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TUESDAY, SEPT. 30, 1919

The True Meaning Of Fire Insurance

Excerps from an Address Delivered Before the Canadian National Shoe Association at the King Edward Hotel, Toronto by Mr. W. G. Wright, Editor of 'Concerning Insurance,' —Toronto Saturday Night.

What is Fire Insurance? It is a contract of indemnity. You buy a fire insurance policy for $1,000. You don't buy any such thing. You buy a contract with the Insurance Company that they will indemnify you against loss to an amount not exceeding $1,000. If your whole stock is burned up you are entitled to $1,000—nothing of the kind. You may have had only $500,00 worth of goods destroyed; you might have had goods which cost you $1,000 destroyed and they might have been worth only $400, because of that element of depreciation of which I speak, or they may be, as in the case of a manufacturing shoe establishment for whom an adjustment was made, where the goods had cost $1,000 and were shown to be worth $1,700, and the Insurance Company paid the loss on the basis of $1,700.

Fire Insurance is then, first, a contract of indemnity, under which an Insurance Company agrees that if you fulfil all the conditions of that contract you shall be indemnified for your loss up to the face of that policy. Then, when you have a loss, it is up to you to prove what you have lost, and I may say that not nineteen out of twenty (the one exception is where a perpetual inventory is kept —I say in nineteen out of twenty cases it is impossible to prove what you have lost. You can arrive at a fairly good estimate of it, cut estimates can be made which differ as far as it is possible to differ.

Fire Insurance, then, is a contract of indemnity, and you will obtain a hundred cents on the dollar of your loss if you know how to obtain it and if you have lived up to your contract.

Now, there are several conditions to the contract that you are very apt to fail to comply with. One of the conditions that is very common is this, that you fail to notifiy of the whole amount of Insurance which you are carrying, or fail to protect yourself by having on your policies a clause which reads: 'Further Concurrent Insurance Permitted" That is ths ideal condition.

The next feature in which you are liable to fail in insurance is that you are liable not to live up to the requirements of the Co-Insurance Clause. In nineteen out twenty cases people are stung by the Co-insurance Clause, and if you can get away from it, my advice is to keep away from it. You cannot get away from it if your risk is a sprinklered risk, or if you want a blanket policy over a number of buildings which do not communicate one with the other, that is they are cut off by fire doors, but if you have to carry the Co-Insurance Clause, be sure you live up to it; but as I said, nineteen out of twenty do not live up to it.

With regard to the contract, you should see that your contract really does cover you and insure you on the property which you wish to have insured.

A 'Stock in trade" is one of the most dangerous wordings that could be put into a policy.

What wording then do we use?

On goods, wares and merchandise of every description, and even if you left it at the w... "on goods" you will be perfectly safe, for the word goods will include everything a man owns.

The furniture and fixtures wording should read: 'On store furniture, furnishings, fittings and fixtures of every description."

Fire loss adjustment is a business. It is just as much a business as the shoe business, and it requires a knowledge of fire insurance and adjustment to deal with fire loss adjustments, just as it takes knowledge to buy boots and sell them at a profit.

When you come to deal with fire loss adjustment the goods on your shelves may be worth less than they cost you. I think in the case of those of you who are so fortunate as to have some considerable stock on hand for some time that they are worth a great deal more than they cost you. I would say take stock of your goods at actual cost every time. This is a safe, sane and conservative method.

Another thing about your inventory. Don't take your inventory on loose sheets and leave them that way; no objection to your using loose leaves to take your inventory on, but immediately it is finished have them bound.

Do not keep your inventory where it is liable to be caught by fire. The correct thing is to keep the inventory off the premises altogether, and after you have a fire you will always have an inventory to work with. I do not know many merchants throughout the country who do not keep books.

Mr. Wright was asked for and gave an explanation of the co-insurance clause, It is a contract by which you agree to keep insured up to (and I mention onlyone) 80 per cent. of the value of your property, failing which you become a co-insurer for the deficiency. Now for a sample problem we will take a man who has a stock of $10,000. He agrees that he will insure that stock for $8,000, and if he doesn't insure it for $8,000 he is to be a co-insurer for the deficiency. The fire comes along and he has a loss of $4,000. The adjuster finds that he forgot to renew one of his policies and he has only $5,000 of insurance and he should have had $8,000. He is, therefore, entitled to five-eighths of his loss, $4,000, which is just $2,500.

Enthusiastic Meeting Held In Opera House

(Continued from page 1)

found out by the members of the board, it would lessen the boards respect for them, but he felt positive that labor was beyond any such despicable methods as these, and was sure the Compensation Board would get the hearty support of the labormen.

Organizer J. E. Tighe of St. John was the last speaker and expressed his great pleasure in having the opportunity of addressing such a large audience in the interest of labor, and stated that in St. John it would be impossible to get such a large gathering as this one, unless they purposed making a demand for an increase in wages. He was pleased to see such an interest being taken by the labormen and assured them if they kept this good work up, there would be no doubt about them securing their proper rights. He expected to be on the North Shore for the next six or seven weeks organizing the different towns, and would have further opportunities of addressing the Miramichi Workers. He stated that it had been a great pleasure for him to be the man who was available, at the time of the difficulty between the men and their employers, to settle the difficulties, as he had long wished for a chance to organize the men on the Miramichi. It was now a settled fact, and their Union from now on was one which had to be recognized and dealt with properly by the employers of labor. When preparing the Compensation Act in Fredericton, he had been told by the lumbermen there, who were opposed to it, that until such time as the men on the North Shore were organized, it was impossible for the other parts of the Province to compete with the Northern Portion of the Province. However they had been successful in getting the Compensation Act passed, and now they had succeeded in getting the Miramichi Workers organized. During the next few weeks he expected to organize Campbellton, Dalhousie and Bathurst, which, when he got through would be as strong a union as the one now on the Miramichi. He was glad that the local union were forming up a schedule of wages for next season, as then, when the work opened for the year there would be no difficulty in getting things settled at the start of the season's operations. He was anxious to get all trades and callings organized, so they would all work together and he hoped now that the women had the vote that they would throw in their support along with the labormen.

The Compensation Act which is now law, while not perfect, surpasses the old Employers Liability Act, and he hoped the next step would be to amend the Factory Act, and thereby get more inspectors including a lady inspector. A large amount of opposition had been placed against the Factory Act, and consequently they had been unable to have it properly amended but he hoped in the near future that this state of affairs would be remedied. In the past the different Labor Acts had never been enforced and a Minister of Labor from their own ranks was required to see that they were enforced. This could be accomplished and union should see that it was done, as none of our Provincial or Federal representatives had ever done anything for labor. It was now imperative for labor to see that they got a representative from their own ranks to look after their interests.

Labor had repeatedly asked for Free School Books, and had always been assured that the matter would be attended to, but up to the present moment, nothing had as yet been done. Labor had also asked for a Mother's Pension Fund, to provide for the education and care of children left fatherless, but this matter had also received no attention, while at the same time thousands of dollars were being spent in graft. If a labor minister elected from the ranks of labor unions was appointed this state of affairs would not exist, and it was now time for organized union to see that such an office was created and filled by one of their members.

During the war, there had been very few strikes and labor had been requested to keep on working, and at the same time they had to pay exorbitant prices for flour and potatoes etc. Now that the war was over labor was beginning to take its stand against such profiteering and he had no doubt but what they would win out if they all worked together harmoniously. He strongly advised affiliating with the American Federation of labor, as that body had done much for their Canadian working brothers.

Canadian Unions would never be able to repay the American Federation of labor for all they had done for them and he would strongly advise the Canadian Brotherhood to keep affiliated with them, and by so doing would make their position in all matters pertaining to labor stronger, He had attended the Industrial Conference at Ottawa, and the Labor Representatives at that conference were considered to have better ideas than any of the other members of the different professions represented there. Among the matters discussed at this conference were, Collective Bargaining, 8 Hour Day, Right to Organize, and Recognition of Organization. After much discussion on these subjects the government's answer was, that they did not think the time was opportune for the placing of these laws on the statutes, but he never-the less felt positive that good results would yet be received from the meditations of the Conference.

When the next Federal Election was held he felt sure, it would be a fight between labor and capital, and now was the time for labor to prepare itself for the struggle which undoubtedly was to take place. He did not wish to use any threats, but from now on the employers of labor must realize that labor was out after its just rights, and it intended to get them. Mr. Tighe then read a resolution prepared by the Nelson millmen, regarding a schedule of minimum wages which was handed him by Mr. Wallace of Nelson. It was moved and seconded that this resolution be adopted and carried unanimously.

A vote of thanks was tendered the manager of the opera house for the use of the building for the meeting, and also one to the different speakers of the evening, which was also passed unanimously. Mr. Sugrue on behalf of the different speakers, thanked the meeting for their vote of thanks and in concluding gave each and everyone a cordial invitation to call at the building of the Workmen's Compensation Board when visiting St. John.

President Martin then declared the meeting adjourned.