

PITFALLS IN MUNICIPAL MUTUAL FIRE INSURANCE.

Reference was made in these columns a few weeks ago to the Municipal Mutual Insurance Company, an English concern insuring municipal property only. It was then pointed out that the concern has not made a great deal of headway. That its methods are not without a suspicion of sharp practise is seen from a case which has lately been adjudicated upon in the London courts and is reported in full in the Manchester Policyholder. Briefly, the Pontefract (Yorkshire) authorities, after insuring with the Municipal Mutual for a number of years, wished to have their property covered by a stronger institution, and placed the business elsewhere. The Municipal Mutual claimed, however, that under agreement the business could not be removed until the latest addition to the properties insured had been covered for five years, and then only after the expiration of five years' notice. In other words, the original policy issued to the Pontefract authorities was dated 1904, but in later years fresh insurances were effected, and it was contended that, as regards notice of transfer, the latest date, 1914, governed the whole, and the Corporation was legally bound until 1924. The clause was described as unfair, unreasonable and unintelligible to people who were not experts.

In 1914, however, the Pontefract authorities considered the cover of the Municipal Mutual so unsatisfactory that they would not be associated with the concern any longer, and taking the bull by the horns, transferred their business forthwith, pointing out that, as the policy contained a clause to the effect that non-payment of premium cancelled all the policyholders' rights of indemnity, the Municipal Mutual was then free of all liability and suffered no damage. But the Municipal Mutual, months later, claimed payment of the premiums in full, although the clause would indicate that no consideration had been given therefor. The Municipal Mutual secured a favorable verdict in the courts.

Of course, a contract is a contract, remarks the Policyholder in commenting upon this case, and we are bound to say that we do not see how the Pontefract Corporation could expect to succeed—for a man is not entitled to break an arrangement merely because he finds he has made a bad bargain. On the other hand, however, the incident is a clear warning to others that once they get into the clutches of the Municipal Mutual they must be prepared for the concern to take full advantage of any technicality the law provides. Most insurance offices rely upon an efficient and generous service for the retention of their connections—but judging by the Pontefract case—the Municipal Mutual prefers legal ties.

WESTERN CANADA FIRE UNDERWRITERS ASSOCIATION.

A special meeting of the Western Canada Fire Underwriters Association was held in Chicago last week, with the revision of the Constitution as the principal business, experience having developed some points in which theory and practice do not agree. The following Montreal members attended the meeting:—Messrs. R. MacD. Paterson, Phoenix of London; Harold Hampson, Insurance Company of North America; J. H. Labelle, Royal, and John Jenkins, Employers.

BARN FIRES FROM SPONTANEOUS COMBUSTION.

During the years 1912-1916 inclusive, no less than 5,200 barns were destroyed in Canada, with an aggregate loss of over \$7,850,000. These, like the majority of fires, might have been avoided by the exercise of intelligent forethought and proper care. Investigation shows that the most prolific sources of barn fires are lightning and spontaneous combustion. Evidence gathered from all parts of Canada and the United States proves that rodded buildings are practically immune from lightning damage. The cost being a mere fraction of the possible loss in case of fire, it is of economic importance to the farmer that every barn should be efficiently protected by lightning rods.

While it is more difficult to arrive at conclusions with regard to fires caused by spontaneous combustion, it is generally held that such fires are of frequent occurrence. Owing to the excessive number of barns burned in Ontario during the summer of 1916, an investigation was undertaken by Prof. W. H. Day, Professor of Physics at the Ontario Agricultural College, with a view to discovering the exact conditions favourable to spontaneous combustion in stored grasses. It was proved that large quantities of imperfectly cured hay were frequently stored in barns with little or no ventilation, and that the high temperatures reached during fermentation resulted in a number of fires. Farmers are not generally aware that the cells in hay continue their existence for some time after it is cut and, when the moist compressed mass is housed in close barns, a temperature of 132 deg. F. is quickly reached. Added to this, the heat from microscopic spores, germinating seeds and the heat of the sun upon the roof may raise the temperature of the mow to 212 deg. F., when charring commences. The carbon thus formed absorbs oxygen and the mass grows hotter until, at 265 deg. F., visible combustion takes place. Bran, grain and silage may also ignite spontaneously under similar conditions. The remedy for spontaneous combustion is simple and easily applied. All hay should be perfectly dry before storage. In mixed grasses, special care should be given to the clover. Timothy may appear perfectly dry while the heavy stalks of clover may retain a large percentage of moisture. All barns should be provided with ample top ventilation. If these simple matters are given the attention they deserve, spontaneous combustion will cease to figure as a cause of barn fires in Canada.

It is understood that the Fine Art and General Insurance Company, Ltd., one of the leading British fire, burglary, and personal accident concerns, is to be absorbed by one of the big British institutions.

WANTED

Prominent Insurance Firm would like to secure AGENCY for a GENERAL LIABILITY COMPANY for Montreal and District. General Agency terms as to commission looked for. Address,

AGENCY,
c/o The Chronicle,
MONTREAL.