

for the great future development that lies before their work in Canada. Like the Fire and Life courses of the Institute, this syllabus outlines a course of study that is extremely practical. So far as is known, this is the first attempt made in America to place before the young men engaged in the casualty business, an opportunity to advance themselves in the knowledge of their profession. The syllabus is as follows:—

First Examination—(a) Arithmetic, (b) Euclid, Book I, (c) Algebra, up to and including Factoring, (d) Composition, (e) Bookkeeping, (f) Geography.

Second Examination—(a) Correspondence and office practice, (b) Agency and Head Office accounts, (c) Classification of personal accident risks, (d) Medical terms and definitions, (e) Accident Insurance Law relating to applications, payment of premiums, beneficiaries and insurable interest, (f) Plans of insurance and knowledge of usual office forms.

Third Examination—(a) Selection of risks and premium rates for accident, liability and sickness underwriting, (b) Claims and their adjustment, (c) Policy drafting, policy phraseology and endorsements, (d) Knowledge of Workmen's Compensation, Employers' Liability and Factory Acts of the different provinces of Canada and Common Law regarding injuries to employees, (e) Re-insurances, (f) Thesis on Personal Accident Insurance Decisions

OPEN COMPETITION IN FIRE INSURANCE.

The originator of the Dean Schedule once defined open competition as that which every man desires on the part of every other man with whom *he* is not in competition. Just now the legislative tendency in various sections of the United States is towards the destruction of fire tariffs and rating associations, the avowed purpose being a saving to the public in fire insurance cost. And naturally, the public desires any conditions likely to bring about such an end. But the mere assertion that anti-compact legislation benefits the policy-holder affords no proof, and a careful examination of the matter reveals considerations that are apt to modify the verdict of the fair-minded.

In the first place, it is to be remembered that fire insurance is essentially a tax, assessed upon the insured as a body in order to cover losses afterwards incurred. Unless such a tax be levied in a manner that will make it possible to provide fully the indemnity contracted for, the public must directly suffer. With price-cutting in commercial transactions the buying class is not concerned beyond the immediate advantage obtained. The loss is the seller's look-out. In a contract for fire insurance, however, the public itself stands to lose from the

payment of inadequate rates. Certain individuals among the insured may—and will—profit; but others must correspondingly lose, either from increase in premiums or failure to receive full indemnity. In the words of Mr. Frank Lock, in the course of an address to fire insurance agents at Richmond, anti-compact legislation for fire companies simply means that they are prevented from working so as to yield equal justice to all.

The rank and file of the supposedly "long suffering public" will not be those to whom reductions are in any marked degree extended. While the rate demoralization growing out of the abolishment of tariff associations means lowered premiums, in certain towns where personal animosity between agents has happened to be keen, in other communities rates may remain practically unchanged. So that even at the outset, the benefit (?) of reduced rates is likely to be inequitably enjoyed. Then, too, it is in connection with large risks that competition is certain to be most keen—so that it is to the big customers that fire insurance bargains are most likely to go under conditions of open competition.

It is a matter of actual observation, according to The Spectator of New York, that rates in anti-compact states are on the whole quite as high as those where companies are permitted to enter into tariff arrangements. While this may, at first thought, be surprising to some, a moment's consideration shows that a *priori* reasoning would also point to this same *a posteriori* conclusion. The companies are not desirous of doing business at a loss, and what they lose by competition in one way they must somehow make up in others, if they are to continue in business at all. And in this connection it is noteworthy that the tendency of open competition is certainly towards an increase in expense.

This indubitable fact is not hard to account for. In the first place the companies are compelled to do individually, in the way of inspection and rating throughout the country, what associations do collectively with a cost divided among all. Then, too, under open competition the tendency is for agents to be "switched" by high commissions. "An immediate increase in the average commission of from five to ten per cent.," in the opinion of A. F. Dean, "may be counted upon as a certainty." So much for increased expense. It is to be borne in mind too that the abolishment of tariffs and all inducements for improvement in physical hazard entails an indefinite increase in the loss ratio. To quote the summing up of the above-mentioned writer, "every penny of this increase in cost, as well as every penny of reduction in rates, must come out of the assets of the companies, beginning with the