

fire company meeting of which he was chairman, that to have full light on such matters is to the advantage of all legitimate interests concerned.

Once more THE CHRONICLE would remind the Dominion's legislators that with adequate publicity provided for, the details of managerial methods and expenditures may well be largely left to the working out of those directly responsible for the conducting of insurance business in Canada.

#### WHAT FIRE UNDERWRITING IS NOT.

It would be difficult to find a better illustration of a worse misconception than the line of argument which the newspapers of Rochester, N.Y., are adopting against increased insurance rates in that city of apparently epidemic incendiarism.

In passing, it may be said that the insurance companies are able to show that their underwriting experience in Rochester, for nine years past, has resulted in losses and expenses \$720,000 greater than premiums received. Two weeks ago, after a long series of apparently incendiary fires, there came what narrowly escaped becoming a serious conflagration—and the "pink slip" followed, calling for an increase of 25 cents on all risks except dwellings and sprinklered buildings. In reply to the uproar evoked by this action, the Underwriters' Association of New York State has issued a brief summary of the situation at Rochester, giving the results of the joint conference of its committee with the local authorities and representatives of some of the commercial bodies. It reaffirms its position as regards the pink slip charge and points out the principal deficiencies in the city's protection system.

The attitude of the citizens attending the conference was chiefly that the improvements made during the past five years did not justify an increase in rates. Such a line of argument is in itself reasonable enough—but the evidence pro and con has, of course, to be considered in every light, and in Rochester's case it seems to favour the contention of the underwriters.

It remained for the daily newspapers, however, to adopt a line of argument which evidenced an absence of the simplest grasp of underwriting principles. Said the Rochester Herald, a week or so ago, with "yellow fervour":

"Hanging the 'pink slip' on the Flower City is a much easier and less expensive process than getting out and fighting incendiarism openly and from the shoulder. Because of the existence of a few evil-minded scoundrels within these corporate limits, the insurance companies are going to punish the whole community. . . . The sentiment of indignation is general in business and official circles of this city; the imposition of the pink slip on Rochester property is wholly unjustifiable. The companies have been called on to pay some losses—that is what insurance companies are for. But the business men of Rochester say there is nothing in the water and fire protection of the city to justify such penalizing of an entire community."

Elsewhere, by the way, the same paper in its news columns describes the city's deficiencies in the matter of water supply in no uncertain terms.

What could be wider of the mark than the contention that it is part of the business of fire insurance companies as such "to get out and fight incen-

diarism"—cheerfully paying all abnormal losses and asking for no premium increases while they perform this police duty? But "that is what they are for," according to the Rochester Herald. And there are people outside of Rochester who simply refuse to comprehend that insurance companies, as loss distributors, are not called upon to relieve municipal or other public authorities of fire-prevention duties. That fire insurance companies, by associated effort, have done much to improve fire-preventive conditions is as undoubted—as it is generally overlooked. By inspection of risks, by growingly scientific rating and by various educational activities they have rendered much more than a purely underwriting service. But this is over and above their essential function, and certainly affords no reason why they should be called upon to "get out and fight incendiarism" with an army of detectives and special constables. In fighting it with the "pink slip," they are adopting a more legitimate method—that of making the rate fit the risk. And, judging from the hubbub raised, public sentiment will see to it that the proper authorities get busy in preventing the fires. Already prosecutions are being actively made.

#### STANDARD LIFE ASSURANCE COMPANY.

It is well over four-score years since the Standard Life Assurance Company issued its first annual report. At the 83rd annual meeting, held in Edinburgh this month, a statement was presented relative to the company's business for the year ending November 14, 1908. This shows a continuance of the company's conservative policy of steady up-building. The net amount of new assurances for the year was about \$9,000,000—this substantial showing being obtained at a lower expense ratio than the business of the preceding year. The net premiums on new business amounted to \$385,000. The policy claims for the year amounted to \$4,125,000. The net total of business in force at the close of the year—exclusive of bonus additions—was \$142,000,000. Accumulated funds of the company, after deducting current liabilities, totalled practically \$60,000,000—these having been added to during the year by about \$1,500,000. The average interest realized on the funds was at the substantial rate of 4.28 per cent. The total revenue for the year, from all sources, was well over the sum of \$7,350,000.

The company has a long and honourable record and its financial strength increases year after year, evidencing at once the maintained popularity of the company and the sagacity of its management.

The Standard has assets in Canada valued at about \$15,000,000, the liabilities being \$8,500,000. These figures show how closely the company is associated with Canada where its business is conservatively and carefully managed by Mr. D. M. McGoun.

IN THE YEAR ENDED MARCH 31, the Hudson's Bay Company total receipts were \$1,190,000, an increase of \$18,500. Sales of farm lands were 25,400 acres, for \$206,500, against 21,100 acres for \$274,500, and town lots were sold for \$48,000, against \$128,000.