

**MISLEADING COMPARISONS.**

Business men who have not given any attention to fire insurance rating problems may well be excused for not being able to understand why, in two cities showing very nearly the same fire loss ratio for a series of years, fire insurance rates should be higher in the one than in the other, or why in the one case the city authorities should be required to expend a considerable sum of money in improving the fire protection, while no such requirement is made in the other. The difference in rates and the demand for better fire protection will appear unreasonable. These same business men have no difficulty in understanding why the rate on an old frame building is considerably higher than on another of modern steel construction. And if the modern building should burn, as it often does, and the frame building should obstinately refuse to burn, as it often does, they would still consider the difference in the fire insurance rate on the two properties amply justified. Why not equally so in the case of towns and cities offering the same anomaly? It is the potential hazard rather than the actual record that must be taken into consideration in the making of fire rates. Before San Francisco was destroyed its record for fire losses was a good one. The engineers of the National Board reported that the city was liable to be wiped out at any time, but against this expert opinion stood its record, and it was maintained that, notwithstanding this expert opinion, the city could not burn, because of the dampness of the climate and the slow-burning nature of the red wood of which most of its frame buildings were constructed. But the experts were right, after all.—*Boston Standard.*

Mr. F. W. P. Rutter, general manager of the London & Lancashire Fire Insurance Company, has been elected a director of the Company.

**THE CO-INSURANCE CLAUSE.**

The property owner who carries a fire insurance policy upon his property with the co-insurance clause attached agrees that in case of loss he shall receive only the proportion that the amount of insurance carried bears to the amount of insurance that is stipulated in the co-insurance clause.

Therefore, if the insured is to collect the full amount of any loss he must at all times keep his property insured for the full amount called for by his co-insurance contract. If he fails to maintain the required amount of insurance, in case of loss the company is only liable for that portion of the loss which is represented by the proportion that the actual insurance bears to the required amount. Thus, if the value of the building is \$20,000, then under the 90 per cent. co-insurance clause the insured is required to take a policy for at least \$18,000. If this is done the company is liable in full for any loss not exceeding the face of the policy. However, if the insured carries only \$9,000 of insurance or one-half of the required amount and a loss of \$4,000 takes place, the co-insurance clause prevents the insured from collecting his claim in full by providing that this \$4,000 loss is to be paid only in the proportion that the insurance actually carried (\$9,000) bears to the 90 per cent. insurance required (\$18,000) which is one-half of \$4,000, or \$2,000. In such case, therefore, the insured would be carrying one-half of the insurance and the company one-half, or in other words, he is co-insurer of one-half of the risk.

The two states of Massachusetts and Wisconsin have established state life insurance funds. At the close of nine years the Massachusetts fund has considerably less than \$10,000,000 of business in force. The Wisconsin fund has virtually gone out of business.

**It's a Hard Rub**

For a woman to unexpectedly find it necessary to become a breadwinner. You wouldn't like your wife to come to that, would you?

But what about your widow? Why not provide for her a regular monthly income to begin at your death and continue as long as she lives? You can do it by means of an Imperial Life policy.

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