

age of the assured and the duration of the policy; and

6. A bonus for each year, increasing with the age thus taking account of the premium actually paid and of the age of the assured and the duration of the policy.

The systems indicated in the first two (1 and 2) of the foregoing are of the nature of a tontine, under which, though all contribute alike, according to age, the surplus or profit is held over and reserved for those alone who survive to the much later years of life.

Those indicated under the second two (3 and 4) do not take account of the premiums actually paid by the assured. Their tendency therefore is to give bonuses too large to those who die in the earlier years, to the prejudice of those who—by their longer life and larger payments—have contributed more to the funds of the Company.

That indicated in the fifth (5) of the above gives much the larger bonuses to those who die early, and places those who live longest, and contribute most, in the undesirable position of finding their bonuses decreasing at each succeeding division.

The last system indicated above (6) is the one which the Edinburgh Life Assurance Company has always adopted.

While the bonus system of an assurance company is a matter of consequence to the policyholders, its results must always be viewed in relation to the premiums charged.

CHIEF BENOIT ON ONE CAUSE OF FIRES.

The Chief of the fire brigade of this city has addressed the underwriters in regard to the cause of so many fires. He lays the blame chiefly on furnaces. He considers that "landlords were largely to blame for this state of affairs. Their object was to rent their dwellings, and they cared very little about the heating apparatus. Many dwellings were fire-traps of the worst description. Furnaces were placed under stairways, in cupboards, and in some of the most ridiculous places. Some so-called furnace-rooms were lathed and plastered when the house was constructed, but in ninety-nine cases out of a hundred the plaster had disappeared from the wear and tear of years, leaving nothing but the laths, which were as dry as paper."

The Chief urges the underwriters to undertake a thorough inspection of furnaces. The work would involve an amount of labour that could not be carried on satisfactorily without the engagement of a special staff of experts. The proper time for such inspection is during the construction of a building. Before a heating apparatus is put in operation, it ought to pass inspection; a by-law to that effect is needed. The test of its safety should not be confined to noting the furnace and piping when under the

control of the expert, but the possible risks of reckless handling should be considered and provided against. The greatest danger is caused by the connections of a stove or furnace becoming so overheated as to set woodwork afire. Pipes in cellars and other obscure places are very commonly placed far too near to the ceiling and boarding. The constant heating of the plaster and laths renders the one very brittle, and the other is turned into touchwood that will take fire so readily as to be very dangerous. In all such places metal sheeting should be used. It is also much too common a practice to insert beams and joists into the brick-work of chimneys, the ends of which wooden supports become so desiccated as to ignite readily from sparks passing up the flue. A large hotel near Toronto is known to have been burnt owing to this cause. The smell of burning wood had been noticed several days before the flooring burst into flame.

Some architects and builders do not seem to realize the danger of placing wood in such positions that it soon becomes ready to burn on the slightest provocation, and many landlords, as Chief Benoit states, accept plans for houses which necessitate the furnace being placed in a cupboard, or other recess, where it is certain, some day, to start a fire in the building.

A thorough inspection of furnaces is certainly called for, but the need is also urgent of a by-law to regulate their location, and their connections. The fire in Temple building last week gives point to the above.

The general use of electrically fire-proofed wood would very materially reduce the risk of fire from heating apparatus.

THE HOME INSURANCE COMPANY.

The Home Insurance Company has been barely one year in operation in Canada, but its semi-annual statement published on a later page is the hundred and first it has issued.

During the past half century the Home has made great progress, and is now recognized as one of the most substantial of United States fire companies.

The assets amount to \$18,040,793. The liabilities include Cash Capital, \$3,000,000, Reserve Premium Fund, \$6,587,613, other liabilities, \$1,878,429, which items aggregate \$11,466,042, leaving \$6,574,751 as the net Surplus and \$9,574,751 as the surplus as regards policyholders.

The directors of this company comprise some of the leading financiers of New York. The president, Mr. John H. Washburn, has a distinguished reputation in the insurance world for shrewdness and sagacity of management, as well as for the breadth of his views and enterprise.

Messrs. Evans & Johnson are the representatives of the Home in Canada.