

A SECOND PREMIUM of \$10.00 will probably be awarded, should we decide to publish a second essay—but this is optional with us at present.

We promise to preserve the "incognito" of the writer if so wished; and should the offered premium be a deterrent to any who would otherwise aid us with their literary ability, it can easily be made an anonymous gift to any pet charity.

The conditions are as follows:—

1. The writer to be prepaid subscriber to INSURANCE SOCIETY for the year 1881.
2. The essay to be written on foolscap paper, one side only, and not of greater length than to fill three columns of this journal; say 20 folios of 100 words each.
3. No personal allusion to be made to companies or individuals, (we want abuses declared and healed, not animosities engendered).
4. The essay to be sent to the office of INSURANCE SOCIETY, 102 St. Francois Xavier Street, Montreal, before June 30, to be distinguished by a motto, not with writer's name.
5. A letter to be written to Chas. E. Goad, personally (to above address), stating author's name and address with accompanying motto, and suggesting three names as impartial judges of the respective merits of the essayists.
6. Competent judges to be selected by us, with the aid of the above suggested names, and the essay that such judges consider the best, to be inserted in our July issue and to entitle the writer to the premium of \$25.00 now offered.
7. It shall be optional with us to publish a second essay in our August number, to the writer of which an award of \$10.00 will be made if essay be published.
8. All essays to become the property of INSURANCE SOCIETY.
9. Names of successful essayists to be published unless the writer may wish to remain anonymous.

In response to the above, an essay was received about 36 hours before the Quebec conflagration commenced. On reading it over immediately after the news of that disaster arrived, the contents seem so exceedingly apropos at this time, that with the full permission of the author, we publish it in this month's issue.

The essayist does not waive his claim as a candidate for the award, and is willing to allow other literary members of "Insurance Society" the benefit of perusal before sending in the results of their labors.

#### ESSAY.

*Subject:—FIRE INSURANCE IN CANADA.*

##### QUERIES:

1. *Why has it not been a source of profit to Companies during the past twelve years?*
2. *What are the most practical reforms necessary to insure better results in future?*

##### MOTTO.

Of our vices  
We may make a ladder  
And climb to Heaven.

*St. Augustine.*

In essaying for a prize, the author is bound, and his treatment of his subject bounded, by the conditions imposed, yet, when abuses are imputed and remedies are to be proposed, he is naturally fearful lest some should

be offended by his ideas; the present writer however does not intend to refer to any individual or company, and so disclaims all idea of either personal or particular allusion in this essay.

To the first query, the "outsider" replies that conflagrations of an unusual nature have occurred so frequently, and have extended over such large areas, as at once to account for the lack of profit in fire insurance; yet "conflagrations," in Canada or in Tooley Street, are not such exceptional circumstances as to justify their omission from the ordinary calculations of the business; their probability therefore should have been one of the factors in the computation of rates, and their occurrence and consequences thus provided for.

Another as readily and conclusively replies: "Rates have been too low," triumphantly pointing to the indisputable fact, that, if the rates had always been high enough to provide for expenses, losses and dividends, there would have been no advertisement for this essay for which the INSURANCE SOCIETY offers the prize; but he avoids discussion of the other experience, viz., that some companies have realized handsome profits whilst others have made only loss, although taking precisely the same classes of risks, at rates even lower than those received by their unfortunate brethren; and, in some localities, fires have been few and their damage inconsequent; thus the same logic, which proves general rates too low, because of general loss, would show the rates in these cases sufficient, because of the profit resulting therefrom.

The subject of "Rates" is still further complicated by epidemics of fires which destroy special lines of risks, one year flouring mills, another tanneries, or saw-mills, or frame buildings, or woollen mills, or so on; yet as it is true that these fires proceed from natural causes, capable of being foreseen, the question of rates should always have adapted itself to all these varying, yet certain occurrences, without unduly taxing those risks of the same classes, which survive by reason of their fitness.

Others tell us of their "expenses" arising from increased competition, by the incorporation or the introduction of so many companies into so limited a field; they point to many "awful examples" as proof of their argument; and yet they confess the difficulty of deciding where and when expenses are wise or otherwise, many being absolutely necessary to new companies which have previously been incurred by the older established ones. Sets of Mr. Goad's very admirable surveys; careful inspection of risks; introducing themselves to the public, &c., &c., may, perhaps, make present expenses disproportionate to present income, yet be proper investments which should assist in building up the companies' business on a solid foundation; it being always remembered that insurance is a matter of extended time, and may not be fully judged of by its present results.

Happy is it for the company whose good years do not make them reckless; and wise is in the company whose evil years do not discourage them.

"Men may come and men may go,"  
"But they go on forever."