

DEVELOPMENT OF BURGLARY INSURANCE.

American Growth in a Sideline which Started 20 Years Ago—The Business which began with Banks only, now has Wide Ramifications.

(W. P. Learned, Superintendent, Burglary Department, Fidelity & Casualty Company.)

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Some companies to-day are not satisfied with the coverage that we are now giving our assured, even though we cover the assured and all the members of his family residing with him, and all his relatives who reside with him, and in fact all his guests, but they are offering to extend the insurance for an insignificant premium to cover loss by robbery outside the premises anywhere in the United States from the person of anyone whose property would be covered if lost from within the premises. They make this insurance conditioned upon the use of force or violence. Note the use of the word "or." They say, however, it is not intended to cover pocket-picking. What constitutes sufficient force to bring the loss under the terms of the policy? A jury will decide any force. How easy on the return from the opera or a ball or elsewhere for a woman missing a valuable jeweled ornament to claim its loss by robbery, claiming that she recalled at some time while out a slight tug on her dress. Who is going to say that the article was not stolen by force, and what is going to be the result? Simply payment of the claim. The particular danger of this insurance is that people honestly inclined are not going to value the insurance sufficiently to pay the slight additional premium required therefor. Those dishonestly inclined will recognize their opportunity to make money out of an insurance company. We all know that there are thousands of people who believe there is nothing unfair in a fraudulent claim against an insurance company, and those who are otherwise honestly inclined oftentimes satisfy their conscience in some way by stretching their imagination to bring a loss within the terms of their insurance.

Insurance against loss by robbery of money, securities and other valuables from paymasters, bank messengers, collectors and others is another line of burglary insurance undertaken by the companies during the past few years. This line is growing to assume considerable proportions, and while there is naturally a very considerable moral hazard connected with it, it is my understanding that to date the companies' experience has been more or less favorable. Other lines that have been undertaken under the guise of burglary insurance have been the insurance against loss of teams on the streets and insurances against coat and umbrella losses. These, however, have not been successful, and if I am not mistaken they have been practically abandoned.

Some five or six years since the Burglary Insurance Underwriters' Association was formed. The purposes of this association have been the co-operation of the companies for the general good of the business, and while at times there have been disagreements on policy forms, and at other times on rates, and pretty much all the time on commissions, and while there have been withdrawals from the association, the association has continued its existence until this last spring, when through the influence and by the support of the executives of the companies writing burglary insurance, the association was re-organized on what we hope will prove to be a very firm and lasting foundation.

One particular branch of the work of the association is the maintenance of a bureau to which all notices of claims are reported, and from which this information is disseminated among the subscribing members. In addition, reports of claim payments are made to the bureau monthly or periodically and by the bureau classified, so that statistics are fast being compiled at the bureau which will enable the companies to determine the cost of the various lines of insurances written and to make revision of rates accordingly. It is not difficult to appreciate the value of the work of this bureau to every company undertaking to do burglary insurance. Unfortunately, it has not been possible as yet to secure from all the companies properly classified reports of the premiums received, and, therefore, it has not been possible to draw proper comparisons between the premiums received, and the losses paid. It has so far been necessary to be satisfied with the determination of the amounts paid out by the companies on the various hazards assumed.

As an indication of what the bureau has already accomplished in this direction, I quote from the statistical report on residence burglary claims paid from January 1, 1912, to June 30, 1912. The aggregate number of claims was 6,100, on which there were \$835,000 paid, an average of \$137 paid on each claim. Of this very considerable sum paid out in losses almost 54 per cent., or about \$450,000, was paid out for jewellery stolen, about 7 per cent. for silverware, 19 per cent. for money and the balance, or about \$300,000, for miscellaneous articles, including wearing apparel, etc. Over 85 per cent. was paid out on losses which occurred from premises that were occupied at the time of the occurrence of the loss. About 60 per cent. of the total loss was attributable to loss by straight out and out burglary, 16 per cent. to loss attributable to sneak thieves and about 14 per cent. attributable to servants, leaving a balance of about 12 per cent., or \$100,000, which has been paid out by the companies on losses where it was impossible to determine how they occurred or by whomsoever effected.

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THE CANADIAN ANNUAL REVIEW.

The eleventh volume of the Canadian Annual Revenue of Public Affairs has now been issued by the Annual Review Publishing Company, Toronto. This publication, under the editorship of Mr. J. Castell Hopkins, F.S.S., has become exceedingly well known as a standard authority upon Canadian contemporary history and progress. The present volume in its ambitious scope follows generally the scheme of previous volumes. Every detail which came to light during 1911 of Canadian history and political development—Imperial, National and Provincial; every phase of material progress—agriculture, mining and the exploitation of Canada's vast and varied natural resources; every important element in public affairs—foreign relations, constitutional growth, militia records, financial and industrial interests, municipal conditions, educational and religious progress, statistical detail, is dealt with. A large amount of space is naturally occupied by the reciprocity question and the elections, but not to the exclusion or compression of other matters of importance. The whole volume is one upon which Mr. Castell Hopkins may be congratulated.