

profitable, and that which is the reverse, and acting on this information to extend the one and limit the other. In this way they have lately imposed such restrictions on risks in country stores and taverns, as must effectually exclude insurers with fraudulent intent. The losses on this class of business have been found exceedingly heavy during the past year. They have hitherto formed an average of nearly one-third of the Fire business, whilst the losses thereon amount to about fifty per cent. more than the losses on the remaining two-thirds of the business. The losses under this head alone claimed on the risks of the past year having amounted to the sum of £6974 19s. 8d. This cannot again occur, the restrictions on such risks are now so effective.

13. From the information now available your Directors have also been enabled to decide on such a reduction of the rates on farm buildings as they trust may gradually draw in a large amount of that class of business.

14. Your Directors have reason to believe that the commercial depression of the last few months has largely added to the losses of that period, and that cases of arson and fraud have been numerous. In some instances the evidence warranted the total rejection of the claim, and the adoption of criminal proceedings against the suspected parties. There are other cases of the kind at present under examination, and it is not unlikely that further criminal proceedings may yet be resorted to. A successful result in a few instances may go far to remove that sympathy which is too often unjustly shown by Juries on Insurance Trials, in favour of claimants and against Insurance Companies.

15. In the last session of the Legislature an Act was passed, which gives the power of inquiry before a Jury into the origin and circumstances of a fire attended with suspicion. This is a beneficial Act as far as it goes, but as the malicious firing of property prevails in some of our towns whilst the local authorities continue indifferent to the crime, and take no steps to discover the guilty, or check the evil, it would be a great