FIRE LOSSES AND EXPENSES.

Neither in Canada nor in the United States, has the business of fire insurance, over a series of years, resulted in any appreciable profit. Official records of fire losses, expenses and increases in reserve, show that these items of expenditure during the past thirty or forty years have been barely balanced by the underwriting premiums received. The public has been slow to accept these facts, having gone on the assumption that the evidence was not being adduced by altogether disinterested advocates. But of late months, there has been some plain speaking on the matter from other than underwriting quarters. State insurance superintendents and commissioners of the stamp of Barry and Hardison have been dinning into the ears of the public the truth that, generally speaking, fire insurance premiums are not over-high under ruling conditions in the matter of fire losses and business expenses. They plainly tell property-owners that it is up to them to see that American conditions are improved as regards fire-resistant construction and fire-preventive provisions; and they as frankly urge the fire insurance companies to make all possible effort at reducing their administration and business-getting expenses.

This is a preaching of sound doctrine; and the Credit Men's Association of the United States, together with other business organizations, are now campaigning along similar lines. But some who are fighting this good fight are allowing their prejudices to die hard, and very grudgingly admit that they are making common cause with progressive fire underwriters—and are not advocating any principle to which the latter are opposed. Indeed, if there is now under way a general arousing of the public to the necessity for reducing fire losses, it is due in the first instance to the efforts of fire underwriters all over America. Their joint activities in inspection of risks, in classification, in applying of rate schedules, have all made for a growing recognition that hazards condition rates. And only through organizing themselves in associations, have the companies been able to bring about the improvement in general conditions which has gradually cheapened the average price now paid by the public for its fire insurance indemnity, as compared with ten years ago—though the decade has been one in which prices in other lines have risen anywhere from 40 to 60 per cent.

As to the matter of company expenses, none is more ready to admit the desirability of economy than the progressive underwriter himself. But how to affect any very material reduction, is no easy problem to solve in these days of increasing cost of living, and of doing business. It is rather curious that those property-owners who clamour most loudly against the expenses of fire insurance companies are also the strongest opponents of underwriters' associations. Had they zeal according to knowledge, such critics would be aware of the fact that all over America the average expense ratio of non-tariff companies is very materially higher than that of the associated offices. In fact, the competition generally waged by them consists more in the paying of higher commissions to agents than in giving lower rates to policyholders. Indeed, in the Western States, the matter of keeping down commissions to a reasonable figure, is now the main *raison d'être* for the Western Union of company managers—that body's rate-making functions having been pretty much abandoned on account of legislative interference in many states.

There is sound sense in Commissioner Barry's urging that the companies "try, try and try again" to reduce their expense ratios. There is none whatever in the unthinking property-owner's clamour, that there should be a doing-away of the one means of co-operation by which the companies can effect any improvement in this matter.

MORE LEGISLATIVE TINKERING.

Canadian legislators may well congratulate themselves for not making petty restrictions upon management methods and expenditures of life companies. New York law-makers laid up for themselves a plentiful store of recurrent worry when they undertook four years ago to tell company managers exactly how their business should be run. Patchwork legislation has had to be resorted to ever since, and more is on the way. Just now, that irrepressible "section 96" is up for reconsideration. It will be remembered that it related to limitation of new business by all New York companies—other than industrials with less than half of their business on the ordinary plan. But since the enactment of the law industrial companies have "got busy," and it is proposed to no longer give them the benefit of the exemption. Naturally, too, New York companies suffered in competition with out-of-State companies, and in tardy response to their protest Superintendent Hotchkiss now recommends an amendment extending the restriction to companies of other States. Retaliatory legislation elsewhere will probably come next, and contribute to confusion worse confounded. And, anyway, it is likely that "clause 96" will have to be re-revised ere long. The companies urge, and with reason, that if the clause is to remain it should at least be liberalized enough to permit them, in addition to their specified limit, to write a sufficient further amount to overcome the natural terminations by death, maturity and expiry.

"Section 97" is another habitual offender, and the courts last year dealt somewhat drastically with it by refusing to approve the rulings of Superintendent Hotchkiss on two points. Whereat that official is now amending the law by making the expense limitation apply to the gross expenses of individual agents and also defining more clearly the excess of the assumed savings from mortality under the select and ultimate method of valuation over the net premium; while, as a meagre sop, another amendment is to permit companies to compensate their agents after the first year on other plans than commissions and collection fees, provided the expense limitation is not exceeded and *that the plan meets with the approval of the Superintendent of Insurance.* It is under such paternalism that, to quote a New York exchange, "the companies are endeavouring to transact their business in conformity with the laws as they stand and looking with longing eyes for the promised days of legislative peace."

DULUTH-SUPERIOR TRACTION CO. directors have declared a dividend of 1 per cent. on the Preferred Stock of the company, payable on and after April 1st, 1910, to the stockholders of record at the close of business on Saturday, March 19th, 1910.