

MORE LIFE INSURANCE FOR LESS MONEY

Before deciding on your insurance, phone D. 1275, and ask about the new low cost, all guaranteed policies, all plans, Life, Limited Payments, Endowment, Joint or Partnership, Corporation and Monthly Income or Pension Policies.

The Prudential Ins. Co. of America Inc. as a Stock Co. by New Jersey
M. BRUCE CARPENTER, Mgr.
 For Nebraska and South Dakota,
 519-22 City Nat'l Bldg., Omaha

Northwestern Mutual Life Insurance Company OF MILWAUKEE

MANN & JUNOD
 General Agents
 538-544 Brandeis Building, OMAHA

Notes from the Insurance Field

FIREBUGGERY AS A BUSINESS

Effect of Stiff Insurance on Impoverished Trade.

FIRE WAVES AND TRADE WAVES

One-Half to Two-Thirds of American Fires Actively or Passively Criminal—Home Losses Very Small.

One-half of the fires in New York City, one-third of the fires in Chicago and a like portion in Boston, are chargeable to what an insurance business humorously called, "The friction of rubbing a \$10,000 fire policy against a \$3,000 stock of goods."

A property and money loss of \$27,000,000 by fire in the United States in 1911 measures the devastation of the firebug stimulated by the insurance. Such is the calculation of Arthur E. McFarlane, a writer for Collier's Weekly, describing arson as a growing business.

The loss every year by fire by the United States is eight times as much per capita as that of the whole of western Europe, according to Mr. McFarlane. At least one-half and probably two-thirds of our fires, he says, are either actively or passively criminal.

Revenue, pyromania, and malice, the writer sets down as some of the minor motives, but declares the overwhelming majority are "for insurance."

His statistics show that in 1911 the United States and Canada lost by fire \$24,372,500 worth of property. He quotes the United States geological survey as determining that every \$100 of fire in this country means an actual fire tax of \$220, the additional \$120 being for insurance and fire protection. So cutting the total fire loss in half on the basis that 50 per cent of all the fires are incendiary, and then adding 120 per cent of that, the amount is brought to the amazing figure of \$150,000,000.

Fires and Failures.
 Mr. McFarlane undertakes to show that fires and failures go hand in hand. He says the risk which the insurance company most fears is not the factory which is running day and night, but the factory which isn't running at all.

When building ceases and lumber becomes dead stock, that lumber must be paid for just the same. The result is an increase in the number fires in planing mills and lumber yards. When fashion put a ban on millinery feathers four years ago, fires in feather factories multiplied. Firebuggers foreshadowed the panic of 1907 by increasing losses and kept the pace for months. Cities are not the sole offenders. A crop failure is reflected in an increased number of burned barns; a flood in the south similarly affects property stiffly insured. In localities where mutual insurance obtains a fire is a rarity. The "moral hazard" so-called, rises and falls as the insured prospers or strikes hard times. In 1911, when the one-piece gown threatened to put the shirtwaist out of business, one insurance company paid losses on ten shirtwaist factories.

Home Losses Small.
 The writer emphasizes the fact that fire loss on homes is trifling, yet this risk, the best of all, is obliged to pay a goodly share of the losses entailed by incendiaries. Continuing he says: "There are no amount of difference in physical hazard can account for such discrepancies. Let anyone compare the 'preferred risk' losses with those of Europe and say if there is any notable difference. But come to the mercantile stock, whether raw cotton or bar iron—and vogue la galere! The insurance of the mercantile stock in America long ago reached the stage where the average company jumps its holdings from this class to that almost as the gambler at Monte Carlo jumps his wager from this number-combination to that. There are still fire insurance companies, American and Canadian, which will gravely assure you that their 'moral hazard losses' are only 10 or 12 or 15 per cent of the total. There is one way of testing that. In France, when an insurance company writes the regular business risk, it must be prepared to carry that risk—save for causes that it can take before the courts—for the next ten years. And, it may be said at once, in France insurance writing a la Monte Carlo is at a minimum. Take from our insurance companies the power to cancel, without legal cause, and, as well they know, within five years not thirty of the \$50 would still be doing business!"

Trade Waves in Fire.
 "You might put it," says an old insurance man, "that losses go in trade waves." Time out of mind, the insurance business has been accepting this fact, and blinking at its meaning. Are these 'trade waves' necessary? Are such losses inherent in the business of insurance? They don't go by 'trade waves' in systems of insurance where the first principle is to exclude every doubtful customer, where policies go only to informed persons, who are willing to stand security for each other. The late John R. Waters built up such a system, when he drew together half the famous old business houses in New York in his 'Individual and Reciprocal Underwriters'—and losses dropped nearly 50 per cent at once. "Classification should be by degrees of merit," said Waters, "irrespective of the business. I don't care whether a man is selling soap or making coffins. I can take you to a wholesale grocery which would look all right to the uninitiated, but which we would not touch at a \$10 rate. And I can take you to another in the next block which we would think good business at 50 cents."

"Losses don't go in 'trade waves' under the Factory Mutual system, with \$2,000,000,000 at risk in mills and factories, where the same principle governs. 'In the twenty-five years in which I have been connected with these companies,' says Roland W. Toppan, president of two of them, "I can recall only two cases where there has been even a remote suspicion of moral hazard." Later I shall give some parallel, but very different testimony from the presidents of stock fire insurance companies. 'Factory Mutual' fire losses now stand at 2 cents on the \$100—a showing unexcelled anywhere else in the world. The panic years of 1893 and 1897, caused scarcely a ripple in their business.

Moral Prevention the Need.
 Has physical fire prevention accomplished this? Physical fire prevention has done wonders—but it can do little without moral fire prevention, too. If you believe it is physical fire prevention alone, go out into the country, to the little township 'farmers' mutual'—101 in Michigan,

Insurance Rates Are Much Lower

Some results of the Massachusetts law which for several years permitted the savings banks to issue life insurance policies.

1. That to policy holders who have their policies for more than four years the cost is 24 per cent less than the cost of similar policies in privately managed companies. It is 44 per cent less than the cost in the private companies before 1907, the year in which the private companies reduced their rates.

2. The saving to the savings bank policy holder comes, not in the reduction of the premium rate, but in the largest possible respect for the mortality tables and reserve requirements) so much as in the more liberal annual dividends declared on the policies. Here are the figures:

On policies for which the holder pays in monthly installments, and which have been in force one year, the dividend equals one month's payment, or 8 1/2 per cent of the annual premium charge; on those in force two years, 12 1/2 per cent; on those in force three years, nearly 14 per cent; on those in force four years, 16 1/2 per cent; and on policies in force five years, 20 per cent of the year's premiums.

3. Three savings banks which have written most of the policies have reported substantial surpluses on this branch of their business after paying all claims, dividends and providing the full legal reserves. After four years, for instance, one reports a surplus on a very moderate volume of business of \$16,625.

Insurance Notes.
 A valued policy bill and a bill prohibiting the three-fourth clause have been introduced in the Oklahoma legislature.

The United States supreme court denied the motion of the insurance companies to change the case attacking the constitutionality of the rate-making laws of Kansas and Kentucky. This will defer the hearing for a year.

The Prudential Life paid a policy for \$100,000 on the life of Edward Bolter from merchant, in Chicago last week. It was an ordinary life policy issued March 15, 1912, at an annual premium of \$383. Mr. Bolter died January 27, 1913, following an operation for appendicitis.

Daniel Sayre, an insurance agent and Mrs. Minnie Foster have entered suit against the Cincinnati Underwriters and the Cincinnati Fire Prevention bureau, claiming \$2,000 damages each on the ground that both organizations violate the anti-trust laws of Ohio.

The Fireman's Fund Insurance company of San Francisco has taken over the business of the Pacific States Insurance company. The absorbed company paid a dividend of 35 per cent in 1910, but fell to 10 per cent in 1911. It had January 1 three Iowa companies have retired from the field and ten since August, 1910.

Refusal of Dime Cause of Probable Murder of a Man
 When Rudolph W. Zimmerman, better known as "Packer McFarlane," refused to give Sylvester Conway, a pool room tot 10 cents early this morning, the latter whipped out a revolver and fired two shots, one of which took effect in Zimmerman's abdomen and will in all probability cause his death. The shooting took place in front of the Boston restaurant at Fourteenth and Douglas streets and Conway immediately fled.

He was caught at the Belmont restaurant, Sixteenth and Dodge streets, fifteen minutes later by Special Officer J. W. McGeary of the Missouri Pacific. A moment later Policemen Finn, Reigelman and Roscoe Smith came up and held Conway until the arrival of the patrol wagon.

Zimmerman was taken to St. Joseph's hospital after a long delay in waiting for the patrol wagon which had been called out.

When it did come, Zimmerman was seized with a paroxysm of coughing and Dr. Harris gave up all hope of saving his life. On the way to the hospital the patient became unconscious and it is not believed that he will survive until noon. Special Officer McGeary witnessed the shooting.

Zimmerman is about 30 years old and has always been a pool room attaché. His father is dead and his mother is in the state asylum for the insane. His brother, Fred, is a farmer living at Harlan, Ia., with other relatives. Zimmerman had sleeping quarters at the Palace pool hall.

Conway came here from Denver recently. He is about 23 years old and has been living at 1906 Capitol avenue.

The Persistent and Judicious Use of Newspaper Advertisements is the Road to Business Success.

Southern Orator Will Speak Here
 The Omaha club has secured Albert W. Biggs of Memphis, Tenn., as the orator at the Washington birthday dinner to be given at the club rooms. Mr. Biggs is said to be one of the leading lawyers of the south, a young man and an orator of more than ordinary ability. He is a close friend of Ralph W. Breckenridge of this city. Last summer he delivered an address before the Texas Bar association and it was so good and aroused such general interest that he was requested to repeat it before the Missouri Bar association at the meeting held in St. Louis.

DATE SET FOR SOUTH OMAHA WATER CASE HEARING
 Hearing in the case of the water board vs. the City of South Omaha, has been set for February 14, at 9:30 o'clock in the United States district court room. Judge T. C. Mungler will preside. The water board is trying to prevent the City of South Omaha and the packing interest from erecting and operating a water plant of their own. The water board claims under contract with South Omaha and the packing houses that the latter cannot supply themselves with water.

A Viper in the Stomach
 In dyspepsia, complicated with liver and kidney troubles, Electric Bitters help all such cases or no pay. Try them. 50c. For sale by Beaton Drug Co.—Advertisement.

Situation wanted by fire insurance man. Fifteen years' experience. Address Geo. A. Sherman, 624 N. 30th St.—Advertisement.

STATE INSURANCE A FAILURE

States that Have Tried it Have Made Failure of Venture.

MEASURES ARE IMPRACTICAL

Companies Owned by the State Border on Paternalism and the Principle of Operation Entirely Wrong.

"Gladstone, the great English statesman, was not the only man to have expressed the dictum that government should not perform any service that the people themselves could perform. That is to say, that a state government should not be permitted to engage in the live stock business, in the grocery business, in the banking business, or in any other business pursuit in which men engage for profit."

The above remark was made by a life insurance man of prominence in the state. Continuing he said: "If the principle be true, it is just as applicable to our Nebraska state government now as it was to the English government when Gladstone first uttered it. He had before him the English people of the ancient guilds chartered by the king, whose members were required to sell the product of their handicraft at certain stipulated prices. If a man manufactured horse collars he must sell them at prices prescribed by the king or his chancellor. It was so in all lines of industry and merchandising."

"It was the rankest kind of paternalism. The English people stood for it only so long as they had to. They demonstrated the practice to be based upon a false principle, and when that had been done the system could not withstand the pressure of public opinion."

"In our day and generation there is a strong tendency toward paternalism in local as well as state government. It springs from the false doctrine preached recently by agitators. It relates to insurance as well as to lines of business other than insurance. At least two states have attempted the insurance business with a view to issuing policies at a prescribed premium rate to a limited class of citizens, which attempt has not proved a success. Other states are discussing impractical measures to authorize officials of the state, whose duties are limited by the constitution, to take up the additional burden of experimental management of the insurance business. Suffice it to say, that like attempts have not proven successful in Australia and other nations having attempted them."

"It makes no difference whether such companies are owned by the state or not. The principle at work is as false as it was in the days of the English guild, or in the days of the Connecticut blue laws, which were the worst example of paternalism ever known. The principle was later repudiated by the men who made the constitution of the first colonial states, and it will be repudiated by the people of this generation after the obvious reformers have had their brief innings upon the law-makers' stage. No state can afford to engage in business which can be conducted by its citizens. Let us hold fast to this old principle. We can't afford to abandon it."

Key to the Situation—See Advertising.

WALTER A. YONSON
B. L. BALDWIN & CO.
 Established 1891.
 609-10 First National GENERAL INSURANCE Telephone Doug. 271.

W. LEROY WILCOX
B. L. BALDWIN & CO.
 Established 1891.
 609-10 First National GENERAL INSURANCE Telephone Doug. 271.

Wheeler & Welpton Co.
 RELIABLE INSURANCE OF ALL KINDS
 1511 Dodge Street. Phone Douglas 188.

MARTIN BROS. & CO.
 GENERAL INSURANCE
 BARKER BLK. TEL. DOUG. 735

INSURANCE RATES ARE LARGELY THE SAME, BUT THERE IS A DIFFERENCE IN SERVICE RENDERED
 See Me—I adjust losses.
Nat Meister
 GENERAL INSURANCE
 1313-14 CITY NATIONAL BANK BUILDING. D. 1705.

HOIST FOR OMAHA
The Columbia Fire Underwriters
 OF OMAHA
 Home Offices—Entire Third Floor Merchants National Bank Building. Phone Douglas 461.
 J. O. Talmage, Manager. M. E. Lease, Assistant Manager.

BALDRIGE-MADDEN CO.
 Paid out six times the amount of premiums received during 1912 in Nebraska for
Accident Losses
 Maryland Casualty Co.'s Policies Are the Best. Let Us Convince You. Phone Doug. 900. See Building.

INSURANCE—
 FIRE—TORNADO—AUTOMOBILE—PLATE GLASS—BOILER
 BURGLARY—HEALTH AND ACCIDENT
ALFRED C. KENNEDY
 209 First Nat'l Bank Bldg. Phone Douglas 722.

Protect Your Time—
Your Earning Power
 Our Accident and Health Policies Cannot Be Met in Competition. See Them Before You Buy.
Lion Bonding & Surety Co.
 W. O. W. Bldg. Phone Douglas 678, Accident Dept.

Let the Buyer Beware
 SEE US BEFORE BUYING OTHER POLICY IN ANY BRANCH OF INSURANCE
GALLAGHER & NELSON
 General Agent Illinois Surety Co. 463 Brandeis Bldg. D. 3252

GOOD OPENING FOR PRODUCERS
Continental Casualty Company
 Largest Exclusive Health and Accident Company in the United States. 511 Paxton Bldg. LEWIS V. CRUM, District Manager.

Insurance, in All Its Branches
 —AT—
Webster, Howard Co.
 Phone, Douglas 970. 326 Bee Bldg.

Equitable Life Assurance Society of the U. S.
 Assets over \$500,000,000. Paid Policy holders over \$815,000,000.
 H. D. NEELY & CO., Managers
 H. D. NEELY JOE KLEIN E. H. PICKARD
 Merchants Nat'l Bank Bldg.

Obey That Impulse!
 Not the man who INTENDED but the man who INSURED left provision for his family.
G. W. NOBLE,
 General Agent.
CHARLES F. KOPFER,
 Special Agent.
J. C. MITCHEMAN, Special Agent.
 OFFICES:
 638-943 Brandeis Bldg. Omaha.

THE Union Central Life Ins. Co.
 OF CINCINNATI, OHIO
HARRY O. STEEL
 General Agent.
 811-813 Range Bldg. Phone D 2182

WHEN BUYING LIFE INSURANCE consult one who knows the life insurance business; one who is able to advise you the best form of policy FOR YOU.
 There are more than 60 different kinds of policies issued. Get the form best suited to your condition in life. Write or call.
Clarence N. Anderson,
 430 Bee Building D. 2266 Omaha, Nebraska

ORGANIZED 1845.
The Mutual Benefit Life Insurance Company
 of NEWARK, NEW JERSEY
GEO. T. BLANDFORD,
 General Agent.
 415-16 City National Bank Bldg. Omaha, Nebraska.

"State Mutual Life" OF WORCESTER, MASS.
 ONE OF THE OLDEST—69 YEARS—and Best Companies on Earth.
W. H. INDOE
 General Agent
 652 Bee Building, OMAHA

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\$622,601.26
 This large sum of money was paid to living policy holders during the last ten years by
THE BANKERS RESERVE LIFE COMPANY OF OMAHA
 In annual dividends it is equivalent of a high rate of interest upon all premium payments, to say nothing of the protection afforded to beneficiaries.

New families are constantly coming to Omaha who want rooms....
 If you have any rooms apartments or houses to rent, you should let these newcomers know—and the way to tell them is through the Bee classified pages. People who come into Omaha always read the Bee first. It has a national reputation and everybody looks to it for information. Better put your "for rent" ads in The Bee right now.
 PHONE
Tyler 1000

\$2,500,000 FOR 1912.
 At the annual meeting of the stockholders of The Midwest Life, held January 25th, 1913, all of the directors whose terms expired were re-elected and F. M. Steinauer of Steinauer was added to the directory. No change was made in the officers.
 In the evening President Snell gave a banquet at the Lindell Hotel to the agents and directors. Speeches were made by agents George Crocker, F. W. Dinmore, Oscar Douglas, Wm. Horley, Arthur McPherson, F. W. Quase and O. E. Mickey; by directors M. J. Waugh and J. W. Welpton; and by T. M. Davis, president of the First State Bank at Beaver City who was present as a guest. Everybody had an excellent time and the mark for 1913 was set at \$2,500,000 of new insurance. Applications of from one to ten thousand dollars will be appreciated. Call or write.
THE MIDWEST LIFE & Nebraska Company.
 Home Offices: First National Bank Building, Lincoln.
 A. A. TAYLOR and GEORGE CROCKER,
 General Agents, Rooms 1212-1214 City National Bank Building, Omaha.

WHEN A MAN LIVES CLEAR UP TO HIS INCOME He owes it to himself and his business to provide adequate life insurance—the unexpected is always happening. See
TOM KELLY "THE INSURANCE MAN"
 EIGHTY MILLIONS ASSETS Douglas 661.

J. H. Mithen Co.
 INC.
 921-4 CITY NATIONAL BANK BLDG.
 Surety Bonds, Employers' Liability, Automobile Liability, Burglary, Plate Glass.
INSURANCE
 Good Opening For Producers
CONTINENTAL CASUALTY COMPANY
 Largest exclusive Health and Accident company in the United States.
 LEWIS V. CRUM, District Manager.
 511 Paxton Block.

Jay D. Foster **Joseph Barker**
Foster-Barker Company
 Successors to H. E. Palmer, Son & Co.
 Fire, Liability, Automobile, Burglary, Tornado, Accident, Plate Glass, Bonds, Etc.
 Brandeis Bldg. Phone Doug. 29

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