

IMPORTANCE OF FIRE AGENT'S POSITION.

Integrity, while an indispensable qualification for the fire agent, is unfortunately not the only essential to his success. Were it so, the business of fire insurance in Canada would not be faced with a number of the problems which those in executive charge of it are called upon constantly to deal with, arising from the lack of technical qualifications on the part of agents, and even their want of application of the rule of common-sense to the business. An agent's integrity may be above the slightest suspicion or reproach, but if he does not back up his integrity by knowledge and care, it may easily happen that he may do his company and the whole community grave injury.

The fire agent's position in the business and social organisation is one of importance, and unless he realises that importance and the responsibilities of his position he cannot and will not do his best work. The fire agent is in the position of a trustee for security, that security running perhaps into millions of dollars, and he is only to make a grant of that security to such as are worthy of it morally and on such property as the company deems a reasonable risk. The agent is responsible not only to his company but also to the community, for carelessness in the conduct of his business may have as its eventual sequel large losses to the whole community of which the agent is a member. The insurance by an agent of a bad moral hazard, the real facts regarding which he had suppressed or slurred over, or not taken the trouble to enquire into, may quite conceivably result in a conflagration involving large losses to a whole community and possibly the loss of human life itself. The agent cannot escape the moral responsibility, whatever may be his position legally, for a disaster in such circumstances. "When in doubt don't take the risk," is a very good rule for the fire agent to follow closely in connection with the moral hazard.

TECHNICAL EDUCATION.

Another indispensable qualification of the fire agent, if he is to be really successful, is that he should have the capacity of becoming familiar with the forms and documents with which he is supplied and be able to use them intelligently, and also have the grace to obey instructions promptly.

Particularly is this needed when instructions are received to cancel. There is then no time for argument. The agent may indeed feel that if he could make further representations, the edict would be withdrawn, and it is possible that the cancellation notice is due to a defective presentation of the facts on his part in the first instance. But in any case, when once the agent has received notice to cancel, there is no time for further explanation and information. The only necessity is prompt action—if it is not prompt a fire may come first.

His education in the technical conditions which make good and bad risks will last the agent his life-time, and then he won't know everything. But the agent will not go far wrong if he is able to satisfy himself that as regards the physical hazard the risk he has to insure is well constructed of its class, was constructed for its present occupation, is clean, well run, houses a profitable business, and is well

protected against fire. Upon that foundation he can gradually build that structure of sound and thorough technical and business knowledge, accruing both from practical experience and from the insurance journals and text-books which will make of the agent in due time a representative whose services any company will highly appreciate.

EXPENSES IN WORKMEN'S COMPENSATION.

One of the stock arguments put forward by advocates of Government workmen's compensation schemes is that they can be worked at much less expense than can the business of the stock companies, who are alleged to be guilty of gross extravagance in their conduct of this business. This argument, like a good many so-called arguments put up in favor of socialistic schemes of this character, is frequently no more than an assertion unbacked up by facts and figures. Its hollow character is effectively shown in a recent criticism by Hon. P. Tecumseh Sherman, a well-known authority on workmen's compensation, of claims made by the Ohio Industrial Commission, which administers a State workmen's compensation scheme. The Ohio Commission stated that State fund plans have demonstrated that workmen's compensation insurance can be administered on an operating expense of from 6 to 8 per cent. It appears probable, rejoins Mr. Sherman, that the Ohio Fund is cheaply administered for the reason that it is very defectively administered. Two essential features of sound insurance management particularly are wanting:

1. It does not inspect risks. Thereby it saves in the expense account, but on the other hand sacrifices the ability to furnish insurance at fixed rate fairly proportionate to risks together with all efficacy for accident prevention.

2. It exercises almost no surveillance over claims and claimants. The claimant selects his own physician and that physician's report is generally relied upon as proof of the right to compensation. By this practice a large saving is effected in the expense account, but the door is thrown wide open to far more expensive impositions upon the claims account. European experience teaches that the compensation law is subject to wholesale abuse, unless such abuse is guarded against by the most thorough and systematic surveillance. To omit almost all such surveillance because of its relatively high cost is dangerously false economy.

This disposes of the Ohio claim to real cheapness pretty effectively. The Commission does not give the service that the companies give; the Commission's insurance is in fact of the variety which appears "cheap" because it is also nasty.

The public, instead of urging legislation compelling a reduction in insurance rates irrespective of considerations of safety, should on the contrary urge their legislators to enact laws compelling insurance companies to charge adequate rates.—F. Robertson Jones.