NET LINES IN FIRE INSURANCE.

The subject of the limits of lines which a fire insurance company can write with safety is discussed by the Manchester Policyholder, which states that in Great Britain in recent years, there has been a tendency on the part of some companies to whittle down limits almost to vanishing point, and in some instances it would appear as if the business could be scarcely worth conducting on such narrow ultracautious lines. Putting this aside, says the Policyholder, a certain measure of relief would be experienced if limits ordinarily ruling were increased, but can they be increased with any degree of safety?

The most important factor in the case is whether the area of the premium set against losses is to be confined to a few risks only or is to spread itself over a number. The same volume of premiums may represent in two cases the same amount but by no means the same incidence of liability. It is unknown where the heavier losses will fall and it makes the difference whether one of such losses happens in respect of a risk upon which a large amount is being held or one upon which, owing to the operation of the company's limit, not more than £1,000 is endangered. The mere area of premiums is not sufficient without the area of risks, and it is to safeguard this latter point that the vital question of fixed limits steps in.

A SUGGESTION.

"All the same where the class of risk is a large one," continues the Policyholder, "and the company's interest in it sufficiently extensive, would it not be possible to approximate the limit to something more nearly resembling, say, the average sum insured throughout the class? In any case the rates of premium charged ought to bear a heavier strain in the way of limits than the very modest retentions some companies are disposed to put upon them, if they are not to give rise to a suspicion of their feared inadequacy by the offices imposing them. And it may also be asked why should limits vary so much upon the different classes of risk? The mere fact that the rate is higher in one class than another should not of itself serve to curtail the limit upon the higher rated class, as it so frequently is allowed to do. Presumably the extra hazard is balanced by the enhanced rate, and, provided always the requisite average can be obtained, such cutting down of the limit would appear logically to be indefensible.

"A number of the companies at the present day show no apparent anxiety to increase their limits. Possessing ample re-insurance facilities under treaty, a certain and fixed profit is made out of their cedings, the commission received being much greater than that paid out to agents for procuration of the business. They prefer this profit to risking any more upon their own account. It pulls down considerably the commission item appearing in their published accounts and consequently their expense ratio, whilst constituting in effect a useful addition to the premium income upon the sums held at their own risk.

"Whether re-insurance, which was instituted as a mutual accommodation between office and office, should be made to subserve these ends is a matter for consideration. The foregoing remarks are made in the spirit of legitimate fire underwriting and as an indication of the lines upon which any proposed increase of limits might travel with something like safety."

DISEASE NOT AN ACCIDENT.

Mr. Justice Bruneau at Montreal, decided this week in a claim brought under the Quebec Workmen's Compensation Act (Penois vs. Gerard, et al.), that disease is not a good basis for a claim under the Act. Plaintiff, a plasterer, claimed that whilst working for defendant he dislocated a bone of his arm, by reason of the fact that the plaster had little stones in it, and he was thus obliged to use much greater force in laying it on the lath work, as the stones prevented it from working well into the interstices between the laths. The defendant repudiated the claim, on the ground that the injury of which the plaintiff complained was in reality a disease of a rheumatic nature and had been long developing—the "accident" claimed being in no wise an accident, but the manifestation of a long-standing disease due to the state of plaintiff's physical constitution.

There was a difference, said the Court, between an accident which is ever produced by an exterior cause and manifests itself in a sudden and violent manner, and a maladie professionelle, which proceeded from an interior cause, and was often the result of slow and continuous evolution. Thus accident and disease differed as to the suddenness and progressivity of their manifestation. The court had only the testimony of plaintiff's own physician to guide it, and this physician himself admitted that the duration of the condition found in plaintiff's arm presupposed a predisposition or a natural disposition to contract such disease. Hence the court could not attribute the condition to the cause alleged by plaintiff, but to the continuous and normal exercise of his trade. The Compensation Act covered only accidents and, in no wise, maladies professionelles. Action dismissed with costs.

FIRE-TRAP SUMMER HOTELS.

The frequently flimsy construction of summer resort hotels, is sharply criticised by *Safety Engineering*, which points out that in many instances these hotels are without appliances to fight fire with. While in many cases the use of a hand chemical fire extinguisher or a line of hose can avert a loss of property, some hotel proprietors have the tendency to scrimp the number of hand chemical fire extinguishers necessary for a proper equipment, particularly in summer resort hotels.

The seekers of pleasure and health at seaside and country resorts in the summertime are entitled to protection against the casualties that accompany fires in the flimsy structures used for hotel purposes. Water supply may be nearby, but facilities should be adequate to draw upon it for use in fighting a fire.

The deficiencies that make hotels "firetraps" are avoidable, remarks *Safety Engineering*. Progressive proprietors of hotels, realizing the burden of responsibilities in furnishing accommodations for guests, have tried to make their houses safe; but other proprietors, men of a certain type, are disinclined to do anything unless the law compels them to do something in the way of safety.

The Saskatchewan Grain Growers' Association is reported to be considering the question of starting farmers' fire insurance companies on the mutual principle.