MODEL FIRE POLICY

A Few Criticisms and Suggestions.

Leading the discussion on the Model Fire Insurance Policy Act before the Council of Provincial Superintendents at Winnipeg, Mr. T. L. Morrisey, manager of the Union Assurance Society, Limited, acknowledged the debt of gratitude those engaged in fire insurance were under to the Bar Association for the good work it had done in advancing the movement for uniform policy conditions throughout Canada, to its present stage.

Continuing, Mr. Morrisey directed attention to what he called "a popular delusion", that this was a question between the insurance public and insurance companies. Nothing could be further from the truth, he said. It was admitted it would be a convenience to insurance companies to have uniform conditions, but what these conditions might be, interested insurance companies least of all.

"The All Canada Fire Insurance Federation, for which body I speak," proceeded Mr. Morrisey, "was extended the courtesy of reviewing the draft Act. Our first suggestion was that it would be advantageous to have not merely the conditions, but the whole policy form standardized, then every insurer would define in identical language, the risk assumed. What the objection is has not been disclosed, but the suggestion has not been adopted."

Other suggestions were that "property" in section 2, sub-section 4, should include "use and occupancy, rents, charges and profits, where these form the subject matter of insurance"; that the policy must of necessity contain the names of the parties. Another suggestion which evidently did not find favor with the Commissioners, was that the exceptions include: Loss by theft, where assured has not used every effort to save property, where a building or material part has fallen.

Coinsurance.

In Section 7 the condition provides that where a policy contains a coinsurance clause, it shall have stamped on its face: "This policy contains a coinsurance clause", but it goes on to say that the clause shall be deemed an addition, and as such, subject to the provisions of Section 6, that is, left to the Courts to say whether it is just and reasonable.

The reason is not apparent, said Mr. Morrisey. Coinsurance is simple in its application. If it is ever "just and reasonable", it is always "just and reasonable". His own personal view was that the practice of insuring property without the clause was unjust and unreasonable.

Another recommendation they made was to interpolate the words "directly or indirectly" and add the word "Earthquake". The intention, evidently, was to except losses from the specified causes and it would certainly seem desirable to place the meaning beyond doubt. Riot and civil commotion insurance was becoming very common, and whatever would tend to make clear where the liability under one form began and the other ended, would be welcomed.

In the draft Act, misrepresentations are limited to those made when "applying for insurance. Mr. Morrisey said it was equally important that misrepresentations made during the currency of the policy should void the policy. The present Ontario condition met this objection and it should be adopted in its entirety.

The original draft required notice of assignment and consent of insurer, otherwise the policy was void. The final draft omitted this formality and implied the right of an assured to assign his interest in the policy. This was a very radical departure from a settled practice which had always been looked upon as fatal to the contract of insurance, and he could not too strongly urge the reinstatement of the original condition.

RESTRICT AUTO LICENSES.

It takes 8 or 10 years to educate a man to operate a locomotive engine, but anyone — child or adult without any experience or instruction — is allowed to drive an automobile through the most congested streets of our cities, says R. C. Richards of the National Safety Council. There should be some law that would prevent anyone from operating a motor car until he has passed an examination demonstrating that he is capable of doing so with safety to others; for the greatest risk of injury that a careful man or woman runs on the streets, in the schools, in our homes, and industries, is the risk of being hurt by some heedless, careless or reckless person.

A CURE FOR ANARCHY.

Life insurance is the greatest weapen in the world today against radicalism, Bolshevism, I.-W.-W.'ism and all other "isms" now threatening the overthrow of democracy, says P. W. Goebel, President, Commercial National Bank, Kansas City, Mo. Every time companies write a new risk they not only are extending protection to the wife and family of the man insured—they also are writing an insurance against that spirit of anarchy, which, like a snake in the grass, would poison the fabric of our civilization.

THE ONTARIO EQUITABLE.

Waterloo, Ont., has now another claim to be known as the "Hartford of Canada". The sixth insurance company to be organized during its history is now in process of formation. Previously there were three fire companies and two life companies, all of which have been successful. One of the fire companies afterward removed its head office to Toronto, but all the others are still in operation in Waterloo.

The honor of being the birthplace of six insurance companies is certainly a unique distinction for a Canadian town. The "Ontario Equitable" is being promoted by a former officer of the Mutual Life of Canada, Mr. S. C. Tweed, late superintendent of agencies. The progress of the new organization will be watched with keen interest by all of Mr. Tweed's former associates.

NEVER CARRIES A RATE BOOK.

Harry B. Rosen, the renowned New York life insurance agent, stated recently that he wrote $30,000,000 of new insurance in the first six months of 1920, all personal business. This included eleven individual million dollar policies. March was Mr. Rosen's best month, with $11,000,000 written in thirty-one days. The life insurance companies with which Mr. Rosen does business paid him $560,000 in commissions and renewals in the first six months of this year. In speaking of aids to salesmanship, Mr. Rosen said, "I have not carried a rate book in ten years, I never use literature. My business is done on personality and knowledge of human nature."

UNLICENSED COMPANIES SEEK CANADIAN BUSINESS.

The activities of life insurance companies in the United States, which are seeking business in Canada without securing a license from the Dominion Government and otherwise complying with Government regulations, are the subject of investigation by the Insurance Department at Ottawa. Such corporations have neither agents nor assets in Canada and solicit business by letter. They are obliged, however, to employ Canadian physicians to examine applicants for insurance. One company at least, it is stated, forwards to the prospect a list of names of medical practitioners whose examinations will be accepted and also a cheque to cover the physician's fees.

The Insurance Department in a circular just issued points out that a person who inspects risks or does business for an unlicensed company is liable to a fine of not more than fifty dollars and not less than twenty for a first offense and double the amounts for a second. The department believes that physicians making examinations for unlicensed companies under the circumstances mentioned are liable to prosecution for violation of the law. The department also warns the public that insurance placed with unlicensed companies is not protected in Canada as is insurance placed with other companies.