

TROUBLOUS TIMES AHEAD FOR FIRE UNDERWRITERS.

A remarkable address delivered by Mr. Frank Lock, United States manager of the Atlas Assurance Company, and a fire underwriter with an international reputation, on his retirement from the presidency of the New York Fire Insurance Exchange has excited widespread attention. "We have in front of us," he said, "a falling market, and the condition is not limited to New York. The underwriters have before them, I think, a period when they will have to trim sail and sit tight, hold on firm to the rudder and go through rough water. That is true not of New York alone, but of the United States—may be of the world." And with these conditions imminent he warned the underwriters present of possible dangers in their own ranks—that the situation was likely to become such as to develop everything in human nature that can take an advantage, fair or unfair.

In part, Mr. Lock also said:—

"It is with a sense of responsibility that I remind you that every one should look to his own house to see if it is in proper order, and, if not, should put it in proper order.

"Now, all that we do in the exchange is either what is perfectly right and proper to do or it is what is allowable to be done, but not expedient and therefore unwise, or it is of a third class allowable under the technical letter, but wholly unwise and allowable under the spirit of the agreement, and certain, if done by all, to bring down the exchange.

INTERNAL, NOT EXTERNAL DANGER.

"If such things are done—and the responsibility is on me to call attention to this, for I fear such things are done—I want to suggest that any temporary gain, however important that gain may be, which by its results threatens the existence of the whole exchange, cannot be to the true interest of any member, and may be the most dangerous course for all members.

"Now, I am aware that I am treading on very delicate ground in what I am saying. We have had in the last two or three years the supervision and intervention of the Insurance Department, and sometimes it has looked as if there might be conflicting interests that would be hard to harmonize; but because of mutual forbearance, and the wise and diplomatic services of your manager, I think your relations with the Insurance Department may be called at the present time, all things considered, eminently satisfactory. I see no special difficulty there unless we make difficulty for ourselves. The danger the exchange has is internal, not external.

THINGS MUST BE CORRECTED.

"Most of these that I see here are young men. They have not lived through periods of chaos and stress and distress as some of the rest of us have. They hardly conceive the possibility of such conditions. There is no reason why there should be such conditions, but there are things done that ought not to be done. There are things done which can only be done by straining the rules and the agreement

virtually to the breaking point; things which if all did them would mean that the exchange could not live. That a few do them means that an unfair advantage in spirit is being taken, and if the exchange is to live these things will have to be corrected.

"But the point is this: That when premium income is being maintained and interested the stress of temptation is light. When everybody can get approximately what he wants he is not very susceptible to temptation, but when income is shrinking and is bound to continue to shrink the situation develops everything in human nature that can take an advantage, fair or unfair.

A FALLING MARKET.

"And that is the condition that you have confronting you. You have a falling market. Your incomes, speaking broadly, will go off. While it is recognized that superior intelligence, superior energy and unceasing industry, entitle some to gain a legitimate advantage, it is a bad time to employ any methods to maintain income that are not based upon superior energy, superior industry and superior intelligence.

"Now, I may have said too much, or, having said so much, I may not have said enough. I did not know exactly what I was going to say, but I did feel that from the peculiar position that the president occupies of inside insight, and perhaps also from the position of one who looks beyond New York, it would not be out of place to issue a word of warning, coupled with the sincere conviction that there is no reason why this exchange should not serve our business indefinitely and for an unlimited period of time, if we will only be ordinarily patient and observant of each other's rights and keep a little within the spirit as well as the letter of our agreement.

"I sincerely hope that we may all of us agree that this is not unreasonable, and that if there are any among us who are not acting upon these lines they will take this as a word to the wise and make their course conform to it."

While Mr. Lock's remarks refer particularly to conditions in New York and the United States, they have been read with much interest by experienced underwriters in Canada, who state that in a measure they may be taken as applicable to conditions here.

NEW HAIL INSURANCE LEGISLATION.

By amendments to the Insurance Act introduced into the House of Commons at Ottawa by Hon. W. T. White, Canadian companies doing a hail business are required to set aside this year the total profit realized from the business, not, however exceeding 50 per cent. of the total net premiums of the year, and shall continue the same practise henceforward, so that the surplus fund in any year is not less than 50 per cent. of the premiums received during the preceding year.

In regard to foreign companies transacting hail insurance, a requirement is made of assets in Canada on a scale so that a 50 per cent. reserve of total net premiums received for hail insurance during the preceding year is kept.

Recent shipments of gold from Montreal to New York are reported to total \$2,500,000.