makes an accommodation charge, usually amounting to an extra price of 1½d. per ounce. If the demand is a large one, the price of bar gold is sometimes raised by the Bank to £3 17s. 11d.—but this is the practical maximum, as if a higher price were asked, it would pay the exporter to take sovereigns and melt them down for shipment purposes. The sale of foreign coins also—that is their exchange by the Bank for notes—is conducted in a similar way, resulting in a slight profit for the Bank on such transactions,

A FIRE INSURANCE REVIEW.

The Massachusetts' Annual Fire Insurance Report is of Wide Interest.

The annual reports of Frederick L. Cutting, Insurance Commissioner for Massachusetts, give considerably more than abstracts of companies' statements. The 1907 report on fire and marine insurance contains a valuable and interesting appendix giving classified statistics relating to fires within the state. This information is collated from the records of the fire inspection department of the Massachusetts District Police, and shows the number of fires occurring, the character of the buildings in which they originated (whether brick, stone or frame) the total valuation, total insurance at risk and total loss. A summary of details show that the total number of fires throughout the State during 1906 was 4,822, with losses of $6,-081,176—the sound value of the property damaged by fire being $144,588,140, the amount of insurance at risk $115,230,599; and the insurance loss paid on same, $5,195,978.

Commissioner Cutting's comments on general insurance matters are looked for always with interest. In the introductory pages of the volume just now to hand, he deals at considerable length with certain matters growing out of San Francisco settlements and adjustments.

LOSS CLAIMANTS AND POLICY-HOLDERS.

As to the relative rights of policy-holders and fire loss creditors he puts the query as to whether in case of insolvency, should the statutes of the state provide that those persons who have become its creditors by reason of losses by fire have advantage over those policy-holders whose only claim is for unearned premiums? It is stated that unless the statutes do so provide, the courts in case of a stock company will consider that the usual contract gives each class equal rights, and decree accordingly. In this connection the commissioner suggests that it would be well to have this matter settled by statute, and expresses his views on the subject as follows:

"It is a fact which no one will question that a person takes out a fire insurance policy in order that he may be indemnified in case of loss. If the choice were given him between two policies, one of which provided for the full indemnity purchased by his premium, but for the loss of the unearned part of the premium in order to pay other loss claimants in full in case of conflagration, or a policy that provided for part indemnity in case of a conflagration, but gave the policyholder the right to demand his *pro rata* share of his unearned premium, or to have his policy kept in force in case he himself had no loss by fire, he would take the one providing for full indemnity. In other words, he would not care to suffer loss of a part of what might be coming to him as indemnity after the misfortune of fire for the sake of retaining an interest in a trifling sum comparatively when he had met no misfortune. As there can be no doubt that this is a correct conclusion as to the choice an insurer would make when he takes out his policy, why is it not the proper rule to apply in the administration of the affairs of an insolvent fire insurance company, and why should not this rule be embodied in law? Before the insolvency occurs is the time and the only time when such a question can be viewed by the insured without prejudice. It is the consensus of opinion formed before the event that should govern, and that would seem to point to a settlement which would favour those who have suffered from the misfortune of fire rather than place them simply on equal terms with those whose only interest is to receive a part of what they have paid for their insurance."

FIRE INSURANCE RESERVES.

The agitation which has in view, for Massachusetts and other states, a reduction in reserve requirements—from a standard of about 50 p.c. to one of 35 p.c. of gross premiums—finds little encouragement from Commissioner Cutting. After considering the question pro and con he deals with the contention that existing reserve requirements are a menace to the solvency of companies in case of great conflagrations. The logic of such a position he considers as tantamount to saying that the more assets a company has the more likely it is to fail. He points out that whatever the standard fixed by law for the reserve, whether 50 p.c. or 35 p.c., all that a company can pay out for losses without becoming impaired is its surplus on the day of the disaster plus the reserve on the policies which mature by reason of that disaster. If the reserve requirements were reduced, a company in order to have as full a loss-paying power must maintain a correspondingly large surplus. This he does not believe all companies could be