

FIRE INSURE IN CANADA DURING 1918.

(By C. S. Wainwright.)

The excessive and inexcusable destruction of property by fire (so fittingly termed the "fire waste") goes on apace in the Dominion; so much so that the Canadian Government has recognized the seriousness of this condition of affairs and is trying to devise some plan to remedy it. It is estimated that the total value of the property destroyed in Canada during the year will reach no less a sum than the huge total of \$35,000,000, as compared with \$20,000,000 for the previous year. A considerable portion of the former amount represents uninsured property. The Province of Ontario has the unenviable distinction of having a fire waste record for the ten months ending 31st October, 1918, of \$13,000,000, as against \$8,000,000 for the corresponding months of 1917. The heaviest loss of the year was the fire in October, which destroyed part of the plant of the British Chemical Company at Trenton, Ontario. This plant consisted of about one hundred buildings and was constructed at a cost of ten million dollars for the manufacture of explosives. The damage has been estimated as high as \$2,500,000. No insurance was carried on it.

To enumerate the fires of \$100,000 and over (as has been usual in some of the previous annual reviews) would, it is regrettable to state, take up too much space. Those amounting to \$200,000 and over (using the perhaps inflated estimates of the newspapers in cases where other figures are not procurable) are as follows:

January.—Winnipeg, Man., Mercantile Block, \$400,000; Peterborough, Ont., Business Block, \$400,000.

February.—Winnipeg, Man., Business Block, \$400,000.

April.—Saskatoon, Sask., Hardware Store, etc., \$300,000; Toronto, Ont., Shipbuilding Yards, \$300,000; Toronto, Oil Storage, etc., \$200,000; Toronto, Abattoir, \$750,000.

May.—Vancouver, B.C., Shipbldg. Yards, \$200,000.

June.—Shaunavon, Sask., Hotel and Shops, \$250,000; Pembroke, Ont., Large portion of business district, \$750,000.

July.—Pembroke, Ont., Muniton Plant, etc., \$300,000.

October.—Trenton, Ont., Explosives Factory, \$2,500,000; Winnipeg, Man., Mercantile Building, \$300,000.

November.—Toronto, Ont., Muniton Plant, \$200,000.

Year's Estimated Results.

It is not likely that the Companies will show more than a small margin of profit on the year's Canadian business because of the heavy increase in the "fire waste" above referred to, coupled with the large increases in expenses as a result of the onerous advancement in taxes (both war and ordinary) and the increasing totals of fixed charges of various kinds.

Premiums and Losses for 48 Years.

In this connection it is interesting to note that the total premiums received and losses paid by fire insurance companies in Canada during the 48 years from 1869-1917 (the period covered by the Dominion Insurance Department's Report) are as follows:

Premiums received	\$481,986,090
Losses paid	288,621,047

These represent a loss ratio of 59.88% and after allowing for a moderate average expense ratio during all these years and making provision for increase in unearned premium liability, the results are certainly such as to constitute a conclusive answer to any charge of excessive profits by the Companies.

Fire Prevention and the Public.

The most important event of the year bearing upon the business (or rather progression of events) has been the growing interest referred to in the beginning of this article on the part of the Dominion Government and of the public generally in the question of Fire Prevention. For years the Insurance Companies have spent large sums of money in the inspection of towns, their fire brigades, waterworks and police departments. Their recommendations for an improvement in these important civic departments and for a betterment in building laws, have, however, only too frequently been received by the municipal authorities with scant courtesy and often with the unfair comment that the reason for these recommendations was that the Fire Insurance Companies did not wish to run any risk, but wanted the municipalities to spend their money to protect the Companies' interests. Gradually, however, the public seems to be arriving at a realization of the truth that this work which has been carried on by the Companies at their own expense, and the carrying out of their recommendations for improved conditions, are as much to the benefit and advantage of the public as they are in the interests of the Companies—if not more so. The Companies, however, are perhaps to a certain extent to blame for the lack of appreciation by the public some of the real and useful functions of a fire insurance company, inasmuch as they might have done a great deal towards informing the public on these points and removing the prejudice which seems to exist in the minds of a considerable portion of the public towards the Companies.

A "Publicity Bureau" Desirable.

These erroneous prejudices might have been averted by the establishment of some kind of a "publicity bureau" having the above objects in view and also for the purpose of refuting or correcting through the daily press the misleading articles regarding fire insurance which appear in its columns from time to time. While these items are generally inserted through ignorance, their effect upon the public mind is none the less effective.

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