GROWTH OF AUTOMOBILE INSURANCE.

(*A. S. Matthew before Insurance Institute of Vancouver*).

The extent and ramifications of the insurance business and its influence in the realms of production and finance are but dimly comprehended by the average individual. It has woven itself permanently into our social fabric. Like everything else, it started in a humble way, but it has kept pace with the growing needs of the human race and, to-day, it occupies so commanding a position that it might well be termed the bridesmaid of commerce.

Whenever a new invention has brightened the pages of historical achievement the insurance pioneers have always been ready to extend their protection into the new field so that the development of the enterprise might not be hampered by the hazards which usually accompany industrial expansion. Automobile insurance has been no exception to the rule. As a matter of fact, the first policy was issued very shortly after the introduction of the motor car itself. But as the luxurious machine of the present time is the result of a process of gradual development, so also has this branch of the business been extended and improved in keeping with the rapid expansion of the traffic. Notwithstanding this fact, however, it must be confessed that the business of automobile insurance has not yet passed the stage of juvenility when compared with the mature and scientific principles which form the foundation of our fire and life insurance underwriting. The automobile industry itself is of comparatively recent origin and sufficient time has not yet elapsed to enable us to compile reliable statistics. Furthermore, the changes in the car have been so numerous and so bewildering that the early figures do not form a very safe ground-work upon which to erect our present underwriting plans.

TWO CLASSES.

The business of automobile insurance might be subdivided into two classes, namely: (1) loss of or damage to the car itself by fire, explosion, self-ignition or lightning; while being transported by land or water; by theft, robbery or pilferage; by collision with any other automobile, vehicle or object; and in some cases by mechanical breakdown. (2) Pecuniary loss suffered by the owner as a result of claims made by the public for injuries or damage to property. In this latter category might also be placed injuries suffered by the owner himself and by his chauffeur.

A policy insuring the car against destruction or damage by fire was the earliest form of automobile insurance. In the initial stages the insurance offices pursued their way very warily. To speak frankly, there was little demand by the public, owing to the fact that the early car was unreliable, inconvenient and terribly expensive, and, as a consequence, the advantages of motor traction were not appreciated. In recent years, however, radical changes have been made resulting in the vast and startling growth of the automobile industry, and now the premiums in the automobile department have become a very important adjunct to the ordinary fire insurance business.