

# The Chronicle

## Insurance & Finance.

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**Municipal Insurance.** The "Boston Herald" reports that a number of the leading business men of the town of Holyoke, Mass., appeared as petitioners before the Legislature recently for the establishment of a municipal department of insurance in that city. Mr. Whitcomb, president of the Holyoke Business Men's Association, made an able presentation of the scheme, and his remarks were listened to with great interest. According to the figures presented the experience of the city for the past fifteen years shows that the losses by fire were not over \$60,000 a year and that the premiums charged by fire companies for insuring the property were more than double this sum. The petitioners believe that if the proposed municipal department charged property owners the rates for fire insurance that they are now paying, at the end of a few years there would be a considerable sum of money to be divided *pro rata* among the policyholders. They argued that a city should be permitted to supply insurance to its citizens just as it does water and electricity. Taking the above as a text, our "Boston Contemporary" remarks that while such a scheme may be carried out successfully in cities of the old world, adds that it should be borne in mind that where municipal insurance is attempted the conditions of building construction are such that a conflagration is impossible. The laws governing construction in force in most of the cities of continental Europe are such that a room or a door in almost any building could be entirely burned out without injury to the other parts of the building or to the contents, other than that directly subjected to the fire. For a fire to occur and extend to another building would be considered in France, Italy and a large part of Germany as an almost un-supposable experience. Under such conditions there is a certainty about fire insurance and a direct limit to possible losses that make it a relatively easy matter for a city government to protect its people in this way. The "Herald" continues to contrast American building

conditions, and cites the Boston fire of 1872, the Chicago fire, and the conflagrations in Paterson, N. J., and Waterbury, Conn., to show the unwisdom of municipal insurance in American cities at this stage of their history.

### The U. S. Steel Corporation and Insurance.

One item amongst the Assets in the elaborate statement of the United States Steel Corporation reads: "Insurance Fund Assets, \$926,615." On the other side, in the Liabilities column, we read: "Insurance Fund, \$1,539,485." The following explanation of these items is given in "The Standard:—"

"Prior to the trust merger the constituent companies each carried fire insurance. Whether the business in its entirety was profitable to the insurance companies cannot be ascertained. It is known, however, that for the two years immediately preceding the consolidation, the American Tin Plate Company and American Steel & Wire Company received from the insurance companies in settlement of losses fully as much as they paid in premiums, and perhaps more. Upon the complete organization of the trust the major portion of insurance held upon its numerous properties was dropped, a sinking fund created, and self insurance maintained. Outside indemnity is now carried only upon mortgaged property, which constitutes a small portion of the whole.

"Under the supervision of H. N. Marsh, a trained man, the United States Steel Corporation operates a complete insurance department. Four experienced inspectors are employed, who travel from New York to San Francisco, and from Atlanta to Duluth, inspecting the many plants of the corporation and ordering whatever in their judgment will add to their physical safety. Four inspections are made a year, and no expense is spared in the matter of equipment to attain the desired end."