

The Insurance Chronicle

November 2nd, 1907.

FIREPROOF FALLACIES.

"Capitalists and owners must understand that perfect fire protection for structural steel is necessarily expensive. Any so-called fireproofing that is cheap and flimsy is a delusion and will not serve. The application of an effective method ensures permanence of the structure, and at the same time is a great reducer of the rates of insurance."

These words form part of the report of the special commission appointed by the United States Government to report upon the physical conditions which existed in San Francisco at the time of the great fire. They are measured words and grave—all the more weighty, therefore. It is a curious commentary on American recklessness to find Mr. Humphrey, one of the Commissioners, saying in this report that the lessons from the Chicago and Baltimore fire are still unlearned; for not only did San Francisco burned portions show the same faults in construction, but "it is quite probable that the new San Francisco will be, to a large extent, a duplicate of the former city in previous defects of construction."

He contends that the only remedy is the enactment of strict building laws, which will compel an observance of the essentials for fireproof structures. Captain Sewell makes, in the same report, some valuable practical recommendations. One of the most forcible paragraphs notes that commercial standards of fireproofing are dangerously inadequate; the greatest trouble of all being that so little attention is paid to protecting the exterior openings in a building. "The protection of external openings is by all odds the most important constructive problem involved in the efforts to make cities proof against conflagration, and it seems probable that at the present time adequate protection of windows and doors is available at a reasonable cost."

Now, as to the materials and mode of erecting a really fire-resisting building. In Capt. Sewell's opinion the best type of construction "is undoubtedly a steel frame. For buildings of moderate height, say, up to 125 feet as an extreme limit, reinforced concrete alone can undoubtedly be so designed as to give very good results when subjected to either earthquake or fire. As for concrete, there can be no question that good clinker concrete, made of well-burned clinkers, Portland cement and sand, is a very effective fire-resisting material. It is better than anything except the better types of burned clay products." But he has a contempt for cinder concrete, for he says: "The form in which cinder concrete is commercially applied is, on the whole, no better than the flimsy hollow tile work with which it competes; in fact, it is not certain that it may not be worse."

Professor Soule estimates that of a building's entire fire damage the risk from fire within the building is estimated on the average at 40 per cent., the other 60 per cent. of the risk being from fires exterior to the building. This risk for interior fires should be reduced to a minimum by ample provision for fire protection.

A fruitful cause of the spread of fire on this continent has been the wooden shutters, wooden cornices, wooden roofs, wooden window sashes and casings, which have made the communication of fire from the outside so easy, so almost inevitable. On this subject, and on that of easily combustible flooring, the professor has this to say: "Wooden floors have proved to be dangerous and objectionable, but in some instances non-combustible wood may be used for them and for the exterior trim, as, for example, when the heat could never be very great. Metal trim, windows, sash and casings, together with plate glass, or, better, wire-glass, may confine a fire to a single room, preventing a general combustion."

LIFE AND ACCIDENT INSURANCE.

Keeping policies upon a paid-for basis is the only practice that affords either comfort or satisfaction. The most inadvisable and the least desirable course, from the standpoint of individual interest, is to abandon life insurance that has been running one or more years.—The Union Mutual.

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Some people have wondered why E. J. Clark retired from the secretaryship of the National Life Underwriters' Association. The Insurance Times answers that the success of the John Hancock Mutual Life in the State of Maryland and his duties as vice-president of the United Surety Company can give the best reasons in the world for his action.

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An American exchange tells us that the Waterbury, Ct., company which insures manufacturers against losses by strikes made a large percentage of profit last year upon a small amount of premiums. Its total receipts were \$14,755, and losses only \$789, but there must have been expenses moderately estimated at twenty per cent. The strikes, however, have been numerous.

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The Monarch Life Insurance Company, whose progress was retarded in the past by certain individuals, and one in particular, whose names need not be mentioned, is doing good business under the general managership of Mr. J. W. W. Stewart. The operations of this company are confined entirely to the West. Now that the organization is in capable hands the Monarch Life is looked upon as a sound and Western progressive institution.

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In the removal of Mr. E. H. Bissett to Detroit, where he has been appointed manager of the business of the Canada Life Company, Toronto social and musical circles will sustain a distinct loss, although, of course, the company's interests abroad will gain. Mr. Bissett is a successful life man, as his achievements in Brockville and Toronto for the Canada Life have shown. It is reasonable to suppose that the same qualities will ensure him success in the Detroit agency. He will be followed by many good wishes.

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The defense of Dr. Walter R. Gillette, former vice-president of the Mutual Life Insurance Company, of New York, alleged that some officers of the Government had put the prisoner in the wrong, unjustly so. But by a despatch of Monday last, Dr. Gillette first denied and then admitted to a grand jury that he had deposited \$5,000 in a bank to be used in influencing legislation affecting insurance companies. Conviction ensued for perjury, and a sentence of six months imprisonment was imposed.

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The last report of the United States Fidelity & Guaranty Company gives its surplus at the end of September as \$327,035. But the examiners and actuaries of the States of Maryland, Virginia, and Minnesota, represented by Mr. S. H. Wolfe, examiner in charge, make out that its surplus is only \$32,436. This difference is explained in detail by the company, which says that the difference is largely a technical one, liabilities, which are properly, in its opinion, payable in 1907 being charged against 1906. The conclusion reached is that there is "sufficient evidence and guarantee that the U. S. F. & G. Company, with its capital of \$1,700,000, and resources of over \$3,600,000 is in a strong and healthy financial condition."

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A speaker said at Johannesburg, South Africa, last month, that work in the mines has been disorganized by the repatriation of the Chinese. In September it had been possible to replace Chinese by natives, drawn chiefly from Cape Colony, but these were inferior as a class; they were not good workers, and they were expensive. The profits had fallen from £10,000 monthly to £2,700 in September. The working costs had risen 5s. per ton. Natives from Central African provinces, on whom the mines would henceforth also partially have to rely, were physically unsatisfactory, and had an appalling death rate. The average mortality on the Rand in 1906 was 74 per 1,000, while that of the British Central African natives alone was 98 per 1,000. The mortality among the Chinese on the Glen Deep Mine, from all causes, was 12 per 1,000.

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Reassuring words these of Mr. Charles Jerome Edwards, president of the Life Agents' Association: "I do not want any better conditions [for writing life policies] than exist to-day as far as the public is concerned; I do not want any better opportunity to write life insurance than I have to-day; I never enjoyed better in the past. The demand for life insurance is just as great, and the opportunity just as good and better than heretofore." Some general revision may slightly increase commissions all around, but not sufficiently to induce men who won't work to stay in the business; nor extravagant enough to lure new men into it who want easy snaps."