RECENT FIRE AT MONTREAL UNIVERSITY

In connection with the recent disastrous fire in the Laval University, St. Denis St., Montreal, involving a loss of about $350,000. An investigation of the fire took place before Commissioner Ritchie this week. Chief Chevalier is reported as testifying that two of the three fire engines which responded at the outset of the fire were in poor condition, one of them being 40 years old, while another leaks from its tubes while working at a fire. As a result of these deficiencies he estimated a loss of from ten to fifteen per cent of the effectiveness of the first alarm apparatus. In reply to a question he also stated that the engine of No. 25 Station, which is one of the most powerful, was out of commission at the time of the fire. Whatever the result of the investigation may be, the fact remains that damage caused by the fire was enormous and while the rank and file of the Montreal Fire Brigade may be considered individually to be among the most capable in Canada, but to perform good work they must be supplied with adequate appliances. On previous occasions it has been pointed out that: Montreal is prominent among North American cities, having a most serious conflagration hazard. Underwriters for many years have feared that a disastrous fire would visit the city, as all the elements which cause such fires are present. In the inner congested value district among the most serious features are the narrow streets and close grouping of highly combustible materials in buildings of ordinary construction.

In the past this danger has been avoided by an excellent fire department. If now the department is to be handicapped both as to man force and equipment, the city will be inviting a disaster such as has destroyed other communities within the last fifteen years.

CANADIAN FIRE UNDERWRITERS ASSOCIATION SEMI-ANNUAL MEETING.

The Semi-Annual meeting of the C.F.U.A. was held at the Chateau Laurier, Ottawa, on the 9th and 10th instants. Mr. J. B. Laidlaw (president) occupied the chair. There was a large attendance of members, both from Montreal and Toronto and also representatives from the United States. The agenda, which was lengthy, brought about much interesting discussion and occupied the greater part of two days.

The resignation of the Eastern Vice-president, Mr. J. E. E. Dickson, Manager Law Union & Rock, who is retiring fr m the insurance field, was received with much regret. Mr. John Jenkins (Employers) was elected to fill the office, and the vacancy occurring on the Executive Committee was filled by Mr. Maurice Ferrand (Union of Paris). It is hardly necessary to state that both these elections were most popular.

On the evening of the first day of the session, a pleasant and informal dinner was held. The president, Mr. J. B. Laidlaw, was in the chair, and the guest of honour was Mr. G. D. Finlayson, Dominion Supt. of Insurance.

PARTICIPATING VERSUS NON-PARTICIPATING POLICIES.

Our contemporary, the *Pacific Coast* publishes the following correspondence, which may no doubt be of sufficient interest to our readers to induce further correspondence on the subject. The majority of life companies are this year writing new business more freely than ever before, in the history of life insurance, and whether participating or non-participating policies are issued, it is of vital importance that the Companies should bear in mind that an adequate reserve must be maintained. This problem is likely to be all the more difficult for such companies that are unduly aggressive in their desire for large figures for advertising purposes. In this connection the cost of writing business must not be overlooked.—Editor.

"Some fine recent arguments for non-participating contracts have interested me, for there is much to be said on both sides of this unending controversy. But just now, as it seems to me, the participating people have the better of the argument.

I hold that the participating policy company is in a better position to meet the actual and the possible excess losses of any epidemic like influenza, which may wipe out surplus, including capital.

The participating policy company has but to discontinue temporarily the payment of dividends to policyholders in order to pay excess death claims and maintain or restore its surplus.

The non-participating policy company, on the other hand, has no such resource. Its lower table rates afford no resource with which to pay epidemic losses or restore a depleted policyholders' surplus. It cannot advance the rates. The stockholders must be assessed. But what if, after large epidemic losses, the stockholders refuse to pay such assessments? Their liability is limited and they cannot be compelled to pay.

The higher rates of the participating companies *were devised to meet extraordinary mortality rates*, which are normally as well as abnormally possible. Suspension or reduction of dividends to policyholders, a part of the mutual plan, at once increases the income and enables the company to meet all very extraordinary death claims.

I hold that the emergency rate plan of the participating policy has been fully justified by the recent (and present) influenza experience in America and Europe."

IMPARTIAL.