

transaction of the business with which they were familiar, were too much inclined to flatter themselves that life insurance was a business, the details of which they are competent to deal with without any special training. Indeed, that the most exacting of all known financial business, so far as accurate scientific knowledge was concerned, was something which could be readily mastered during the few spare hours which they were individually able to give to the company's business.

We are not sanguine that anything we may say now will have much effect in determining their future policy, but we nevertheless feel that our duty as an insurance journalist imposes upon us the task of calling attention to what we think, is a mistaken policy on the part of the directorate.

From the first, and up to the time of the resignation of their Managing Director, the business was apparently conducted as if experience was unnecessary, and it appeared as if special pride was taken in the fact that there was no one in connection with the office who possessed the slightest knowledge of life insurance, either theoretically or practically except the Managing Director himself; and we think he will acquit us of any desire to do him injustice when we say that even his knowledge of the intricacies of the business, the details of office work, the science of probabilities, was of the crudest possible character.

We called attention to the necessity for prompt business-like action, such as would inspire confidence, and let the public, and those competent to judge of the standing of the company, see that the directorate had at last become awake to the necessity for common-sense tactics; but so far, instead of making any changes for the better, their policy seems to be worse than before. When the late managing director went out, ordinary shrewdness would have suggested that a successor should have been ready simultaneously with his retirement, instead of which months have been allowed to pass and the company is still practically without a head, for it is no secret that the dual management now in vogue in that office is the reverse of satisfactory or creditable to the directors.

Conflict of authority, such as is reported prevalent, cannot but injure the company; and it is amazing that men of business, such as the directors of the Manufacturers, should allow the present state of things to continue.

As we have repeatedly said, we have no sympathy with the suggestions made in some quarters, that the integrity of the company is in danger; but we do know that a serious mistake is being made in the course of conduct indicated; and we call upon the directors, in the interests of the company and of life insurance generally, to make a determined stand, and do away with the hap-hazard management hitherto the rule in that company. They cannot have too much general intelligence among their employees, nor are they likely to have too much technical knowledge in the management in the immediate future; but they can at least use the men they have to the best advantage, and give them a chance to develop what is in them, with the moral certainty that every interest of the company will be better served than at present, its agents better satisfied, and confidence in its general progress and standing more pronounced.

WAS THE COMPANY LIABLE?

Editor INSURANCE CHRONICLE.

Will you kindly enlighten your many readers as to the liability or non-liability of the insurance companies under the following circumstances, viz.:

A wharf and shed thereon, covered by insurance, was overloaded with lime so that it gave way so far as to permit the water of the rising tide to reach the lime, which was slaked thereby, and in slaking set fire to the wharf and shed, both of which were consumed.

Claim was made upon the insurers for the amount of the loss, but they disclaimed all liability because it was by the falling of the wharf that the fire was caused, and basing the refusal upon the following clause of their policies:

"If a building shall fall, except as the result of a fire, all insurance by this company on it or its contents shall immediately cease and determine."

A reply through the columns of your valuable journal will be very acceptable.

A. H.

REPLY.

Under the stipulation of the policy clause as the wharf had fallen so far as to permit the water beneath to reach the lime and slake it, thus causing the fire, the company is evidently correct in refusing to acknowledge any liability. The case would have worn a different aspect if the wharf had remained firmly in place, and an extra high tide, something quite out of the common, had overflowed it and slaked the lime; for if lime, thus accidentally submitted to the action of water, take fire, it is not a loss by fire as to the lime itself; but if in slaking, it sets fire to adjoining bodies, such bodies, if under insurance, will be covered by the policy, and the insurers liable.

In the case under consideration, it was manifestly the intention of the insurer to cover the wharf and shed as they then stood, and not the subsequent ruins of such wharf after it had fallen, and in the falling had caused the fire by allowing the lime to come in contact with the water and slaking in consequence. The wharf when insured, was a standing structure: when set on fire by the lime, it was no longer a standing structure, and hence was not the subject covered by the policy. See *Huch vs. Globe Ins. Co.* 127 Mass, 306; also 80 Ill. 558; 57 Mo. 430.

UNITED BRETHREN MUTUAL AID SOCIETY, OF PENNSYLVANIA.

We have from time to time given a history of the United Brethren Mutual Aid Society, which is one of the oldest Assessment societies in the United States, and the following statement copied from the report of the Hon. J. M. Forster, Insurance Commissioner for Pennsylvania, is interesting and instructive.

The Hon. Mr. Forster says:—

"The reports of the Society show that the assessments collected for the payment of death losses have been applied to that purpose, and the following table, commencing with the first complete report to this department, when its insurance reached the maximum point, and terminating with the last report, shows the drift of the business."

Years.	Average Insurance.	Assessments.	Cost per \$1000.
1878.....	\$21,241,500	\$422,319	\$17.80
1879.....	19,958,000	480,210	24.00
1880.....	18,755,000	447,351	23.80
1881.....	18,119,250	480,461	26.50
1882.....	16,589,250	503,634	30.40
1883.....	14,446,000	510,192	35.30
1884.....	12,495,000	439,356	35.14
1885.....	11,250,000	487,955	43.33
1886.....	10,726,250	457,847	42.60
1887.....	10,505,750	486,786	46.07
1888.....	9,894,250	431,237	43.55

Mr. Forster adds: "This record tells its own story of constantly diminishing membership and constantly increasing cost. Any comment upon the lesson it teaches would be superfluous." Its decline is due to the natural and immutable laws against which no co-operative concern can successfully contend for many years."