

Society, and its methods and proceedings. The following papers were read, and will be discussed at the next meeting: "A life table based upon insurance in the American tropics," by Charles N. Jones, New York Life; "Methods of valuing marketable securities held by life insurance companies," by Hiram J. Messenger, jr., Metropolitan Life; "The fluctuation of the rate of mortality vs. rate of loss," by Charles Hildebrand, Connecticut Mutual; "Methods of apportioning surplus used by Australian companies," by David Carment, F. I.A., Australian Mutual Provident; and "Suggestions in respect to dealing with companies in which the reserve is impaired," by Henry W. Smith. We hope to be able to make extended reference to the subjects dealt with in our next issue. The meetings were held in the directors' room of the Metropolitan Life, and on Thursday evening the Society was banqueted by the officers of the Company, President Hegeman presiding, amongst the speakers at which was Mr. T. B. Macaulay. After the adjournment of the second day's meeting, the members, accompanied by their wives and daughters, were given a two hours' sail on Mr. Hedgeman's yacht, after which they were handsomely entertained at his home.

Blindness Insurance.

We are accustomed to look back upon the era of the "South Sea bubbles" as one of foolish credulity and speculative madness, and to pity the unfortunate dupes who suffered from its collapse, but it is curious to note how many of the large number of schemes and ventures then originated, and since regarded as utopian, have gradually found their way into practical adoption. We do not know whether blindness insurance ever suggested itself to the fertile imagination of the speculative geniuses of that time, but a few years ago such a class of business would have been catalogued by sensible people with the vagaries which marked the beginning of the eighteenth century. As far back as 1847, according to Walford, a company named the Professional Life undertook to "grant policies at moderate rates by which annuities may be secured to persons should they at any future time be afflicted with paralysis, blindness or any other visitation which may render them permanently infirm and helpless." The scheme, however, was in advance of the times. We, however, of the present day have become so accustomed to the application of the principle of insurance to so many kinds of risks, that possibly the Loudon company, which is reported to be about to undertake the business, may meet with more success than its premature predecessor. According to our contemporary, the *American Exchange & Review*, it is proposed to charge 75 cents per annum between the ages of 16 and 45 for an annuity of \$260 during loss of sight, whether transient or lifelong. It is not stated whether the rate has been based upon experience or not, but it is doubtful whether the necessary data are available for the purpose. In any case it is obvious that, unlike some risks, that of blindness would be affected considerably by climatic and local influence, and hence a scheduled tariff would be a necessity. The scheme is obviously experimental;

but in view of the increasing rate of blindness of late years, and of the comparative helplessness of those victims who are dependent upon the use of their eyes for subsistence, we can only hope that the proposal will prove as successful as its objects deserve.

SELECTION OF BUSINESS.

The selection of business in fire insurance is very closely allied to discrimination in rates, but it is not exactly the same thing, for while, broadly speaking, any risk, or class of risks, may be made profitable at a certain price, that price is not always obtainable. Just as in life assurance, there are lives which are practically uninsurable, because an adequate premium is so high that it could not be paid, so in fire insurance there are risks from some cause or other so extremely hazardous as (taken by themselves) to debar their being written. We use the words—taken by themselves—advisedly, for underwriters will admit the same, and yet those very underwriters will occasionally accept the risks in question, upon the plea that they are brought by an agent or broker, who gives, or promises to give, an amount of desirable business to counteract the bad risks. The manager will argue that if he does not swallow the risk, "the other fellow" will get it along with the choice business, which is the sugar to sweeten the noxious pill; and so the game of grab goes on. We therefore find ourselves asking whether sound underwriting is not something of a myth, and if it is not the agents rather than the managers who run the business.

That the associated offices have inaugurated and carry out more inspection now than formerly, we are free to allow; but does that inspection weigh with the Companies in the selection of their business, and when a loss occurs, are they not apt to blame the fire brigade, or a chance review, instead of their own want of foresight? There are undoubtedly too many show parades of the fire brigade in this city, and they should be stopped; but remembering the poorly constructed building—we had almost said shanty—in which the Royal Electric Company had a large amount of valuable and very damageable plant, it appears to us absurd to state that had there not been a review on the day of the recent fire, the loss would not have exceeded one thousand dollars. The building was framed, and the expensive dynamos contained therein as susceptible to destruction by water as by fire, so that a blaze of a very few minutes would of necessity entail an almost total loss, and yet we believe the rate was fixed by the Companies at about two per cent.—owing to the competition of the American mutuals! Here is a homily upon the selection of business, and pretty well bears out what our friend the Alderman said in our last issue upon the fixing of rates.

Another large fire in Montreal lately, in which many of our Companies were heavily interested, disclosed the fact that, what was considered and rated as a first class building turned out to have outside walls little if any better than loose rubble, while inside it was a mass of match-lining and wooden lath partitions, the result