

tage and there was no intention of making a profit out of the business exchanged. The policy of making a profit out of re-insurance commission became popular at a much later period when the incursion of foreign companies into the business with tempting offers of commission made the idea attractive. "Extensive foreign treaties, which offer an easy, secret outlet for re-insurance," said Mr. Moore, "do not constitute a factor which works for the general good of the business. There is a large temptation, if pressed, to cut the current rate for a piece of new business, if all the conditions seem favorable. You please the insured; you please the agent; you please your director by the increase of business; you please your re-insurers for the same reason; everybody seems pleased—but harm has been done to the business, for you have reduced the current rate, with probably far-reaching results."

Summing up the position of re-insurance at the present time, Mr. Moore said: "Re-insurance business is necessarily in favor of the insuring office. The insuring office dictates terms; it has better information of the physical risk and greater knowledge of the moral features; it takes advantage of every benefit that arises in respect of any variation and improvements in risk; it watches results and shapes its retention accordingly; and in fact, speaking broadly, the experience of every phase is collected and acted upon to its advantage. Re-insurance between offices of equal size is a mutual obligation and the advantages are equal on an equal exchange of business. Between large and small offices the position assumes a different aspect. The small office does not get a share of the whole range of the insuring companies' business. The share obtained is invariably confined to the second class section of the re-insurance output. Risks of a gilt-edged character are carefully exchanged by the larger offices, obviously to their mutual advantage. This probably explains why so few small re-insuring companies have struggled through a delicate youth to years of maturity. We might count upon one hand the small companies of to-day, direct and re-insuring, whose length of years exceeds one generation. I fear their position is not likely to improve in the near future. The larger the office the more insatiable its appetite, with the result that it now even picks up its own crumbs. This is mainly due to the improved condition of the business generally. In the days when the losses were heavier and more frequent, re-insurance was not always easy to obtain. It is interesting to note the change in our regard for each other. Twenty years ago we regarded as our friends the offices who accepted our re-insurances; to-day we regard with the warmest affection the offices who bring us theirs."

FROM THE OPENING of navigation until June 30th, there passed through the locks at Sault Ste. Marie (Canadian and American) 20,393,968 tons, of which 12,985,573 tons, or nearly 64 per cent., passed through the Canadian lock. For the same period last year the tonnage was 12,230,238, with 30 per cent., or 3,640,126 tons, through the Canadian lock.

HARASSED UNITED STATES UNDERWRITERS.

Endeavouring to Keep Pace with Legislatures' Activities.

North and south in the United States, underwriters are puzzled and bewildered owing to the recent activity of State legislatures. New liability laws in New York and Ohio brought about a meeting of liability underwriters in New York last week. The conditions introduced by these new laws are such that the liability to companies in furnishing indemnity for various plants is in some instances trebled. An idea of the difference made by the new laws may be gained from the fact that proof of employment and of injury is all that is required to enable recovery of damages, and in the State of Ohio the amount which may be recovered owing to the death by accident of the head of a family is raised from \$5,000 to \$12,000. The great trouble is brought about by making the law effective without due time being allowed to mould business to the new conditions. At the New York conference it was suggested that the new arrangement might be put into effect by attaching a rider to policies now in force; another idea was that new policies be issued and tendered to the assured. That rates will be increased there is little doubt.

The puzzling character of the present situation in regard to these liability laws is increased by the probability that the laws will be changed during the next legislative session. This, of course, will add to the confusion. A prominent casualty official seems to have hit the nail on the head when he observed apropos of this subject:—"We are convinced that until the so-called labour laws of this State (New York) have been placed on a permanent basis and have been in force for several years, there is a rocky road ahead for corporations writing employers' liability, with the chances in favour of each company meeting large financial losses."

Fire underwriters in Texas are endeavouring to find their way through the mass of complications which have resulted from the recent decision of the Texas Fire Rating Board that the existing rates as promulgated by the insurance companies are unreasonable and that they must be reduced. The companies, it is believed, will file the new schedules as requested and then fight the order in the Courts, although it is understood that a large number of companies will decline to accept business on which the rates have been materially reduced.

Here is an example of the complications which are cropping up. The question has been raised as to what effect the rates under the new general schedule will have on business written during the first half of the current year. In some few towns and cities the first general schedule has been applied and the property owners have found out what their rates should be. In others no "re-rating" has been done and all policies are written with a rider attached, stating that the rate as made under the legal schedule will take effect as of the date of the issuance of the policy.

Supposing that the local agent has collected the temporary rate named when the policy was written and that in towns and cities, which have been