

**MUTUALITY AS A BUSINESS PRINCIPLE.**

The complaint made by some critics of fire insurance companies shows that the prevalence of mutuality as a business principle, as indeed, a necessity of business, is not as generally recognized as it would be were it more understood.

Were the mutual element not in active and general operation, the commercial, the governmental, and other phases of civilized life would be paralyzed. Those who complain that by being charged higher insurance rates owing to a conflagration in which they, individually, had no direct personal concern, would find themselves cut off from intercourse with their fellow men were this principle to be applied to them. Take, for instance, the government of a country, or city, is it not notorious that the whole system of taxation necessitates the imposition of taxes upon large numbers of citizens who have no direct, personal interest in the expenditures which are provided for by public taxes? Are not many of our citizens taxed for public schools, who not only have no direct, personal interest in these institutions, but, some of whom object on principle to the public being taxed for the cost of what they regard as only a parental duty? Are not ratepayers taxed in numberless places to raise the funds for works in which many ratepayers have no direct interest?

The whole system of public taxation is based upon the principle that organized communities, and groups of communities, have, to some extent, a mutual interest in the welfare of each section thereof.

In the commercial sphere this mutuality also prevails. The prices of goods and the rate charged for accommodation by banks, are higher than they would be were the mercantile and banking business wholly free from such drawbacks as bad debts, so that the honest customer continuously pays something towards compensating merchants and bankers for what they lose by dishonest customers, or their own mistakes. It is impossible to escape from the influences of this mutuality in business; it is as all-pervading as the atmosphere.

To eliminate this influence from insurance is utterly impracticable, no man and no man's interests of any kind are so isolated, so entirely confined to himself, as to be unaffected by the conditions affecting the persons and the interests of other men. The "exposure risk" extends to other things than buildings. If any person were to propose that his property be insured without the slightest reference to any other risks, or to the general interests of insurance, he would have his proposition declined. Supposing Mr. A. insures his house this week and next week, or later, it is burnt, would he consider the insuring company justified in refusing to pay the sum named in the policy, because, from that risk, it had not received enough to meet the claim?

Were the doctrine to prevail that property owners must not be charged for claims arising from risks in which they had "no direct concern," there would be thousands of policyholders ruined every year, that is, if they were reckless enough to insure under such conditions. It is the daily work of fire insurance companies to pay claims to policyholders out of funds to which the recipients have contributed a mere trifling percentage.

Those policyholders who protest against paying such rates as are adequate for keeping the business of fire insurance sound and equal to any emergency, humanly speaking, and who object to bearing any part of the cost of business in which they have no direct concern, are, in most instances, holding some company liable to pay them money contributed, not by themselves, but money paid in by other policyholders in other districts, or even from funds accumulated in a foreign country, arising out of business in which the recipient had no direct interest.

Objecting to contribute to a general fund seems, to say the least, highly inconsistent on the part of a person who expects his own policy to be protected by, and, in case of need, to be paid out of a general fund. Mutual advantages in every sphere involve mutual sacrifices.

**INTERNATIONAL ASSOCIATION OF ACCIDENT UNDERWRITERS, 1904.**

The 17th annual convention of above association will be held at the Lafayette Hotel, Portland, Maine, on July 19 to 22. It is expected that a large attendance of representative casualty underwriters will be present from all parts of the continent.

The following is a list of the officers and members of the International Association of Accident Underwriters for 1904:—

*Officers.*—Edson S. Lott, president; George S. Dana, Arthur L. Eastmure, vice-presidents; Alfred E. Forrest, treasurer; G. Leonard McNeill, secretary. *Executive Committee.*—William Bro. Smith, H. G. B. Alexander, Franklin J. Moore, Richard A. Cave-nough, William H. Jones, Felix E. Haley.

The companies represented are as follows:—Aetna Life Insurance Co., American Casualty Co., The American Health & Accident Co., Bankers Accident Insurance Co., Brotherhood Accident Co., The Canadian Casualty & Boiler Insurance Co., Casualty Company of America, Central Accident Insurance Co., The Commercial Mutual Accident Co., The Commercial Travellers Eastern Accident Assurance, The Commercial Travellers Mutual Accident Association, Continental Casualty Co., Dominion of Canada Guarantee & Accident Co., Employers' Liability Assurance Corporation, Ltd., The Equitable Accident Co., Fidelity & Casualty Co., The Fraternities Accident Order, The General Accident Assurance Corporation Ltd., Great Eastern