

THE ONTARIO TARIFF.

On the 1st of this month the Ontario Tariff agreed upon by all the Stock Fire Insurance Companies came into operation, and we sincerely trust, in the interest of all, it will be maintained and even extended—as we hear is likely—to the Province of Quebec. We say in the interests of all because it is of importance to the public as well as the companies that insurance should be on a paying basis, which latterly in Canada it certainly has not been. We are aware that it is difficult to make insurers view the matter in this light, their argument generally being that the cheaper insurance can be procured the better it is for the insurer; but a little reflection will prove such argument a fallacy, and that when insurance does not pay the companies it cannot in the long run be beneficial to the public, for fire insurance being a branch of commerce is governed by commercial laws, and no one would be rash enough to assert that it would be of advantage to the community at large should a number of merchants, through reckless competition, dispose of their goods at a loss. We all know very well that this last means a bad state of trade, which sooner or later ends in disaster and ruin, and in that case not only do the aforesaid merchants suffer, but also the public with whom they have been trading. And so with fire insurance which, if continuously unprofitable, simply amounts to the withdrawal or collapse of certain companies, and the consequent loss of so much circulating capital. Thus it is a grievous error to suppose that it does not signify how the companies suffer, provided the insurers obtain cheap insurance.

The public is sometimes unnecessarily angry with the offices for combining together to give rates or tariffs condemning such under the name of "Insurance Rings," and so forth, reasoning that if fire insurance is a commercial commodity, which we concede at once, an open market is all that is wanted to fix the fair price. But fire insurance differs from other commercial articles, inasmuch as the time for receiving the returns on the sale or transaction is uncertain, and therefore it is that past experience is the compass by which the underwriter is guided. With a parcel of dry goods or groceries we know that it cost so much, and that by selling at a certain figure we secure a profit or make a loss, as the case may be; but this, as we have said, cannot be done as regards fire insurance, and offices by bringing together their combined experience to enable them to arrive at a fair paying price are simply acting wisely and fairly, both to themselves and their customers, in adopting the only course compatible with their business.

We certainly do not intend to notice the foolish outcry raised sometimes against the large reserves accumulated by Fire Insurance Companies, which reserves it is claimed are a robbery from the public, in the shape of unnecessarily high rates; "abuse is no argument," and we shall content ourselves with pointing out that from the returns furnished by the Government Departments, both in the United States and Canada, it is evident that the rates paid to Fire Insurance Companies for some time past have been the reverse of exorbitant, indeed we go further—so far as Canada is concerned—and repeat the generally acknowledged fact that of late years the business of fire insurance has not been profitable, and has been gradually slipping from bad to worse.

It was in order to rectify this unsatisfactory state of things that the Ontario Tariff was inaugurated, the necessities of the case demanding that the demoralization existing so long should be checked and a reformation commenced. The work of compiling a Tariff to meet the requirements of a district like Ontario is both arduous and complicated, but we believe the same has been accomplished in the spirit of fairness and equity towards the public as well as the companies. We do not mean to say the Tariff is perfect, but it errs rather on the side of leniency than stringency, while, in a vast undertaking of this kind, it is almost impossible, in the outset at all events, to avoid some inconsistencies, but the method pursued, as a whole, has reflected credit on those who have taken the active part in framing the Tariff. That method has consisted in classifying the various cities and towns according to their fire protection, construction, etc., and fixing the rates accordingly. The offices considering it to be but reasonable that those towns which had spent large sums of money in water works and steam fire engines should reap the benefit thereof by a correspondingly moderate rate of premiums. There are five classes—the highest composed of cities like Hamilton, London, Ottawa, Guelph and St. Catharines, and the lowest comprising towns or villages having only a hand-engine or no fire protection. This ought to be acceptable to the insuring public, and offers an inducement to the lower classed towns either to provide themselves with fire protection or to improve those appliances they already possess.

It is possible there may be one or two towns who think they should rank in a higher class than that in which they have been placed, for there never was a law made which satisfied all parties, but we are of opinion that, taken altogether, the companies in their classification have shown the strictest impartiality.

The Tariff, it must be admitted, so far is simply a minimum Tariff, and does not deal with the contingency of exposures, nor that of the additional hazard incurred by more than one risk being between two fire walls; but it is not wise to attempt too much in starting any reform, and we have no doubt that when the Tariff is in good working order these points and others will be adjusted.

We have not the space to criticize the minor details of the Ontario Tariff, but the objectionable features seem to us comparatively "few and far between;" and we can only conclude with the repetition of the hope already expressed that this praiseworthy effort of the Companies to retrieve past errors and place Canadian Fire Insurance on a sound basis will be upheld and extended.

PROPHECY IN THE LATTER DAYS.

On Tuesday, the 25th September, information reached this city that a schooner being built at Belyea's Cove, Queens Co., by Mr. Samuel Gilchrist, had been destroyed by fire on the previous Sunday, also two barns located near the ship yard, and the item was published in the city papers. The announcement was also made that the vessel was uninsured. Parties living near the yard were surprised on reading the item in the papers, as they were still able to look upon the schooner in all her fair proportions making rapid progress towards completion. On the following Sunday morning, however, at a very early hour the vessel was discovered on fire and totally destroyed. The only portion of the prophecy which failed was the burning of the barns, as none were near the yard. The vessel was also insured.—*Daily News, St. John, N.B.*