

INSURANCE AND ACTUARIAL SOCIETY OF GLASGOW.

The opening meeting of the nineteenth session of this society was held recently. The chair was taken by the newly-elected president, Mr. David L. Laidlaw, manager in Glasgow of the North British and Mercantile Insurance Company. The President, before proceeding with his inaugural address, expressed his appreciation of the high honour conferred upon him by being elected for the second time president of the Insurance and Actuarial Society of Glasgow. He then stated that he proposed to submit for the consideration of the meeting some observations "On the Progress and Prospects of Fire Insurance as a Science," and in the course of his remarks he drew attention to the fact, as instancing the progress of fire insurance business, that in the year 1800 the whole value of the property insured by all offices throughout England and Wales amounted to £205,000,000 sterling, which was less than one-fourth of the aggregate amount now insured in London alone. He stated that prior to 1710 "buildings" only were insured, and it was only in that year that "contents" of buildings were first protected by insurance. The first definite movement in the direction of uniting the experience of offices in fixing the rates of fire insurance premiums was in 1829, when a tariff of minimum rates in regard to some of the more important classes of risk was established by a combination of the managers of the Scotch fire offices, but it was not till 1853 that the leading British offices combined into what is now known as the Fire Offices Committee. There were at present 68 tariffs in force in the United Kingdom, and of these 15 are entirely new, having been issued for the first time during the past ten years; and the following was an approximate estimate of the proportion of tariff to non-tariff business in the United Kingdom:—Tariff risks—including dwelling-houses and non-hazardous property rated at a minimum of 1s 6d per cent.—say, 80 per cent. of the

total premiums; non-tariff risks, say, 20 per cent. It was pointed out that the associated offices never formulate a new tariff for any class of risk until it has been demonstrated beyond question that the current premium are grossly inadequate, and even then legislation is tempered with fairness and moderation. As a proof of the latter, reference has only to be made to the official yearly returns of the result of fire insurance business. Last year the average margin of profit of the 54 British fire offices was less than 5 1-2 per cent., from which dividends had to be provided and reserves increased. This result was by no means exceptional, as the average profit for the past 18 years was only about 5 3-4 per cent. of the total premiums. Of this result the largest proportion has been applied in strengthening the reserve funds—a most essential process in the interests of the insuring public—the actual proportion received by the shareholders being less than 2 1-2 per cent. It must therefore be freely admitted that the enormous business of the British fire offices, representing an annual premium income of nearly £20,000,000 sterling, is being worked on the smallest possible margin of profit consistent with ordinary prudence and adequate protection to the insured.

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