

SAN FRANCISCO FIRE SETTLEMENTS.

There is trouble in San Francisco because sixty-one members of the Underwriters' Bureau, which met at Oakland, agreed to offer seventy-five cents in the dollar of their adjusted claims. Those who did not accept would, apparently, have to prove their claims in court. The following thirty companies agreed, it is said, to pay in full: Aetna, of California; Mercantile, of Boston; American Central, of St. Louis; St. Paul, of Manchester; Atlas, of London; Kings County; Springfield, of Massachusetts; New Zealand; North British and Mercantile; Liverpool and London and Globe; Sun, of London; Northern Assurance, of London; Phoenix, of London; Pelican, of New York; Continental, of New York; London Assurance; New York Underwriters; Teutonia; London and Lancashire; English American Underwriters; Orient, of Hartford; State, of Liverpool; Hartford, of Hartford; Citizens', of St. Louis; Home, of New York; Connecticut; New Hampshire; Queen, of New York; Royal, of Liverpool; Industrial Underwriters.

The sixty companies are accused of "trying to dodge their responsibilities." The mayor of the city and the Governor of the State have given written warning to them that they "must deal fairly and honestly by the San Francisco public or be driven from California." The Insurance Commissioner of the State threatens to revoke the licenses of such as propose to pay 75 per cent.

This vehement language is a little too reminiscent of the times when Mayor Schmitz authorized the shooting at sight of men suspected of stealing immediately after the catastrophe. The companies may be supposed to have reasonable ideas of fairness and honesty. It should be counted to them for righteousness that they are not insisting on complete enforcement of their legal immunity from the results of earthquake. "Your money or your life" is not a suitable invitation from the Governor of a highly civilized State.

Among this group of sixty-one underwriting bodies are at least a dozen of the best-known United States companies; and another dozen of first-rate British and continental companies. Good reasons must exist for such a stand.

In the first place, the earthquake came before the fire in San Francisco. Hardly a chimney stands in the stricken part of the city, which is abundant proof that the convulsion of nature had wrecked property before fire had anything to do with the loss. A San Francisco policyholder has brought suit against the Commercial Union Insurance Company for the full amount of a claim for fire loss, notwithstanding an earthquake exemption clause in the policy. This proceeding will not commend itself to the other fourteen German and English companies whose policies contain a similar clause. The attitude of many insured persons in San Francisco and of their press is noisily abusive of every underwriting concern that dares to stand upon its legal rights. They would be better employed in backing up Insurance Commissioner E. Myron Wolf's appeal to policyholders to be honest. "Dishonest raising of the values of properties destroyed by the fire only serves to give dishonest companies an excuse to shave policies and compel honest concerns to look with suspicion upon every proof of loss filed with their State agents," he says. "Complaints have come to the Insurance Commissioner's office—complaints so backed up by proofs that they cannot be questioned—of policyholders who are inflating the values of their destroyed property. Many of the insured are taking advantage of the mixed-up conditions and filing proofs of loss for goods which they never possessed or which they saved from the conflagration. It is work of this kind that gives dishonest companies an excuse to shave honest policyholders. We must be honest all around if we expect proper settlements."

The local records of the insurance companies were destroyed, just as thousands of policies held by individuals were. There may have been cancellations on the local books which are not yet shown on head office books. Would it be reasonable under such conditions to expect a cancelled policy to be paid? This is only one of a score of circumstances to be considered when attempting adjustment of

claims in the presence of an unprecedented disaster. Some settlements have been made. But it must be months before full settlements can be completed. Bearing in mind the view expressed by the thirty European reinsuring companies last week, policyholders and public officials should maintain a less belligerent attitude towards the underwriters. An offer of 75 cents in every dollar of adjusted loss might with wisdom be accepted rather than await the delay of going into court to attempt to prove claims.

FIRE INSURANCE NOTES.

The Consolidated Mining and Development Company's electric light plant at Rossland, B. C., was on the 13th inst. burned to the ground, with a loss of \$18,000, fully covered by insurance. The fire is believed to have originated in a short circuit.

The Warren Bituminous Paving Company's large new plant on the Toronto Waterfront was damaged on Sunday to the extent of \$3,500 by fire. Several costly stone-crushers, mixers and asphalt carriers were injured or destroyed. There was no insurance. This is the third occasion on which this company has suffered loss from fire.

The sawmills of the Yale-Columbia Lumber Company, together with about 2,000,000 feet of lumber, and several C. P. R. cars at Nakusp on Arrow Lake, B. C., were totally destroyed by fire on Thursday of last week, and the whole place was only barely saved from wreck. The plant had a capacity of \$50,000 feet daily. The loss is placed at \$22,000, covered by insurance.

London advices announce the results of the business of the North British and Mercantile Insurance Company for 1905. The net fire premiums amounted to £1,940,195; the net fire losses to £970,997; the surplus on fire account to £323,720. At December 31st, 1905, the amount at the credit of profit and loss was £950,188. Out of this sum the directors have carried £25,000 to the superannuation fund, and recommend the payment of a dividend of £1 per share, and a bonus of 10s. per share, along with the bonus of 5s. 6d. per share from the shareholders' life and annuity profits—in all £195,250—all free of income-tax. The directors have thought it wise, in view of the disaster at San Francisco, and in part payment for losses thereby incurred, to carry to a special suspense account a sum of £250,000. This leaves £479,938 to be carried forward, as against £486,923 at the end of 1904. No definite information had, at the date of the report, been obtained as to the company's loss at San Francisco.

A statement issued by the Liverpool & London & Globe shows that the fire premiums of that company for the year 1905 amounted to £2,199,100, and the losses to £1,066,852. The fire account, after providing for expenses, shows without the addition of interest a surplus of £393,705, which has been carried to profit and loss account. After payment of dividend, already announced, the profit and loss account will stand at £1,010,022, the general reserve funds at £1,400,000, and the fire re-insurance fund at £900,000. The directors state that it will be some time before the actual loss by conflagration at San Francisco can be known. The company's representative there advises that the total amount at risk in the district damaged by earthquake and fire is £867,000, which even if the whole amount were lost the company could pay, in addition to its dividend, without touching the reserve or re-insurance funds. This announcement is of itself a sufficient commentary on the strength of this fine old underwriting company.

—Several Toronto bucket shops were raided yesterday when they were crowded. Many books and papers were seized and several arrests were made though bail was accepted in all cases. Many pool rooms and cigar stores where "the making of handbooks on races" was suspected were also raided. The bucket shop brokers were charged with "gaming in stocks."