

BURGLARY INSURANCE MEN SAY CRIME IS DECREASING

They Are Paying Less Money for Losses by Robbery Than for Years Past—Flynn Has Reduced the Number of Burglaries Below That in Any Regime Since Inspector Byrnes's.

WHILE Mayor Gaynor and Magistrate Corrigan are still wrangling over the moot question of how bad New York City really is, there comes this ray of optimism from the twenty-six casualty and surety companies doing a burglary, larceny, and theft insurance business in the city, to the effect that in the burglary department of the crooks' activities, at least, the city is blessed with a moral wave such as it has not experienced for almost a decade; that there has been a recovery from the overwhelming eruption of burglary resulting from the depression of business since 1929, and that the casualty insurance business is again on a keel of profit.

Even in Chicago, they say—and they speak with statistical precision—they have managed to "split even" during the last business year, while the crooks in Boston, notwithstanding the recent report of the Rev. Cordland Myers, D. D., from the pulpit of the Tremont Temple to the contrary, have become so moralized that profits have almost doubled in the casualty and surety business. In New York City, they proudly assert, the short régime of Deputy Police Commissioner William J. Flynn as head of the Detective Bureau, has already produced such results that the number of legitimate as well as "fake" burglaries has been reduced to practically the same percentage existing during the régime of Inspector Byrnes.

"Several companies doing a burglary insurance business," said William F. Moore, President of the New Amsterdam Casualty Company, and President of the Burglary Insurance Underwriters Association of America, the clearing-house for

the estate of this millionaire, the Fifth Avenue mansion of this banker, the apartment of an actress on Riverside Drive, or the Harlem apartment of a poor unfortunate widow whose life savings were pawed up in a stocking and hid under the mattress.

"And the majority of readers are deluded to believe that never in the history of disorder were there so many burglaries in a single week, or month, or year.

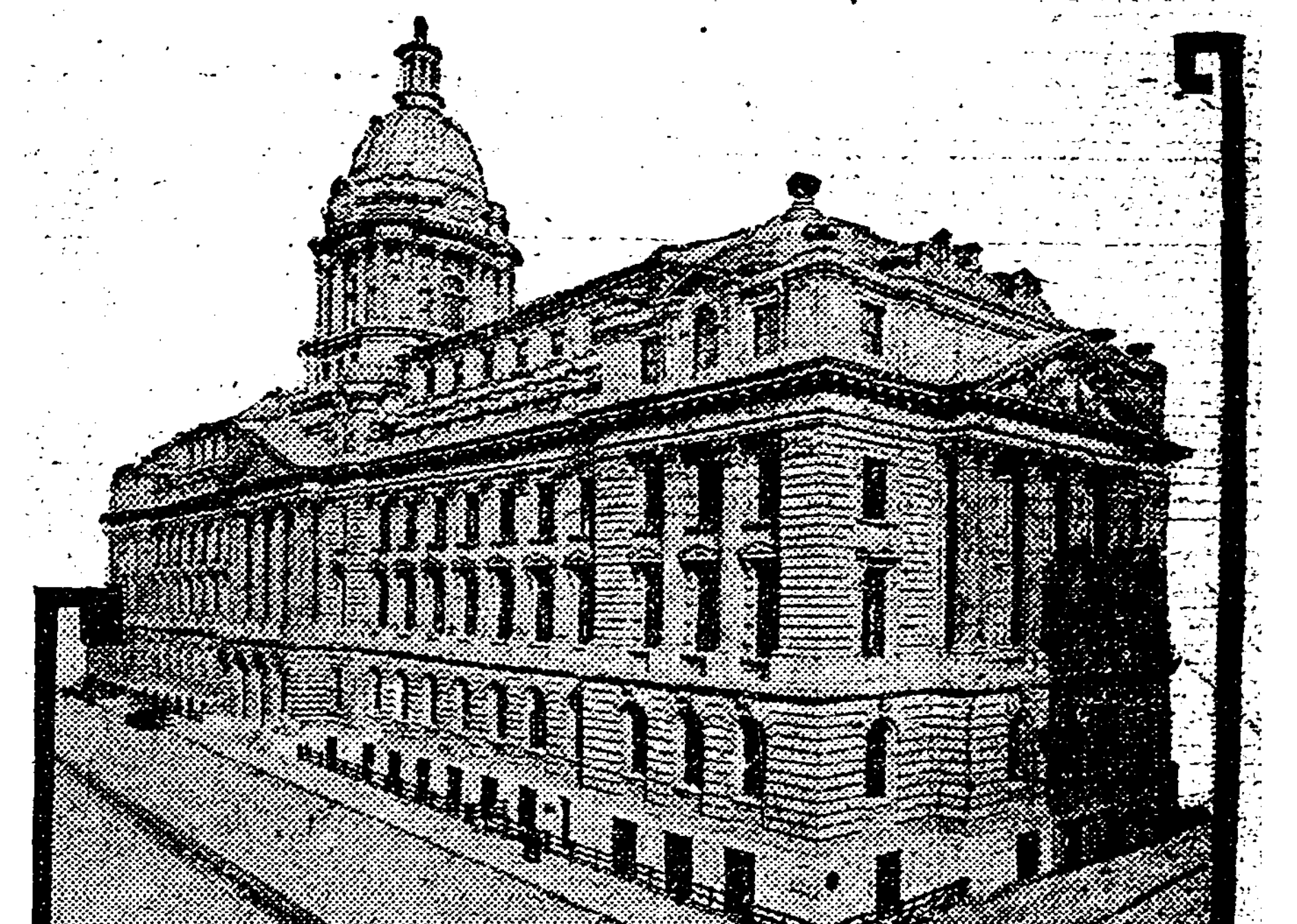
"From the psychologists comes the theory of the extended depravity among humans, from the pulpit an appeal for the education of the moral sense of the degraded 'other half,' and from an in-

one of retrenchment but of exploitation. He sees in his burglary insurance his only rescue. That is why the percentage of losses paid to premiums is so high during a period of depression—it seems to pay to be dishonest."

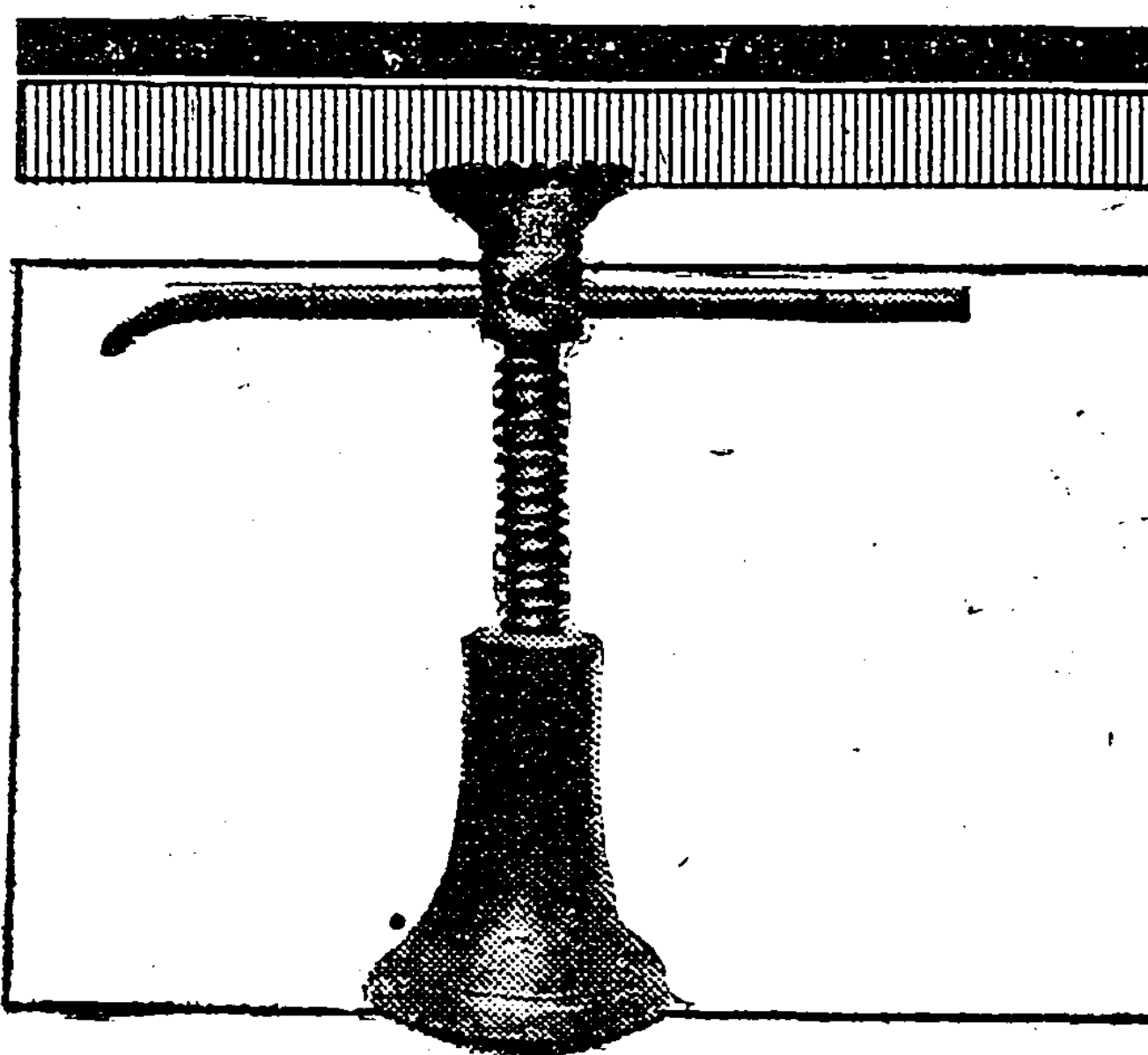
Mr. Moore would not be led into the discussion of the dishonest tricks in vogue to beat the insurance companies. But he intimated that he knew of interesting things which would make interesting reading. All of his detectives were out on cases at the time, and so it remained for the reporter to seek out a few Pinkertons and Central Office sleuths who, under pledge of not having their names

lary must be reported to the police immediately after it is discovered. City detectives are assigned to the case at once, and, under the recent reorganization of the Detective Bureau whereby cases are assigned from the station houses in which they are reported instead of being reported to the Central Office or to the back-boneless branch offices, the fraudulent petty claims have been very much reduced because of the fact that quicker attention and better knowledge of the district gives the station-house detectives a greater chance to detect the suspicious character of the case, if it is such. Then the company is notified by the policy

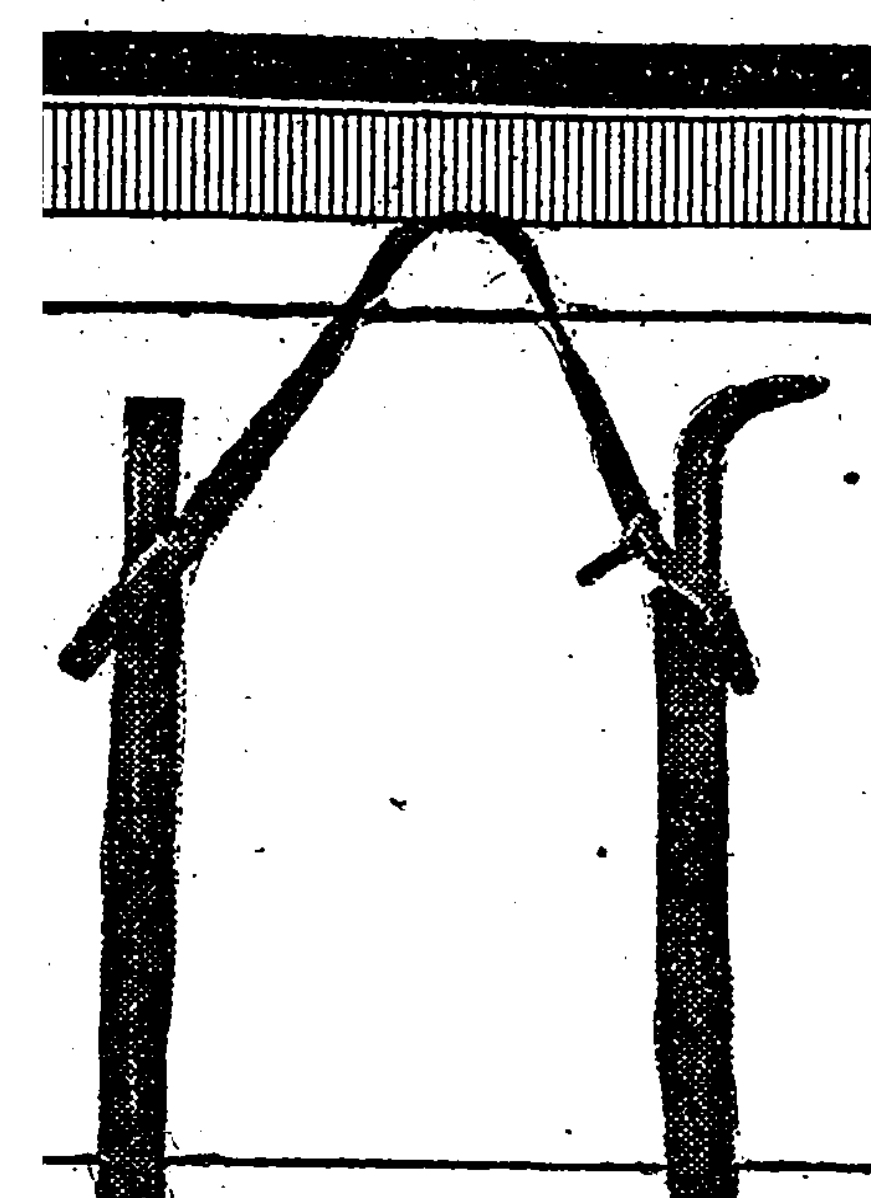
clerk. Every detective one meets remembers cases in which he himself took a hand in the investigation of some kind of suspicious burglary. All cases are more or less parallel in construction, however, and narrow themselves down to the typical case in which, after a merchant had reported the burglary of his store and the theft of over half of his stock of goods, detectives called on him and reviewed the circumstances of the alleged burglary. The shrewd detective, after examining carefully and studiously the broken window in the rear of the store—according to our sample story—approached the owner of the store with this curt remark: "The



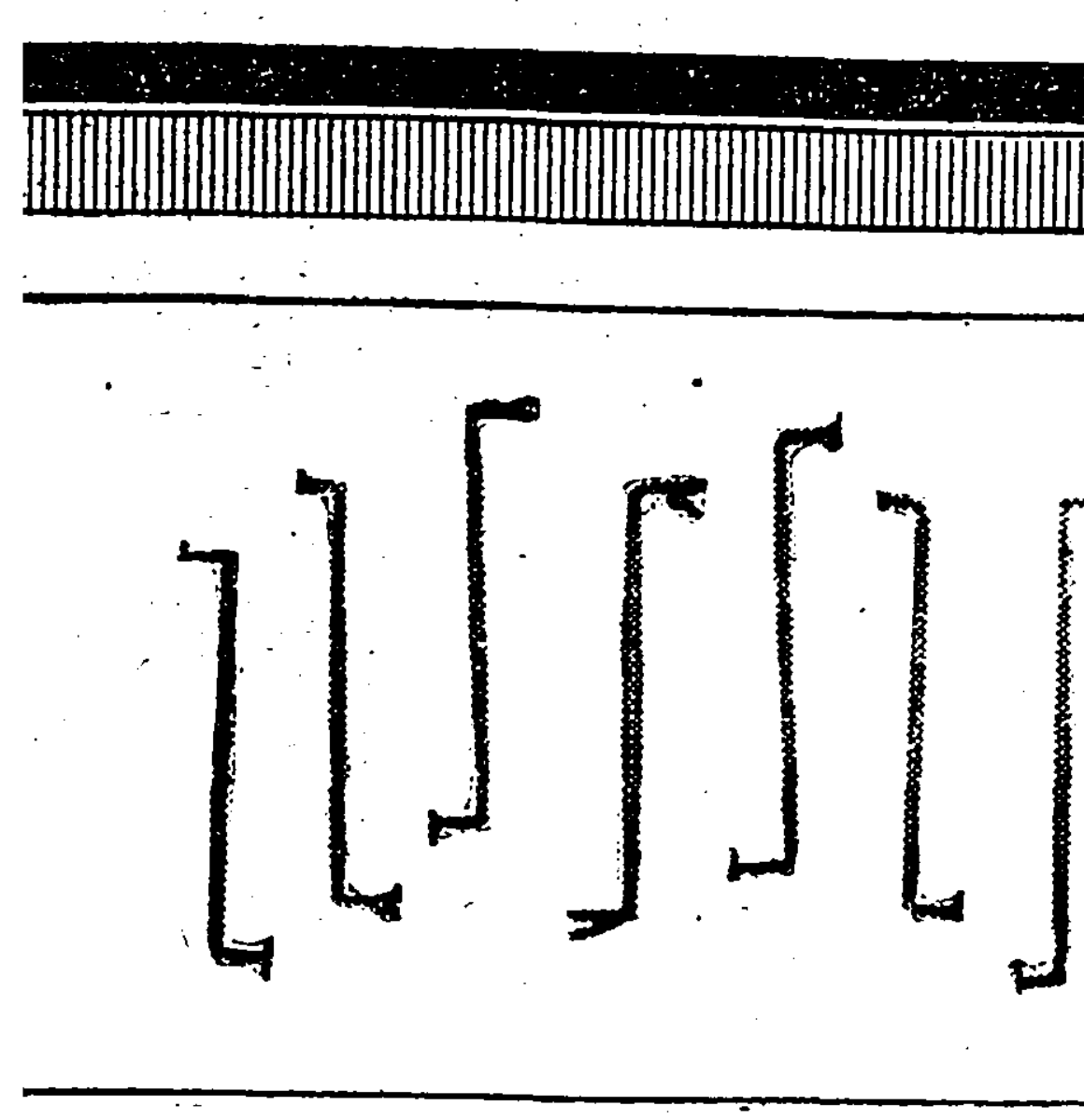
Police Headquarters



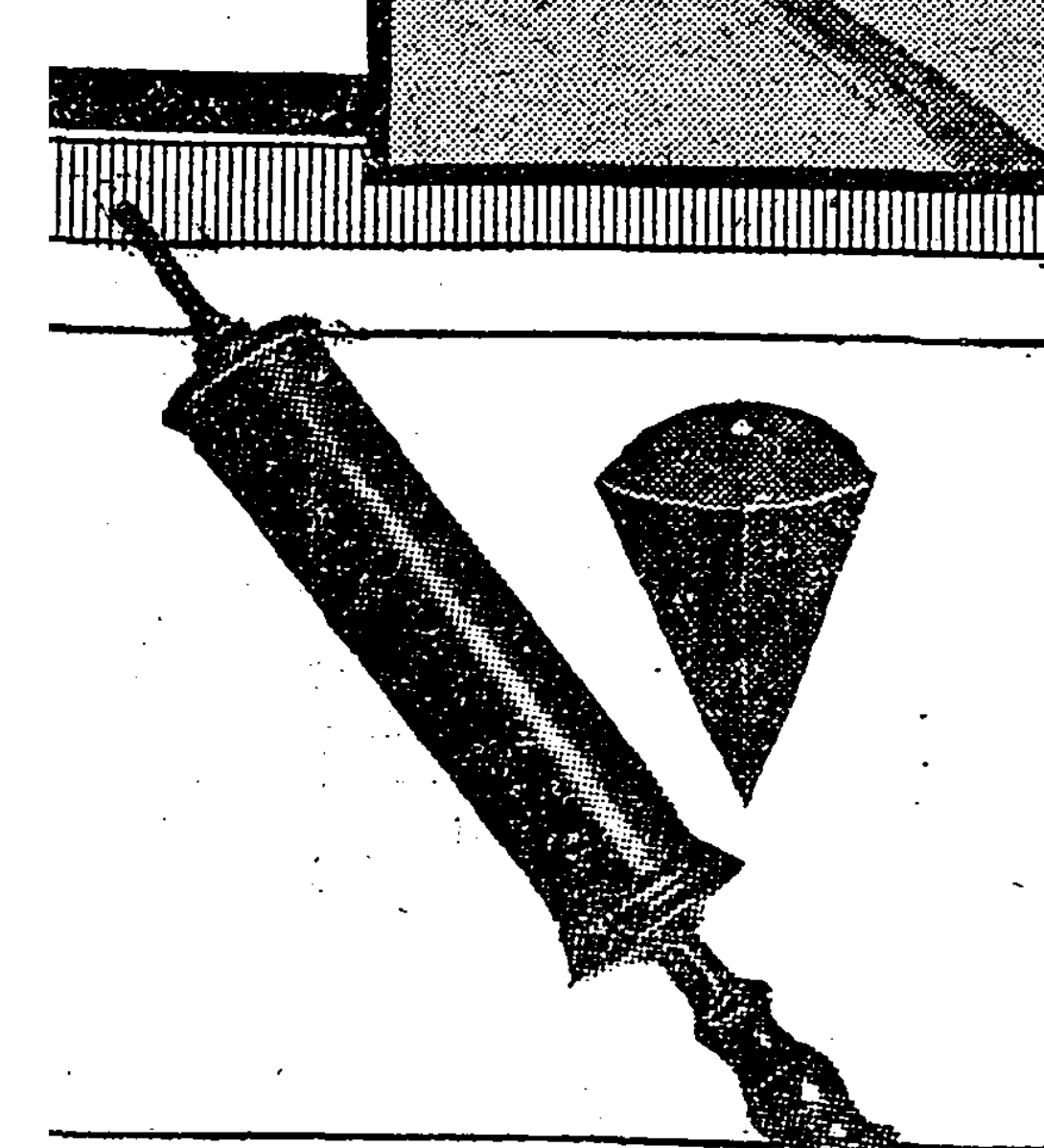
Burglar's jack to raise the safe in position to operate.



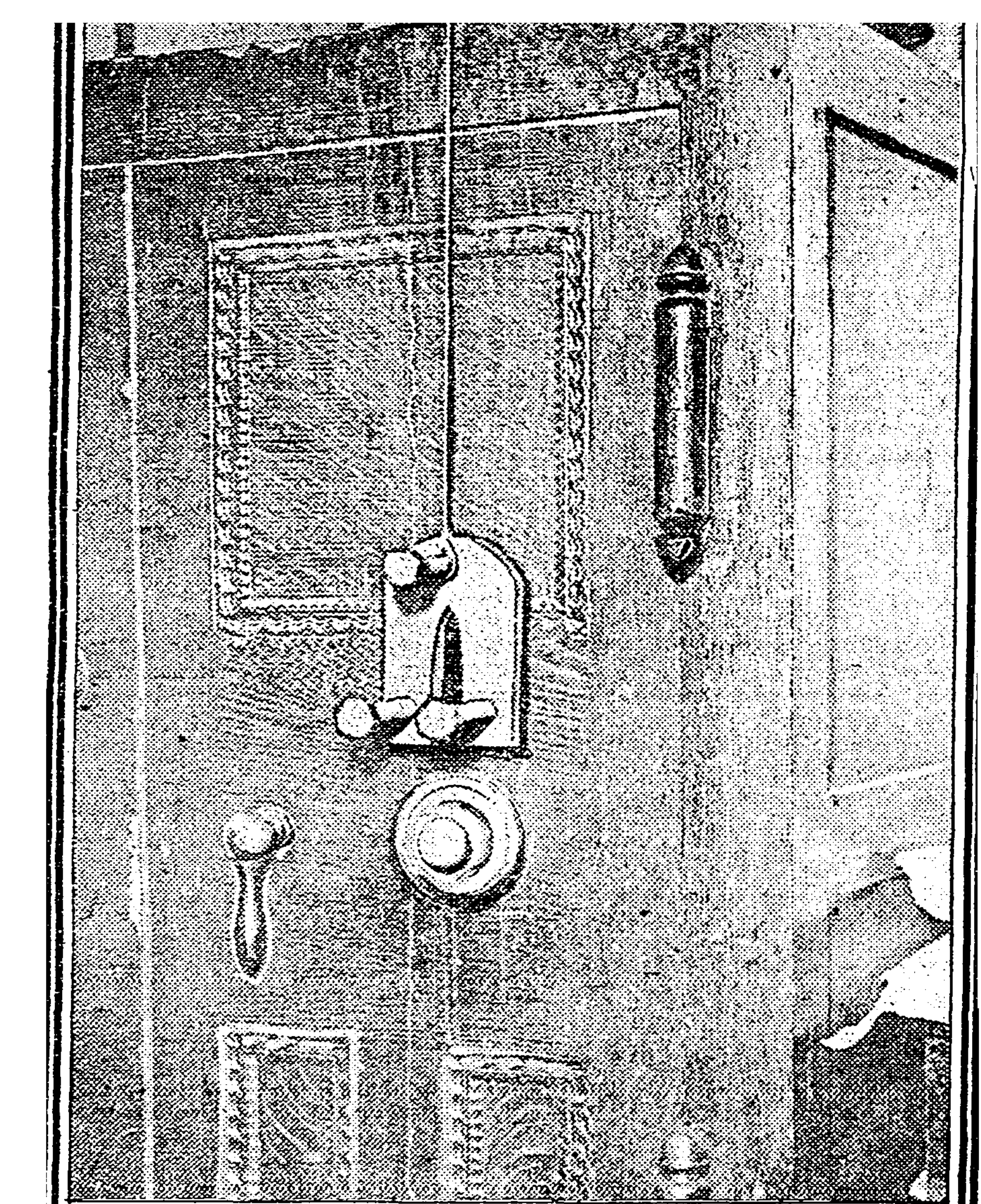
How a burglar carries his valuables under his coat.



Skeleton keys.



A flask and syringe to inject powder in case to blow out door.



How most successful safe-breaking is done.



W. J. Flynn.

over seven-eighths of all the casualty business done in the country, "were forced to suspend business altogether during the last panic and many others continued business at a net loss. With the return of the new moral era, however, there has come a return of prosperity and indications are that from now on, insurance risks will grow safer and safer."

"How about conditions in New York?" The Times reporter asked him. "We are satisfied, satisfied indeed," he chuckled, while his secretary took from the safe a large book of statistics and laid it before him. "These figures tell the tale and New York City is nearer akin to Boston, morally, than its people are apt to admit, I fear."

There were rows and rows of figures, recording the amount of property insured throughout the whole country as well as in New York City, with premiums received, losses paid, expenses entailed in the adjustment of losses and in the pursuit of criminals, and the percentages of losses paid to the annual premiums received.

"Look at these figures," he said, "and you may be convinced that one might easily be prejudiced by one single atrocious burglary as recorded in the daily papers, to believe that the city and country is overrun with crime; but these figures tell the real truth. They show that there has been a steady decrease in the percentage of losses paid to premiums received since the panic of 1907 and 1908."

dignation meeting of a number of incited flat-dwellers a censure of the much-persecuted Police Department, supported by a delegation of the Mayor.

"In answer to this charge that burglaries are very much on the increase the police simply point to the fact that the new detective system whereby the Central Office is supplemented by the existence of a separate Detective Bureau in each of the 100 police stations in the city, each a separate news factory for these startling burglary stories which the public wants, gives occasion for greater publicity; that it is not a matter of more crime, simply one of greater publicity. Moreover, that the police cannot be held responsible for the great number of 'fake' burglaries in which the owner of goods robs himself and then supports his innocence by a carefully concocted tale of a fire-escape visitation by midnight, a hold-up under the nose of a wicked pistol, an escape by way of the roof with loot, a report to the police with a verbatim corroboration by an equally intriguing wife, and a hasty visit to Liberty Street, the home of burglary insurance."

What, then, do the burglary insurance companies say about the wrangle over the crime conditions? Let it be understood at the beginning that the casualty companies are not aiding the police to cry down the injustice of the popular view of crime. Out of every burglary sensation they make capital. But nothing diminishes their happiness quite so temptuously as an increase of burglaries among their own policy holders. And any burglary wave of large dimension would most certainly strike them somewhere, and immediately they would raise a cry of distress and a plea for greater protection.

"They are not crying now. Nor have they wailed since 1907, when, to effect losses, everybody was robbing not only others but himself as well, and when the percentage of losses paid by the casualty companies to their respective premiums was so large as to force a number of companies to the wall.

"But," continued President Moore, whose own statements did not inspire the above transition, "you were asking me about the effect of a panic on our business. The hardest days of a burglary insurance company came during a panic. All kinds of insurance are generally bad at such a time, but especially is this true of burglary insurance.

divulged, cited case after case in which it was clearly evident that men robbed themselves, and women robbed themselves, and in addition to their loot collected losses on their insurance policies.

A certain ex-felon—rounded sleuth who is now of the Central Office, and who has mastered the art of catching burglars to such an extent that he is sent to every police precinct where a long and continuous roll of unsolved burglaries is inscribed on the "squeak" book, when confronted by THE TIMES reporter, said: "I'll give you some dope to think about, but remember, don't let Boss Flynn hear about it." The reporter allowed him to ramble freely.

"Beating the insurance companies," he said, "is an artful game. When a man looks honest it's hard to get anything on him, no matter how crooked he is. A burglary insurance policy includes a gay assortment of valuables from an oak bedstead to diamond earrings. Between the two extremes there is much temptation for the burglar. He seldom takes the bedstead; always the earrings. One theory has it that the burglar never sleeps, and hence has no need for the former.

"Life insurance cannot be juggled except at a sacrifice—the death of the policy holder. With fire insurance it is different. It costs the city \$100,000 a year to ascertain the cause of suspicious fires; it costs the fire insurance companies many more thousands to pay suspicious claims. The subject has become the staidest of all vaudeville jokes, and knowledge of such juggling is universal.

"But to juggle burglary insurance is the easiest thing on earth. It isn't necessary in this case to put a lighted candle on a bundle of oil-saturated papers and go away to a theatre, or to turn in an alarm and stand in the shadow of a doorway while the fire apparatus is dashing up the street to the rescue. All that is required is a little forethought, a clear head, and the furnishing of 'the sufficient evidence' to show that the article insured was 'feloniously abstracted.' It costs only a few cents to break a window on the rear fire escape. It costs less to blame it on a servant whom you never had but whom you can prove to be 'the biggest scoundrel you ever came across.' The ingenious mind is best fitted for the 'game,' of course.

"We detectives who make burglaries a specialty are acquainted with almost every form of explanation of a burglary. We can tell on short notice whether there is suspicion in a case. To prove this suspicion is another matter, almost impossible. It is only in such cases where the insurance company, on the basis of the investigation of the police and their own detectives, refuses to pay a claim and challenges the policy holder to come into court with the case that the policy holder confesses all and pleads mercy—which he often gets, along with an immediate termination of his policy and an enlistment on the blacklist.

"The procedure necessary before a claim is paid lacks thoroughness. A burg-

holder and an adjuster is sent around to get evidence for the company. He works in conjunction with the police, but only theoretically, for the 'Pink,' as he is called, is not in good repute with the Police Department.

"Of course, the company reserves the right to examine everybody in the household, under oath if necessary, and then they decide whether the claim is valid or invalid.

"In all petty cases, it can readily be seen, the company is not financially warranted to make a thorough investigation running over a period of weeks or months. Their detectives are paid \$30 to \$35 a week, and this does not insure the greatest efficiency in the first place. If they hire Pinkerton or Burns men it costs them more money. A claim involving \$100 loss might cost them \$200 to solve.

"No one knows this better than the ingenious deviser of the fraudulent report of the burglary. And the company, rather than take the case to court, undertakes to settle at a compromise, at the same time assuring the claimant that he is being paid because the company has a moral faith in him.

"Ninety to 95 per cent. of all claims are paid. That is a fact. The insurance companies are losing money, but not as much as they would lose if they investigated every case without regard to expense. That is why the insurance companies are a stimulus to burglaries which never happen."

The detective, who by this time was completely wrapped up in his disclosures, when asked what per cent. of burglaries were "faked," smiled cynically, and said:

"I'd like to say 50 per cent. I'll be conservative and say 33 1/3 per cent. without a doubt. That means that of the 10,000 burglaries reported in New York City last year only two-thirds were real burglaries. And if you make it general, it means that out of the 10,000 burglaries reported to the police of the United States last year, representing a loss of over \$50,000,000, only two-thirds really occurred.

"Burglary insurance is placing a premium on clever deception, and that which psychologists are rating as an ever increasing percentage of mind depravity, a growing desire to steal, should really be rated as increased business opportunity to make money, opportunity provided by the laxity of the burglary, theft, and larceny insurance companies."

Inquiry among a number of insurance brokers revealed the fact that such a laxity does exist. Some of them admitted it, reservedly. But others admitted it freely, saying that insurance companies were not in the field to run down criminals for exemplary purposes; that they were in business to make money, and that when expenses had to be curtailed in their investigation of cases it was a matter of business and not one of unwarranted procedure.

Specific cases of "fake" burglaries can be plucked up within any police pre-

next time you rob yourself. I'd advise you to break the window from the outside."

The Transom Case.

Much of the goods which take an imaginary flight under cover of a burglar's coat disappear via the transom. There was a case on the east side not long ago in which a diamond cutter reported the loss of \$2,500 worth of goods. The insurance called for \$2,000. He had \$2,000 on the expected compromise.

He reported that the transom had been found open, and clearly showed that it could have been the only method of exit. A level-headed detective asked for a step-ladder, climbed up to the transom, and found the dust of ages absolutely undisturbed all over the transom. And an ordinary boy would have found it hard to squeeze through an entrance so tight as that fashion. The diamond cutter is now cutting up potatoes for the daily fare at Sing Sing.

The Safe Case.

A jeweler on Third Avenue reported that his safe in the rear of his store had been forced open and robbed of \$3,000 in precious stones. The police hurried to the scene. They found the front door of the store "jimmied" and the rear of the safe cleverly drilled. On close investigation one of the detectives found small threads of cotton clinging to the rough edges of the iron. There was also evidence of blood here and there.

On the floor near the safe lay a coat. The jeweler in a careless moment admitted that it was his. The woolen threads clinging to the iron matched the coat without a doubt.

Then the detectives looked closer. The jeweler had small lacerations on the back of his hands. These, he said, he had received while helping his wife clean the carpets. The detectives took him to a nearby saloon. When he had had several drinks he took him into the back room of the police station. There he confessed. Fortunately for him, he had not disposed of the jewelry, he had not been found in a house on Delancey Street, and the District Attorney freed him. "Imagination," said a detective who specializes in burglary cases, "often saves a poor unfortunate from Potter's Field. All he needs is a 'fake' burglary. With business dull and creditors on his heels, he reports the theft of all the memorabilia goods listed in his insurance policy. When his creditors push him to the wall he laments that all would be well if only the burglar had not occurred."

The adjusters investigate, view the whole case with suspicion, perhaps, but settle on a compromise. He calls in his lost man, he is none the less honest, and therefore will give them \$3 cents on the dollar—even though it leaves him without a penny in the world. In the meantime he realizes cash on the goods which he has himself carted from his store, and takes a trip to Atlantic City for his health.

"Once in a while," continued the detective, "we run one of these fakers down. I remember the case of a lawyer who reported the theft of \$2,000. I saw him often and he always told the same story.

In preference to going to court and spending many times the amount of the claim. One detective told of a woman on the upper west side, who reported the loss of a diamond brooch, insured, valued at \$1,000. The insurance company had considered the "moral hazard" a safe one, but proved to be mistaken. The woman was paid the full amount of the claim. Three months later, according to the detective, she was seen wearing the brooch reported stolen.

The rates of burglary insurance run from \$10 to \$15 per \$1,000 for well-protected private houses with hallboy, or elevator, or night watchman service, to \$20 to \$25 per \$1,000 for mercantile stock open more or less throughout both day and night to the inspection of the "nimble-fingered gentry." A pearl necklace in a millionaire's home on Fifth Avenue will be insured at the low rate, while a switch of human hair in a Bowery show window calls for the very highest rate.

While the State investigations of life and fire insurance cover volumes, there is no investigation of burglary insurance records. The reason lies obviously in the fact that, there isn't enough money in burglary insurance, taken by itself, to warrant a stir. A law of June 1, 1905, makes it invalid for any insurance corporation or association to transact the business of guaranteeing and indemnifying merchants, traders, and those engaged in business and giving credit from loss and danger by reason of giving and extending credit to their customers and those dealing with them except such a corporation or association as shall have been authorized to transact such business before such date. No laws have been passed to restrict the business since.

Out of the forty-five companies in New York City doing a general casualty and surety business only twenty-six incorporate burglary insurance. And of these twenty-six only nine receive premiums on policies to the amount of \$100,000 annually. Only three of these nine companies are incorporated in the State of New York. Three are incorporated in Maryland, two are European organizations. The largest company receives annually premiums amounting to \$600,000. Its nearest competitor receives premiums amounting to \$300,000. Both of these are New York corporations.

The accompanying table of figures is the true index, for four different years, of the status of burglary losses in the United States. The only figures available for New York City, taken individually, are those of profits accruing from strictly local business, and these, according to President Moore, show a steady increase since the recovery from the panic of 1907, and hence are a parallel to the figures for the entire country.

The premiums received, the losses paid to claims, and the percentage of the losses paid to the premiums, are given in the table for the nine largest burglary insurance companies doing business in the city. These nine companies, receiving annual premiums of \$100,000 to \$600,000, represent about nine-tenths of all business done.

The year 1904 is chosen as a typical year of prosperity when the number of burglaries was low and hence the percentage of losses paid to premiums received, equally low.

The year 1908 is chosen as a typical year of depression, carrying with it the reflection of the depression already noticeable in 1907. Burglaries in this year reached a high-water mark, forcing several companies to the wall. The percentage of losses paid to premiums received, consequently, was also the highest ever recorded.

The years 1909 and 1910 are years which again mark the gradual return of business stability and accompanying prosperity. These years are also marked with a less number of burglaries and a decreasing percentage of losses paid to premiums received.

How Spirits Spell

JUDGING by spiritistic communications I have received lately simple spelling must be more popular in the world beyond than it is in this," said a man who patronizes mediums. "Half the messages received from the spirit land nowadays are spelled in a way to bring joy to the hearts of the simple spellers. Not one medium, but many, transmit them thus. Mediums who know the old-fashioned spelling book well enough to spell down a whole room full of folks have gone over to the revised edition. "Whatever force it is that guides their hands when transmitting messages must be impressed with the utility of the new system. At the last seance I attended I received a communication from a man who fought new-fangled spelling with his dying breath, but since he passed over he must have learned something to make him change his mind, for he now writes like a disciple of Artemus Ward."

Sometimes an Affliction.

HAVE you always enjoyed good health?" asked the life insurance physician of the prospective policy holder.

"Yes, through the Winter months. In the baseball season I'm afflicted with it."

A Strong Preference.

HE is literary, isn't she?" "Yes, indeed; she'd rather read than do housework any day."

Tough Elbows

AT a time of the day when nobody was at home in a downtown tenement except women and babies sharp was made through the building for a girl who had never worn elbow sleeves. "There was a time when I would have been eligible myself, but the style of the last few years has disqualified me," said a settlement worker. "I found on this visit a baby who needed a bath right on the spot. I had no thermometer to test the temperature of the water, and there was none in the building. The hand and face are no guide, because they have become toughened through exposure. There was a time when the elbow felt comfortable to the elbow felt comfortable to the elbow. But alas, elbow sleeves have impaired the usefulness of that natural thermometer. The elbow test can be relied on nowadays only when you find an elbow that never shed its long sleeves."

Very Much Attached.

SWENSON—Why do you always hear a ship referred to as "she"?" Benson—I guess it is because she sometimes becomes very much attached to a buoy.

If You Have Money.

THAT follow Getrox is a multi-millionaire. He has more money than brains. "Well, what does he want with brains?"