

hardly come within the scope of this paper in detail. The following

SUGGESTIONS

are, however, advanced not as original, some of them having been previously made and even put into effect in part:

(a) Each State should support an efficient fire marshal service with police powers.

(b) All agents, brokers and public adjusters should be licensed annually upon proper qualification. This has now been provided for by law in New York State.

(c) A record of all fires should be kept by the fire marshal. Property owners as well as the tenants who are directly involved should give a signed statement as to the circumstances of each fire, and this should be placed on file with the fire marshal's office. The New York Board of Fire Underwriters is now preparing something of this nature for its own records within the territory covered by it as to losses within the cognizance of the companies. The origin and circumstances attending every fire should be the subject of investigation, as only in this way can the public mind become thoroughly ingrained with the idea that occurrence of a fire is a very serious matter and one for which those interested must be prepared to give an account.

(d) In the case of small policies on household furniture, other insurance ought not to be permitted by the company issuing the first policy thereon. In other words lines 11, 12 and 13 of the standard policy reading as follows should not be waived:

"This entire policy, unless otherwise provided by agreement endorsed hereon or added thereto shall be void if the insured now has or shall hereafter make or procure any other contract of insurance, whether valid or not, on the property covered in whole or in part by this policy."

(e) Chapter 340 of the penal code should be amended so as to include insurance as well as credit under the penalties for false statement as to the value of property for the purpose of securing insurance.

(f) The authorities should make it clear that co-operation will be given to the insurance companies in their efforts to defeat criminal and fraudulent claims, and in the case of suspicious losses the authorities should have the right to prohibit the payment of any loss to the claimants until they lift the prohibition.

(g) One highly important remedial measure which can only be brought about, if ever, by a long education of public opinion, would be to put property owners and tenants under penalty for the effect of loss caused by carelessness or criminality, which responsibility might preferably take the form of fine and of imprisonment, as other forms of liability would be assumed by insurance companies for a premium, so that the parties involved could escape the effects.

(h) A proper building code should be adopted and enforced in every State and municipality.

The carrying out of the foregoing recommendations would cure, in large measure, the evils of incendiarism caused by fire insurance, but would go far deeper by preventing the much heavier loss which has no relation whatever to insurance.

BUT WHEN ALL IS SAID AND DONE

We should not be deluded with the idea that we can come to anything approximating the same low rate of premium or low rate of burning enjoyed on the other side of the water. It is an impossibility and may as well be dismissed from our minds so far as this generation is concerned. The mass of timber con-

struction, the severity of climatic conditions, summer and winter, and the restless, shifting character of the population are three sufficient reasons why we can not have the European average rate of burning or premium, altogether apart from incendiarism or care. Nevertheless, the present rate of burning can be greatly reduced.

The sober reflection of you gentlemen is invited to the unjustifiable way in which the public is prepared to saddle all catastrophes connected with fire upon the insurance companies. The two outstanding horrors of recent times—the Asch Building fire, in New York City, whereby 147 lives were lost, and the Binghamton Clothing Company fire at Binghamton, N. Y., whereby thirty-five lives were lost, are cited. In both of these instances it is clear that fires were not intentionally caused; that there was no object in the procurement of insurance money, as the properties were underinsured, and that the schedules under which the premises were rated indicated the character of defects for which charges were made increasing the rates. These fires are typical cases thoughtlessly charged by the public to insurance companies but for which they are in nowise responsible. It certainly does not help the case to divert from true causes to false inferences based upon prejudice.

So far what has been said has largely been on the negative side. We now come to what is positive and revive the question whether the effect of fire insurance, broadly speaking, is beneficial or harmful in its influence upon the destruction or conservation of life and property? Considerations will now be advanced tending to prove that, as a whole, the influence of fire insurance has been greatly to better conditions and to safeguard the interests of the community at large against the danger of fire, it being in fact the one great factor which does so work.

Leaving what is purely historical and coming to methods of the present day, it is fair to claim for the business of fire insurance that its practice strongly tends to the protection of life and property and that its influence in this respect is overwhelmingly greater than any contrary effect for ill in the stimulus of incendiarism. This claim is susceptible of proof, which proof is briefly attempted herewith.

During the past ten years, or to be specific, since the Baltimore conflagration, the fire insurance companies have pursued a systematic campaign for the strengthening and betterment of the fire departments in all the principal cities of the United States. To this end they have organized bodies of experts including fire department, hydraulic and structural engineers. Painstaking investigations have been made all over the country which have resulted in increases of the uniformed force and the number and power of engines, of hook and ladder trucks and in the quality and quantity of fire hose.

THROUGH THE INFLUENCE OF THE FIRE INSURANCE COMPANIES,

exercised through the National Board of Fire Underwriters, great work has been done in bringing proper pressure to bear in the proper quarters upon the supply of water for fire purposes, the effect of which can be seen all over the country in the higher standards demanded and in the high pressure water systems provided. The motive of the insurance companies has been to guard against the risk of sweeping conflagration, but the fact remains of the benefit which has been brought to pass for the peace and security of the public in general in a higher scale of safety.

(To be continued.)