

THE UNION ASSURANCE SOCIETY OF LONDON.

In another score of years the above Society will have completed the second century of its existence. Its age alone, therefore, gives it a historical place among the financial institutions of to-day of which few can boast. But additional interest centres in the Society from the fact that its career covers almost the entire history of fire insurance business in Great Britain. "Instituted in the reign of Queen Anne, A.D. 1714," as its well known advertisement runs, it is the third oldest of all the British fire companies, and therefore a brief retrospect of one of the successful pioneers of a business which has become one of the most important factors of the commercial life of the world may be interesting to our readers. Fire insurance may be said to have taken its rise out of the Great Fire of London in 1666, as although schemes had been put forward at an earlier date, none of them appear to have come to fruition. The wholesale destruction of property in that year, estimated to amount to between seven and ten millions of pounds, could not fail to give a very practical interest to the question, and in the following year we find that the first serious undertaking of fire underwriting as a business was commenced as a "one man" office, but afterwards converted into a company under the name of the "Fire Office," changed later on to the Phoenix. In 1683 the Friendly Society was established, and in 1696 the Hand-in-Hand, the first mutual company, was started. It confined itself to the insurance of buildings, and its success led to "a number of respectable merchants and traders of the metropolis forming themselves into a society for mutual security from loss sustained by fire," under the name of the Union or Double Hand-in-Hand, limiting themselves to the insurance of goods, wares and merchandise within the cities of London and Westminster and bills of mortality. This was the beginning in 1714 of the Union Assurance Society of to-day, known to the insuring public in every quarter of the globe. Starting modestly with a single office room in the Amsterdam Coffee House in Threadneedle Street, and undertaking no more than £1,000 on any one risk, it was doubtless beyond the dreams of its most ardent promoters that the little venture was so to grow and flourish as one hundred and eighty years later to take the important position it now holds as an indemnifier of millions sterling annually to people in all parts of the world. Indeed, in the light of experience it is to us of to-day a matter of surprise that any of the fire companies started in those early times should have survived the speculative period of the business. Two of them only appear to have escaped the common fate of other schemes, and succeeded in emerging safely from the bursting of the "bubble" era in 1720. The Union was one of these; and although this may have been due to good luck more than anything else, there is evidence that its affairs were carefully and economically managed, for we find that during its first twenty years the Association was only called upon to pay losses amounting to £31,195, and charges (for porters, etc.) of £5,600, whilst it is stated that in one quinquennium alone the capital

was doubled. It is interesting to note the primitive lines upon which the business was conducted in those early days. The only discrimination which appears to have been made was between goods in brick and those in wooden buildings. In the former case a premium of 2s. per £100 was charged; and in the latter 3s. in addition to a deposit of 10s as "earnest money" a policy charge and mark 3s, and parliamentary stamp duties. Insurances were granted by the Union for seven years or less, which would be considered rather risky business nowadays with the most perfect systems of fire protection and inspection. Policies were required to be delivered up for cancellation after expiration of the risk, the insured being then entitled to his share of profits and a refund of his deposit. Claims for losses were to be made under oath, and certified to by the "minister, churchwardens, constables and head-boroughs of parish," or some other way to the satisfaction of the Directors. The Association had an arrangement with the Hand-in-Hand by which "disputes, difficulties and controversies" were submitted to the latter's directors for arbitration, whose award was final. A regular staff of uniformed carmen and porters was employed to assist in suppressing fires and removing goods, and in this connection Hogarth's political caricature, "representing Mr. Pitt helping to set the world on fire, whilst Lord Bute tries to put it out with an engine of the Union office," gives a picture which, although humorous, well illustrates the means then employed in extinguishing fires. In 1716 the Society's limit was raised, and it was decided not to insure "barns, ricks or stacks, either of corn, hay or straw." Evidently people were beginning to make fraudulent use of insurance companies as early as 1717, for the Union decided in that year to cancel the policies of those guilty of the practice, and to deny them re-admission to membership. In 1719 the Society's limits were extended to a radius of ten miles distance from London, the rates charged, however, for risks outside of London and first limits being doubled. In 1720, for the first time in the practice of fire insurance, a distinction was drawn by the Union between "hazardous" and "very hazardous" risks, and premiums charged accordingly. In the same year it was proposed to extend operations all over England, but probably the bursting of the "bubble" companies had something to do with the dropping of the question, and this step does not appear to have been taken until many years after. In 1733 we find that "double hazardous" risks, on account of situation and class of goods were charged treble the rates for ordinary, and the limit was £3,000, which, however, was again raised in 1738 to £4,000. The records do not chronicle anything further of much note for some time, except that the Society's office, which was removed in 1716 to Gutter Lane, was again removed in 1754 to Maiden Lane, and a West End office opened at the upper end of the Haymarket. In 1805 the Society decided to grant insurances on houses and buildings, contemporaneously with the Hand-in-Hand's determination to undertake the insurance of goods, etc. For this purpose it was deemed advis-