

Medical and sanitary science year by year decrease the dangers of unfavorable contingencies, so that, by avoiding the hazards of infancy, youth and disease, they are pretty safe in their conclusions. The fire underwriter, however, is in a very different position; he may have his tables of experiences of every different class of risks, but it is certain that the circumstances affecting each and every class are continually changing, not often for the better but too generally in the direction of increasing the fire hazard in proportion to the advances made in science and manufacture.

From the tallow dip to kerosene; from the tinder-box to the well-named lucifer; from the waxed thread of the cobbler to the cement of the shoe factory; from the hand mill of the East to the Hungarian process of flouring, every step in every walk of life has brought to the fire underwriter a new, unknown, and increased danger; even the Electric Light has made its mark as a cause of fire.

Then, however new a process may be, the fire underwriter is called upon to protect it from the danger of which its discoverers are generally ignorant, and to name a rate protecting the infant without waiting for its arrival at maturity, so that the unknown hazard of the new and the increased moral hazard of the old (brought about by the introduction of the new) are both at once crying out for the immediate solution of the problem of their fire hazards.

This is an every-day experience in a fire office, and if opinions differ as to the value of the risks, or if an arbitrary tariff is made, which, whilst bringing profit to some offices, brings loss to others, who shall dare to criticise either the original action, or the modifications brought about by these diverse experiences?

The life underwriter throws out the immature and the impaired, quoting rates for the sound lives, which are, by this means, believed to be above the average in the probabilities of longevity.

The drunken steam wood work factories; the consumptive shoddy mills, the apoplectic woollen factories with pickers in them; the hereditarily diseased frame rows; the gouty livery stable with all the congestive batting and varnish factories, cry for protection without any attempt on their own part to be cured of their almost certainly fatal diseases.

Even when physically good risks are offered, they are too often apt to have bad habits of uncleanness or of evil companionship, which will assuredly lead to their destruction, so that the fire underwriter needs more varied knowledge, and has to encounter more unknown dangers and to estimate more contingencies than any other professional man; and, until our fire underwriters establish an institute for the study of the fire hazard of every change and contingency, and discuss them by treatises and correspondence in INSURANCE SOCIETY, we must expect diversities in estimates, in ratings and in experiences.

As at present the lowest estimate controls the general rate, it is very evident that until this happy time arrives the *minimum* of premiums will invariably be received.

#### THE REMEDIES.

A very extensive experience in insurance in different parts of this continent, with exceptional opportunities for investigating and observing the causes of such losses as the

companies seek to protect themselves against by means of the conditions on their policies, have enabled the writer to know that *the only real preventative of unsatisfactory losses is care in the selection of agents, their proper instruction and supervision.*

This truth is applicable to all Insurance Companies whatever form of insurance they may follow. Faithful men of good judgment will save them from losses which they can avoid by no other means, but in the case of Fire Insurance Companies it is especially true, and is the more readily made practicable by means of the insurance surveys, plans and maps of cities, towns, villages and manufactories with which they, year by year, are being better supplied, as from these latter they can instruct their agents on all points affecting the physical hazard and hazard of locality, whilst the agent can, in turn, inform them as to the hazard of the proprietors and occupants, their care, cleanliness and general habits, thus forming a complete information as to the risk to be assumed.

If, at this point, judgment born of experience decides the acceptance or the rejection, the rate, and the form of written policy, then, after considerations of "conditions" will seldom affect the business, and in this way their imposition by Statute will work no injury to the careful underwriter.

But, if the conduct of the business of Fire Insurance is left to persons who have no knowledge of its principles, or no interest in its results, beyond the amount of commissions to be derived from it, then it is a curse to the country in its temptations to fraud and incendiarism, and should be wholly abolished by Statute, instead of being merely restrained.

#### TARIFFS.

In the discussion of this subject one is always apt to tread on dangerous ground, because that every underwriter has different experiences and, *par consequent*, differing ideas, based upon those experiences. To one who has the good name of Canada at heart, as well as that *esprit du corps* which wishes his profession to stand well with those who follow it as such, as well as with those who support it by guaranty of capital or by patronage, the establishment of a tariff rating on a basis which shall give scope to the study of the principles of Fire Insurance, and field for practice based on experience, whilst at the same time satisfying both those who invest money in stocks of Fire Insurance Companies and in the policies issued to them, that it affords safe investment on the one hand and certain indemnity on the other, the establishment of a tariff rating on proper principles is a subject of great interest.

The changing of a rate, whether by increasing or decreasing it, upon a risk, which in itself is unchanged, except when a manifest error has been committed, is an absurdity which cannot be justified without the condemnation of those who made and received the rate previously established.

The spectacle of a dozen companies *tendering* differing rates upon a risk is a confession of want of fixed principles and data in the general conduct of the business which should combine in one, experience of the past, judgment of the present, and prescience of the future.