,510 84	\$44,661 28	330.6	1,806	\$4,904,260	\$87,030 83	\$47,764 36	54.9

ALL CLASSES—BLANKET.

Kind of Insuring Organization—London Lloyds.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	1	\$10,000	\$149 30	\$86 05	58.2

MISCELLANEOUS—CLASSES AND FLOATERS.

Kind of Insuring Organization—London Lloyds.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	2,078	\$2,523,943	\$23,212 25	\$7,552 38	32.5
4.....	51	94,030	1,180 60	1,300 00	109.3
5.....	50	31,770	608 18	708 32	126.3
6.....	194	28,405	698 53	.....	.....
7.....	69	84,410	880 74	1,071 80	121.7
8.....	51	43,905	726 42	214 61	29.5
9.....	8	8,875	112 32	.....	.....
10.....	4	4,320	62 15	212 38	341.7
Totals for cities.....	2,505	\$2,820,558	\$27,488 49	\$11,119 47	40.5

ALL CLASSES—INCLUDING BLANKET, MISCELLANEOUS AND FLOATERS.

Kind of Insuring Organization—London Lloyds.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	3,765	\$6,806,235	\$103,881 09	\$55,750 09	53.7
4.....	189	509,330	8,437 32	1,530 96	18.1
5.....	66	117,770	1,534 77	768 32	50.1
6.....	212	187,405	1,921 05	.....	.....
7.....	131	548,345	5,979 50	6,121 80	102.4
8.....	84	199,555	3,398 58	462 29	13.7
9.....	36	73,725	1,754 12	38,785 65	2,211.1
10.....	23	51,320	1,352 97	212 38	15.7
Totals for cities—all London Lloyds business.....	4,506	\$8,532,725	\$128,179 46	\$103,632 06	80.8

ALL CLASSES—EXCEPT BLANKET, MISCELLANEOUS, FLOATERS AND UNCLASSIFIED.

Kind of Insuring Organization—All Companies.

GRAND TOTAL.

Grade of city.	BUILDINGS.					CONTENTS.				
	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	237,806	\$561,676,672	\$6,090,490 33	\$2,237,614 05	36.7	387,488	\$762,432,498	\$7,357,742 37	\$2,860,098 75	38.9
4.....	36,398	56,087,252	579,538 84	362,545 97	62.6	48,770	75,348,367	749,946 34	494,469 59	65.9
5.....	39,648	62,862,768	649,513 70	493,262 78	75.9	44,327	62,957,797	622,957 00	702,074 15	112.7
6.....	33,223	52,444,600	809,175 27	284,399 17	55.9	38,434	51,459,790	547,517 18	206,494 34	37.7
7.....	60,346	81,983,953	821,888 17	440,183 84	53.6	62,586	70,525,314	797,607 27	353,456 79	44.2
8.....	45,500	63,862,862	728,010 84	451,813 44	62.1	46,674	50,855,112	631,273 04	301,863 22	47.8
9.....	18,515	23,409,088	271,082 84	187,637 38	69.2	17,839	19,645,718	246,151 81	107,047 92	43.5
10.....	35,500	45,860,051	539,319 13	363,698 72	67.4	35,903	47,741,688	639,528 67	420,855 89	78.0
Totals for cities.....	506,908	\$948,187,246	\$10,189,019 12	\$4,821,155 35	47.3	682,021	\$1,140,966,284	\$11,492,753 68	\$5,445,360 65	45.8
Totals for farm business.....	50,552	100,087,750	841,613 51	573,982 89	68.2	45,827	64,235,202	504,243 95	319,499 15	63.7
Totals for cities and farms.....	557,460	\$1,048,274,996	\$11,030,632 63	\$5,395,138 04	48.9	727,348	\$1,205,201,486	\$11,996,997 63	\$5,764,859 80	48.1

ALL CLASSES—BLANKET.

Kind of Insuring Organization—All Companies.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	5,376	\$59,571,594	\$94,777 17	\$27,327 33	28.8
4.....	587	7,291,282	13,417 12	6,317 77	47.1
5.....	180	1,966,950	7,854 23	1,749 20	22.8
6.....	475	5,977,615	14,263 38	7,033 86	49.3
7.....	533	5,947,938	20,938 85	419 37	2.0
8.....	462	4,414,980	15,622 96	40,376 04	258.4
9.....	142	813,182	6,101 42	1,190 16	19.5
10.....	493	1,929,220	26,146 86	49,680 72	190.0
Totals for cities.....	8,248	\$87,912,761	\$199,054 35	\$134,094 45	67.4

ALL MISCELLANEOUS CLASSES AND FLOATERS.

Kind of Insuring Organization—All Companies.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	3,231	\$8,217,002	\$91,236 45	\$20,527 02	22.5
4.....	255	468,635	6,498 90	2,933 30	45.1
5.....	337	882,651	8,392 15	963 22	11.5
6.....	302	291,670	3,541 59	86 02	2.4
7.....	646	552,518	6,005 19	4,345 11	73.4
8.....	234	278,809	4,697 94	3,114 20	66.3
9.....	147	186,280	2,221 16	27 03	1.2
10.....	128	184,693	962 80	1,516 14	157.6
Totals for cities.....	5,280	\$11,060,257	\$123,556 18	\$ 33,512 04	27.1
Totals for farm business.....	25,879	59,469,188	456,526 68	239,594 28	52.5
Totals for cities and farms.....	31,159	\$70,529,445	\$580,082 86	\$273,106 32	47.1

ALL UNCLASSIFIED BUSINESS.

Kind of Insuring Organization—All Companies.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	644	\$3,116,652	\$28,005 41	\$7,278 07	28. 0
4.....	131	624,694	3,051 63	207 95	6. 8
5.....	77	211,935	1,660 85	128 03	7. 4
6.....	75	319,217	1,902 45	1,290 43	67. 8
7.....	59	116,320	930 08	193 99	20. 9
8.....	10	12,590	338 50	84 07	.....
9.....	6	10,370	147 30	37 36	25. 4
10.....	530	2,215,349	14,101 50	2,624 62	18. 6
Totals for cities.....	1,532	\$6,601,941	\$47,460 72	\$11,839 49	24. 9

ALL CLASSES—INCLUDING BLANKET, MISCELLANEOUS FLOATERS AND UNCLASSIFIED.

Kind of Insuring Organization—All Companies.

GRAND TOTAL.

Grade of city.	No. of risks.	Amount.	Premium.	Loss.	Loss ratio—per cent.
3.....	634,540	\$1,395,014,418	\$13,660,251 73	\$5,152,845 22	37. 7
4.....	86,111	139,820,230	1,352,452 83	866,474 58	64. 1
5.....	84,574	128,882,101	1,290,207 93	1,198,172 38	92. 9
6.....	72,511	110,492,892	1,076,398 87	499,303 82	46. 4
7.....	124,170	159,125,043	1,647,368 56	737,599 07	43. 4
8.....	92,880	119,307,166	1,379,268 28	797,250 07	57. 8
9.....	36,649	44,064,638	525,704 53	295,939 85	56. 3
10.....	72,554	97,931,001	1,120,058 96	838,376 09	74. 9
Totals for cities.....	1,203,989	\$2,194,728,489	\$22,051,711 69	\$10,445,961 98	47. 4
Totals for farm business.....	121,758	223,792,140	1,802,384 14	1,133,076 23	62. 9
Totals for cities and farms—grand State total.....	1,326,567	\$2,418,520,629	\$23,854,095 83	\$11,579,048 21	48. 5

NOTE.—The right-hand table above gives the combined figures for all of the fire insurance business done in the State of Illinois during the year 1915, segregated according to grades of cities, and with separate totals for the farm business. It will be noted that the loss ratios for each grade, etc., appear at the right. The importance of these in relation to fire insurance rates has been explained heretofore.

APPENDIX A.

GRADING OF ILLINOIS CITIES AND TOWNS ON THE NATIONAL BOARD PLAN.

The first alphabetical list gives the classification number of all cities, towns, etc., in Illinois, outside of Cook County as furnished by the National Board of Fire Underwriters, according to their classification applying to all cities, towns, etc., in the United States. The cities marked with a "*" (which includes all over 5,000 population and 29 under 5,000), were inspected and graded in 1916 by the engineers of the National Board. The remainder have the National Board grading determined by it from the data of the Illinois Inspection Bureau.

The second alphabetical list gives the grades of the cities and towns in Cook County according to the Chicago Board of Underwriters, but with grades on the National Board plan.

Property insured in small villages and hamlets whose names do not appear in the lists given below should be reported in No. 10 grade.

Name of city.	N. B. Grade.	Name of city.	N. B. Grade.	Name of city.	N. B. Grade.
Abingdon, Oct., 1910.....	7	Athens, Aug., 1904.....	10	Biggsville, Sept., 1912.....	10
Absher, June, 1913.....	10	Athensville, Sept., 1908.....	10	Big Rock, Sept., 1906.....	10
Adair, June, 1914.....	10	Atkinson, Aug., 1912.....	9	Birds, Oct., 1908.....	10
Addison, Jan., 1912.....	10	Atlanta*, 1916.....	9	Bishop Hill, Jan., 1912.....	10
Akin, Sept., 1913.....	10	Atwood, Jan., 1910.....	10	Bismarck, Dec., 1908.....	10
Albany, Sept., 1903.....	10	Auburn*, 1916.....	9	Blackstone, Jan., 1909.....	10
Albers, May, 1912.....	10	Augusta, Apr., 1903.....	10	Blandinsville, May, 1905.....	10
Albton, Mar., 1909.....	9	Aurora*, 1916.....	6	Bloomington*, 1916.....	10
Aledo, Sept., 1912.....	7	(Reprint Sept. 10.)		Blue Mound, Mar., 1910.....	10
Alexander, Jan., 1912.....	10	Ava, June, 1907.....	10	Bluffs, Apr., 1906.....	10
Alexis, Sept., 1911.....	8	Annapolis, Mar., 1915.....	10	Bluford, July, 1913.....	10
Algonquin, Mar., 1910.....	7	Aviston, Jan., 1906.....	10	Bondville, Aug., 1913.....	10
Alhambra, Apr., 1908.....	10	Avon, Mar., 1914.....	9	Bone Gap, June, 1912.....	10
Allendale, Aug., 1913.....	10			Bourbonnais, May, 1909.....	10
Allerton, Apr., 1906.....	10	Baldwin, Feb., 1909.....	10	Bowen, July, 1907.....	10
Alma, Nov., 1906.....	10	Bardolph, Mar., 1907.....	9	Braceville, Nov., 1909.....	10
Alpha, Jan., 1912.....	9	Barry, Apr., 1906.....	7	Bradford, May, 1907.....	10
Altamont, Apr., 1914.....	9	Batavia, Oct., 1908.....	7	Bradley, Mar., 1906.....	10
Alton*, 1916.....	7	Batchtown, Jan., 1908.....	10	Braidwood, Feb., 1915.....	10
Altona, Jan., 1904.....	10	Batestown, (See Danville).....	5	Breesa, Aug., 1911.....	10
Alto Pass, Feb., 1914.....	10	Bath, Oct., 1908.....	10	Bridgeport, Apr., 1914.....	10
Alvin, May, 1905.....	10	Baylis, Apr., 1908.....	10	Brighton*, 1916.....	10
Amboy, July, 1908.....	8	Beardstown*, 1916.....	7	Brimfield, Jan., 1906.....	10
Anchor, May, 1905.....	10	Beason, Nov., 1914.....	10	Brisbane, (See Joliet).....	10
Ancona, Apr., 1907.....	10	Beaverville, Oct., 1908.....	10	Bristol, Jan., 1912.....	10
Anna, Apr., 1913.....	8	Beckemeyer, Mar., 1909.....	10	Broadlands, May, 1906.....	10
Annawan, Apr., 1907.....	9	Beecher, Aug., 1911.....	8	Brookwell, Nov., 1914.....	10
Antioch, Oct., 1915.....	8	Beecher City, Feb., 1909.....	10	Brocton, May, 1910.....	10
Apple River, June, 1906.....	9	Beech Ridge, (See Cache).....	10	Brooklyn, Mar., 1909.....	10
Arcola, June, 1903.....	7	Beechwood, (See Mounds).....	7	(St. Clair County)	
Area (formerly Rockefeller).....	10	Belknap, Mar., 1905.....	10	Brooklyn, (See South Wil-	
Arenzville, June, 1906.....	10	Belle R ve, Aug., 1914.....	10	mington).....	10
Argenta, Mar., 1915.....	10	Belleville*, 1916.....	6	Brookport, Dec., 1907.....	10
Arlington, May, 1907.....	8	Bellflower, Dec., 1908.....	10	Broughton, June, 1905.....	10
Armington, Jan., 1915.....	10	Bellmont, Apr., 1906.....	10	Browning, Aug., 1908.....	10
Armstrong, Sept., 1905.....	10	Belvidere*, Aug., 1908.....	7	Brown, Mar., 1906.....	10
Aroma, June, 1909.....	10	Bement, Dec., 1909.....	8	Brownstown, Oct., 1913.....	9
Arrowsmith, Feb., 1909.....	10	Benbow City, (See Wood		Brusseys, Dec., 1912.....	10
Arthur, Sept., 1915.....	8	River).....	10	Bryant, Oct., 1909.....	10
Ashkum, Dec., 1905.....	10	Benld*, 1916.....	9	Buckingham, Sept., 1909.....	10
Ashland*, 1916.....	9	Bensenville, Mar., 1914.....	9	Buckley, June, 1911.....	8
Ashley, Mar., 1908.....	10	Benson, May, 1904.....	9	Buda, July, 1912.....	8
Ashmore, July, 1905.....	10	Benton, Feb., 1914.....	8	Buffalo, July, 1906.....	10
Ashton, Sept., 1915.....	8	Berwick, Apr., 1903.....	10	Bullpit and Kincaid, Jan.,	
Assumption*, 1916.....	7	Bethalto, May, 1913.....	10	1915.....	10
Astoria, May, 1914.....	8	Bethany, Jan., 1910.....	10	Buncombe, Dec., 1912.....	10

N. B.		N. B.		N. B.	
Name of city.	Grade.	Name of city.	Grade.	Name of city.	Grade.
Genoa, Sept., 1908.....	7	Holcomb, Aug., 1908.....	10	LaSalle*, 1916.....	8
Geneva, Apr., 1909.....	7	Homer, July, 1908.....	10	Latham, Aug., 1908.....	10
Georgetown, July, 1905.....	10	Hoopeston, 1916.....	8	Lawrenceville, July, 1908.....	8
Gerlaw, Jan., 1903.....	10	Hoopole, Dec., 1911.....	8	Leaf River, June, 1911.....	10
Germantown, Jan., 1912.....	8	Hopedale, Aug., 1914.....	10	Lebanon, July, 1909.....	10
(Clinton County)		Horseshoe Lake, Jan., 1910.....	10	Lee, Sept., 1908.....	8
German Valley, Mar., 1914.....	9	Hoytston, May, 1905.....	10	Leland, May, 1906.....	9
Gibson City, Nov., 1905.....	7	Hudson, Apr., 1911.....	9	Lena, May, 1908.....	8
(Reprint, Dec., 1910)		Hull, Sept., 1905.....	9	Lenzburg, May, 1909.....	9
G. ford, Nov., 1905.....	10	Humboldt, Mar., 1910.....	9	Leonore, Sept., 1909.....	8
Gilberts, May, 1909.....	10	Hume, Mar., 1910.....	9	Lerna, Jan., 1905.....	10
Gilchrist, (See Viola).....	10	Hunt, Oct., 1914.....	10	LeRoy, Mar., 1906.....	8
Gillespie*, 1916.....	9	Huntley, July, 1908.....	8	(Reprint, Dec., 1910.)	
Gilman, June, 1914.....	7	Hurst, May, 1913.....	10	Lewistown, Oct., 1904.....	7
Gilson, Jan., 1903.....	10	Hutsonville, July, 1905.....	9	Lexington, June, 1906.....	8
Girard*, 1916.....	9			(Reprint, Feb., 1911.)	
Gladstone, Dec., 1913.....	10			Liberty, Aug., 1915.....	10
Glastford, Jan., 1912.....	10	Illioopolis*, 1916.....	9	Libertyville, Jan., 1906.....	8
Glen Carbon, May, 1909.....	10	Ina, May, 1908.....	10	Lima, Oct., 1911.....	10
Glen Ellyn, June, 1909.....	8	Indianola, Jan., 1906.....	10	Lincoln*, 1916.....	7
Goldconda, Apr., 1906.....	9	Industry, June, 1914.....	10	Lintner, June, 1913.....	10
Golden, Mar., 1909.....	10	Ingraham, Oct., 1914.....	10	Lisbon, Sept., 1909.....	10
Golden Gate, Feb., 1911.....	10	Iola, July, 1903.....	10	Litchfield*, 1916.....	7
Good Hope, Dec., 1902.....	10	Ipava, Oct., 1910.....	9	L. terberry, May, 1906.....	10
Goreville, May, 1906.....	10	Iroquois, May, 1915.....	9	Little York, Aug., 1912.....	9
Gorham, Mar., 1913.....	10	Irving, June, 1907.....	10	L. vington, Feb., 1913.....	10
Grafton, Feb., 1908.....	10	Irwin, Mar., 1913.....	10	Loami, Aug., 1906.....	10
Grand Chain, Apr., 1911.....	10	Iuka, Nov., 1908.....	10	Lockport, Aug., 1904.....	7
Grand Ridge, July, 1909.....	10	Ivesdale, June, 1915.....	9	Loda, June, 1907.....	10
Grand Tower, Sept., 1909.....	10			Lodge, Dec., 1902.....	10
Granite City*, 1916.....	6	Jacksonville*, 1916.....	6	Lomax, Feb., 1914.....	10
Grant Park, July, 1905.....	8	Janesville, July, 1908.....	10	Lombard, Oct., 1913.....	8
Grantsburg, Apr., 1906.....	10	Jerseyville, May, 1913.....	7	London Mills, Aug., 1905.....	8
Granville, May, 1912.....	8	Jewett, Aug., 1908.....	10	(Reprint, Mar., 1912.)	
Grape Creek, Dec., 1911.....	10	Johnsonville, Nov., 1908.....	10	Long Point, Apr., 1907.....	10
Grayslake, Mar., 1915.....	7	Johnston City, May, 1908.....	7	Longview, May, 1906.....	10
Grayville, Feb., 1904.....	7	Joliet*, 1916.....	5	Lorraine, Apr., 1912.....	9
Greenfield, June, 1906.....	9	Jonesboro, Jan., 1905.....	10	Lostant, Nov., 1914.....	8
Greenup, Aug., 1903.....	7	Joppa, Apr., 1911.....	9	Louisville, Mar., 1904.....	9
Green Valley, May, 1905.....	10	Joy, Jan., 1913.....	10	Lovington, Jan., 1910.....	8
Greenview, July, 1904.....	8	Junction, Jan., 1912.....	10	Ludlow, June, 1907.....	10
Greenville, June, 1904.....	7			Lyndon, Nov., 1914.....	10
Gridley, Jan., 1908.....	9	Kampsville, Jan., 1913.....	10	Lynnvile, Apr., 1905.....	10
Griggsville, June, 1912.....	9	Kane, Jan., 1908.....	10	Loogootee, Mar., 1915.....	10
		Kangley, Apr., 1905.....	10		
Hamburg, Oct., 1912.....	10	Kankakee*, 1916.....	6		
Hamilton, Oct., 1913.....	8	Kansas, July, 1915.....	8	Mackinac, Oct., 1913.....	8
Hammond, Oct., 1903.....	10	Kappa, Dec., 1908.....	10	Macomb*, 1916.....	8
Hampshire, Apr., 1913.....	9	Kasbeer, Mar., 1906.....	10	Macom, July, 1905.....	10
Hampton, Sept., 1911.....	10	Keensburg, Mar., 1906.....	10	Mad son*, 1916.....	7
Hansford, Aug., 1913.....	10	Keithsburg, Oct., 1911.....	7	Magnolia, Aug., 1907.....	10
Hanna City, May, 1912.....	10	Kell, Jan., 1912.....	10	Mahomet, Jan., 1909.....	10
Hanover, Mar., 1903.....	10	Kemp, June, 1903.....	10	Makanda, Oct., 1913.....	10
Hardin, Jan., 1908.....	10	Kempton, June, 1903.....	9	Malden, Apr., 1907.....	9
Harrisburg*, 1916.....	8	Kenney, Mar., 1911.....	9	Malta, Oct., 1908.....	9
Hartsburg, Mar., 1913.....	10	Kewanee*, 1916.....	7	Manchester, Feb., 1914.....	10
Harvard, May, 1908.....	8	Keyesport, Apr., 1909.....	10	Manhattan, Feb., 1909.....	8
Harvel*, 1916.....	9	Kilbourne, June, 1905.....	10	Manito, Aug., 1908.....	10
Harmon, Oct., 1915.....	9	Kincaid, (See Bulpit).....	10	Manfield, Aug., 1905.....	10
Havana, Sept., 1910.....	7	Kinderhook, Mar., 1913.....	10	Manteno, May, 1904.....	8
Hebron, July, 1909.....	8	Kingston, July, 191.....	8	Maple Park, Sept., 1906.....	8
Henderson, May, 1914.....	10	Kinmundy, May, 1905.....	9	Maquon, Feb., 1906.....	10
Hennepin, Mar., 1906.....	9	Kinsman, Apr., 1907.....	9	Marengo, June, 1908.....	8
Henning, Aug., 1905.....	10	Kirkland, Sept., 1908.....	9	Marine, Apr., 1909.....	9
Henry, Mar., 1904.....	7	Kirkwood, May, 1904.....	9	Marion*, 1916.....	7
Herrick, May, 1907.....	10	Knoxville, Aug., 1907.....	7	Marissa, Apr., 1909.....	9
Herrin*, 1916.....	8	Kortkamp, (See Hillsboro), 1916.....	7	Mark, July, 1913.....	8
Herscher, June, 1903.....	9			Maroa*, 1916.....	8
Hersman, Mar., 1903.....	10	LaCade, Nov., 1904.....	10	Marquette, (See Spring Val- ley).....	8
Hettick, Nov., 1908.....	10	Lacon, Mar., 1904.....	7	Marselles, Sept., 1904.....	7
Heyworth, Mar., 1909.....	9	Ladd, July, 1906.....	8	Marshall, Sept., 1903.....	7
Hicks Junction*, (See Spring Valley).....	8	LaFayette, Oct., 1905.....	10	Martinsville, Apr., 1914.....	10
Hidalgo, Feb., 1911.....	10	LaFox, Jan., 1903.....	10	Martinton, Apr., 1912.....	9
Highland, Feb., 1910.....	9	LaHarpe, Oct., 1911.....	7	Maryville, May, 1910.....	9
Highland Park, Aug., 1909.....	7	LaHogue, June, 1911.....	10	Mascoutah, Sept., 1909.....	8
Highwood, Aug., 1909.....	7	Lake Bluff, Feb., 1909.....	9	Mason, June, 1913.....	10
Hillsboro*, 1916.....	7	Lake Forest, Aug., 1909.....	7	Mason City, May, 1904.....	8
Hillsdale, June, 1914.....	9	Lake Villa, Jan., 1910.....	10	Mathersville, Jan., 1912.....	10
Hillview, Jan., 1908.....	10	Lakewood, May, 1914.....	10	Mattoon*, 1916.....	7
Hindsboro, Apr., 1908.....	9	Lake Zurich, Mar., 1913.....	8	Mauie, Jan., 1912.....	10
Hinsdale, Aug., 1909.....	7	LaMoile, Mar., 1907.....	10	Mayview, June, 1913.....	10
Hodges Park, Jan., 1905.....	10	Lanark, July, 1908.....	8	Mazon, July, 1909.....	9
		LaPlace, June, 1913.....	10	McHenry, Aug., 1904.....	8
		LaRose, Dec., 1908.....	10	McLean, Mar., 1909.....	10

N. B.		N. B.		N. B.		
Name of city.	Grade.	Name of city.	Grade.	Name of city.	Grade.	
McLeansboro, May, 1911.....	7	Newport, (See Madison).....	8	Plainville, Oct., 1911.....	10	
Meadows, Oct., 1914.....	10	New Salem, Apr., 1906.....	10	Plano, Oct., 1908.....	7	
Mechanicsburg, Apr., 1906.....	10	Newton, May, 1915.....	7	Pleasant Hill, Jan., 1908.....	10	
Media, June, 1915.....	10	New Windsor, June, 1903.....	9	Pleasant Plains, Feb., 1906.....	9	
Medora, Aug., 1906.....	10	Nankie*, 1916.....	9	Plymouth, Jan., 1906.....	9	
Melvin, Mar., 1913.....	8	Nilwood, Sept., 1908.....	10	Pocahontas, Feb., 1911.....	10	
Mendon, Sept., 1911.....	9	Noble, May, 1912.....	10	Polo, June, 1904.....	7	
Mendota, Dec., 1913.....	7	Nokomis*, 1916.....	8	Pontiac*, 1916.....	8	
Mercedosa, June, 1906.....	10	Nora*, Mar., 1903.....	10	Pontoosuc, Aug., 1912.....	10	
Metamora, Apr., 1904.....	7	Norris City, Apr., 1906.....	10	Poplar Grove, Apr., 1910.....	9	
Metcalfe, Feb., 1906.....	10	Normal, Mar., 1908.....	8	Port Byron, Mar., 1907.....	10	
Metropolis, May, 1912.....	8	North Alton, (See Alton).....	7	Potomac, July, 1912.....	9	
Middletown, Nov., 1914.....	10	North Chicago, Nov., 1908.....	7	Potomac City, June, 1914.....	10	
Milan, June, 1914.....	8	North Crystal Lake*, (See	7	Prarie du Rocher, Sept.,	10	
Milford, Mar., 1914.....	8	Crystal Lake).....	7	1908.....	10	
Mill Creek, Jan., 1905.....	10	North Henderson, Aug., 1911.....	10	Preemption, Mar., 1903.....	10	
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Manlius, Oct., 1915.....	8	Oakford, Sept., 1908.....	10	Princetonville, Apr., 1915.....	8	
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Mineral, Sept., 1911.....	10	Oconee, May, 1907.....	10	Quincy*, 1915.....	4	
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Momence, June, 1903.....	7	Okawville, Dec., 1908.....	10	Raymond, Feb., 1906.....	10	
Monese, May, 1904.....	8	Olive Branch, Jan., 1905.....	10	Red Bud, Sept., 1915.....	8	
Monica, May, 1914.....	10	Olmstead, Nov., 1903.....	10	Reddick, Nov., 1909.....	9	
Monmouth*, 1916.....	7	Olney*, 1916.....	8	Redmon, Jan., 1915.....	10	
Monroe Center, Feb., 1914.....	10	Omaha, Dec., 1905.....	10	Reeves, Feb., 1909.....	10	
Montgomery*, (See Aurora).....	6	Onarga, May, 1905.....	7	Reynolds, June, 1915.....	10	
Monticello, Mar., 1910.....	7	Oneida, June, 1913.....	10	Reynoldsville, Nov., 1913.....	10	
Montrose, May, 1907.....	10	Oquawka, May, 1905.....	9	Richmond, Feb., 1906.....	9	
Morris, July, 1910.....	7	Orangeville, June, 1905.....	8	Ridge Farm, Nov., 1909.....	9	
Morrison, July, 1904.....	7	Oregon, Jan., 1909.....	8	Ridgway, Apr., 1907.....	10	
Morrisville*, 1916.....	9	Orion, Apr., 1912.....	9	Rio, Dec., 1911.....	10	
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				Rossville, Jan., 1912.....	8	
Nameoki, Apr., 1909.....	10			Rosclare, May, 1913.....	10	
Naperville, Apr., 1910.....	7			Rossville, Mar., 1914.....	8	
Napies, Oct., 1914.....	10			Round Knob, May, 1913.....	10	
Nashville, June, 1907.....	8			Round Lake, Nov., 1913.....	8	
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Neoca, Sept., 1915.....	9			Rushville, Apr., 1914.....	7	
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Nevada, Feb., 1909.....	10					
Newark, Nov., 1915.....	9			Sadorus, Feb., 1912.....	10	
New Athens, Jan., 1913.....	7			Sailor Springs, Nov., 1908.....	10	
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New Boston, Apr., 1912.....	10			San Jose*, 1916.....	8	
New Brownfield, June, 1908.....	10			Saumenu, Feb., 1914.....	7	
New Burnside, Apr., 1906.....	10			Savanna, July, 1904.....	7	
New Canton, Oct., 1911.....	10			Saybrook, Mar., 1909.....	10	
New Douglas, July, 1903.....	10			Scales Mound, May, 1910.....	10	
New Haven, Dec., 1912.....	10			Schram City, (See Hillsboro).....	10	
New Holland*, 1916.....	9			Sciota, Sept., 1903.....	10	
New Lenox, Sept., 1909.....	10			Seaton, Dec., 1912.....	9	
Newman, Jan., 1910.....	10			Seatonville, Oct., 1908.....	9	
New Milford, May, 1911.....	10			Secor, Nov., 1906.....	8	

N. B.		N. B.		N. B.	
Name of city.	Grade.	Name of city.	Grade.	Name of city.	Grade.
Seneca, Nov., 1903.....	9	Swan Creek, Nov., 1908.....	10	Waggoner, May, 1912.....	10
Serena, Jan., 1912.....	10	Sycamore, Dec., 1908.....	8	Walnut, Dec., 1903.....	7
Sesser, June, 1914.....	10	Sugar Grove, Sept., 1915.....	10	Waltonville, May, 1913.....	10
Seymour, Nov., 1913.....	10			Wanlock, May, 1903.....	10
Shabbona, Sept., 1906.....	8	Table Grove, June, 1905.....	10	Wapella, Apr., 1911.....	9
Shannon, Sept., 1908.....	8	Taft, (See Standard).....	9	Warren, June, 1910.....	7
Shawneetown, May, 1905.....	10	Tallula, Jan., 1912.....	10	Warrensburg*, 1916.....	8
Sheffield, Aug., 1906.....	8	Tamarac, June, 1907.....	10	Warsaw, Apr., 1909.....	8
Shelby lls, Mar., 1914.....	8	Tamm, Mar., 1914.....	10	Washington, Mar., 1911.....	10
Sheldon, Feb., 1904.....	7	Tampico, Dec., 1912.....	8	Washington, Apr., 1904.....	8
Sher dan, Dec., 1912.....	10	Taylor Springs, (See Hills- boro).....	10	Wataza, Apr., 1907.....	9
Sherrard, Sept., 1908.....	8	Taylorville*, 1916.....	7	Waterloo, Nov., 1904.....	7
Shiloh, July, 1909.....	10	Tennessee, Apr., 1912.....	10	Waterman, June, 1912.....	9
Sh pman, Jan., 1908.....	10	Teutopolis, July, 1907.....	9	Watseka, July, 1913.....	8
Shumway, June, 1907.....	9	Thawv lls, Aug., 1911.....	9	Wauconda, Mar., 1914.....	9
Sibley, Nov., 1909.....	8	Thayer*, 1916.....	9	Waukegan*, 1916.....	5
Sidell, July, 1905.....	9	Thebes, Mar., 1913.....	10	Waverly*, 1916.....	9
Sidney, Nov., 1907.....	9	Thomasboro, June, 1912.....	9	Wayne C ty, May, 1906.....	10
Sigel, Mar., 1909.....	9	Thompsonville, Apr., 1907.....	10	Waynesv lls, May, 1912.....	8
Silv s, Apr., 1910.....	8	Thomson, Jan., 1905.....	8	Weldon, Mar., 1914.....	10
Simpson, Jan., 1912.....	10	Tlden, Mar., 1912.....	10	Well ngton Nov., 1905.....	10
Smithboro, June, 1906.....	10	T lton*, (See Danville).....	5	Wenona, Mar., 1904.....	7
Sm thfield, May, 1905.....	10	T mewell, Feb., 1915.....	10	West Brooklyn, Mar., 1913.....	9
Sm thshire, Nov., 1905.....	10	T sk lwa, Sept., 1913.....	8	West Ch cago, June, 1913.....	7
Sm thton & Douglas, July, 1909.....	10	Toledo, Mar., 1910.....	10	Westfield, May, 1914.....	8
Somonauk, Oct., 1903.....	7	Tolono, Oct., 1913.....	8	West Frankfort, Mar., 1906.....	10
Sorento, Apr., 1904.....	9	Toluca, Mar., 1904.....	8	West Liberty, Jan., 1913.....	10
South Beloit, Dec., 1908.....	10	Tonica, Mar., 1910.....	9	West McHenry, (See Mc- Henry), Aug., 1904.....	8
South Danv. lls, (See Dan- ville).....	7	Torino, Dec., 1912.....	10	Weston, Nov., 1910.....	10
South Wilmington, Jan., 1910.....	9	Toulon, May, 1912.....	7	West Point, July, 1905.....	10
Sparland, June, 1912.....	10	Towanda, Mar., 1908.....	10	West Salem, Apr., 1906.....	8
Sparta, Aug., 1908.....	7	Tower H ll, Aug., 1905.....	8	Westville, Oct., 1910.....	9
Springer, Apr., 1906.....	10	Tremont, June, 1913.....	8	Wetaug, June, 1908.....	10
Springfield*, 1916.....	5	Trenton, Feb., 1909.....	7	Wheaton, June, 1913.....	8
Spring Valley*, 1916.....	8	Troy, Feb., 1910.....	9	Wh t Hall, July, 1909.....	8
St. Anne, July, 1905.....	7	Troy Grove, Aug., 1909.....	10	White Heath, June, 1913.....	10
St. Augustine, Aug., 1907.....	10	Tunnel, Hill, Jan., 1912.....	10	Will amsfield, June, 1905.....	10
St. Charles*, 1916.....	8	Tuscola, Feb., 1904.....	7	Will amson, Mar., 1913.....	10
St. David, Mar., 1911.....	9			W ll amsville, July, 1906.....	10
St. Elmo, Apr., 1905.....	9	Ullin, Apr., 1911.....	10	Willisville, Oct., 1908.....	9
St. Francisville, June, 1907.....	9	Union, Nov., 1914.....	9	Willow Hill, Nov., 1907.....	10
St. Jacob, Apr., 1909.....	9	(McHenry County.)		Wilmington Sept., 1915.....	7
St. John*, (See Duquoin).....	8	Unity, (See Hodges Park).....	10	Winchester, Nov., 1914.....	8
St. Joseph, Jan., 1905.....	10	Upper Alton, May, 1909.....	8	Windsor, Apr., 1914.....	10
St. Libory, Sept., 1909.....	10	Urbana*, 1916.....	6	Winfield, Aug., 1912.....	10
St. Marie, June, 1913.....	10	Utica, Dec., 1914.....	10	Winshego, Apr., 1908.....	10
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(Now known as Taft.)		Valmeyer, Oct., 1913.....	10	W t t, May, 1907.....	10
Stanford, Apr., 1912.....	8	Vandalia, July, 1913.....	8	Wolf Lake, Feb., 1915.....	10
Staunton*, 1916.....	8	Van Orin, Feb., 1904.....	10	Woodhull, Dec., 1905.....	7
Steeleville, Mar., 1909.....	10	Varna, Aug., 1907.....	10	Woodlawn, Jan., 1915.....	10
Stearns*, 1916.....	5	Venice, Jan., 1909.....	8	Woodlawn, Sept., 1906.....	8
Steward, Mar., 1910.....	8	Vergennes, May, 1909.....	10	Wood River, Oct., 1913.....	7
Stewardson, June, 1907.....	10	Vermilion, Jan., 1906.....	10	Wood R ver Heights, (See Wood River).....	10
Stilman Valley, June, 1911.....	10	Vermilion Grove, June, 1912.....	10	Woodson, Apr., 1906.....	10
Stockdale, Apr., 1903.....	10	Vermilion Heights*, (See Danville).....	5	Woodstock, June, 1908.....	7
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Strawn, Apr., 1914.....	8	Vienna, Feb., 1905.....	9	Xenia, Dec., 1908.....	9
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Sublette, Apr., 1907.....	8	Virdeen*, 1916.....	8	Youngstown, Apr., 1903.....	10
Sullivan, Feb., 1912.....	9	Virginia, June, 1906.....	9		
Summerfield, Mar., 1909.....	10	Wadsworth, May, 1909.....	10	Zeigler, June, 1912.....	8
Sumner, Aug., 1907.....	10			Zion City, Aug., 1908.....	7

GRADING OF COOK COUNTY, ILLINOIS, CITIES AND TOWNS BY THE CHICAGO BOARD OF UNDERWRITERS.

Numbered by the National Board on Their Plan.

Name of city.	Grade.	Name of city.	Grade.	Name of city.	Grade.
Alpine.....	10th	Harvey.....	7th	Orchard Place.....	10th
Argo.....	9th	Hawthorne.....	8th	Orland.....	9th
Arlington Heights.....	9th	Hazel Crest.....	10th	Palatine.....	9th
Barrington.....	8th	Highland.....	10th	Palos Park.....	10th
Bartlett.....	10th	Hilside.....	10th	Palos Springs.....	10th
Bellwood.....	9th	Homewood.....	9th	Park Ridge.....	8th
Bernice.....	10th	Hodkins.....	10th	Phoenix.....	8th-10th
Berwyn.....	7th	Hubbard Woods.....	8th	Posen.....	10th
Blue Island.....	7th	Justice Park.....	10th	Resurrection.....	10th
Braes de.....	10th	Kenilworth.....	9th	Richton.....	10th
Broadview.....	10th	Kolze.....	10th	Riverdale.....	9th
Brookfield.....	8th	LaGrange.....	6th	River Forest.....	8th
Burnham.....	9th	LaGrange Park.....	8th	River Grove.....	10th
Burns de.....	6th	Lambert.....	10th	Rivers de.....	8th
Burr Oak.....	10th	Lansing.....	10th	Riverview.....	10th
Chicago.....	3d	Lemont.....	9th	Schaumburg.....	10th
Chicago Heights.....	6th	Leyden.....	10th	Sharp Corners.....	10th
Chicago Ridge.....	10th	Lyons.....	9th	Shermerville.....	10th
Cicero.....	8th	Ma ne.....	10th	South Chicago Heights.....	9th
Clyde.....	8th	Mannheim.....	10th	South Holland.....	10th
Congress Park.....	8th	Matteson.....	10th	Spaulding.....	10th
DesPlaines.....	9th	Maywood.....	7th	Steger.....	9th
Dolton.....	9th	Meirose Park.....	8th	Stickney.....	10th
Drexel.....	8th	Midlothian.....	10th	Summit.....	9th
Elk Grove.....	10th	Morton Grove.....	9th	Sutton.....	10th
Evanston.....	4th	Morton Park.....	8th	Techney.....	10th
Evergreen Park.....	10th	Mt. Forest.....	10th	Thornton.....	10th
Fairview.....	10th	Mt. Greenwood.....	10th	Tinley Park.....	9th
Feehanville.....	10th	Mt. Hope.....	10th	Warren Park.....	8th
Flossmoor.....	10th	Mt. Prospect.....	10th	Welcome.....	10th
Forest Park.....	7th	Niles.....	10th	Western Springs.....	8th
Franklin Park.....	9th	Niles Center.....	9th	West Hammond.....	8th
Glencoe.....	8th	North Northfield.....	10th	West Harvey.....	8th
Glenview.....	10th	Norwood Park.....	6th	Wheeling.....	8th
Glenwood.....	10th	Oak Forest.....	10th	Willow Springs.....	10th
Globe Station.....	10th	Oak Glen.....	10th	Winmetta.....	7th
Gosselville.....	10th	Oak Lawn.....	10th	Winnetka.....	8th
Golf.....	10th	Oak Park.....	5th	Wireton.....	10th
Grant Park.....	8th	Oak Ridge.....	10th	Worth.....	10th
Gross Point.....	8th				

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