PALATINE INSURANCE COMPANY, LIMITED.

The Palatine Insurance Company, of London, England, which entered the Canadian field last year, occupies a notable position among the younger British fire offices. Established only in 1900, thirteen years ago, the Palatine has built up a fire fund which at December 31 last, totalled $2,853,615, equal to practically 118 per cent. of last year's premium income. This is a substantial and secure position. Additionally, the Palatine has the very great advantage of close association with the Commercial Union Assurance Company, Limited, so that holders of its policies have the comfortable assurance that behind the specific security for their policies, ample as that is, lie the great wealth and the vast resources of the Commercial Union.

Last year, the Palatine enjoyed a favorable business experience. Net premium income amounted to $2,421,750, an advance of some $160,000 upon 1911. Losses were $1,332,171, showing a ratio to premiums of 55 per cent. Resulting from the year's operations, a sum of some $238,000 was added to the fire fund, the reserve for unexpired risks being maintained at 40 per cent. of the premium income and $175,000 placed to the additional reserve. The fire fund is thus raised to $2,853,615, being a ratio to premium income, as already indicated, of 118 per cent. The total assets of the Company are now over $4,000,000, of which the great bulk are invested in the highest grade securities.

In the Canadian field, the Palatine is under the experienced management of Mr. James McGregor, of Montreal, Mr. W. S. Jopling being the assistant manager. Its Canadian premium income in 1912—for a part of the year only—amounted to $73,600. With the Company's influential connections it may fairly be anticipated that the Palatine will in the future occupy an increasingly important position among the British fire offices transacting business in the Dominion.

A LLOYD'S, LONDON, BANKRUPT.

The following is interesting:—A sitting was held in the Court of Bankruptcy at London for the public examination of Reginald Drury Hodgson. The liabilities were returned at £14,024, of which £9,454 is expected to rank, against available assets £10. In answer to W. P. Powyer, official receiver, debtor stated that in July, 1902, he became a member of Lloyd's, London, and of a group of underwriters. His mother put up £5,000 for his deposit, but did not claim as a creditor under the present proceedings. He took no active part in the business of the group, and in March, 1910, his deposit having run off, owing to losses which had been made, he severed his connection with the group and resigned his membership of Lloyd's. His insolvency was entirely due to the underwriting losses, which had amounted to £9,136 since July, 1908. The examination was concluded.

RATES AND COMMISSIONS IN THE LIABILITY BUSINESS.

New York Superintendent Issues Sweeping Order—Commissions not to Exceed 20 per cent.—Competitive Tendencies to be Restrained.

A considerable stir appears to have been created among the companies doing a liability business in New York through the issue of a circular letter by Superintendent of Insurance Emmet, telling these companies in plain language that unless they amend their present ways of conducting business along lines which he indicates, their licenses will be revoked. The Superintendent's requirements are, in brief (1) the companies are to base their underwriting "upon statistical experience and the physical and moral hazard of each individual risk and free from the influence of competition"; (2) total commissions are not to exceed 20 per cent.; and (3) administration expenses are to be minimized. This "most extraordinary and unprecedented action," as it is termed, moves the *Surveyor* to satire. "Up to this month," observes our contemporary, "it had not occurred, seemingly, either to the Superintendent or any one else, that the power conferred upon him by law could be utilized to solve the problem of ages in the insurance business.... This official attitude clears the way for many reforms. Boards and associations will not be necessary in this State. For instance all the expense of the Exchange in this city could be avoided and the organization dissolved. All that will be necessary is for the Insurance Department to determine the proper rates of commission and expense for the companies and approve certain schedules and then issue an order insisting upon the companies conducting their business upon that basis as best promoting the interests of the people of the State. The conduct of the insurance business in most of its branches can be now greatly simplified. The Insurance Department has pointed out the way and it only remains to perfect and generally apply the principles of a proper discipline."

TEXT OF THE CIRCULAR.

The text of Superintendent Emmet's circular is as follows:—The condition in the liability business has become so serious that this department intends to hereafter call the various companies to strict account in their conduct of this class of business. The companies generally have been and now are writing liability business at a premium insufficient to take care of the losses and expenses. This method of doing business means a loss to the companies, and its continuance will mean insolvency. The liability policy protects the assured not only against claims maturing during its life, but also against claims maturing years after the policy expires, on account of accidents occurring during the policy year.

It is of particular importance to the assured that the company which issued the policy shall continue solvent, not only during the life of the policy but for a number of years thereafter. A study of the loss reserves of the various companies shows that practically every one of them has set aside an insufficient amount to take care of future losses on its liability business, although the reserve is computed in accordance with the present loss reserve law. The expenses chargeable against this class of business are excessive, and, in view of this situation, it would seem that the aim of the various companies