

GUARDIAN ASSURANCE COMPANY.**Important Suggestion at Annual Meeting as to Earthquake Insurance.**

The fire branch of the Guardian Assurance Company received in premiums during 1906, the sum of \$2,630,555 as against \$2,509,355 in 1905. Losses amounted to \$1,411,055, or 53.65 p.c. of the premiums—an increase of \$174,240 over the preceding year's showing. A substantial part of this increase is, however, accounted for by the sum that is being held as a contingent reserve against any claims arising from the Valparaiso earthquake. The annual report shows that after providing for losses, expenses, bad debts and for the additional premium reserve (\$54,250) required by increase in premiums during the year, there was an underwriting profit of \$250,695. Adding to this the interest on the reserve funds there was obtained a total profit of \$384,260. Out of this sum the directors increased the general reserve fund by \$200,000, leaving a balance of \$184,260 to be transferred to profit and loss. The premium reserve fund now amounts to \$1,165,000, and the general reserve fund to \$2,500,000, making the total funds of the fire branch \$3,665,000.

The results of the Company's business in Canada show an increase of \$50,000 in premiums for 1906. Mr. H. M. Lambert, manager for the Dominion, has proved himself a careful underwriter, while at the same time prudently aggressive.

While the company should not be called upon either in equity or in law to meet any earthquake losses in Valparaiso, the practical question of liability or non-liability will have to be determined according to Chilean law. Hence it was deemed a conservative course, in the meantime, to include among the year's losses a substantial provision for any possible payments the company may be called upon to make in Chili. In the San Francisco disaster the company was fortunately not interested, having closed its business in the United States some years ago. In Jamaica, however, to quote the words of the chairman of the board of directors, Hon. Evelyn Hubbard, "the position is much the same as it is at Valparaiso; we have declined liability and we are threatened with numerous actions."

That the company is right in declining liability is evident. Not only had it received no premiums for assuming the earthquake risk, but its policies specifically excluded liability for fires arising therefrom. As to future dealing with the earthquake risk, the chairman in his remarks strongly deprecated the move for its inclusion in current fire policies, in consideration of an increased premium. If covered at all, he believed the risk should be the subject of a separate and distinct policy, issued by the fire company accepting the business, and calling for a special premium. The objection to including the earthquake fire risk in the usual policy was that, whatever extra premium be paid at first, and whatever extra safe-

guards be sought in the wording of the clause, there would in course of time come about a tendency to relax safeguards and decrease premiums under pressure of competition—especially if years of immunity from serious losses brought about an undue sense of continued security. As to liability under the fire policy itself, Mr. Evelyn Hubbard would have it stipulated that fires arising from earthquakes, directly or indirectly, within a certain radius, and within a specified number of days after the occurrence, should be absolutely excluded from any claim whatever; the only question would then be as to whether the insured had taken out a specific earthquake policy or not.

**WORKMEN'S COMPENSATION.****Summary of the British Act which takes Effect on July 1.**

The compensation act for workmen, domestic servants and employes generally, that went through the British parliament recently has been much discussed. A short epitome of the new act has been published by the London & Lancashire Fire Insurance Company of Liverpool and will be of interest to underwriters in this country.

DEFINITIONS.

An employer includes any body of persons, whether corporate or not, and the legal personal representative of a deceased employer. Where the services of an employe are temporarily lent or hired out to another person, the original employer shall be deemed to continue to be the employer of the employe while he is working for the other person.

A workman is any person who has entered into or works under a contract of service or apprenticeship with an employer, whether manual, clerical, or otherwise, and whether the contract is in writing or only a verbal understanding.

The only persons who are excepted are:

(1) Any employe other than manual, whose remuneration exceeds £250 per annum. (a) This, presumably, means the employe's remuneration from all his employers, but to be safe, an employer would be wise in regarding the intention as remuneration from one employer.

(2) Casuals, other than those employed for the purpose of the employer's trade or business. (b) Examples.—A sweeper employed to clear away snow will probably be excepted, but a window cleaner, coming regularly, included.

(3) Outworkers, i.e., persons to whom work is given to be done in their own homes or other premises not controlled by the employer.

(4) The police force.

(5) Naval and military forces.

(6) Any of the employer's family dwelling in his house.

Dependants are members of the employe's family, wholly or in part, dependent on the earnings of the employe at the time of his death, i.e., a wife or husband, father, mother, grand-father, grand-mother, step-father, step-mother, son, daughter, grand-son, grand-daughter, step-son, step-