

knowledge which has pointed out to property owners the dangers of these myriad defects.

It has largely devolved upon the fire insurance interests to impress the need and value of State fire marshals, both with reference to the investigation of causes of fire and the work for their prevention. The National Board of Fire Underwriters has prepared a model fire marshal law to this effect.

Another line in which the fire insurance interest has worked steadily for more than one hundred years is in the organization of salvage or protective corps to save property at the time of the occurrence of a fire while the firemen are engaged in the work of extinguishment, and this work is performed irrespective of whether the property so protected is insured or not. All this is said in

NO SPIRIT OF BOASTING,

but to substantiate the contention that the broad effects of the fire insurance business have been pre-eminently to the conservation of life and property. This is deemed to be proved by the facts summarized above, and it should be accepted that the benefits of the business are overwhelmingly greater than the dangers which accompany it. There has heretofore been withheld from the best elements in the fire insurance world sympathy on the part of the public to appreciate the underlying purposes of the business which would insure their support to the proper objects of it.

Because it has seemed possible for insurance companies to get a small increase in premium from over-insurance or careless underwriting it has been assumed that the general policy has been shaped by these sordid considerations. It might with more reason be charged against the medical profession that they deliberately cause the spread of disease in order to secure income from its treatment, as doubtless it could be shown that such a motive might produce such an effect, but the medical profession is rightly acquitted of such a charge. As regards fire insurance, the motive lies wholly to the contrary of what is charged. Any company which would recklessly allow upon its books property overinsured, or would knowingly pass as policyholders men of incendiary tendencies, could not live. It is well known to be the practice of fire insurance companies to sift the business offered for evidence of moral hazard or for previous incendiary record by all the means which exist for these purposes. This is true, notwithstanding all the assertions to the contrary made in the public press. Some chances may be taken by them on high physical hazard, but no company can play loosely with the moral hazard without being bitten. The business is bound to be judged upon the question of motive as well as upon its broad policy of conservation. Furthermore, it is a matter of record that companies thrive best in those States which have the lowest average rate; they make the best profit out of the classes of risk which have the lowest rates. The cumulative weight of all the considerations advanced should be sufficient to establish that the business is one conducted on a high standard of regard for the public weal and to refute charges to the contrary which have been widely disseminated in the public press with but scant justification.

TO FOCUS THE DIFFERENT POINTS

emanating from our problem they are briefly epitomized:

1. Fires numerous and destructive existed prior to

the origin of fire insurance.

2. The great fire of London originated the modern fire insurance business.

3. Fire departments were an outcome of the fire insurance business.

4. The organization of fire insurance and fire departments produced a body of experts in fire protection.

5. Incendiarism for insurance as distinct from all other motives is probably responsible for 3.42 per cent. of all fires.

6. The amount of incendiary loss, with insurance as the cause, was probably about \$8,000,000 in 1912.

7. The crime of arson is epidemic only in certain sections of a few large cities, occasional elsewhere.

8. The great volume of fire loss has no relation whatever to incendiarism.

9. Overinsurance bears but a very small relation to the total volume of insurance.

10. Temperamental hazard, meaning recklessness and a perverted public sentiment, is the largest individual factor in the fire waste.

11. Inspection prior to fires is not a preventive for incendiarism.

12. The general signing of applications for insurance is not capable of universal application.

13. Remedies can be found for fire waste in fire marshal laws, qualification of agents and public adjusters, a record and investigation of all fires, restriction of amount of insurance on small properties, amendment of the penal code, co-operation from the authorities with the insurance companies in fraudulent cases, fines or imprisonment for carelessness or criminality, the adoption of proper building codes.

14. Climatic conditions, cheapness of timber and carelessness of population are causes which prevent European standards of fire waste.

15. The fire insurance business encourages the conservation of life and property far more than to the contrary, it has strengthened fire departments and water supplies, through its rates it penalizes defects and encourages remedies, it studies the hazards of new industries, it encourages all methods of internal protection, it encourages the adoption of building codes and of fire zones in large cities. It maintains a valuable testing laboratory, it effects millions of inspections thus improving conditions of properties, it urges the appointment of State fire marshals with police powers, and it maintains salvage and protective corps for the protection of property. Fire insurance thus represents a great preservative force.

The topic of "Fire Insurance in Relation to Incendiarism" being regarded as a challenge, the answer is demonstrated in the foregoing summarized conditions. The issue was raised as to whether fire insurance is primarily an element of destruction or of conservation, and it is submitted that the answer is that only to a minor extent does the business prejudicially affect life and property, but that in its general influence it is essentially an element of conservation both of life and property, and as such entitled to sympathetic support from all concerned.

Speaking in a general way of the Northwest, I would say that everybody is optimistic; the crop has heartened the people; the manifold activities of the country are greatly increased since I was there two years ago, and optimism is the ruling spirit everywhere.—*Mr. H. S. Holt.*