

contest it, even though the company should be the winner. After all, where any important question is involved, ought not a company to stand on its rights and test the question, whether it pays to do so or not? In a clear case of intent to defraud, we think there can be no question as to the course to be pursued. Fraud and deception should be exposed everywhere, both in the interest of general morality and in the interest of honest business conducted by honorable men. Mere technical violations of the policy contract, ignorantly, by parties of honest intention, is a very different thing from fraud, and may be treated leniently, doubtless, but companies owe it to themselves and to the public to resist to the end every attempt to "beat" them, as the phrase goes. As we showed not long since, the actual percentage of contested to paid claims for the past ten years in the United States and Canada by the fire companies has been less than *two per cent.* This is a very small percentage—perhaps too small for the good of the business.

INSURANCE AGAINST FROST is the latest novelty projected in France. It appears that by the freezing over of various rivers throughout that country, great loss is sustained annually by the manufacturing establishments relying upon water power, and, further, that the cheap delivery of goods by water routes is prevented for some weeks frequently, necessitating shipments by land at greater cost. It is estimated that the average annual loss to the various industries and to agriculture in France is about \$16,000,000, and it is proposed to insure against this loss. The data on which the insurance is to be based is to be gathered by finding the weather conditions for thirty years past in the several districts to be covered. The mean temperature is to be ascertained for each winter month, and of course the extremes of cold, the number of days and temperature of each day for each year. General average, as in fire insurance, is supposed to furnish a basis of calculation sufficiently accurate to enable the projectors to formulate rates, etc. It is more than likely that the project will end in ingenious theorizing.

WE HAVE NOT been backward in expressing ourselves on the value to the business of insurance of a competent insurance press, and have repeatedly pointed out the fact that the commanding position and success of the business is largely due to the influence of that press. Most underwriters recognize this fact, and act accordingly; but a few, in either sublime egotism or assiduously cultivated ignorance, try to ignore the influence and reject the benefits which the majority hasten to acknowledge. We quote with cordial approval what the *Weekly Underwriter* has to say of this class. "There are men, too," it says, "who usually talk of insurance publishers as leeches. Once in a while they get a well-merited kick from some long-suffering editor whose patience is exhausted, and sometimes they get into trouble in such a way that we should all be glad to help them if they were decent, but as they are not they are let alone. Then they talk loudly of the

uselessness of the press or of its venality." These men lack the penetration to perceive, that, having ignored the insurance press, it very naturally ignores them. It would rather have helped them if it could consistently have done so.

SOME WEEKS AGO we presented in these columns an exhibit of the entire business of fire insurance in Canada for 22 years, from 1869 to 1890, inclusive, which demonstrated that the total premiums received were \$112,554,528 and the losses paid \$77,630,416, showing an average loss ratio of 68.9 per cent. Some of our contemporaries have quoted these figures, and, adding 35 per cent. of the premiums for expenses, easily show that, on the purely underwriting account, the companies, as a whole, lost money, though we showed that taking total income and total expenditures the result was \$5,252,673 on the right side of the account. It is to be remembered, however, as we have before pointed out, that these totals include the great St. John fire of 1877, when the companies paid on that loss \$6,358,329.34, and also a large amount in the Quebec fire. From the Canadian experience for the ten or more years past, the assumption of an expense ratio of 35 per cent. is rather too high; but even allowing this assumption, if we take the total business of all the companies in Canada for the eleven years from 1880 to 1890, inclusive, we find that the premiums exceeded the losses and expenses by \$2,203,017. It is a fact easily demonstrated that while fire underwriting in Canada has not been a bonanza by any means, yet for the past dozen years the companies have realized a little profit, and shown by results that the Dominion is quite as profitable a field as the United States, and we think rather more so.

SOMEBODY, SIGNING HIMSELF W. A. Armour, evidently a representative of the Massachusetts assessment endowment concern operating in Canada, called the "Progressive Benefit Order," writes a lot of stuff to the *Ottawa Free Press*, hoping to break the force of what we said in these columns in our last issue about the order. The writer of that letter coolly calls in question the correctness of Insurance Inspector Hunter's statement, to which we referred, to the effect that all contracts made in Ontario by orders of this class are contrary to law; and then disposes of the question of personal liability to certificate holders against officers and promoters of this concern, by saying what everybody knew before, that they are only "liable in case of loss or damage sustained by reason of any untrue statement in the prospectus of the company, or in any notice, or in any report or memorandum thereof." Exactly. Now, do not the publications of this order make the statement broadcast that it will pay to every persistent certificate holder \$100 in one year? Following in the track of others of its class, suppose the Progressive Benefit Order does *not* pay to certificate holders that \$100 at maturity? Its published "statements" in that case being "untrue," the officers and promoters at once become liable under the