

sin; C. W. Pickell of Michigan; and I. S. Bonney of Vermont. The banquet at Delmonico's in the evening was the occasion of witty speech-making and genuine oratory seldom surpassed, and in which distinguished invited guests had a prominent part. In our next we hope to find room for some of the good things said.

DEPOSIT SECURITIES FOR INSURANCE IN CANADA.

According to the Dominion insurance report there are now ninety-seven insurance companies of all kinds transacting business and under Dominion government supervision, made up as follows: Life companies 50, of which 42 are old-line and 8 on the assessment plan; fire insurance 40; inland marine 6; ocean marine 2; accident 9; guarantee 3; plate glass 4; steam boiler 1. The amount deposited on July 18th, 1892, with the Receiver-General by these companies for the security of policy holders was \$20,732,176, consisting of the following securities:—

Canada stock.....	\$2,602,872
Canada bonds.....	692,107
Canadian Provincial debentures.....	2,649,536
United States bonds.....	1,345,000
Connecticut State bonds.....	150,000
Swedish government bonds.....	58,400
British government bonds.....	1,003,310
British Colonial securities.....	521,707
Bank deposit receipts.....	110,000
Montreal harbor bonds.....	475,000
Municipal securities.....	9,544,984
Bank stocks.....	25,420
Loan companies debentures.....	105,700
C. P. R. and Canada Central R'y bonds.....	1,598,140

Total..... \$20,732,176

In addition to the above there was deposited with Canadian trustees, in conformity with the insurance laws, \$3,260,697, making a total for the protection of policyholders of \$23,992,873, and an increase since the previous year of \$2,568,680. The distribution of the above total is as follows:

Life insurance.....	\$17,805,633
Fire and inland marine.....	5,725,293
Accident, guarantee, plate glass, etc....	461,947

Total..... \$23,992,873

ARE ELECTRIC LIGHT COMPANIES LIABLE?

The following from the New York *Commercial Bulletin* is well worthy of attention just now when shoddy construction and faulty instalment of electrical appliances are so prevalent. It says:—

"Why," asks a well-known agency underwriter, "should not the fire insurance companies sue the electric light companies under subrogation rights, for losses caused by defective equipments?"

If railroads can be legally forced to pay for fires owing their origin to sparks from locomotives not properly provided with spark arresters, why should not reckless electric light corporations be made to bear the burdens caused by their own error or fault? It is clearly possible to introduce the wires in a safe manner, and failing so to do the electric light companies invite trouble which should accrue to themselves instead of to innocent property owners or insurance companies. A firm legal application of these principles in a few cases would cause an awakening among the electric people as to the advisability, from a financial point of view, of installing better equipments than they have provided in the past.

Electrical experts admit the possibility of thoroughly insulating wires, and this should be done in each case. The precautions requested by the fire underwriters are frequently sneered at by the electrical people as unnecessary, but dodging their adoption should in fairness be followed by an assumption of financial responsibility for any hazard thereby created. It would cost much money to systematically inspect electric equipments, even if all were of a high standard, and this expense must eventually fall on the property owner, no matter what means the companies may use to reimburse themselves.

There can be no doubt that vast property values are now in jeopardy from electric installations of the "cheap variety," and the question of responsibility for risks of such magnitude is one of serious public concern.

CLASSIFICATION OF FIRE RISKS.

The very general and earnest discussion of the classification of fire risks by a general co-operation of leading companies, which has been going on for some weeks past in the columns of the insurance press, indicates not only the importance of the subject, but foreshadows, we trust, some much desired practical results. As an interesting contribution to the question, and in line with our own frequently expressed views, we append the following from a contributor to the *Commercial Bulletin* signing himself "Groper." After referring to some previously contributed articles on the subject by others, "Groper" says:—

"While the views do not coincide always, there is still a tacit agreement that a combined classification would furnish the surest and safest basis upon which to make rates. I cannot agree with one journal that compulsory legislative classification is desirable, although the results obtained might be the same as that obtained by a voluntary classification. Legislative interference in any direction is not satisfactory and is to be avoided; but when underwriters realize that if a classification of a single company's business is serviceable to that company in the transaction of its business, that it must be even more serviceable if combined with those of other companies—thus obtaining a better average—then there will be no need of compulsory classification, and company managers will willingly and voluntarily furnish data to make up this combined experience.

I do not agree with the other extreme view that classifications are useless, and that no such thing is possible as a classification of hazards upon which to base rates of fire insurance. I believe most firmly that it is only by means of a classification of hazards that we can approach, with certainty and safety, nearest to adequate rates; and I believe that many of those now in the business will see rates made by this means. Brick mercantile buildings can be and should be rated according to their hazard, and not be charged to make up the lack of rates on stocks. The loss on non-preferred business—non-preferred because of inadequate rates—should not be collected from village or city dwelling insurers. Each distinct hazard should pay its own way, and each should furnish enough margin to make the business of its own class self-sustaining, and thus enable the stockholders to realize a fair return on the capital invested.

It seems to me that this is feasible, and while in the abstract it may look difficult, I believe if the same amount of intelligent work was put upon a scheme of this kind as has been expended upon the universal schedule, which is only intended for mercantile business, that we would have a better, safer and more satisfactory basis for rates, as it would be based upon experience entirely and the element of guess-work would be reduced to a minimum. Schedule rating is