

Annual Report on British Columbia Insurance

Superintendent of Insurance shows progress for insurance during 1918—Efforts toward reducing fire waste—Favorable fire and life experience.

The eighth annual report of the superintendent of insurance by Mr. H. G. Garrett, for the province of British Columbia covering business transacted in 1918, is just off the press of the King's Printer, Victoria and reviews in considerable detail the operations of the department and the insurance experience of the past year.

Under the operations of the British Columbia Fire Insurance Act, 109 companies transacted business of which 108 were Dominion licensees and 1 provincial licensee. Seven companies entered the field during 1918 and six companies withdrew.

In connection with premium income, Mr. Garrett says:

As compared with 1917, the premiums showed an increase of more than \$400,000, but, on the other hand, the losses paid were larger. It may be surmised that the changes in the figures were alike due to war hazards and the rise in values. A statement has been added to indicate in some measure what other sums are disbursed out of the premiums collected, over and above the amounts paid for losses. The bald figures of premiums and losses are apt to convey the misleading impression that the balance is mainly profit. It will be observed that, if we omit Prince Edward Island and the Yukon, British Columbia has the best record in Canada for the last three years.

On the subject of fires, Mr. Garrett continues:

The subject of fire-waste and fire-prevention has received a great deal of publicity, and it is quite clear that there exists considerable apprehension and alarm over the situation. The huge losses sustained by the country year after year are, it is recognized, a peril and contribute to the upward tendency of prices. In Ontario a league was formed, and is in active operation, for the purpose of fighting the negligence and carelessness, which lies at the root of the whole problem. While the organization is affiliated with the Fire Marshall's Department, it is founded on voluntary effort in the public interest. In this Province a similar league was established independently and simultaneously (indicating the degree to which public opinion is awakened) under the title of the "British Columbia Fire-prevention League." At the close of 1918 the league had not actually commenced work, because the appointment of its first executive was not complete, and it was felt to be of paramount importance that the officers should be men to whom the public would listen and who would devote real energy to the cause. At Ottawa the Dominion's Superintendent of Insurance called together a very similar body, and has established in his Department a special branch for fire-prevention work. There is no doubt in my mind that, even though these efforts do not bear fruit in the manner visualized by their promoters, results will come, and we can confidently anticipate that the community will before long be stirred to realize the vital necessity of diminishing the fire loss.

The work of the Department in the field of fire inquiry and inspection has been vigorously carried on by Mr. J. A. Thomas, who was appointed under the amendments of 1918 to the "British Columbia Fire Insurance Act." I cannot speak too highly of his efforts and enthusiasm, and am convinced that his services have already proved of the greatest benefit. It is obvious, however, that one man cannot cope with the work, and I submit for serious consideration the enlargement of the staff for this purpose. Ways and means are, of course, the serious factor in the present state of finances; but I may point out that in several Provinces a special tax of 1-3 of 1 per cent. of the premium income is levied on the fire insurance companies. The fund so formed is ear-marked as if it were a trust fund, for the sole purpose of fire prevention and investigation. The officials then ap-

pointed constitute an expert corps which not only carries out the instructions of the Department, but acts as auxiliary and advisory to the municipal and other officials who already exist.

The fire statistics are not so satisfactory as during the past few years. There is a considerable increase in the number of fires and the amount of loss. The latter figures for the first time exceed \$2,000,000, making an average loss per diem of over \$5,000 and a per capita loss of \$5.25, with 400,000 as a round estimate of population for the Province. It should be observed that the losses shown comprise only losses covered by insurance. The difference between the two sets of figures, less the amount covered by unlicensed insurance, is absolute loss.

The larger figures for 1918 I ascribe in part to a more complete series of reports and to the enhanced values of property destroyed. With regard to reports, I may remark that the persons and companies responsible are filing them more promptly and in better shape than in the past. It is hoped that the importance of keeping these comprehensive statistics will be fully realized in order that effective steps may be devised for a reduction of the fire waste. In particular I should like to see a still further reduction in the number of fires of "unknown" origin. Experience gained by investigation will no doubt tend to produce that result. It is hoped, moreover, that the campaign for thrift and conservation will bear fruit and the figures for 1919 show a distinct improvement. No one who examines the statistics can fail to be struck by the numerous instances where carelessness only was the reason for the fire. Many of these fires are no doubt insignificant in themselves, but reviewed in the aggregate and with a realization of the danger attaching to every fire they are extremely serious.

Analysing the figures and comparing them with 1917, we find that the losses in the district municipalities are mainly responsible for the increased loss. Burnaby, Delta, Maple Ridge, Point Grey, and Richmond show considerably higher figures; the last named due to the conflagration at Steveston. Among the cities Vancouver's fires and losses alike record increases, accounting for 75 per cent. of the total losses in city municipalities. Its per capita loss is higher than the average for the Province. The showing of Victoria is highly creditable. In the table setting forth the causes of fires the increase in number of fires due to exposure is largely attributable to the Steveston fire. Sparks from different sources caused 25 per cent. of the total number of fires. There were four lives lost by fire during the year.

Fires involving a loss of more than \$30,000 numbered eleven, and their importance may be estimated by the fact that their total loss amounted to \$1,296,000, or over 61 per cent. of the year's loss. The balance of 39 per cent. was caused by 933 fires. These figures are striking, but tell the same story as any similar statistics for Canada and the United States. The eleven fires occurred as follows: Six on lumber-mill premises, one each in a shipyard, a factory, a warehouse, and a store, and one at Steveston. The practical importance of proper inspection is well illustrated by the Steveston fire, which was due to a defective stove-pipe. But the moral of these figures as a whole is that primary and continuous attention should be directed by all parties to the necessity of keeping plants of all descriptions free from fire hazards.

Five formal fire investigations were held under the "British Columbia Fire Insurance Act" as amended in 1918, and although no case of arson came to light, there is no doubt that the inquiries were beneficial. Apart from these, Mr. Thomas has conducted numerous investigations with the aim of preventing fires, and in that field has achieved fine results.

Under the operations of the Insurance Act which covers insurance other than fire, 107 companies transacted business