

assistance rendered by Sir Alexander Swettenham, the Governor, in putting out the fire, and also that of a photographer named Duperly, who said that during the earthquake he ran to a window and there saw the inside of his next-door neighbor's bedroom in a blaze, that his arm became pinned under a beam, and fearing he might be burned alive, he wrenched his arm away, tearing and leaving behind some of the flesh. His terrible injury resulted in the loss of his arm.

The board having deliberated in private for a short time, Lord Macnaghten said:—"As we understand that the parties desire to have an announcement at once of the decision at which the court has come, their Lordships are of opinion that there was evidence before the jury from which they could reasonably come to the conclusion at which they arrived. They will humbly advise His Majesty that the appeal should be dismissed with costs.

The decision thus makes the company liable for damage done by fire to the premises of Alfred Pawsey & Co.

P.P.I. INSURANCE.

At a meeting of the Cardiff Shipowners' Association on P.P.I. insurance policies, a resolution was passed strongly deprecating the gambling that is taking place in these policies, it being declared that insurers gamble in vessels in which they have no interest, to the detriment of shipowners and other legitimate insurers, and trusting that the Board of Trade would find some means to counteract this evil.

This question has been prominent of late, and was recently dealt with in an official inquiry concerning the wreck of the steamer Albion. A shipping clerk and a stevedore unconnected with the ownership of the Albion testified that they had policies on the ship, the former to the amount of \$16,000, all speculative policies, the business being a pure gamble. Evidence was given by the holders of these policies that they selected vessels they thought likely to be lost and placed policies on them. No fault was found with captain, crew or owners regarding the loss of the vessel, but the finding was interesting in its reference to the speculative insurer. It said:

"These were insurances other than reinsurances effected upon and in connection with the ship at the time of her loss by persons having no insurable interest in the ship, cargo or freight, to the extent of \$63,000, in amounts varying from \$500 to \$17,000. The court desires to express its strong disapprobation of P.P.I. insurance carried by persons who have no insurable interest in the vessel insured, as such insurances tend to raise the premiums to be paid by ordinary interest insurers, and also to throw suspicion on owners, captain and officers, on the ground of the vessel being over-insured. They are merely speculative gambles and should be prohibited by legislation."

HOTEL FIRE LOSSES IN CANADA.

The burning of the Pym Hotel, Huntsville, recently, with a loss of some \$7,000, brings to mind the fact that a large number of hotels in the Dominion have been destroyed this year. It will be recollected that the Illinois Commercial Men's Association have a movement on foot to investigate the hotel question in relation to fire hazard in the United States.

The following list of hotel fires in Canada in the past few months is a somewhat appalling one: King Edward Hotel, Latchford, Ont.; Clifford Hotel, Dresden, Ont.; Royal Hotel, Campbellton, N.B.; Pioneer Hotel, Toulon; Sydney Hotel, Sydney, N.S.; Manchester House, Allan House, and Victoria House, Halifax, N.S.; Sampsons' Grand Central Hotel, Chateauquay, Que.; Hoffman House, Leamington, Ont.; Gold House Hotel, Discovery, B.C.; Queen's Hotel, Tillsonburg, Ont.; Pym Hotel, Huntsville, Ont.

The Three Rivers, Que., fire either damaged or destroyed ten hotels, the Windsor, Dufresne, Dominion, Victoria, Richelieu, Commercial, Frontenac, Page, Houde, and the Ville Marie. The Fernie conflagration burned no less than a dozen hotels, the Kings, Napanee, Fernie, Waldorf, King Edward, Roman, Great Northern, Central, Northern, Imperial, Queens and Victoria.

LLOYD'S.

Opinions of Recent Events From Near and Afar—Competition and Criticism.

While probably many American insurance companies have made the most of the trouble at Lloyd's, it is useless to brush aside the important, significance of recent events.

Lloyd's have made incursions into the United States and Canadian insurance fields. Few will begrudge them business honestly obtained. On the other hand, Lloyd's has become a household word. The public often accepts the policy issued by their underwriters without question and without investigation. The despatch from New York, recently quoted in the Monetary Times, has been criticised here and abroad. In part there may be room for criticism; there is also room for discussion of these particular policies.

We have received from a prominent Toronto wholesale firm a letter, from a London house regarding the matter. We print it, as requested, although we fear it throws little light on the subject.

"I have enquired of our brokers and find there is very little foundation for the sensational article which you speak of, headed 'Trouble in Lloyd's.' The whole truth is that three members of a very large syndicate, having made exceedingly heavy losses, have been forced to fail, but, in order to save the credit of the institution, the other members of the syndicate have come to the rescue and all claims underwritten by the three persons referred to have been and will be paid. I do not think you need have the slightest misgiving as to the security of Lloyd's. It is a very old and powerful institution of great repute. It has made considerable inroads into the business of the ordinary insurance companies, and thus created an amount of hostility which no doubt is accountable for the article you refer to."

Sustains No Financial Liability.

An important point brought more prominently to light recently is explained in a volume entitled "Insurance," published in England, and written by Mr. T. E. Young, an insurance expert. In discussing the history of Lloyd's, he says:—

"Lloyd's as a Corporation sustains no financial liability for the solvency of its members; its corporate duty is limited to the admission so far as is practicable of men of repute and stability; to the provision of facilities to underwriters and brokers in the transaction of business, but the nature and volume of that business do not enter into the official cognizance of the Corporation; and the requirement by the Corporation of a deposit from the members of at least £5,000 as a guarantee for the performance of their contracts. It is stated by a recent writer of authority that the total deposits amount to £3,500,000."

"Truth" Has Something to Say.

The London journal Truth also refers to the matter in its issue of July 29th. "It is a well-known fact," says that journal, "that for the full operation of average, extensive experience in space or time, or both, is requisite. Toss a coin 10 times and the relative numbers of heads and tails may be far from equal; toss it a million times and the almost exact equality of heads and tails is a practical certainty. The weak point of a group of underwriters undertaking large risks is that their experience, even if large, is very likely not to be large enough to secure average results. A long run of ill-luck may exhaust their comparatively limited resources, and make it impossible for them to hold on until better times arrive.

"They lack the capital with which to make sure of that extensive experience of long duration from which alone average results can be obtained. They are subject to the condition that proves fatal to so many better systems. Given sufficient capital, it is easy to devise a system which must infallibly win in the long run; but a spell of ill-luck may exhaust the resources of any individual, or group of individuals, and result in failure. Large and well-established insurance companies on the other hand, have a very extensive business, and very large funds, with the results that they are able to withstand an exceptional catastrophe like the fire at San Francisco, to continue working, and to wait long enough for time to produce average results in spite of even so large a variation from the normal as San Francisco.

As to Permanent Security.

"The disadvantage from the point of view of permanent security when individual underwriters are compared with a great insurance company, is sufficiently obvious to make it necessary to quote at least sometimes more favorable rates or conditions than the more extensive experience of insurance companies make the offices deem it prudent to accept. Nothing can be more foolish for policyholders of any kind than to risk security for the sake of a smaller premium. In no form of insurance is the difference in premium of supreme importance, while in every form of insurance security is essential before all else. However respectable and however strong any group of underwriters may be, they cannot, in the very nature of things, compare for financial strength with a well-established insurance company. Let the underwriters be ever so cautious, let them limit their underwriting prudently in relation to their capital, they are still subject to that run of ill-luck which may be fatal to any one of comparatively limited means, but is not in the least likely to be fatal to a company in the possession of very large funds."