

THE NEW ZEALAND MUTUAL FIRE INSURANCE ACT.

The Mutual Fire Insurance Act, 1903, was passed on 23rd Nov. last, by the General Assembly of New Zealand. The greater portion of this Act is taken up with provisions for the management of mutual Fire Companies as are common to all joint stock associations, such as election and qualification of directors, annual meetings and reports, board meetings. The clauses specially relating to mutual fire business are as follows: The Association may admit as a member the owner of any farm or isolated property, movable or immovable and may insure the same, it may also ensure the property of non-members. The number of a member's votes at any meeting to be proportionate to the amount of his insurance, the scale being under £250 one vote, £250 to £500 two votes £500 to £1,000 three votes, and an extra vote for each additional £1,000. A member in arrear of any assessment not allowed to vote.

The Board to fix tariff of rates may vary them from time to time, also determine the sum to be insured on any property. The Board may make arrangements with any Insurance Company for the reinsurance of risks, it may borrow money for such period and on such terms as may be deemed expedient, but only for paying fire losses and up to one-half what is due on premium notes.

The Association may insure isolated buildings, household furniture, merchandise, produce, machinery and other contents of buildings upon the premium note principle for a period not exceeding 5 years, but only on farm and other non-hazardous property and minimum of such premium notes shall not be less than 1 per cent. per annum. The first payment on the premium note must be paid when application is made for insurance which payment is to be credited on the premium note.

Assessment on these notes may be made before losses or expenses have been occurred, any surplus of which to become part of the Reserve Fund. Assessments to be paid within 30 days after notice and if not then paid the policy to become null and void. On paying the assessment, the policy may be renewed, but the obligation remains to pay the premium note after the insurance has been cancelled, and no claim for loss will be paid while the assessment is unpaid. Assessments to be in proportion to the notes.

If there be any loss on property insured by the Association, the Board, when paying the insurance may retain the amount of the premium note given for insurance of the property until the time has expired for which insurance has been made and at the expiration of said time the insured has the right to demand and receive such part of the returned sum as, having been assessed for, has not been paid.

A Reserve Fund to be formed out of any surplus

and by annual assessments on the notes. The funds to be invested in mortgages on real estate, or local debentures, or the public securities of the Colony, or on deposit in a bank.

Provision is made for an annual statement to be filed with the Public Trustee, which statement must give a complete exhibit of the assets and liabilities of the Association, as well as details of its income and expenditure.

One expression in this Mutual Fire Insurance Act looks as though the fire hazards of New Zealand, differed widely from those of Canada. Clause 32 reads:

A Mutual Fire Insurance Association may effect insurance upon the premium-note principle for a period not exceeding 5 years, but only on farm and "other non-hazardous property," and the minimum of such premium notes shall not be less than one per centum per annum on the amount of the insurance effected, and the amount of the premium note shall in each case be in proportion to the tariff rate prescribed for such insurance.

Clause 6 especially refers to "isolated property," and clause 31 to "isolated buildings" as especially insurable by Mutual Associations. These clauses appear to indicate a greater confidence in the desirability of isolated properties than is inspired by Canadian experience.

THE BRITISH AMERICA ASSURANCE COMPANY AND THE WESTERN ASSURANCE COMPANY.

On the 19th and 23rd inst. the Reports of the "Western" and "British America" will be severally submitted to the annual meeting of these companies.

The business of 1903 was satisfactory to both organizations. The premium income of the Western was greater by \$131,670 than in 1902 and the losses less by \$3,273. The interest receipts were also larger. Out of the underwriting profit and interest receipts last year the company added \$158,500 to the Reserve Fund.

The British America shows an increase in the total income over 1902 amounting to \$215,052, the year's profits being \$30,960 more than in 1902, and an addition of \$128,052 was made to the Reserve Fund.

In regard to their losses by the Baltimore fire both the above companies are likely to have each a smaller loss than has been reported. Though the amounts are large for one city, they represent less than 10 per cent. of the year's premium income of each company, and one good year with the advances in rates, which are sure to follow this very heavy loss to all leading companies, might reimburse the companies interested for their losses in the Baltimore conflagration.

The losses caused by this terrible calamity to fire insurance companies are being met without delay, by the British America and the Western, whose popularity throughout the United States more especially will be enhanced by the manner in which they have met this disaster.