

ANTIPODEAN INSURANCE REFORMS.

With insurance law-making up for discussion during the present session of Parliament, added interest is given to Australia's recent move towards federal legislation upon such matters. The Review, of Sydney, goes so far as to say that one of the most important steps ever taken by the Federal Government has been its appointment of a Royal Commission on Insurance. As to the scope and probable source of the commissioners' activities, our contemporary states that while the inquiry will embrace every kind of insurance, and from A to Z in every department, it seems clear the commission was granted mainly so that the people might have the opportunity of learning beyond all doubt the status of every life office catering or pretending to cater for the needs of the people. To those who would go further, and say that it is the duty of the State to set up a standard of solvency for life offices and disallow the acceptance of new business by those unable to maintain the standard set up, the Review is opposed. "For the very simple reason, that the public might be better served by a better system—a system less costly, more readily available, and much more effective. Need we say that we declare for the policy of 'Freedom and Publicity,' which may be said to be the cardinal features of British life assurance legislation, but it must be the right kind of freedom and the right kind of publicity."

There is striking contrast—antipodean, in fact—between the probable course thus indicated, and that followed by Canada's Royal Commission on Insurance. Happily any disposition to follow the extremes proposed by the latter body, has about vanished from the minds of Canadian law-makers, in the light of the observed outcome of restrictive legislation in the United States. That the Australian Commission is likely to escape any bias in the direction of American legislative methods seems assured by the personnel of the investigating body, concerning which The Review says: "The appointments are themselves a sufficient guarantee not only that the work of the Commission will be well performed, but also that the appointors were thoroughly desirous of having justice done to all parties. Consisting of a judge of the high standing of Mr. Justice Hood and of a mathematician of the acknowledged ability of Mr. G. H. Knibbs, the Commission is admirably equipped, and its findings should be invaluable as a guide to the framers of the long-promised legislation regarding insurance."

It will be interesting, indeed, to compare final legislative results—and the outcome five years hence as regards business and public interest—in Dominion and Commonwealth.

EARTHQUAKE LITIGATION.

As considerable misconception exists as to the position of British and other companies in connection with the earthquake hazard, THE CHRONICLE has obtained from a high authority a brief epitome of the facts connected with the recent earthquake disasters, and the consequent litigation in connection therewith. This should serve to make the position of the companies clear in a matter in which they have been rather generally misrepresented.

The three earthquakes which have been followed by great conflagrations, destroying property largely insured with British Insurance Companies, are those of San Francisco, Valparaiso, and Kingston (Jamaica). They occurred in the sequence stated—unfortunately for the companies in question. Unfortunately for the following reasons: In San Francisco, where the first disaster happened, the British insurance companies were for the most part operating under a set of policy conditions which contained no reference whatever to earthquake, and when the earthquake happened they were consequently unable to claim that their policies did not cover the losses caused by the conflagration which resulted therefrom, though this was not a contingency against which they had intended to insure. When the earthquake happened in Valparaiso some few months later, an impression was created that the insurance companies could be made to pay there as they had paid in San Francisco, and this notwithstanding the fact that the policy conditions in Valparaiso (where earthquakes are of frequent occurrence) contained without any exception a clause exempting the companies from liability. Litigation ensued and is still dragging on the protracted existence which is so common in South America. The earthquake in Kingston led to a similar impression in the minds of the policy-holders who there urged further that it was a most unreasonable thing for the British companies to have paid in a foreign country like America, and to refuse payment to a community of British colonists.

The Kingston policies contained, like the Valparaiso policies, a clause exempting the companies from liability, and there as in Valparaiso, litigation ensued. This litigation was of two kinds. Under the policies issued in Jamaica jurisdiction lay with the Jamaica Courts, and questions of fact had to be submitted to a Jury composed largely of coloured men. A Jury thus composed, drawn from a Jamaican community, was, it is said, eager to believe the story that a fire had broken out a few moments before the earthquake occurred, and that this fire originating as alleged from some cause independent of the earthquake was the sole cause of the conflagration. This convenient suggestion was unheard of until months after the earthquake occurred and even for some time after the trial had begun, but nevertheless it was quite enough for the Jamaican Courts and their decision was given against the British companies. An appeal to the Court of Privy Council met with no success, for the functions of that august body in such circumstances are, it has transpired, of the most limited order. Their Lordships in pronouncing judgment referred to those functions as not "to show that adverse criticism may justly be applied to the verdict or to the evidence upon

AVERAGE COMMODITY PRICES as shown by The Economist's Index Number remain practically stationary in Great Britain, the year-end showing of 2,197 comparing with 2,198 at the end of November. From the high-point of 2,601 in May, 1907, the fall was rapid to 2,188 in May last—since which there has been some net recovery. Bradstreet's American compilation shows the year-end average of commodity prices to be 8,294 as against 8,213 a month earlier.