

tion, his machinery may have become depreciated by becoming incapable of producing goods as cheaply as those made by the new process. (3) Or, a rival with much larger capital may have ruined his trade by disastrous competition. (4) Or, tariff changes may have been made which made his buildings and plant and stock comparatively worthless. (5) Or, a manufacturer may have discovered that the location of his factory or mill was so unfavourable as to prevent profits being realized.

Of each one of these five conditions illustrations might be given from the trade records of recent years. Of their possibility there can be no reasonable doubt, nor can there be any question as to these adverse conditions having caused many serious fires when it was deemed desirable for a building, or plant, or stock to be sold out to a fire insurance company.

The task of appraising the value of properties which are alleged to have been destroyed by fire is difficult enough when the evidences, as far as possible, are conclusive as to their having been in existence at the time of the fire. But, when, from some one or more of the conditions existing which are enumerated above, there is ground for doubting the truth of the schedule of the properties burnt, the fire loss adjuster has a problem to solve of extreme complexity. It has been said,

"Of all callings, that of a professed insurance adjuster offers the most lamentable opportunities for observing human weakness and depravity, for, by many persons it is considered no robbery to defraud an insurance company by fraudulent or exaggerated claims for loss or damage; and that operation which in individual cases would be called cheating, becomes when an insurance company is the subject, only a display of cuteness and shrewdness."

The duties of a fire claim adjuster are manifestly most exacting and responsible. It has been said, "he is at once judge and jury." The payment of large sums depend upon his skill, his technical knowledge, knowledge of human nature, his sound judgment, honesty and discretion. An adjuster in an eminent sense is a "specialist." To entrust his duties to and to place his responsibilities upon an inexperienced non expert person is a very rash unbusinesslike proceeding, which is alike dangerous to the interests and the reputation of the insurance company and the insured property owner.

Local agents are only in very rare cases sufficiently experienced to act as loss adjusters. They are not well advised when they undertake such duties within their own district, nor is a fire insurance company acting fairly to its agents or to itself when it places the adjustment of losses upon local agents.

The adjustment of a loss is usually unpopular, for insurers, as a class, considerably overestimate the amount of indemnity that ought to be paid to a property owner who has suffered from a fire. An

agent who adjusts a loss at a figure below what the insured estimates not only gives offence to him but to his neighbours and business connections. It has been known to seriously lower an agent's income when he has adjusted a loss much below what the policy-holder and outsiders consider correct. On the other hand, an adjustment by a local agent which is regarded as excessive discredits such agent and subjects him to suspicion of having "stood in" with the property owner to defraud the insurance company. It is a sound, general principle that no man should be asked to give judgment in a case where his own interests are involved. But a local agent has very close interests in the adjustment of fire losses within his own district. To make a decent living he must be on good terms with and be respected by the community he dwells amongst. But, by acting conscientiously in the adjustment of a fire loss he is liable to fall away from this desirable, this valuable position. He ought not to be subject to this risk, but kept strictly and exclusively to the ordinary duties of an agent, to the acquisition and retention of business, the collection and remittance of premiums and a general oversight of the risks insured by his company.

There are losses, now and again, that practically need no expert adjustment, they are so moderate in amount and so reasonable in their explanation. To such as these the local agent should confine his attentions.

Companies are not so prone to submit claims to adjusters who work "on the cheap" as they once were. Both in regard to their management generally and in this matter of loss appraisalment the insurance companies are more and more desirous of securing officials who have been trained to the business, who have had practical knowledge of its various phases, and who are able to bring sound, expert judgment to the discharge of the underwriter's and adjuster's responsible duties.

This is the age of specialists, and neither the specialty of a local agent, nor his ordinary function, is that of an adjuster of losses.

#### MONTREAL LIGHT, HEAT AND POWER CO.

The report of the Montreal Light, Heat and Power Co., submitted to the annual meeting held yesterday, shows increases in business of profits that are "considered satisfactory."

The gross revenue for the year was \$2,901,264 and net profits, after providing for fixed charges, interest, etc., to \$1,128,789, being an increase over previous year of \$311,818 gross and \$244,775 net. After paying 4 quarterly dividends of one per cent. each, amounting to \$680,000, a balance of \$448,789 was left, which added to the surplus of \$385,100 brought from last year, brings the surplus to