

tariff rates and rules followed, and sometimes actual breaches when it could be arranged in "a quiet and confidential sort of way," to secure a large risk. If, however, the competition was for an open or non-tariff insurance, the inquirer would find the mercantile spirit often exhibiting itself very strongly; the large insurance must be secured for the office at any cost, even at a lower rate than usual on like risks, although the quotation may not cover half or even a third of the normal hazard. The revenue of the office must be built up to show the usual annual increase or progression. The mercantile spirit likes big figures in the accounts better, it would seem, at times, than profit or even principle.

All offices, however, are not alike in their ideas of management: some of them believe in the system of fully ascertaining which risks yield profits and which losses, or where adequate or inadequate rates are most prevalent. The managers of these offices are wise in their generation, they keep the special information, obtained at considerable cost, strictly to themselves, and by doing so are thus prepared to seize every advantage, or to meet every emergency. How they must chuckle sometimes at the price some of their competitors are bidding for insurances. The cost being paid is sometimes like exchanging a pound's worth of goods for a few shillings!

The inquirer or student could never hope to obtain the full special statistical information of the values of respective classes of risks for himself, consequently we give the following figures out of more than a hundred other classes, as an illustration of how "theoretical"—"rule of thumb"—or "mercantile principle" rating, pays *in detail*, over a period of some years' duration, in the experience of a large office. In giving these figures of a certain portion only of the whole business, it must be noted that allowance has previously been made in them for full working expenses and profit (10 per cent. margin all round), viz.:

Gain.		Loss.	
On class 1	£91,080	On class 8	£121,556
" 2	50,019	" 9	49,158
" 3	21,076	" 10	27,040
" 4	14,424	" 11	25,877
" 5	12,822	" 12	24,244
" 6	10,782	" 13	20,497
" 7	10,756	" 14	16,950

A method of rating that works out like the above cannot be considered a perfect one. There is apparently too much of the "robbing Peter to pay Paul" principle in it. *The section who speak so glibly of conducting the business on mercantile principles forget that there is such a thing as a mercantile system.* A merchant or trader does not as a rule qualify himself for a successful financial career by ignoring profit and loss in detail, and waiting for the lump sum to his credit at the account at the end of a year. Trusting to instinct for a perfect system, or evolving one out of one's inner consciousness, is not in harmony with the progress of the age, and with all due deference to the opinions of those who state that the laws of average can never be applied in a practical or scientific way to fire insurance as in life, a contrary opinion must be emphatically expressed here.

Actual statistical experience (the area or total figures under observation being very much greater) has demonstrated the fact that fires to risks insured occur annually in a much closer ratio than was the case to lives insured by the seventeen offices in their published experience.

Natural progress will doubtless improve "rule of thumb" management out of existence, eventually. Knowledge, however, in statistical matters is already power in the hands of the few who have taken time by the forelock, and possessed themselves in a full manner with it. *Profits cannot continue to be realised with a degree of certainty whilst prime cost remains an unknown quantity.*—*Finance Chronicle and Insurance Circular.*

## DWELLING-HOUSE RISKS.

We inserted in our February issue a letter from Mr. Thos. Atkinson of Newmarket, Ontario, upon the subject of the benefits of ignorance or of criminal carelessness, as influencing the business or the popularity of an agent; we refrained from any comment upon the letter, first, because we wished it to teach its lesson unaided, and, second, because, although we increased the size of INSURANCE SOCIETY for February, yet we had, as usual, to omit several interesting papers for want of space.

We are glad we do not know the agent whose blissful ignorance or whose want of conscience enabled him to secure from his unfortunate company a policy on a cottage whose chimney was built upon the collar beams in the cock-loft, and whose stove-pipe entered the chimney at a place out of ordinary sight; but it is quite sure that wilful murder, by means the most cruelly painful, is the crime of the individual, and loss, deserved and certain, is the righteous doom of his company if they know and approve his proceedings.

A glance at our report of fires occurring in January, as detailed in our February issue, will disclose the fact of a very large number of fires in dwellings as having occurred in that month; and, as is usually the case, nearly every one was caused by defects in the chimneys. We are almost ashamed to write things which are of the a b c of Dwelling House Surveys, but, as it is evident that property and life is hazarded by neglect or disregard of these first principles, we do our duty in the matter and leave the result to time and circumstance.

The roofs of many dwellings are constructed as follows, viz.:—Rafters about four inches thick at the butts and two inches at the end are flattened so that boards may be nailed upon them upon which shingles may be laid. About half way between the level of the heads of the wall posts and the peak of the roof strips stretching from each rafter to its corresponding one are spiked upon them, so as to receive the lathing which forms a semi-vaulted ceiling; in this ceiling a trap-door is placed; on ascending through it we find the roof braced by strips whose feet are spiked on the wall plate, their heads being spiked on the rafters; at about one-fourth of their length from their point of junction, across the roof, from rafter to rafter, where the heads of these braces are, we find straps called collar beams; upon two of these is spiked or nailed a piece of plank, upon which a chimney of one brick in thickness is built, generally from about two feet below the roof to two feet above it.

The weight of the chimney is such as to cause a sagging of its frail foundation: to obviate this, and to prevent the rain storms from penetrating the building around the outside base of the chimney, the tiers of bricks immediately above the roof are made to rest upon it.

In spite of this precaution, however, the foundation of the chimney does sag—then, as the top of it is supported by the roof, there appears a little rift within the roof, which calmly lets the smoke and sparks escape.

Into this so-called chimney the usual ramification of stove pipes find their termination; for appearance sake the best of them are placed in the rooms where people are most apt to see them, whilst those which are old and ugly are put, where they will be out of sight, in the garret. In a not very extended process of time the pipes get jarred and dislocated—if this takes place in the ordinary living rooms, it is seen, and, perhaps, repaired, but if the separation of the pipes is in the garret, it is not seen and, *par consequent*, not repaired.

Some night when the cold is more than ordinary intense the innocent, helpless children of the household are sent up stairs to bed, and they fall asleep without a thought of the dangers to which they are exposed. The parents sit up a few hours longer, and put on an extra fire to make up for the coldness of the night; the draft of the stove is