

to consider the actual fire risk, so far as each individual building requiring insurance is concerned, with respect to its construction, the manner in which it is occupied and the nature and extent of its surroundings, and to fix the rate in accordance therewith, and then, to lessen the cost if the risk is lessened, and if the danger is subsequently increased to make a corresponding increase in the rate. This system of "schedule" rating not only commends itself as being an eminently just one, but also one which will benefit the company, the community at large and the insured himself. The community will be improved by constant beneficial changes made in buildings with a view of reducing rates of premium; the company will be benefitted by the improved amount of desirable business which such changes will occasion, while the insured himself will experience a good effect in view of the additional security which the insurance company can then offer in consequence of the decrease in their liability to loss. The various companies doing business in the smaller towns would also materially assist their agents by doing away with their classes of "prohibited" risks. The company which absolutely refuses, under any consideration, to take risks of certain descriptions is not carrying out the principles of fire insurance which it professes to advocate. It is its duty as such insurance company to take any risk, provided an adequate rate is obtained, and provided also the application does not bear any taint of fraud or greater "moral" hazard than it can prudently assume.

Again, companies should become responsible for the acts of their agents, just as individuals or institutions in other branches of business are liable for the acts of their like representatives. Let managing directors, if necessary, take greater security than they do (for, indeed, the bonds now taken by them merely provide for the monthly remittances of agents), but at the same time let them choose competent, reliable men, and, by becoming responsible for their acts, they will not only obviate a great many difficulties which now surround the business of fire insurance in country towns, but will also gain for their companies a greater degree of public confidence and a far larger amount of business of a desirable kind. Companies would also do well to lay aside the jealousies which so frequently exist between them, and centre their business in the care of fewer and more responsible men. Crooked competition would thus be reduced to a minimum, and competent men,—men who would make insurance a

study, and would bring care and forethought into the field,—would be induced to take upon themselves the destinies of our best companies in the precarious walks of rural business. It is undoubtedly the duty of every company to discharge such of its agents as are found guilty of practising crooked competition. This rule should be enforced with the most rigid severity, as otherwise really good agents will soon be few and far between, and the affairs of the company will rapidly become sadly demoralized. The last point we would impress upon companies, as a duty which should be performed in the interests of their agencies in country towns, is the duty of frequent inspections. Most companies are possessed of competent inspectors, but few, if any, cause their agencies to be inspected with anything like a sufficient degree of frequency. A good agent, one who desires to do a proper and profitable business for his company, should not and will not desire to fight shy of inspection, but will be stimulated and encouraged thereby. Nothing is so apt to prompt him to honest effort as a knowledge of the fact that his company is satisfied with his work. He cannot feel sure that they are so satisfied unless they make inspections, and certainly, if he is anxious to guard against errors in the future, he will desire rather than object to have pointed out to him any flaws which may exist in the work he has done. To such of our companies, therefore, as desire the hearty co-operation of their agent we would say inaugurate a system of frequent and thorough inspection; it is eminently in the interests of the company, and cannot fail to prove similarly beneficial to the agent who is desirous of doing a really honest, straightforward and profitable business for the company which he represents.

In conclusion we have just two points to urge in which beneficial changes can be made by means of statutory enactments for the good of the agencies of insurance companies in country towns. One of these is to define the powers of agents by Act of Parliament, and to make them personally responsible for any act of carelessness, omission, neglect or fraud for which they are themselves wholly accountable in the transaction of their business. The other is to make it incumbent upon insurance companies to appoint their agents from a list of such candidates as may have passed a preparatory examination before a properly qualified board of underwriters. On the last point we took occasion to enlarge in one or two of our issues about a year ago. We need only state that the remarks we then made may again

be used in this connection, and that we still believe that, until some such stringent system obtains in this country, the management of fire insurance business in our smaller towns will continue to be conducted with the same degree of incompetence and lack of proper care and attention which so frequently distinguishes it in many parts of Canada at the present time. In the meantime we commend the suggestions we have now made to the careful consideration of country agents, in the earnest hope that their perusal will not be unaccompanied with beneficial results.

#### BUSINESS CHANGES.

The more important business changes of the past week are as follows:—

Dissolutions:—B. Hutchins & Co., filters, Montreal; McMillan & Parkman, carriages, Arichat, N.S.; Bourdon & Raymond, fish, Isle Bizard, Que.; Ash & Beeman, physicians, Centreville; Turner Bros., sawmill, Hillsdale, Ont.; Jas. Turner, continues; E. Berwick & Co., general store, Shelburne; Whitney & Morton, real estate agents, Toronto; J. Martin & Son, engine works, Toronto; Hulbert & Foss, carriages, East Farham, L. H. Hulbert continues; Purvis & Cornell, groceries, Otterville, D. Purvis, continues; E. Harris & Co., paints, oils, &c., Toronto.

Offer to compromise:—Henderson & Co., millinery, Toronto, at 50 cents; Campbell & Cassels, bankers and brokers, Toronto, at 10 cents; Hyndman Bros., general store, Charlottetown, P. E. I.

Compromised:—A. J. Turcott, groceries, Quebec, at 30 cents in 3, 6, 9 and 12 months; Maxwell & Graham, general store, Chesley; W. Muirhead & Co., Toronto, at 25 cents; Armour & Hartwell, general store, Jarvis, at 60 cents.

Selling or sold out:—W. E. Ellis, hotel, Lefroy; John O'Rielly, hotel, Schomberg; W. P. Marston, gunsmith, Toronto; W. G. York, drugs, Waterford; Thos. Magee, Baie Verte; Samuel Correll, general store, Carleton; Geo. Thompson, general store, Blenheim; John Sanderson, lumber, St. Mary's; Richard Tanner, boots and shoes, Pictou, N.S.

Commencing or recently commenced business:—J. J. Davis, hotel, Charlottetown; Wm. Beck & Co., cigar box manufacturers, Baden, Ont.; Titus & Bros., general store, Blenheim; W. J. Welsh, furniture, Blyth; Broderick, general store, Brussels; Fred. Morgan, groceries, Hamilton; J. C. Turnbull, tinsmith, Hillsdale; Jas. Armstrong, lumber, St. Mary's; P. Moore, fancy goods, St. Thomas; J. Kerr & Co., clothing, &c., Stratford; A. A. Miller, dry goods, Fredericton; G. Blair, hotel, Grand Falls; W. R. Boreham, boots and shoes, Charlottetown; Hugh McCullough, carriages, Coldwater, Ont.; J. W. Manly, drugs, Wierton, Ont.

Offer business for sale:—Grindall & Woodcock, door and sash factory, Mount Albert, Ont.; Lee & Boyd, general store, Oliford; Henry Thompson, hardware, Uxbridge.

New co-partnership:—J. B. York, drugs,