Vol. XII. No. 19.

Insurance and Finance Chronicle.

Office: 1724 Notre Dame Street. MONTREAL, OCTOBER 1, 1892 Subscription: $2.00 per Annum.

THE

Insurance and Finance Chronicle.

Published on the 1st and 15th of each month.

AT 1724 NOTRE DAME ST., MONTREAL.

R. WILSON SMITH, Editor and Proprietor.

A. H. HUGING, Associate Editor.

Annual Subscription (in Advance) - - - $2.00

Prices for Advertisements on application

All Communications intended for THE CHRONICLE must be in hand not later than the 10th and 25th of the month to secure insertion.

WE ARE GLAD to see that the liability of electric light companies for all loss arising from fires caused by their wires when imperfectly installed, faulty in insulation, or carelessly supervised, is likely to be determined by the courts. A big fire not long since occurred in the establishment of Kaufman, Strouse & Co. at Louisville, Ky., caused, it is claimed, by defective electrical appliances put in by the Louisville Gas & Electric Light Company, and entailing a loss of about $230,000, of which $200,000 fell to the share of the insurance companies. The latter, acting conjointly with the firm above named, have brought suit against the electric light company to reimburse them for the loss, for which they were primarily held. The decision will be looked for with universal interest, though we can scarcely doubt that it will be against the electric light company, provided of course that the fact of negligence, such as to have caused the fire, is clearly established. A decision involving the liability of the water works company at Paducah, Ky., which a couple of years ago went against that company, is especially interesting in this connection.

WILL OUR ASSESSMENT friends make a thoughtful note of the fact that the old Equitable Life of London has recently paid 31 policies having an aggregate face value of $223,550, but which, by reason of bonus additions, called for and were settled by payment of $517,-050, or a good deal more than double the original insurance? Some of these policies had more than trebled in value. For several years this company has paid for death claims much more than the amount received for premiums—the excess in 1891 being about three-quarters of a million dollars—and yet it is sound and prosperous, and makes these payments as easily as it made like payments a hundred and twenty years ago, when only ten years old. The key to all this century and a quarter of prosperity and continued loss-paying ability is found in one little word, *reserve*, and which unfortunately is entirely unknown to the vocabulary of assessmentism. The average mortality of the Equitable now calls for $53 for claims to each $1,000 at risk, the amount in case of old members being of course two to three times as much. How will assessmentism meet such a mortality a few years hence?

WITH REFERENCE TO the outcry of some of our bucolic assessment friends against the big salaries paid to officers of level premium life insurance companies, it has repeatedly been shown that these men get no more than do the executive heads of railways and other large financial institutions. Besides, it transpires that several of the assessment companies are "getting there" pretty fast, so far as big salaries are concerned. *Apropos* of this subject, the *Coast Review* tells a good story, found in an exchange. A hot water pipe in a large manufacturing establishment refused to work, and the boss machinist, after half a day's tinkering, said it must be taken apart. This meant the stoppage of the factory for a considerable time, and great consequent loss. The factory owner continues the story as follows: "A neighboring engineer, something of a genius, was sent for. After studying the pump a while he took a hammer and gave three raps over the valve. 'I reckon she'll go now,' he quietly said. And she did go. Next day I received a bill for $25.50. The price amazed me, but after examining the items I drew a check at once. The bill read: Messrs. Blank & Co. Dr. to John Smith; for fixing pump, 50 cents; for knowing how, $25.00." It is the knowing how that counts in all enterprises in this world.

AMONG THE TROUBLESOME questions with which fire insurance companies have to deal is the old one of long credits. That the close of the year's account should show a considerable amount of outstanding premiums is of course unavoidable in the nature of things, but that agents should be allowed to extend credits over lengthy periods of anywhere from sixty days to three or four months is not only unnecessary, but a most positive and serious evil, for which there is no excuse excepting the very bad one of ruinous competition. We have