

and that this company is liable only for such loss or damage to them as may occur from resultant fire, or fire originating outside of the machines themselves. It is also understood and agreed and made a condition of this contract that if there is other insurance upon the property damaged, this company shall be liable only for such proportion of any direct loss or damage by lightning (except as above stated) as the amount hereby insured bears to the whole amount insured thereon, whether such other insurance is with a similar clause or not. Electric light stations and power houses require special clauses.

The effect of this is to absolve the companies from liability for damage caused by lightning or other electrical currents, to electric motors, dynamos, and lamps, or other electrical apparatus, and to make them liable for damage by lightning as explained in lightning clause. Thus clause (H) includes the privileges of clause (G).

(I) Sprinkler Warranty:—

The rate of premium being fixed having regard to the fact that the risk is under sprinkler protection, it is understood and agreed that the assured shall forthwith notify the company of any interruption to, or flaw, or defect in the sprinkler equipment coming to the knowledge of the assured.

This explains itself. Other clauses having the same object in view, to have the sprinkler system properly looked after, are also in use.

(K) There are various lumber space clauses which contain warranties on the part of the assured to keep up clear space for a certain number of feet between the lumber insured and the mill, or between various piles. The clear spaces, of course, will have to be maintained by the assured to keep the policy valid.

COMPANY REPORTS.

LONDON & LANCASHIRE FIRE.

The ratio of losses to premiums suffered by the fire branch of the London & Lancashire Fire Insurance Company last year was 54.09 per cent., the net premiums being \$7,281,000 and the losses paid and outstanding being \$3,938,000. The sum transferred to profit and loss account from this branch was \$892,171. Fund for unexpired risks remains at \$2,940,000.

The net premiums in the accident and general department amounted to \$2,522,000 and the net losses paid and outstanding to \$1,276,000. The accident fund has been increased to \$1,000,000, and \$153,000 is transferred to profit and loss. The sum of £10,000 has been transferred from profit and loss account, and the marine fund is now £113,793. Interest on investments from the several accounts has yielded £63,861. The available surplus amounts to £305,486, out of which the directors propose to pay on May 1 a dividend of 10s. per share, free of income-tax, making, with the interim dividend already paid, a total distribution for the year of £84,520, or 16s. per share, and to carry forward the balance of £252,661.

The report is a good one, showing a well managed and prosperous business. It is pleasing to observe that the policy of writing down declining securities, as was done last year, has been justified and encouraged, and the values are recuperating. For another thing, the chairman announced that the company was "obtaining a more desirable business at a considerably less cost," which is an object much to be commended.

BOILER INSPECTION AND INSURANCE COMPANY OF CANADA.

Last week, figures were given in these columns showing the position of the Boiler Inspection and Insurance Company of Canada as on January 1st, 1908. The figures for the year ended January 1st, 1909, show that the company has made good strides in the intervening twelve months. The unearned premium reserve amounted to \$86,154 and the total

surplus to policyholders \$75,540, as compared with \$77,676 and \$66,995 the year before. Cash on hand and in bank amounts to \$18,206, while mortgage loans account for \$5,800. The company has \$127,594 in stocks, bonds and debentures. It is interesting to note that of this amount about \$81,000 is invested in municipal debentures, the remainder being placed in high class bonds and stocks.

As previously noted, a policy in the Boiler Inspection and Insurance Company of Canada is doubly secured, being guaranteed by the Hartford Steam Boiler Inspection & Insurance Company, under a license granted by the Dominion Government for that purpose. The Hartford also presents an excellent statement for the past twelve months. The head office of the company is in the Continental Life Building. The president is Mr. John L. Blaikie, and the vice-president, Mr. H. N. Roberts.

The Boiler Inspection Company claims that it is the only company in the Dominion making a specialty of the inspection department of the business. The company's loss ratio for the past thirty-four years is only 4½ per cent., which is evidence of an excellent inspection service. It spends a large percentage of the actual premium on inspection, which perhaps is the most important thing in boiler insurance.

NORTH BRITISH AND MERCANTILE INSURANCE CO.

The report of this old company for last year shows a fire loss ratio of 55.66 per cent., the net fire premiums amounting to \$10,564,000, compared with £2,157,533 in 1907. The net fire losses amounted to \$5,862,220. The profit on the fire account for the year carried to profit and loss account, amounted to \$1,136,100. In the life department 4,566 policies were issued. Net amount insured thereby rather over two million pounds. The premium income, £5,014,000. In the annuity branch £189,119 was received for the purchase of annuities. The accounts of the Ocean Marine Insurance Company (the shares of which are now vested in the North British and Mercantile) show a profit for the year 1907. The premium income for 1908 amounted to £163,006, and the losses to £77,971. The directors recommend the usual dividend and bonus of £1 10s. per share along with the bonus of 5s. 6d. per share from the shareholders' life and annuity profits.

CALEDONIAN INSURANCE COMPANY.

While other companies are approaching a centenary the Caledonian Insurance Company, the oldest Scottish fire office, has four years to add to the record of its second century. The one hundred and fourth annual report of the company shows that the net fire premiums for 1908 were \$2,212,175. The fire losses 56.53 per cent. of the premiums, amounting to \$1,250,525, and expenses, taxes, etc., 36.29 per cent. of the income, amounting to \$802,615, deducted, leaves the balance of net premiums and interest on fire funds at \$183,126. This sum therefore represents the surplus of the year's trade. Out of the balance at the credit of profit and loss account the directors recommend payment of a dividend at the rate of \$5 per share, being an increase of \$1.25 per share over that of last year. That will absorb \$107,500 and leaves a balance of \$520,055.

The funds of the company are best summed up in the following items: Capital paid up, \$537,500; fire insurance fund, \$742,725; annuities, certain and leasehold redemption fund, \$12,895; employers' liability fund, \$14,005; personal accident and burglary fund, \$2,915; balance profit and loss account, \$627,555; life and annuity fund, \$13,903,480; total funds at 31st December, 1908, were \$15,841,075.

Although the Caledonian does no life business in Canada, it takes life risks elsewhere, the life business done last year being represented by 1,125 new policies issued for \$3,240,000, of which \$384,000 was reinsured. Death claims of the year were \$753,000; endowments matured and bonuses \$100,064. Depreciation on marketable securities in 1907 caused the