

tion of its buildings, and charge to reserve account nearly another million, and yet have left a surplus above all liabilities of over fifteen millions. With such resources, with its army of nearly two hundred thousand policyholders, representing \$614,324,713 of insurance in force, and under the direction of its present able management, it must be apparent to every intelligent man that the New York Life occupies an exceptionally commanding position. We are glad to learn that the large business of the company in Canada, so well and solidly built up under Mr. David Burke, the well known manager, is already sharing in the general prosperity, and that all signs betoken a year of more than usual success. Mr. Burke is an old and skillful campaigner, and we may safely trust him to keep well in the front of the victorious columns of this progressive company.

OF TWO METHODS, WHICH?

The enormous and increasing fire waste of the portion of this continent embracing the United States and Canada is becoming a serious problem alike to the insurance companies and to the property owners. With the best organized and equipped fire extinguishing forces in the world we still have the most destructive fires, and the practical, pressing question is, what are we going to do about it? During the five years ending with 1891, the aggregate fire loss of the United States and Canada has reached the enormous sum of more than \$620,000,000, or an annual average of \$124,000,000, last year's totals being over \$135,000,000, which the experience of the present year bids fair to eclipse.

The cause of this state of affairs is traceable to the law-making and law-executing power—the State. Adequate building regulations nowhere exist, and such as do exist are very indifferently executed. Inquiry into the origin of and responsibility for fires—we speak in general terms, for there are exceptions—is either neglected or substantially a farce, and companies have learned by experience that to pay up and get off on as easy terms as possible in doubtful cases is the part of discretion. The question from the insurance standpoint is as to the remedy. The disease is universally admitted. Evidently there are two ways of dealing with the problem, viz., to completely revolutionize the building and supervising laws of the entire country, which manifestly would require time, or to charge an adequate rate for the risk as it exists. A low rate must necessarily mean few fires, but few fires can be predicated only upon radically different methods of building construction. In this connection we may best illustrate what we mean by the following description of building regulations in Stockholm, Sweden, by Mr. W. W. Thomas, jr., former American minister there, as given in the *New York Tribune*. Mr. Thomas says:

All houses must be built of stone or brick. The stairs of every house must be of stone or iron, laid in stone walls at least one foot thick from cellar to attic. The cellar must be built of massive arches of stone laid in mortar or cement, and supporting the ground floor. The floor generally has beams of iron, with the space between filled in with broken brick, gravel, clay, and mortar, thus making it practically fire-proof. The attic floor must be of fire-proof masonry, not only filled in between

the beams, but the upper surface must be of brick or tiles, laid in mortar or cement, and form one continuous, solid floor on top of the beams. Iron doors set in stone doorways must be used to close both attic and cellar, and these doors are kept shut and locked at night, and whenever not in use. Where there are elevators, the elevator shaft must be built of solid masonry, and all doors out of it must be of iron. The roof must be covered with tiles, slate, or sheets of metal, and there must be fire-proof walls of a foot or a foot and a half in thickness on each side of the house. The height of houses is restricted to sixty-eight feet, or a trifle beyond the width of the street whatever that may be.

Similar methods of building prevail in Germany, France and England; and the fact that the combined fire loss of these three countries in 1891 is set down at less than \$90,000,000, against the \$135,000,000 of the United States and Canada, tells the story of the relation between building construction and the fire loss on the two continents. Unfortunately the bringing of our building methods and regulations up to the European plan must at best be a gigantic task and the work of years. While a public sentiment is fast growing, favorable to thorough methods, and by persistent agitation stringent building laws may, we believe, be generally secured, it is evident that for a time the present fire waste is likely to continue and the companies to be confronted with a condition, not a theory. Clearly, the present remedy, and one which is available, is to adjust the prevailing rate to cover the prevailing risk. When the people find that they are compelled to pay roundly for their slipshod building methods and for their countenance of looseness in the execution of existing safety regulations, they will be ready to adopt and enforce such measures as will limit the annual fire loss to something like a reasonable amount. Until then, high rates and plenty of backbone to maintain them will be in order.

THE LONDON AND LANCASHIRE LIFE.

The annual statement of the London and Lancashire Life for 1891, being the twenty-ninth, is very much such a statement as has been anticipated by its friends, which is equivalent to saying that it is a satisfactory one. This will appear upon examination, whether as regards the amount and character of the new business transacted or the amount and condition of the funds accumulated. Of new business there was issued policies to the number of 1,711 amounting to \$3,165,785, and yielding new premiums amounting to \$120,669, a very good year's work, especially when it is considered that the average age of the new insureds was but about 32 years. The amount issued was a trifle less than in the previous year, but with that exception the largest in the history of the company. The total premium income reached the large amount of \$866,335, or after deducting re-assurances \$825,827, the increase over 1890 being \$75,000. The income from interest and dividends was \$164,345 and the total income \$990,415. After paying all claims and expenses and the usual liberal dividend to shareholders, there was left a balance of \$300,805 to add to the company's funds, increasing the total to \$3,909,055. The investment of the funds appears to have been made with care, the rate on all invested and uninvested funds being stated at nearly