

ness of the Corporation for 1897 was \$53,220, and the total income from all sources of the same department \$1,193,005.

The fire account for the year must be very pleasant reading for shareholders already made happy by the declaration of a twenty per cent. dividend. The premium income for 1897 amounted to \$1,925,030, and the losses, \$1,046,160, making the loss ratio fifty-four per cent. again the subject for very favorable comments by insurance critics. The balance at the credit of the fire fund, after payment of losses, expenses and commissions and transferring \$250,000 to Profit and Loss Account amounted to \$3,375,255, an amount nearly equal to two years' premium income.

The business of the marine department of the London Assurance enables one to understand why companies transacting only marine insurance are complaining bitterly of a bad season. But, although the losses paid and outstanding in the marine department of the venerable London for 1897, amounted to \$1,499,955 against net premiums of \$1,458,295, the Corporation still has a comfortable balance at credit of Marine Fund, \$1,001,055.

The amount to the credit of Profit and Loss Account at the close of 1897, was \$695,360.

The balance sheets of the London Assurance Corporation must have been perused with much satisfaction by General Manager Clunes and all of his staff, and THE CHRONICLE has much pleasure in congratulating the Manager for the Dominion, Mr. E. A. Lilly, upon the steady growth of the Canadian business which he conducts with all the caution displayed in the general management of the Corporation.

AETNA LIFE SUIT SETTLED.

By agreement of counsel a settlement was effected to-day (26th inst.) in one of the most important insurance cases that ever sought conclusion in Connecticut courts. The case is that of insurance Commissioner Betts against the Aetna Life Insurance Company. Two years ago the Commissioner ordered the insurance company to alter its methods of bookkeeping. The order was ignored, and the Commissioner through the courts averred that the company had violated contracts with mutual policyholders.

The case has been in litigation for two years. To-day counsel agreed to a settlement, which was confirmed by the court, in which the company agrees to make those transfers from its stock to its mutual department which are satisfactory to the Commissioner to pay to the Commissioner the cash disbursements of the Commissioner in this suit to the sum of \$15,000; that the orders of the Commissioner, except as provided in the agreement, be discharged and set aside, and that this decree is a final adjudication and settlement of all issues.

INSURANCE RATES MAY BREAK.

TARIFF ASSOCIATION DISBANDMENT RECOMMENDED.

The affairs of the Tariff Association of New York, which controls fire insurance rates and commissions for the Metropolitan District, have reached a serious crisis. At a meeting of its Executive Committee,

held on Tuesday last, at the Association's rooms in the Mutual Life building, it was unanimously decided by those present to recommend at the Association's meeting that the organization disband. The Executive Committee had been called together to appoint a committee under the brokerage plan framed by Manager Henry H. Hall, of the Union Assurance Society of London, and the debating of this matter soon led to a general discussion of the whole situation. There had been a resolution passed by the committee before recommending the Tariff Association to annul its legislation of a month ago fixing the commission on unrated business at twenty-five per cent. On a careful reconsideration of this problem the committee decided that there was nothing to do but recommend the disbandment of the Tariff Association.

A TURN IN THE TIDE.

Marine underwriting has not been a very profitable business for some time past; but "war risks" and consequent high rates are beginning to improve the outlook for marine companies. The fire companies, on the contrary, are beginning to complain of reduced premium income, and insurance men attribute the falling off to the disinclination of retail merchants to maintain insurance on the contents of their shops. The *Commercial Bulletin* thus refers to the effect of the war upon fire and marine underwriting:

The fire insurance interest has been feeling the effect of the Spanish complications for several weeks in reduced premium income. While some of the falling off is of course due to the reductions in rates made during the past year, this does not explain all of the decrease. The cause seems to be that merchants and manufacturers are disinclined to take any chances, and are operating with unusual conservatism. This is seen from the fact that underwriters report that the falling off is almost entirely on contents lines, and not on the insurance on buildings.

The boom in business, supposed to be brought about by enormous Government orders, has not as yet been felt by the fire underwriters, and is not likely to offset the loss of thousands of modest premiums from small dealers throughout the country, and a premium income for 1898 promises to show a considerably smaller total than that for 1897. The fire losses for 1898, so far, are about the same as for the corresponding period of 1897, and at present it seems that the diminution of income will mean that some of the fire companies may show less assets in their statements of next January. This does not necessarily mean a smaller net surplus or a drop in value of stock, as with a lessening of business comes a decrease in the amount of reserve required by the insurance laws. As to the damage which might be inflicted by an enemy that is not covered by a fire insurance policy, and the fire companies are not writing bombardment insurance owing to the serious doubt as to their right to do so under their charters.

The marine underwriters are likely to make quite a profit from "war risk" policies, on which the rates are very high. So far they have taken in a handsome sum on this hazard without loss. Their business on goods, not contraband, under neutral flags is of course not greatly affected. Some marine underwriters