

SASKATCHEWAN HAIL INSURANCE

Explained for Benefit of the Agriculturist—By-laws Must be Passed by Twenty-five Municipalities

In order that the recently passed Saskatchewan Hail Insurance Act may be understood by the farmers, an explanatory pamphlet has been issued by the government. It gives the grain-grower every possible instruction as to procedure under the Act in the form of a catechism.

A farmer who wishes to secure the benefits of the Act proceeds by becoming one of a group of farmers to ask their rural municipal or local improvement district council to submit the matter of hail insurance to a vote of the ratepayers at the next municipal elections.

After describing the ordinary procedure of the passing of a by-law by a council the pamphlet states what is to be done if a council refuses or fails to give the hail insurance by-law for first and second readings in August or September. It explains that if before September 1st, a petition signed by not less than 25 per cent. of the resident ratepayers of the municipality or district asking that the necessary steps be taken to submit the by-law to a vote, is received by the council, the council must give the by-law first and second readings and submit the question to a vote of the ratepayers.

Must Be Twenty-five Municipalities.

Then comes the question. If the hail insurance by-law passes, are all the crops within the municipality or district insured against hail the next season?

The answer is: Not unless the ratepayers of twenty-four other municipalities or districts shall also have passed the hail insurance by-law. These other twenty-four may be scattered all over the province.

The necessity for having twenty-five municipalities or districts pass the hail insurance by-law is explained as follows:—Because it is necessary that the risk be distributed over a large area of land if a low tax rate is to be maintained and the payment of losses made reasonably secure. If only a few of the municipalities were in the scheme, and a good deal of hail should occur in them, the tax would not yield enough funds to pay the losses.

Appointment of Hail Insurance Commission.

As soon as 25 municipalities or districts—if more than 25, so-much the better—have passed the hail insurance by-law, the hail insurance commission is created. This is a body of three commissioners who are to be responsible for the undertaking.

The government selects and appoints the chairman, and the other two commissioners are selected by the Reeves of all the municipalities or districts that have passed the hail insurance by-law. The chairman holds office during the pleasure of the Lieutenant-Governor-in-Council, and the two other members hold office for two-year terms, one retiring each year.

The duties of the commissioners are as follows:—1. Appointing all necessary officers, such as secretary-treasurer, inspectors or adjusters, etc. 2. Receiving all moneys raised under the hail insurance by-law of the various municipalities. 3. Receiving, inspecting and determining all claims for hail losses. 4. Paying all approved claims and all expenses of inspection, etc. 5. Determining the basis on which additional municipalities shall come into the scheme after the first year. 6. Fixing the special rate or tax for hail insurance purposes for the next year.

Special Rate or Tax Levied.

Then comes an important question:—How will the money for the payment of losses be raised? The answer given is:—By a special rate or tax levied on the land of every municipality that has passed the hail insurance by-law. No hail insurance tax is to be levied on municipalities or districts that do not pass the hail insurance by-law.

The amount of the hail insurance tax in the administrative areas where it is to be imposed is fixed, for the first year, at four cents per acre, or \$6.40 per quarter section, or \$25 per section. The rate or tax is assessed on the total acreage of a farm and not merely on the acres under crop.

Some Lands are Exempt.

Lands within the limits of a hamlet (building lots) and land held under grazing lease from the Dominion government are exempt from the special tax. Hamlet lands are exempt because, although within a municipality (or district) they are not farm lands. Lands held under grazing lease are exempt because they are supporting live-stock and not grain crops, and hence should not be taxed for hail insurance purposes.

But certain lands may be withdrawn. Such lands are as follows:—(a) An unpatented homestead upon which there is less than 25 acres under cultivation may be withdrawn by the homesteader from the tax and, of course, from participation in the insurance benefit. (b) Any quarter section or number of

quarter sections of grazing or hay land that is completely inclosed by a substantial fence in good repair, and that is actually used by him for grazing or hay purposes only, and no portion of which is under grain crop or cultivation, may be withdrawn by the owner or occupant, provided he is a resident of the municipality or district. The withdrawal of such lands must be done each year, before May 1st, by written notice to the secretary-treasurer of the municipality or district.

Grain Crops Only are Insured.

Once the farmer's land is assessed for the special hail rate, all grain crops on that land are automatically insured as it were. Indemnity will not be paid for damage to hay, pasture, root, soiling, forage, or silage crops.

With regard to hail losses it is provided that the hail insurance funds of all the municipalities or districts in the scheme are to be pooled, and that all expenses and losses are to be paid out of the one pooled fund. Notification of loss is to be made to the Hail Insurance Commission by registered letter within three days of the damage being done. All losses must be paid before December 15th each year.

The hail rate will appear on assessment notices and be payable just the same as any other municipal or school tax. Its payment can be enforced by the municipality in just the same as any other tax.

No Indemnity if Damage Less Than 10 Per Cent.

There remains the question of indemnity. This fixed by the act at five cents for every one cent. of damage done. Thus if the crop is totally destroyed the indemnity will be five dollars per acre of crop destroyed; if half destroyed, \$2.50 per acre; if one-quarter destroyed, \$1.25 per acre. No indemnity will be paid for damage less than ten per cent.

Should the unfortunate contingency arise that claims for damages amounted to more than the proceeds of the hail tax, then the expenses will be paid in full first, and the claims will be paid pro rata out of the fund then on hand. A late claim will be treated the same as an early claim. A large claim will get the same share and no more than the same share, in proportion, as a small claim.

Success Depends on Farmers' Support.

The pertinent question is asked:—Is it likely that the claims for loss will exceed the funds available to pay them?

To this the following answer is given:—“No; provided the farmers rally to the support of the scheme as they have done to the solution of the elevator problem.”

In further explanation of the scheme the pamphlet states that the commission will have the power to declare a lower rate, whenever it shall have a sufficient surplus on hand to warrant it in so doing. The commission, however, has not the power to increase the rate above four cents per acre.

Private hail insurance companies doing business in Saskatchewan will be undisturbed.

SASKATCHEWAN MUNICIPALITIES CONVENTION

During the convention of the municipalities of Saskatchewan held recently at Prince Albert, two interesting papers were given by Mr. J. N. Boyne, Deputy-Minister of Municipal Affairs, and Rev. E. B. Smith, of Saskatoon. The policy and importance of the department of municipal affairs was strongly evidenced in the discussion on the various resolutions.

The government should be requested to establish in the department of municipal affairs a branch under the control of an expert, who would assist municipalities in the marketing of debentures, was the opinion of the delegates, and was given the hearty endorsement of the convention.

The suggestion was made that a large salary would be required by such a financial expert, but that this might be overcome by the government charging reasonable commission for selling the bonds.

The unanimity with which the convention expressed their disapproval of the bonusing of industrial corporations was gratifying. A resolution was unanimously passed requesting the government to make the necessary amendments to the present city act, to prohibit such competitive bidding.

The suggestion of an enactment which would give cities the power to assess the cost of a high pressure fire protection system, which should vary from year to year according to the actual value of the lands and improvements thereon, was also favored and the necessary resolution passed.

Mr. F. W. Hilton, of Leross, stated that his village had struck a flow of natural gas and he introduced a resolution asking that power should be given to villages, enabling them to borrow money for the development of natural resources within their limits. The resolution was adopted.

There was the usual competition amongst the delegates of different towns to secure the convention of 1913, Indian Head being selected by a good majority from Moose Jaw, North Battleford and Regina.