THE OMAHA DAILY BEE: SUNDAY, APRIL 1, 1906.

56th ANNUAL STATEMENT talative matters was never sufficiently strong to force its adoption. Two Philadel-phia companies—the Union Surety and the City Trust--transacting both a surety and a banking business failed disastrously, within the past two years, and it was thought their collapse would have induced the desired legislation. Regularly organized and well conducted surety companies find it most difficult to transact general business in the Keystone state because of the competition of local trust companies, many of whom grant in-demnity bonds to customers for a nominal fee, or no fee at all. In this respect the Pittsburg institutions are particular of-fenders. SURETY BUSINESS NOT SURE Condensed JOHN R. WEBSTER Ætna Life General Conditions Not Such as Allure Prospective Investors. Insurance Company, HARTFORD, CONN. COMPANIES LACK CLASS ORGANIZATION MORGAN G. BULKELEY, President. Methods Are Not Such as Tend to The Leading Insurance Company in Bring Best Returns on Money ders. New England, and the Largest in the Business Not an Alluring One. Invested in the World Writing Life, Accident, Liabil-ity, and Health Insurance. It is a mystery to discerning underwrit-Business. ers why capitalists at the present time will Assets, Jan. 1, 1906. \$ 79,247,504.32 Premlum receipts in allow themselves to be persuaded into put ting their money into new surety compan-That surety underwriters generally, and for, if they would only make an in-1905 13,728,619.61 tea. Interest and other reespecially, the most conservative and exvestigation for themselves, as they do into perienced, are not well satisfied with the 3,281,850.00 other lines of investment, and not rely celpts in 1905. onditions now obtaining is illustrated by Total receipts in 1905. upon the seductive assurances of promot 16,960,470.51 the movements recently inaugurated by Payments to policy ers, they would certainly hesitate. Can the two opposite, but co-operating forces holders in 1905 7,766,186,17 anything be more convincing than the of every company, the management and Legal Policies, and all official facts shown by the insurance reagencies. The recent and sudden death ports of the New York state in a table pubof Robert S. Branen of Denver, a most claims 09,956,781.51 lished last August by The Chronicle of Special Reserve in adenterprising surety man, who had suc-New York? Out of twelve companies writdition to Reserve cossfully organized the fire underwriters ing the bulk of the business in America 2,215,316.00 into a mutually beneficial association, above given ... only six had earned any surplus since or-Life Insurance issued threatens to prevent the formation of a ganisation. One company, although incornational association of surety and casualty revived and paid porated as far back as 1895, had lost in surfor in 1905.... 30,277,698,00 agents, which many believe would have plus \$423,177 and has not paid a dividend Life Insurance been of great help in amellorating the conduring the past year. force Jan. 1, 1906. 230,858,815.00 Guarantee Fund in exditions now existing. There has also been Co-existent with the popular failncy that considerable talk lately of approaching surety companies rarely lose money is the cess or Requireconferences between the executives of all popular belief that all bonds are good; and, ments by Com the surety companies, the United Auditing in very much the same way as all mining pany's Standard. 7,075,406.81 and Adjusting association of New York stock, just so the certificates are nicely en Guarantee Fund in having failed in its mission because it was graved, is eagerly bought by the ignorant excess of Legal Rein part improperly conceived and inand unsuspecting, so the bonds of some quirements 9,290,722.81 capably executed. Three of the largest companies are accepted, regardless of their Paid Policy Holders Since Organization, and most active companies, Fidelity and true security. It is to be regretted that Deposit, the American Surety and Ameri-\$153,700,407.33. education does not here enter the surety can Bonding, declined to join, and the world in the form of advice or warning association was soon abandoned, very Gains in Business During 1905. from insurance commissioners, for future largely because of jealousy and Increase in Assets....\$ 5,551,325,51 developments may make the officials, who Increase in Guarantee rivalry between the presidents of two are sworn to protect the interests of the of the constituent companies. These are Fund over Require people, feel very remorseful. merely mentioned as straws which show ments 519,766.16 Bonds Are Needed. Increase in Premium how the wind blows. There were no fail-It may be easily shown that surety ures in 1905, but the companies only did 859,696,84 bonds are needed and that they are refairly well. According to figures collected by quired. come Increase in Life In-That the present situation is a de-1,028,018,75 the Fidelity and Casualty company of plorable one, due largely to ignorance and New York there were embezziements in surance in force 18,558,576.00 inadequate rates, is painfully apparent to the United States in 1905 amounting to Increase in Accident every surety manager. Opinions as to the over \$12,000,000 as against \$10,000,000 in 1904. Insurance in Force. . 7.861.854.00 proper remedles may differ, but the writer Deputy Auditor Pierce's preliminary rehumbly believes that education-not merely port, which will soon make its appear-JOHN DALE, Manager, of the applicant or principal, but of the 310 Ramge Block, ance, will show that a total of over Omaha. agent, and even of the management. \$129,000 was received in surety and fidelity s120,000 was received in surety and fidelity Paid policy noiders. \$ 853,866,63 premiums in Nebraska last year. Bearing All other payments... 1,064,126,86 through acquaintance with history-and Equitable adequate rates will serve as a panacea. out statements previously made, the fig-Total The pursuance by executive of a policy of ures show that the losses, while only conservative underwriting, judicious co-inabout 16 per cent to premiums received. surance and re-insurance, which latter is were paid almost entirely by the older companies, After carefully digesting these figures the reader can scarcely fail to agree with the writer in his opinion that only educa-tion and adequate rates at the present time and a devourity to be withed"-can CERTIFICATE OF PUBLICATION. of recent growth in surety circles, and re-CERTIFICATE OF PUBLICATION. STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1966. IT IS HEREBY CERTIFIED, That the Equitable Life Assurance Society of New York, in the state of New York, has com-plied with the insurance law of this state, applicable to such companies, and is there-fore authorized to continue the business of life insurance in this state for the current year ending January Jist, 1907. Summary of report filed for the year ending December Jist, 1985: TNCOME. quirements of joint control and collateral security would avail much. Mistaken Idea Prevalent. There seems to be a popular misimpression that surety companies pay few losses time ends "devoutly to be wished"-can and that their returns, especially to stockimprove a business which should stand holders, are large. Even to question this beside the banking line and pay as fair might seem futile, but as facts and figures returns, but which now occupies a place year first above writien. E. M. SEARLE, JR. Auditor of Publi: Account are not to be disputed, a few which even as "side-line" in many big insurance the layman can understand will be preagencies throughout the country. If in-INCOME. sented bearing out the writer's contention vestors, instead of putting their money that under the present conditions surety into new companies, conducted in a mancompanies generally do not make money. The business is conducted on a nearly cash

Webster, Howard & Co. Bee Building, Omaha INSURANCE The highest recommendation we can offer, is the very large list of clients whom we have represented continuously for more than twenty years. **Points That Appeal to the Insurer** We understand our business thoroughly. We issue up-to-date policy forms. We know when your rate is correct, and, if it is not, we see that it is made so. We represent companies having assets of more than \$60,000,000. We adjust our own losses.

WM. E. HITCHCOCK

Certificate of Publication.

(Seal)

 STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1995.
 STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1995.
 STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1995.

 IT IS HEREBY CERTIFIED, That the tion of London, in the State of Engund, has compiled with the insurance law of this state, applicable to such companies, and is therefore authorized to continue the busi-mess of accident, employeers liability, health
 STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1995.
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of this state applicable to such companies and is therefore authorized to continue the business of hre and ignuting and sail insurance in this state for the current year ending January 31st, 1907. Witness my hand and the seal of the Auditor of Public Accounts the day and ness of accident, employers linking the ous-ness of accident, employers linking, health and fidelity, burghary and steam boller in-surance in this state for the current year ending January list, 190. SUMMARY OF REPORT FILED FOR THE YEAR ENDING DEC. 31ST, 1906. year first above written, E. M. SEARLE, JR.

\$2,374,770.00 DISBURSEMENTS.

> Certificate of Publication. .\$1.936,993.49 ADMITTED ASSETS. \$3.073,711.35 STATE OF NEBRASKA, OFFICE OF

LIABILITIES. Unpaid claims and ex-

Auditor of Publi: Accounts. JOHN L. PIERCE, Deputy. (Soul)

Certificate of Publication. Certificate of Publication.

authorized to

E. M. BEARLES Auditor of Public Accounts. JOHN L. PIERCE, Deputy.

LINCOLN, Feb. 1, 1906.

E. M. SEARLE. JR. Auditor of Public Accounts.

JOHN L. PIERCE,

Deputy.

AUDITOR OF PUBLIC ACCOUNTS.

land, has complied with the insurance law of this state applicable to such companies and is therefore authorized to continue the business of fire and lightning insurance in this state for the current year ending Jan-uary Bist, 1997. Witness my hand and the seal of the Auditor of Public Accounts the day and year first above written.

Auditor of Public Accounts, year first above written. E. M. SEARLE, JR. Auditor of Public Accounts. Auditor of Public Accounts. JOHN L. PLERCE, Deputy.

Certificate of Publication.

STATE OF NEBRASKA. OFFICE OF AUDITOR OF PUBLIC ACCOUNTS.

AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1906. IT IS HEREBY CORTIFIED, That the Insurance Company of North America of Philadelphia, in the State of Pennsylvania, has complied with the insurance law of this state applicable to such companies and is therefore authorized to continue the business of fire and lightning insurance in this state for the current year ending Jau-uary 31st, 1907. Witness my hand and the seal of the Auditor of Public Accounts the day and year first above written. E. M. SEARLE, JR. Auditor of Public Accounts (Seal) JOHN L. PIERCES. Deputy.

STATE OF NEBRASKA, OFFICE OF

AUDITOR OF PUBLIC ACCOUNTS. IT IS HEREBY CERTIFIED. That the

In 18 HEREBY CERTIFIED, that the Hanover Fire Insurance Company of New York, in the State of New York, has com-piled with the insurance law of this state applicable to such companies and is Lasse-fore authorized to continue the Susiness of fire and lighting insurance in this state for the current year ending January list, 1967

Certificate of Publication.

JOHN C., HOWARD

Witness my hand and the seal of the Auditor of Fublic Accounts the day and

LINCOLN, Feb. 1, 1906

Auditor of Public Accounts, year first above written, E. M. SEARLE, JR., Auditor of Public Accounts, JOHN L. PIERCE, Deputy

Certificate of Publication.

STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS.

AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1905. IT IS HEREBY CERTIFIED, That the Scottish Union and National Insurance Company of Edinburgh, in the State of Scotland, has compiled with the insurance have of this state applicable to such com-panies and is therefore authorized to con-tinue the business of fire and lightning in-surance in this state for the current year ending January Jist, 1907. Witness my hand and the seal of the Auditor of Public Accounts the day and year first above written. E. M. SEARLE, JR. Auditor of Public Accounts (Seal) JOHN L. PIERCE, Deputy.

\$1.156,0(3).86 \$2,688.146.57

We are State Agents for the Employer's Liability Assurance Corporation, of London, and issue for them the best Liability. Personal Accident and Health Policies on the market today.

Despite the Unheaval in

dends they paid. One of the oldest and

largest paid \$250,000, or 14 per cent on a

BUSINESS OF LIFE COMPANIES Last Year One of Marked Prosperity capital of \$2,000,000, but not because of the

ditions surety companies are not making money and investors should beware of the formation of new surety companies. HARRY S. BYRNE.

conclusion may seen somewhat beside the point, but the conclusion is that according to present con-

ner contrary to all the dictates of experience and reason, would buy stock in older companies which have withstood many a hard shock, the fraternity would be much benefited. This

E. M. SEARLE, Jr., Auditor of Public Accounts, JOHN L. PIERCE, Deputy. (Seal.) H. D. NEELY, Manager. WM. HENRY BROWN, Cashier.

DISBURSEMENTS.

LIABILITIES.

100,000,00

d policy holders.\$ 41,159,574.49 other payments 33,602,177.70

3 89.105/19.77

\$ 64,761.752.19 \$413,615,722.70

Total

Total Admitted assets

404 Merchants National Bank Building.

CERTIFICATE OF PUBLICATION. STATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS. LINCOLN, Feb. 1, 1966.

IT IS HEREBY CERTIFIED. That the Security Mutual Life Insurance Company of Binghamton, in the State of New York, has complied with the insurance law of this state applicable to such companies and is therefore authorized to continue the business of life insurance in this state for the current year ending January Sist, 1907. SUMMARY OF REPORT FILED FOR THE YEAR ENDING DEC. MST, MO:

INCOME. \$1,788,681.76

DISBURSEMENTS. Paid policy holders....\$ 520,813.48 341 other payments... \$23,18,22 Total \$1,344,000.70 ADMITTED ASSETS.

LIABILITIES.

520,954.73- 520,984.72 Inshinties

Total Witness my hand and the seal of the Auditor of Public Accounts the day and year first above written. E. M. SEARLE, JR., Auditor of Public Accounts. (Beal) JOHN L. PHERCE,

LINGULY.

For Particulars Apply to

James A. Woodman Manager Northeastern Nebraska Dept

418 McCague Bidg. OMAHA.

Northwestern Mutual Life Insurance Co.

CERTIFICATE OF PUBLICATION.

CLARITER ATE OF NEBRASKA, OFFICE OF AUDITOR OF PUBLIC ACCOUNTS LINCOLN, FED. 1, 146. TT 18 HEREBY CLERICH, That the Northwestern Autual idte insurance Com-pany of allwatase, in the State of Wiscon-smin bas completed with no insurance and business of life insurance in this state for the current year ending January 31st, 1867.

SUMMARY OF REPORT FILED FOR THE YEAR ENDING DEC. MET, 1800: INCOME.

\$39,325,259.60 Total DISBURSEMENTS.

Total.

\$35,871,748.88 ADMITTED ASSETS.

· LIABILITIES.

surplus beyond other liabilities. 9.338.136.14- 9,338.136.14

Total Witness my hand and the seal of the Auditor of Public Accounts the day and year first above written. E. M. SEARLE. JR. Auditor of Public Accounts. (Seal) JOHN L. PIERCE. Deputy.

John Steel GENERAL AGENT

Bee Building,

great profit in its underwriting, although it was conservative, but because, although its premium receipts were only \$1.364,184, its

ment of its assets.

\$1,637,808,46

Laws Affect Business.

plus had only increased \$10,043.

basis, but even this does not avert losses.

Take the figure in the asue of March 8,

1906, of The Spectafor, which has compiled

its data from the most favorable sources

-reports of the companies themselves. Out

of the seventeen surety companies, new

and old (although it is almost universally

conceded that surety companies do not be-

gin to "catch" losses until about the fifth

The Spectator in its issue of March 15 income from other sources was \$302,512, presents an important tabulation, giving nearly enough to pay its losses, which were the figures on the business of the life in-\$571,359. This case is taken as a fair ex- surance companies for the year 1905. ample because of pruneat management. Ninety-nine companies are included in the the age of the company-sixteen years-its report, comprising all but two or three policy, which is liberal in scope, and its unimportant companies doing business in widely extended territory. Two other com- the United States. It is the first complete panjes showed greater dividends-16 and 17 showing of the figure for 1906, and indicates per cent-but they failed to add to their that the public has not lost confidence in surplus such an amounc as experience life insurance, despite the upheaval in New shows may be quickly exhausted if any York during the year. As a matter of unusual losses occur. Of these one has fact, only one of the big companies, the not even entered Nebraska and has total Equitable shows a loss of business. The assets of only \$430,773, whus the other was Equitable reports at the close of the year, only organized in 1961. The fourth highest \$59,419,456 less insurance in force than at revenue producer, which paid a dividend the beginning; its total of insurance 'n of 10 per cent, was another new company. force on December 31, 1905, being \$1,456,123.having been formed in 1901, while a com- 455. The other members of the "big three," pany which follows a policy very similar to shows a decided gain for the year, the

the first paid a dividend of 8 per cent, duc. New York Life having increased its inas in the first case, to profitable invest- surance in force by \$132,984.578, its total in force being \$2,061,533,886. 'The Mutual reports a gain of \$41,927,808, with a total in The unfavorable tendency of legislation is. force of \$1,589,549,468. Commenting on the in addition to the low rates of premium figures, the Spectator says:

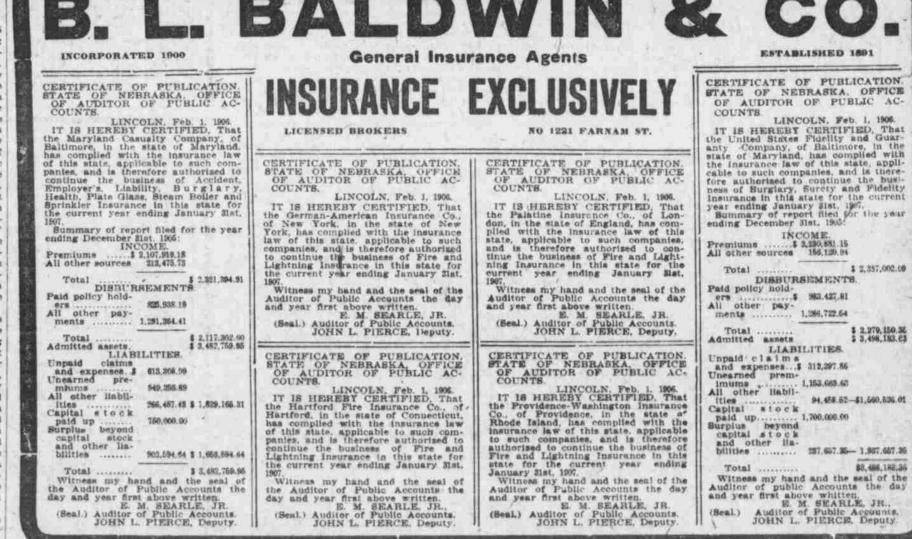
received, a distinct and very present cause "The financial strength of the companies for alarm to the weaker companies. On the shows no dimunition, for the total assets other hand, they are being forced to put up increased during 1965 by \$207,965,437, bringing large amounts of money in securities and the total up to the tremendous amount cash as deposits for the protection of \$2,714.32,546. The surplus funds held for grantees of their bonds or are being re- the absolute protection of the contracts, quired to confine themselves to one parti- and also as the fund for dividends to policy cular line of husiness. For instance, up to holders, also increased during the year and January 1, 1965, out of tweive actively now stands at \$237,541,291. The increase in competing companies, only six were doing a this item for the year was \$1.095,008, and strictly surety and fidelity business. The while that amount is small compared with other six were doing everything else from the previous year, it is to be remembered a banking business to burgiary underwrit. that one company alone showed a decrease ing, and it is confidentially asserted that of nearly \$18,000,000 in surplus, owing to a one of the so-called "big" companies last re-adjustment in values, and the large inyear just succeeded in paying off losses and crease in 1904 was caused mainly by the giving 3 per cent dividend to stockholders sharp recovery in the value of stocks and

by reason of the profits from its burghary department. While the exact figures as to its burghary premiums are not at hand, in 1905 the sum of \$515,525,232 in premiums. a few references to its general statements and the total income from all sources will suffice. It wrote \$2,120,881 in premiums was \$541,052,206. In both these items the on a capital stock of \$1,793,000, a premium gains were well maintained as compared increase over 1904 of \$95,551, while its losses, with recent years. The payment on policywhich are \$983.425, increased \$973.009 during holders' account were the largest in the the same period. Bo great were its manage- history of the business, reaching \$264,652,216, ment expenses. In addition to its losses, of which approximately \$150,000,000 were disthat it was only enabled to pay its stock- bursed to widows and orphans in the shape holders dividends of \$25,500, for its net sur. of death claims and the remainder went to living policyholders in various forms-

tinent. It says in part: Is it just that trust companies may legally take the momey deposited by indi-viduals and pay it out for losses sustained as guarantor on bonds? Would not a law demanding the separation of the surely business from the banking business be more equitable? Bhould officials of trust com-panies be empowered by law to jeopardize deposite by the issuing of surely bonds by their concern? Should not the law be so amended as to placed for the route the law be so amended as to place further protection my humble judgment, wise, yet I ask you individual depositor, the funds of the route my humble judgment, wise, yet I ask you important to the state fund? Pennsyvania media banking institution, etc., of squal important to the depositors of the trust companies and banking institutions. Such welcome to the people as personal regin-times, I ameerely trust that you will not con-in recerely trust that you will not con-

hushand. "I'm sorry, ma'am," replied the weary salesman. "Well," said she, peering over the coun-

ider this as criticising your able docu-ment. I desire to assure you that my sole object in addressing you this is to have th evil mentioned taken up by the people for general discussion, looking toward its speedy remedy. ter, "are you sure I've seen all you have "All except the pair I have on ma'am." replied the salesman, blushing-Philadel-





The Chronicle comments as follows: OMAHA. Legislation along the lines proposed by replied the second the surgery men, though their influence in leg-

regulature.