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FIRE RATES.

Many of the States are Attempting an Innovation as to
the Regulation of Basis Schedules.

An attempt to set up a board of arbitration upon fire insurance rates has in recent years been made several times in Connecticut and Massachusetts. This year has seen a more determined effort to inaugurate the scheme. Kansas led the way and the New York Chronicle thinks it also supplied the model. Her law, which took effect June 1, required every fire insurance company to file with the State Commissioner basis schedules showing rates "on all classes" of insurable risks and all charges or conditions affecting such rates. No change can be made in these schedules when filed, except on ten days' notice, which notice shall state the proposed changes and the date for going into effect; but the Commissioner may allow changes in less than the prescribed ten days. No company may insure any property in Kansas unless the rates schedule has been filed, or write at any rate different from the one filed, or allow to any person any rebate or advantage; in case of property as to which no rate has been filed, a company may write a policy but must file with the Commissioner, within thirty days, after such form as he prescribes, a statement setting forth the rate on such property, its description, and such other information as he may require; this statement shall follow the regular schedule form, and when filed shall constitute "the local tariff rates for said company." All schedules shall be open to public inspection, and each agent shall keep copies for public display. When the Commissioner "shall determine that any rate made by an insurance company in this State is excessive or unreasonably high, or that said rate is not adequate to the safety or soundness of the company granting the same, he is authorized to direct said company to publish and file a lower or a higher rate, which shall be commensurate with the character of the risk, but in every case the rate shall be reasonable."

Give the Company an Opportunity

When the Superintendent wishes to make any order he must give the company concerned, an opportunity to appear and be heard. Any dissatisfied party may bring the Commissioner before any district court, which may try the issue "as in other cases of a civil nature," and may vacate his order.

Texas followed by creating a Rating Board, to consist of the Commissioner, a second man appointed by the Governor, and a practical underwriter, to be named by a majority of the companies doing business in the State, if they could agree upon one within ten days. Not later than the close of this year, each company is to file rate schedules, open to public inspection, and not to be changed except on thirty days' notice, unless in special cases. These rates shall be conclusive; no company may write on property not covered, or may depart from the published rate, or grant any concession. The three arbitrators may put rates up, if deemed too low for safety, or may direct publication of a lower rate, if deemed too high. In general, the provisions follow the Kansas model; but an additional paragraph gives the arbitrators specific power to alter the published schedules, with a proviso that any company may reduce its rates to match any lower ones established by the board, but said board "shall never make a higher rate than the schedule published by said companies."

"Show Me" State Also Frames New Laws

Missouri's new law gravely authorizes any citizen in making or publishing estimates of rates to obtain information from any source available. In terms, this is broad and innocuous, applying to any person; the intent is to apply only to citizens who make a business of the work of rating bureaus. But on written complaint filed with him in respect to any rate, the Commissioner of Insurance may investigate, and if he finds the rate too high he is to order the associated agents to publish a new one, after which the agents whose associating is authorized must not agree upon any other rate.

The motive underlying these laws is plain. The Texas State association of local agents frankly declared that they prepared and pushed through the law there, for the purpose of ending discriminations and guaranteeing uniform treatment to everybody; not one of the 140 companies operating in Texas, they said, ever heard of the bill in advance or was ever consulted about it. They were frank as to their expectations, also. Competition is assured (they said) through the greed of the companies for business and the provision preventing the board from raising any company's rate, "thereby making the lowest rate govern, and all companies must meet that rate or cease writing." In Kansas, while the ostensible reason for the law was to enforce the square deal and uniformity there has been grumbling because it has not immediately produced the expected reductions. Governor Stubbs himself, wrote to Commissioner Barnes to say

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