

"NEC TEMERE NEC TIMIDE."

The above is a capital motto for a Fire Insurance Company to guide itself by, for in underwriting there is quite as great changes from too much timidity; as from too much rashness, and though the bold Company striking out for a general and extended area of operations is subject to severer trials than its more timid neighbor, who merely does a quiet well-selected business round its own doors, yet, if well handled, the former will attain vigor and proportions which the latter can never reach. Just as a public school boy will be a healthier, finer specimen, than the child tied to his mother's apron strings, albeit he may now and again receive some ugly knocks which may never visit the others.

It is undoubtedly their being animated by the principle we are endeavoring to illustrate which has brought about the success of the large English Companies, and we can recall the time when the Company which may now be considered the leading Fire Insurance Company of the world was yet in its infancy, its business being confined to the United Kingdom, when it was very nearly being wound up, and would certainly have closed its career ignominiously had not the manager inspired his Directors with courage enough to entrust the helm to him, who ruled himself and the Company for forty years by the motto at the head of this paper. The result is too well known to need repeating here, and has emphatically shown us that which "points a moral and adorns a tale."

And as in the general policy of a Company, so it will be found equally true in minor details, a great deal more harm being done a Fire Insurance Company by over timidity or over caution, call it which you will, than people at first imagine, and Managers who make, "I dare not wait upon I would," who desire that their Companies should never lose above a very small amount on any one risk, nor very much more by a general conflagration, simply cannot grasp the first theory of underwriting, and, should they carry their ideas into practice, absolutely cut the very ground from under their feet. Too much restriction both as regards the classes of hazards and the size of lines a company is to insure will assuredly have the effect of not only cramping its business but of causing that business to be of an inferior character, for what is termed class insurance and small lines has ruined more than one Company.

Let us not be misunderstood, nor be supposed that while condemning timidity we are advocating rashness, for we would steer clear of both Scylla and Charybdis, but when from the "nettle danger we pluck the flower safety," it must be done with a bold, not a trembling hand. Of course it would be as foolish to argue that small Companies should carry as heavy lines and do as extended a business as large Companies, as that a coasting vessel should be loaded like an ocean steamer, and a question here occurs to us, whether now-a-days there is a desirable trade left for said coasting vessel, because if not, such had better be enlarged and remodelled in order to suit the traffic of the age.

If the business is given in lines of \$5,000 and upwards, those best Companies who cannot or will not write over \$2,500 need not be surprised to find themselves playing a losing game. Provided that the best merchants, manufacturers, and other insurers will not divide their policies into smaller amounts than \$5,000, it is evident that those Companies who only

accept smaller lines will gather their business from second or third rate parties, and the result is as plain as that two and two make four. To conclude then, a fire underwriter should never wantonly seek danger, but should always be ready to meet the same fearlessly, remembering that the very term "risk" implies something beyond mere calculation. So, as the Yankees say, let him "keep his eyes skinned," and be governed by the principle of "nec temere nec timide."

BOOKS OF ACCOUNTS AND VOUCHERS.

In some of the towns in Canada, the merchants deem it an impertinence on the part of the agents of the Fire Insurance Companies if asked concerning the facts and modes of keeping Books of Accounts, Taking of Stock, Filing of Inventories and such like accessories to a well-conducted business.

In this connection we would say that if all merchants were as careful in these respects as good business principles require, their questions concerning them might be deemed almost insulting, but as unfortunately this is not the case, then these questions are absolutely necessary.

If the merchant would reflect that the only motive for insurance is the obtaining of indemnity in case of loss, then he would perceive that the only way to obtain that indemnity would be by proving the amount of that loss, and the quickest, surest and most pleasant way of proving the amount of the loss must perforce be by such a statement of goods on hand, goods bought, goods sold, and profits realized as would enable him to make out a bill against the Insurance Company with the same ease and certainty as if he were making out the account of an ordinary customer.

The public in general, when they hear of trouble between an adjuster and a fire loss claimant, are sure to blame the adjuster and his company. Now in ninety-nine out of every hundred of such cases it is the claimant who causes all the trouble, either by unreasonable demands or by having so conducted his business affairs as to make his loss a matter of conjecture rather than of proof. Sometimes the claimants rely upon their general character as honest men, and think their conjectures should be deemed sufficient because no one can accuse them of a desire to defraud, but these very men would require to have proof indubitable of the quantity and quality of a case of goods before he bound himself irrevocably to pay for them; let him have ever so much confidence in the party who made the invoice, he would want something more than an invoice to convince him of the fact.

The majority of country store-keepers do not even present an invoice—some of them are too ignorant, and some of them are too careless to keep them; these people are always violent in their denunciation of Insurance Companies when they have to make a loss claim, and it is only ignorant and careless people who are unreasonable unless they be dishonest.

Now, no Company wishes to have anything to do with dishonest, ignorant or careless persons, therefore they try to avoid granting them any insurance, and if people feel insulted at being asked concerning their books, vouchers, &c., before a fire, it is far better to leave them to the care of careless companies than for an agent who has good companies to be annoyed by them.