

## Correspondence.

We do not hold ourselves responsible for views expressed by Correspondents

### SPECIAL TORONTO LETTER.

Dear Mr. Editor:—

The large number of unoccupied dwellings and other vacant buildings (up in the thousands), at present found in Toronto and suburbs, cannot be a comfortable prospect for the insurance companies having many such risks on their books. For nearly a year this state of affairs has existed, and improvement up to date is but slight. There is every likelihood that next spring will find the situation unchanged, unless some demand for dwellings is created and an influx of householders from outside points takes place. It is hoped that our electric street car system, now fast approaching completion, will materially assist in brightening the prospects of landlords and induce occupation of many at present vacant houses, by reason of the facilities offered by rapid transit. Meanwhile, it is a fact that there are rows of 2 and 2½ story cottages without a tenant in any one house, some with two or three tenants in a row of six or eight. There are again many better class dwellings, held for \$16 to \$18 a month, that have been standing unlet since they were built, eighteen months ago. Put up with money borrowed from loan companies on a narrow margin, the interest must be fast eating up what little principal the builder or owner invested in them. Our insurance companies generally have many such three year risks on their books, that have never earned a cent for their owner. Under present circumstances these cannot be called "desirable risks." Being unoccupied, they naturally deteriorate, and are too frequently practically open to the street, either through unfastened yard gates or unfastened sashes, if not through broken rear windows, and so inviting entry of playing children or tramps. That fires are not more frequent is remarkable. When a builder has overbuilt, and is groaning under a load of taxes and interest, he becomes careless of a property which is a source of outgo rather than income. The loan company between the owner and the insurance company is well protected in any case, but the latter that receives for such risks the same rate as for A 1 hazards of the class in occupation is at a manifest and increasing disadvantage. Through the excellent (for the loan company) provisions of the mortgage clause, if the house or houses be destroyed by fire, the company gets prompt cash from the insurance company. *Nothing* invalidates or limits its title to the amount of loss or damage sustained save the limit of the sum insured, which last is general, ample and generous. Out of these circumstances, this position is evolved.

The owner of an unoccupied row of building is in straits to pay his taxes, interest and fines—over him hangs the threat of enforced sale by the loan company and the likely, consequent, loss of his investment in the property—an immediate cash payment of a few hundred dollars to credit of his account would be a great benefit, and tide him over another year or two to better times; but he has borrowed on the property the last cent obtainable, and nothing more can come from that source. Now, the insurance policy for \$1,000 or \$3,000 on each of his five houses is good; the end house of his row is situated on corner of a lane, and here the children gather by day and the loafers by night to smoke and chaff, etc. It is therefore the least likely house of the five to sell or let, and therefore the most *combustible*,—well, one dark night it takes fire; "children playing with matches" ("rats"), tramps, or "etc.," is the cause. House is damaged \$1500. The loan company notifies the insurance company, and the prompt payer appraises the damage and sends check to the former in ten days. The insured as well as the loan company are of course quite satisfied with the cash, and there is of course no immediate need of expending money in repairing a house not wanted just now for a tenant. The sum of \$1500 is a good return for an investment of \$13, less the loan company's commission to its credit. But was the rate adequate to the risk so greatly increased by prolonged non-occupancy?

There is an excellent way to meet this kind of loss, when the origin of the fire is not evident, though giving the insurance company a little more trouble in closing it up. It is this—Let the company elect to repair the damage and place the premises as before the fire. For if there be no *cash payment* certain to follow a loss or damage, a fire will in no sense better the straitened circumstances of the owner. He will simply be put back where he was. Fortunately the privilege of rebuilding is, I believe, still left the companies under the mortgage clause,—it is about the only thing left of any value to the companies under said clause. I can well imagine circumstances might arise where the loan company also might prefer cash to replacement; so, if the insurance companies put replacement in force to any appreciable extent, a new mortgage clause would be called for by the loan companies, barring replacement as an alternative, and the insurance companies following precedent would no doubt humbly grant the same.

It is quite likely that unless house property improves at an early day, fires in unoccupied dwellings will become more frequent. The only other beneficial influences that I can see are the known promptitude of the fire brigade; and the acknowledged morality of the citizens of Toronto, the Good. Which influence should rank first and be the greater power, I leave you to judge, but *our fire brigade is real smart*.

This has been a quiet month for business; we hope for better times in September. The insurances on the Confederation Life building have nearly all been placed now. Manager Macdonald in the distribution of these has been at once shrewd and liberal, dividing them up as far as possible amongst the local agents, so that increased good will and friendliness may accrue to this deservedly popular life company.

Yours,

ARIEL.

TORONTO, Aug. 27th, 1892.

### LETTER FROM TORONTO.

Editor INSURANCE AND FINANCE CHRONICLE:—

Notwithstanding business has been quiet of late, life agents are hard at work, and I fancy few of them are taking holidays this year. Take, for instance, Alex. Cromar of the New York Life, he has been working very hard the last two months, and if report can be relied upon, he has already secured one of Inspector Thornton's elegant prizes.

Inspector Murton of the Canada Life has been meeting with gratifying success the past two months. In a late trip to Ottawa, I learn that, with the assistance of the company's excellent agent there, Mr. Haycock, he bagged a splendid line of business aggregating over \$100,000. This was completed in the short space of three weeks' time. His numerous friends wish him continued success. The genial representatives of the Mutual Life, the Merritt Boys, as they are called, deserve success this year, as they are really working hard and attending closely to business.

The city representative of the Confederation Life, Mr. R. S. Baird, is at present spending his vacation on the coast of Maine, and doubtless he will return benefited by the change which he apparently needed. By the way, your readers may be unaware that Baird is a prominent politician in the reform ranks, and it is not improbable he may represent that party in the next contest for East Toronto. If he does run, he will deserve many votes, provided he promises to make as good a member at Ottawa as he has of our school board here.

The chain-lightning representative of the Equitable, Captain Keith, still remains in Toronto, and either there are many attractions for him here, or else he finds business better than some of his competitors.

Mr. Hunter, superintendent of the Standard Life, is evidently anticipating a good business this fall, and preparing himself accordingly. When not on the field looking after the interests of his excellent company, this gentleman spends his summer months in a handsome residence at Niagara on the Lake, where he and his charming wife entertain their large circle of friends.

Mr. R. H. Matson, of the Provident Savings, who has been spending some time in the city, has left on a hustling trip among his agents. He reports the company as making steady progress this year.

Among the most active workers is Mr. McIntyre of the Sun; and if energy and attention to business can build up a good premium income, he should certainly succeed.

Mr. Ellis lately returned to Toronto, after a lengthy visit to the Pacific Coast, where he went in the interests of the Federal. If reports speak truly, he secured an excellent business for his company at that distant point.

The agent of the Ontario Mutual Life is doing a nice steady business here, although perhaps the company is securing even better results elsewhere. Manager Hendry expects the year's work will be quite up to last year; if so, all concerned will have no reason to complain.

Mr. Lovell, of the North American, is reported as having captured some nice risks lately, and the company is said to be moving along in the same steady and successful lines as heretofore. Manager McCabe is looking remarkably well, and evidently benefited by his trip to Saratoga, whither he went to attend the meeting of the National Educational Association.

Mr. Thayer, superintendent of the Sun, is once more seen on our streets, and looks remarkably well after his successful trip to many foreign climes on behalf of that company. It is rumored here that the Sun is about opening an agency in Great Britain; if so, I hope its enterprise will be rewarded with success. This venture, if made, will be watched with great interest by the other companies, and it is not unlikely others will shortly follow its example.

By the way, when in London the other day, I learned that the Mutual Life old war horse, Mr. Roberts, is now representing the Germania Life.