

INSUFFICIENT FIRE INSURANCE.

Thanks to the resources of sensational journalism, we have been hearing lately a good deal of the iniquities that are alleged to follow in the wake of over-insurance. Those who have been concerned with these "orrible revelations" might have done something more useful, though it would have had the drawback, from their point of view, of not being at all sensational, if they had called attention to the serious losses which are incurred not only by the individual but by the community at large by the persistent practise of under-insurance. Under-insurance does a great deal more harm to the community year by year than all the over-insurance that all the arson-trusts that have been lately talked about ever thought of. No one can pay attention to the fire record of this country for a short time without being struck by the large proportion of cases where fires take place and where the property destroyed is either not insured at all or grossly under-insured. The phenomenon is not confined to the country-side, where a variety of circumstances combine to make the subject of fire insurance of somewhat less importance than it is in the towns, nor is it confined to those whose insurable goods are not of large values. Even in the towns and cities are to be found many cases of under-insurance. Perhaps the least defensible are those where property is held by those who, morally, if not legally, are in the position of trustees. There have been several notable instances in Canada during recent years, where property of this kind has been destroyed—grossly uninsured. With a private individual it may be argued with some show of reason that he has a right to run the risk entailed by the "penny wise and pound foolish" policy in question, but in the case of property held in trust for public or other purposes, this argument cannot hold. Those in charge of buildings of this kind are in duty bound to see that the financial loss by fire which would accrue to those for whom the property is held in trust is guarded against in the only way in which it can be guarded against, by the maintenance in force of sufficient fire insurance.

WHY RATES ARE HIGH.

A common argument used in support of negligence of this kind is that the insurance rates are too high. This has been put forward again at Gretna, Man., where a large number of buildings were wiped out a few days ago—a considerable number of the owners and occupiers being uninsured. This argument would be more legitimate if those who put it forward were business-like enough to adopt the only measures which can be soundly efficacious in the reduction of fire insurance premiums, *viz.*, the reduction of the hazard and the provision of proper means of fire protection and prevention. In the case of Gretna, it appears, for instance, that the town contained no

modern fire fighting equipment at all; merely various ancient appliances useless for the emergency which arose. Can it be considered surprising if, under such conditions, fire rates are high?

LOSSES ARE WIDESPREAD.

But in fact the most serious result which follows the practise of persistent under-insurance is that it is injurious to the business of the community as a whole. Fire insurance is the only method by which the monetary losses of the individual can be effectively minimised. But no man can live to himself, least of all in the business centres of the present day, and a loss heavier than need be, sustained by an individual careless regarding his insurance, will have its effect upon a wide circle of business connections and through them upon the community as a whole. It is often argued, and justly so, that a man is culpably improvident towards his family, if he neglects to insure his life, and it is equally true that he who does not carry a fair amount of fire insurance is more than careless towards those with whom he has business dealings. If owing to an insufficient insurance, a fire may ruin or embarrass him considerably, he is certainly risking other people's money as well as his own and placing himself in the position of a man who makes a bet when he cannot afford to lose. If adequate fire insurance were more generally carried, business in Canada would be on a sounder basis.

LUDICROUS LEGISLATION.

Of the foolishness of legislators, there is no end. The latest local case in point is the proof of age law passed by the legislature of Ontario. The first requirement of this new Act is that periodical notice requiring proof of age is to be mailed to the policyholder, "stating that the age of the insured is material to the contract, and evidence that the age stated in the application is the true age of the insured will be required before the policy is paid." That is to say, the legislature tells the insurance companies to refuse to pay upon a policy falling due, unless the insured can produce some proof that the age he stated in his application made perhaps twenty years before is the correct one.

Presumably in due course the courts will get busy and give us some idea of what evidence regarding age is, their decisions being obtained probably at the heavy expense of unfortunate litigants—unfortunate whoever they may be. The difficulties that are likely to arise under a strict construction of this law can be best appreciated when regard is had to the extraordinarily cosmopolitan character of the Dominion's population and the large percentage of foreign born. There will be endless trouble.

The present legislation is particularly annoying inasmuch as at the time of its first appearance, the committee who were appointed to look into the matter showed a disposition towards intelligent appreciation of the companies' representations. However, the chance of passing one more piece of ludicrous legislation was too good to miss. So another unnecessary and ridiculous law takes its place on the statute books.