

DEATH OF MR. PHILIP R. D. MACLAGAN.

Since our last issue, we have received the intelligence of the death of Mr. Philip R. D. MacLagan, manager of the North British & Mercantile Fire Insurance Company, Edinburgh, Scotland, which occurred on the 28th ult.

The deceased gentleman had been manager of the above company for past twelve years, having previously held the position of secretary since 1883. Mr. MacLagan was an underwriter of ripe experience, much sagacity, and thoroughly sound in his views and policy. He was also a man of high culture and attainments which made him an ornament to his profession.

FIRE INSURANCE IN THE UNITED STATES, SUPPOSED TO BE UNPROFITABLE.

Fire underwriters were generally interested in an article from the London "Times," of recent date. The article was evidently contributed by an underwriter, or an insurance journalist.

The article says:

Since the 20th century opened, there have been in the United States the following conflagrations:

Jacksonville, Fla 1901.....	\$10,000,000
Baltimore (1904).....	70,000,000
San Francisco (1906).....	250,000,000
Total.....	\$330,000,000

The premium income for ten years ending December 31, 1905, of both Foreign and American companies is shown to be \$1,610,850,000, while the total losses amounted to \$904,530,000. A profit of \$35,100,000 is supposed to have been made by the companies during that period. Of the thirty-five foreign companies transacting business in the United States, for the ten years in question, eleven lost money and twenty-four made a profit.

The article then refers to the San Francisco losses and states that in the case of some of the British companies it will take more than twenty years probable profits to recoup losses at San Francisco. Yet in those twenty years how many great conflagrations may be looked for. The article deals with the pushful policy of some British offices regarding the business transacted in the United States. The Liverpool & London & Globe for example is stated to have nearly half its business in the United States, the same refers to the London & Lancashire. The Royal has about one-third, and the Commercial Union, and North British rather less than one-quarter, the Scottish Union has about three-fourths. The writer goes on to deal with the legislative enactments, regarding the amount of assets deposited in the United States, and refers to the fact, that these funds are absolutely intangible for any claim outside the United States, yet they form no inconsiderable fraction of the total assets of companies. He

charges lack of Head Office control, many gentlemen occupying managerial positions in Europe really do not know much about the United States business they endeavour to control. The occasional visit of a European manager to the United States for two or three weeks is principally occupied in entertaining and being entertained.

But the main source of expense in the United States is undoubtedly the amounts paid to officials and special agents for salaries and traveling, and the expensive style of stationery, sundries and office accommodations provided.

"Lastly, there is the question of climate, building construction and race, as they affect the fire hazard. The American climate generally is very dry and electrical, and appears to favour the spread of fires to an extent quite unknown in Europe. Then the United States towns often contain very high buildings, and buildings largely constructed of timber, which greatly increase fire dangers. For example, more than one-third of San Francisco must have been of timber construction, and the same thing may be said of the majority, perhaps, of United States towns, particularly the smaller ones. Lastly, the people themselves are always in a hurry, and are extremely reckless and inclined to take chances, as innumerable observers have noted from Mr. Kipling backward. All these matters affect the business of insurance adversely, to a degree which only the expert realizes.

In criticising the above article, Mr. Frank Lock, United States manager of the Atlas Assurance Company, says in part:

"I disagree with the correspondent that the conflagration hazard is more serious than in past years. On the contrary I believe that in most cities the elements of construction and protection are better and are getting better in a marked degree. Superior construction, sprinkler equipments, improved fire departments and water supply with other factors are impressing their mark in all the principal cities, and erecting bulwarks against conflagrations.

The lock up of funds in special deposits. I think a mistake so far as protection of policyholders is concerned, concentration of funds not dispersion is what gives strength. The special deposits mainly serve two ends, namely, good advertising for those who make them, and restriction of competition.

In regard to the charge of "official extravagance," including high salaries and travelling expenses in this country, Mr Lock makes the following pertinent comment:

"I do not think the criticism is just. There is one case, I believe, of an insurance official having a 'needle bath,' but that does not set the pace for all of us or any number of us. Nickel plating is probably not more expensive than the brass which