

"THE FOREIGN FIRE INSURANCE COMPANY AND ITS BUSINESS METHODS."

At the meeting of Northwestern underwriters, Mr. Beddall, manager of the Royal, New York, delivered an address on the above topic. He opened with the statement that, "In England the studied effort has been to keep the rates so close to the combined loss and expense ratio that little or no benefit can be derived from mutual insurance." This appears to have served as a text for his excellent address. He said:

"If we were governed by the same scientific accuracy we should not need to trouble ourselves concerning the practices of other offices, knowing that under intelligent, conscientious management their policy would be the same as our own. Short-lived would be the career of the manager attempting irregular practices—disaster would be the fruit of his folly. Along these lines the agent should be educated to understand that our policies are not on the market to be sold to the highest bidder—I might say the lowest bidder—but that they have a fixed value not to be depreciated, and, as our losses are paid one hundred cents on the dollar, our indemnity must be similarly measured.

"It is a well-known fact that no tariff which has ever been formulated has given complete satisfaction, especially to those affected by its application. While insurance companies are regarded as benefactors, unfortunately they are also regarded as extortionists, and the public mind is accordingly antagonized.

"Defective as may be our present schedules, they are the best yet furnished, and the adoption of this system will have the effect, unquestionably, of reducing to a large extent the serious fire loss with which our business has been afflicted the past several years. It should be recognized that concerted action upon the part of a large percentage of companies in adopting and enforcing a system of rating based upon scientific lines, must operate to the great advantage of the entire country—property owner and company alike. The frightful destruction of property will be decreased through improvement of conditions, and, in consequence, the cost of insurance lessened. Undoubtedly the unprecedented prosperity of the country the past several years has had a marked influence in the destruction of property. Business has been at high pressure, and it has followed that both merchant and manufacturer have been forced to relax the care formerly given to property. In fact, we seem to have outgrown ourselves, and it will take a little time for the complete readjustment necessary to meet conditions."

Mr. Beddall considers that an abnormal advance in the cost of all building material and labour has had an appreciable influence upon claims growing out of partial or total destruction of property. He strongly deprecated the competitive methods which led to efforts of companies to obtain petty advantages over one another. Strife, contention and jealousy are not the foundation upon which an important structure can stand. Insurance to be permanently profitable, must be conducted with the same wisdom and prudence as bring success in other spheres. He urged the importance of uniform classification; securing the largest average; of combining experiences; of basing rates on actual experience; of broadening classifications so as to treat

losses from exposure apart from those due to inherent hazard.

While doubting the advisability of giving publicity to such data, Mr. Beddall said: "I am persuaded we shall yet realize the absolute necessity of establishing among ourselves a statistical bureau which shall be the basis of measurement in determining the fullness of hazard, recognizing local influence as well as that growing out of protected, unprotected and other conditions."

DEATH OF MR. SAMUEL D. BABCOCK.

The oldest trustee of the Mutual Life Insurance Company of New York, passed away last month by the sudden death of Mr. Samuel D. Babcock in his eighty-first year. In speaking of him to a gathering of the staff, the vice-president of the Mutual Life said: "He never failed to comprehend the position that this Company must of necessity hold in the financial world and he never failed to insist upon the fact that speculative investments, however alluring, formed no part of the functions of a great life insurance company. We have lost a safe adviser, a wise counsellor, a true friend and a faithful trustee." Well would it be for the United States were such a man to be taken as the favourite example of the present and rising generation.

THE SEPTEMBER FIRE LOSS.

The fire loss of the United States and Canada for the month of September, as compiled from the carefully kept records of the "Journal of Commerce and Commercial Bulletin," amounted to \$9,945,000. The following comparative table will show the losses by months:—

	1902.	1901.	1900.
January.....	15,032,800	16,574,950	11,755,300
February.....	21,010,500	13,992,000	15,427,000
March.....	12,056,600	15,036,250	13,349,200
April.....	13,894,600	11,352,800	25,727,000
May.....	14,866,000	22,380,150	15,759,400
June.....	10,245,350	9,590,000	21,281,000
July.....	10,028,000	15,740,000	13,669,100
August.....	7,425,550	8,334,000	10,298,250
September.....	9,945,000	7,645,200	9,110,300
Totals.....	\$114,504,400	\$120,645,350	\$136,316,550

During September there were 171 fires of a destructiveness, each of not less than \$10,000. The largest losses were by forest fires in Oregon, which were estimated at \$1,200,000. The insurance loss last month is reported to have been less than in past two years

OTTAWA CLEARING HOUSE.—Total for the week ending October 2, 1902: clearings, \$2,079,094; balances, \$578,855; corresponding week last year, clearings, \$782,600; balances, \$391,212.