

THE ACTUARY'S POSITION IN AMERICA.

When the president of the Actuarial Society of America, Mr. McClintock, visited London last summer, he received a warm welcome from the Institute of Actuaries (of which he is a member), and was especially thanked for his essay on "The Effect of Selection on Assured Lives." In addressing the Institute Mr. McClintock spoke as follows on the actuary's position in America:

Officially, as president of the Actuarial Society of America, I think I can say without derogation to the dignity of that body, or so as in any way to be objectionable to any member of that body, that we all of us there feel that we are as yet far inferior in every respect to the Institute of Actuaries. You have your age, nearly fifty years of valuable, earnest work to look back to. You have your professional standing secured, partly by the great work you have done, partly by the royal charter which has been granted to you; so that the position of a member of this institute is more respected in England and the British Empire generally than the position of an actuary in the United States has yet become. You have this venerable hall to meet in, with all the associations of the past few years, and with many other venerable associations which must make it more interesting to you. On our part we have no place of meeting, except such as we may happen to secure for the time being. I need not go on enumerating the different points between us, but still it is true that from almost every point of view you possess the advantage. Of course, in one sense our companies, some of them, are as important as the companies generally of Great Britain. Some of our companies have been in existence many years. But I speak merely now of the body of which I am president. It was organized only six years since. It has yet to devise a system by which persons can be admitted on their merits by examination. Our landmark at present is to admit no one until he has shown by some published work his competence for admission. That is not so good as admission by the system of examinations. This test is not embodied in the by-laws, but it is understood amongst the members of the council that no one is to be admitted unless he can show the publication of some meritorious piece of work.

The position of an actuary in America differs in two respects certainly from that of an actuary in this country. An actuary in the United States, as such, is not the principal officer of his company, although the principal officer may happen to be an actuary and a member of our society. That is the case with some, but this difference is not so important as it may seem, because every actuary is able to make his own position in his own company if he is capable of doing so, so that as far as that goes I do not think that actuaries feel any loss of respect or genuine position by not being in many cases, as they are here, the managing officers of their companies. (Hear, hear). On the other hand, there is one point that I have never spoken of in the United States, but which has been before my mind for years, and that I think I may as well mention here as a member of this institute. It is that the position of an actuary in the United States, in my judgment—and I speak for no others—has been damaged by the system of official valuations. The different states make yearly official valuations of the various companies on a uniform standard. The result of that system has been what, probably, no one would have expected. The officer of the state whose business it is to make these annual valuations goes to a published set of tables, puts down the figures he finds there and adds them up, and that is the valuation. The actuary may, and usually does, make his own valuation for his own company, very often on a different standard, but in the eye of the public the valuation is made by a state official and not by the actuary of the company. (Hear, hear). I will leave it to you, gentlemen, to judge what the position of actuaries in this country would be if you were not held responsible for your own valuations. (Hear, hear). That particular element of professional authority which comes from yourselves making the valuation whenever it is made is largely lost in our country, for the simple reason that a person is accustomed to refer to the superintendents of the insurance department of his own state, or some other state, to find out what the total reserve liability may be; and another thing

comes from that, that these tables are published pretty widely and are in the hands of a great many agents and a large number of people who are not agents, and they know as much, or think they do, about the value of a policy as any actuary, and they write to you about it until you are tired answering them. They always seem to think that they must have as the surrender value the amount of reserve on their policies, and they have to a certain extent an excuse for it, owing to the system of government valuations. Gentlemen, I take the greatest pleasure in entering for the first time on my duties and privileges as a member of this institute. (Cheers).

INCENDIARISM AND FIRE DEPARTMENTS IN ANCIENT ROME.

One of our fire insurance friends who was smarting under a loss, the incendiary origin and purpose of which, palpable as it was to him, could not be proved to the satisfaction of a jury, said in the course of a conversation that "there was one satisfaction in living in ancient times; there were no insurance companies to be outwitted and robbed, and therefore there was no incendiarism unless from motives of revenge." We replied that as to some of the leading cities of ancient times he was in a certain sense in error, for though there were no insurance companies to gather premiums and re-distribute them in settlement of losses, there were benevolent people ready to pass around the hat—not in the perfunctory fashion of modern assessmentism, but in the way of active and earnest sympathy. We adverted, for example, to the prevailing custom in Rome in its palmy days, referring to the statements of the explorer and archaeologist Lanciani, and of the historian Duruy, who are acknowledged authorities. Lanciani, in his "Ancient Rome in the Light of Recent Discoveries," says:—

"As to smaller fires, of single houses and premises, they were almost of daily occurrence. In fact they broke out so often and so unexpectedly that there sometimes arose suspicion of the owners themselves having set the property on fire; because, although the Romans did not possess, as far as we can judge, fire insurance companies, yet such munificent contributions were made by friends and clients to the sufferers that it was in many cases a fortunate thing to be burned down. Martial, in the fifty-second epigram of the third book, speaks of a certain Tongilianus, whose house, worth two hundred thousand sesterces (two hundred pounds), had been rebuilt, after a suspicious fire, at a cost of five times as much, raised by the subscriptions of friends. Juvenal, in the third satire, describes the zeal of those who, not satisfied with rendering pecuniary help to the sufferers, made them also presents of statues, pictures, books and furniture."

The epigram of Martial referred to was addressed to the suspected incendiary in the cool and sarcastic style for which the epigrammatist was famous. Literally translated it runs:

"You had purchased a house, Tongilianus, for two hundred thousand sesterces; but a calamity but too frequent in this city destroyed it. Contributions poured in to the amount of a million sesterces. May you not, I ask, be suspected of having set fire to your own house?"

While on this subject, it may be asked, how many of our fire underwriters or chiefs of fire departments are aware that in the time of the Emperor Trajan (A.D. 98—117) there was a paid fire department in Rome? Of course, in the early periods there were bodies of volunteer firemen, with apparatus of the most primitive sort, and with types of the modern Mose and Sikesy, and fights for precedence in throwing the water from their elementary squirts. But even a century before—the date of the Christian Era—we learn from Lanciani that instead of continuing to employ slaves to extinguish fires, freedmen were enrolled for that purpose. He says:

"In the year 6 B. C., a fire having destroyed a large district of Rome under the eyes of Augustus, that emperor at once decided to reform the service, and enrolled for this purpose a body of freedmen, seven thousand strong, which was divided into seven battalions (*cohortes*) and placed under the command of an officer of the equestrian order. The body was distributed and lodged throughout the city, so that each battalion could watch two of the fourteen wards (*regiones*), into which the city had been divided by Augustus. The seven companies of each battalion were placed under the

orders of captains (*centuriones*); each battalion under the orders of a colonel (*tribunus*); and the whole body under a general, or a prefect, called *praefectus vigilum*. The costs of maintenance of the corps were charged against the public treasury."

To provide for this expenditure, as the public treasury was in a state of chronic insufficiency, several objectionable subsidies and sinecures were abolished, and the revenue was further increased by a special tax of 25 per cent. on the sale of slaves.

It may also be noted that the prefect of the vigiles was invested with the powers and duties of our fire marshal, and was required to conduct an official inquest or inquiry upon the occasion of every fire. We are told that no penalty was inflicted in case of accidental origin, but if it was shown that a fire was caused by negligence, the culprit was punished either by solemn public admonition, or, in the worst cases, with castigation, the number of stripes being fixed according to the ascertained degree of responsibility. Incendiaries were handed over to the higher court of the prefect of the city and sentenced to death. But as the spirit of the police regulations of Rome was rather to prevent than to punish, there was constant and systematic inspection of the water supply and the furnaces and heating apparatus of every house. Among what we should call the special hazards were the oil warehouses in the trading part of the city, and though olive oil hardly compares with our petroleum in point of inflammability, the fires in that section were frequent and destructive. According to Tacitus, the great fire in Nero's time (A.D. 64), which damaged or destroyed three-fourths of the city, started in an oil shop on a windy night.—*Baltimore Underwriter*.

LABOR UNIONS AT SEAPORTS.

An Atlantic ship-master, Captain Campbell, of the steamer "Lake Ontario," speaks his mind thus as to arbitrary labor unions and their effect upon the trade of harbors: "My ship had to lie idle all Christmas day because the men would not work! Then the wages are too high for the amount of work performed. No port can thrive where such a condition of things exists, and St. John will find that out to her sorrow. If St. John is ever to become a great shipping port for steamers the labor union must be crushed, otherwise it will share the fate of Quebec. The harbor of Quebec is one of the finest in the world, yet its wharves are rotting away, simply because of the labor difficulties. No matter how much freight we may have for Quebec, we never stop there in going up the St. Lawrence. We continue on to Montreal, and whatever cargo there is for Quebec is lightered down."

"When one hires a man to do his work he has a right to say how that work should be done, and when. But it's not so with the labor union."

TO BRIDGE DETROIT RIVER.

The *Railway Age* says: "The Michigan Central Railroad Company has decided to undertake the great enterprise of building a high bridge across the Detroit river to take the place of the ferry boats by which its trains are carried to and from Canadian territory. A bill introduced in Congress this week by Senator McMillan provides for a structure of three unbroken and continuous spans, the main channel span to be not less than 1,100 feet in clear width between the masonry piers, of which there are to be only two, and the clear headroom for vessels under spans is not to be less than 140 feet. The question of tunneling under the Detroit river, as the Grand Trunk Company has successfully done under the St. Clair, sixty miles away, has long been under consideration, but the decision has been made in favor of a bridge, and the completion of this magnificent structure, the estimated cost of which is \$4,000,000, will give the Michigan Central another powerful attraction to travelers. The passage of this great international waterway at a height far above the topmasts of its fleets of commerce, will be an inspiring experience for the passenger, and the saving of time and expense that the bridge will afford in the handling of freight and passenger traffic will be an important advantage to the company."