

scares the very life out of them, if you use it right, either when you have a hard risk to place or a hard claim for loss to engineer. The Aurora would go clean crazy if you said Technicality to them three times in one day."

"Why," says I, "what does it mean?"

"I don't know," says he; "but I know one Company lost most of its business because somebody said they stood on technicalities.

"And do you make much money out of the Insurance Companies?" says I, thinking it mighty queer they should pay a man for cutting their throats.

"Pretty well," says he, "because there are some of them so anxious for risks that they will take any rate or any risk I tell 'em to."

So you see that the Zephyr lost my risk, and I saved my money, and the Aurora Insurance Company paid the Broker.

Here's luck!

### EXPERIENCE.

What is it? Who has it? It has been very much the fashion for Insurance Managers to criticise each other's actions, and for Insurance Journalists to criticise the Insurance Managers individually and collectively. Perhaps, when a reason is avowed for doing a particular act, or an explanation given for adopting a certain course, difference of opinion as to the propriety or advisability may arise and be expressed, but, unless the critic is fully advised as to the considerations which justified the act or course in the minds and councils of the company, he may be greatly in error in his verdict. One company in Canada has long written freely on Tanneries; if it were to cancel all its risks of that class to-day and never write another one, it would be many thousands of dollars in hand; that company can prove, *by experience*, that Tanneries are profitable risks at current rates, whilst most of the others, by dearly bought "experience" of a different character, have been led to class them as uninsurable; to this, we hear the reply, "You must combine the experiences to get at the facts or the true cost of carrying them." But then comes the rejoinder: "Would any company consent to change its rules on learning the true cost of these risks?" We think not, because, disguise it as you may, there is observable in every company's experience an element of good or evil fortune to them in every different class of risks; and facts—fancies if you will—are more convincing and influential than figures. Journalists, Readers, Managers, may declaim as they will against prejudices and superstitions, but look at the private instructions to agents of each of the different companies in existence, and you will find nearly every class of manufactures extant included in the lists of prohibited risks issued by one or other of them, simply, and perhaps properly, by reason of their "experience," and who shall prove them to be in error when they have facts and figures to justify them.

"What care I how good they be,  
If they be not good to me,"

is the business-like rejoinder of the manager who has had a continuous string of losses on country stores, when asked for reinsurance by a company who have year after year made money on them; and so ring the changes throughout the various classes of hazards, ordinary or special; the company whose experience teaches them that certain classes of risks are undesirable, ridicules the company who make money on them, and each feels justified in their conclusions.

For all this, however, although no reasoning could justify the company in accepting business which they know to be unprofitable to them, yet a knowledge of the combined experiences of all the companies, and a study of the circumstances under which other companies reaped profit where they experienced continuous loss, might lead to such modifications of their own rules and practices as would cause them to enlarge their business with satisfactory results.

On the other hand, study of the combined experiences of all the companies might convince the apparently successful writer of, say, Sash and Blind Factories, that he has

been "more lucky than wise," and that the sooner he re-scrutinizes his business the better it will be for him in the not distant future.

Neither timidity nor temerity should have place in the councils of a Fire Insurance Company, as the one prevents profit whilst the other precipitates perdition.

### METROPOLITAN MUTUAL BENEFIT SOCIETY.

The Metropolitan Mutual Benefit Society appears in print with the names of Wm. Donahue, wholesale merchant, as President; Robert Evans as Vice-President, and A. W. Bisson, as General Manager, with an extract from a letter purporting to be signed by the Governor General.

With such credentials any institution should be in a fair way to success, if its inherent principles are correct; but when we read the accounts of the downfall of the Union Generale of Paris, which has just collapsed in so lamentable a manner notwithstanding the beneficent objects it was proposed to promote, and the fact that the Count De Chambord showed his faith in its principles by subscribing five million francs of its stock, and the Pope is said to have given it his blessing, we must take every financial institution as we find it, without reference to any high-sounding titles those who endorse it may possess, or the positions in society they may occupy, especially as a Paris despatch says the public prosecutor has taken summonses against eight Directors of the *Union Generale*.

We have had letters of inquiry and of complaint concerning this Metropolitan Mutual Benefit Society, in consequence of which we have endeavoured to possess ourselves of the facts in reference to its workings.

The Manager says that it is a part of the contract that if any member wishes to retire from the Association, he can do so by paying the assessments due and returning his certificate with a notification of his desire; taking this as correct, we felt that it must offer very little security to those who remain, supposing themselves *insured* for certain amounts in it. True, it may be said that if *any* person insured in *any* company wishes to discontinue his insurance, he may do so by simply discontinuing his payments. The Insurance Company has no recourse against him in any form other than the forfeiture of the premiums already paid. But this would not be the whole truth, because the real Life Insurance Company has collected reserves as well as premiums from its policy holder by means of which real provision is made for the liabilities incurred and the fulfilment of promises made, so that in many cases they can, and do, with perfect safety to those who remain, repay to a retiring policy holder a portion of the premium he has paid in.

If a person, competent to judge of the facts in connection with this Society, become a member of it, the only question to be considered is whether he should be allowed to withdraw from it at all until he has paid, not only the assessments due, but such a sum as will make up for the consequent impairment of the means of indemnity to those who remain.

In order more certainly to see whether or not this Association is worthy of the endorsement of those whose names appear in connection with it, we will refer to its report, issued after its second annual meeting in February, 1881, where it is stated to have 478 members, being 282 in advance of the previous year; that is, in 1879 the number of members was 196. In 1880 there were 250 applicants, of