THE FIRE INSURANCE COMPAN IES AND SPECIFIC RATING.

The insurance companies are busy arranging to have various cities and towns specifically rated. This system is the most satisfactory to the underwriter and the insured. Now it has been energetically started we trust the movement will be pushed until specific rating is generally established.

Were it not annoying it would be amusing to listen to the talk of many about fire insurance companies. The impression prevails that fire companies are autocratic monopolists who enforce arbitrary rules and regulations on a helpless, long-suffering public. Fire insurance, however, is so far a commercial commodity that it cannot be sold at less than cost. Unfortunately, there are difficulties in ascertaining the cost, for contingencies are likely to arise, such as conflagrations, forcible evidences of which have been displayed in Montreal this year. These risks must be provided for, in addition to the ordinary average losses for which reserves are kept in accordance with the dictates of experience and the guidance of practice, as well as the necessity of observing the insurance laws of the Dominion and other countries.

The official reports of the insurance departments prove to demonstration that the fire companies have not been charging exorbitant prices for the protection they afforded to property owners against loss by fire. Statistics show the contrary; they show conclusively that for a large number of companies, the business has been disastrous; for others it has not been adequately profitable, and that those who have had the most favourable results have only reaped a moderate return upon their capital.

Why the public should consider fire insurance companies to be philanthropic enterprises is a mystery. But it is evident that benevolence not business is very commonly regarded as the proper motive of a fire company. This view however cannot be entertained, except as a source of amused surprise. There is capital at stake and enormous obligations to property owners which demand that insurance must be based on principles deduced from experiences, and that rates must be made equal to providing for claims arising from risks. THE CHRONICLE has again and again shown that rates are not too high. Were outsiders to take the helm of a fire company they would soon learn that insurance to be safe for insurers must be based on average, adequate rates on business spread over a wide area.

The proposal to give lectures on insurance to college students is a good one; if commenced, they should be made public, in order to help in removing a good deal of the ignorance and misunderstanding that now prevails. Modern trade and commerce could not be conducted were fire insurance not its auxiliary, its support and its protection.

THE MUTUAL RESERVE FUND CIRCULAR.

The circular issued by the Mutual Reserve Fund Life Association to which reference was made last week, has aroused great interest in insurance circles, and brought out numerous comments and inquiries. The circular being addressed to the Hon. Francis Hendricks, superintendent of Insurance of New York State, has caused his office to be besieged with enquiries not from individual policyholders merely, but from the superintendents of Insurance for other states. They desire to have an authoritative opinion as to the effect of the recent change made by the Mutual Reserve from an "assessment" to, practically, "a level premium" system. Mr. Hendricks has issued a circular reply to these inquiries, in which he declares that every policy or certificate issued by the Mutual contains a provision for increasing assessments to meet the claims. As to the legality of such power to levy special assessments for reserve purposes, there seems to have been no judicial decision, nor any ruling by the insurance departments. Mr. Hendricks thus addresses the inquirers who have sought his judgment on the Mutual Reserve circular :—

"You are familiar with the provisions of Article VI. of our insurance law regulating this class of corporations. You have in your possession a copy of its articles of incorporation or charter, a copy of its constitution or by-laws, and you realize that, operating as it is as an assessment insurance corporation, its membership absolutely control its methods of business. The amendments adopted in January of this year were adopted at an annual meeting where all the membership had the right to vote. Such being the fact, it is questionable whether any court would hold that such ammendments were illegal.

We hope that the above information will, in a measure, answer your inquiries, and that, at least, we have succeeded in advising you as to the position of this department."

HALF A YEAR'S FIRE LOSS.

The fire loss of the United States and Canada for the month of June, as compiled from the daily records of "New York Journal of Commerce" shows a total of $9.599,000. This makes the aggregate for the first half of 1901 $88 935,150, as against $103,298-900 during the same period of 1900. The following comparative table will show the losses by months during the first six months of 1899, 1900 and 1901:

	1901.	1900.	1899.
	$	$	$
January	16,574,950	11,755,300	10,718,000
February	13,992,000	15,427,000	18,469,000
March	15,036,250	13,349,200	11,493,000
April	11,352,800	25,727,000	9,213,000
May	22,380,150	15,759,400	9,091,900
June	9,599,000	21,281,000	6,714,850
Totals	$88,935,150	$103,298,900	$65,699,750

The reduction in June below the record of May last, and of June 1900, kept the half-year's total from rivalling the enormous figures of last year, but even with this in its favour the fire loss record of first half of 1901 is $23,235,400 in excess of 1899.