

PRACTICE IN AUTOMOBILE INSURANCE*

Growth of Business Has Carried it into Hands of Fire Companies—Form of Policy Has Changed

BY JOHN B. LAIDLAW

President, Canadian Automobile Underwriters' Association

THE insurance of automobiles is necessarily of very recent origin, and was at first written as regards the hazards of fire, transportation and theft by marine insurance companies, while the insurance of the owners' liability for damages for injuries to other persons arising out of the use of the automobile was undertaken by casualty companies. The hazards of property damage, that is, damage to the property of others injured by the automobile, and collision insurance to reimburse the owner for damages to his own car by collision were covered by both the marine companies and the casualty companies. In a short time fire insurance companies commenced to write automobile insurance as to fire, transportation, theft and also property damage and collision.

The business having been first undertaken by marine companies, the form of policy and its conditions were naturally along the line of a marine policy, and the practice of issuing a valued policy also followed marine custom. Gradually, and as automobiles became used everywhere, the fire companies, with their extensive system of agencies, wrote an ever-increasing proportion of the business as compared to the marine companies with their agencies only in the more important cities, and following upon that, the form of policy has gradually changed until the form now generally used in Canada and the United States has become more like the regular fire policy than a marine policy. The form now used generally in Canada was prepared by a conference of the companies writing automobile insurance, and it has recently been approved with some few amendments by the insurance commissioners in the United States, but we understand has not yet been adopted by any state.

Standard Policy and Conditions

A form of policy and conditions has been prepared by the president of your association, which the underwriters will be glad to discuss with you. It deals with insurance against fire, transportation and theft, and it should be made clear that property damage and collision can also be covered by endorsements added thereto.

The insurance of liability to the public is now written in Canada by a number of companies under contracts of which hardly two are alike in wording, although all alike or practically so in effect. No effort to prepare a uniform contract or uniform conditions for this class of insurance has so far as we can learn been made in the United States or Great Britain, and we are unable to suggest any uniform form to you at this meeting. If you think such should be prepared we suggest you appoint a committee to consider the matter with whom we can confer, and report to your next annual meeting.

Two Classes Differ Greatly

The nature of the two main classes of automobile insurance, that is, fire, transportation and theft on the one hand, and liability on the other, are so radically different, that quite different conditions would seem to be required for each. There is also the further consideration that by the insurance laws, a number of companies writing the one are prevented from writing the other, and on that ground, too, separate conditions and policy forms are required.

It is perhaps carrying coals to Newcastle to quote statistics to insurance commissioners, but it may not be out of place to point out that the automobile fire premiums, which include some collision and property damage premiums, have increased from \$341,944 in 1916 to \$1,524,279 in 1919, while

the liability premiums, which also include some collision and property damage premiums, have increased from \$567,559 in 1916 to \$1,901,704 in 1919. We believe that only a small proportion of automobiles are insured against fire, and even less against liability. So that there will probably be a steady development of the business.

He is surely a reckless individual who in these days of crowded traffic and careless pedestrians will operate an automobile without protection against his liability to the public, no matter how careful or experienced he may be. I have not attempted to deal in detail with the proposed conditions in these opening remarks, and would suggest either their reference to a committee or their consideration, clause by clause, in open meeting.

BRITISH INDUSTRIES FAIR, 1921

The three Fairs, although held in different towns (London, Glasgow and Birmingham), are, in reality, only sections of one Fair, and together constitute the greatest Trade Fair in the world.

The London Fair is directly organised by the Imperial Department of Overseas Trade on behalf of the British Board of Trade, while the Fairs in Birmingham and Glasgow are organised by the municipalities of the respective cities under the auspices and with the support of the British Board of Trade. An important point in the organisation of the three Fairs is that they are held practically concurrently, and that each Fair represents a specified group of industries. No industry is permitted to exhibit at two Fairs, and consequently the buyer knows that at whichever Fair he may be visiting he will find the whole range of exhibitors in any particular trade or trades. Further, by careful arrangement of the dates of the sections, it is made easy for him to visit all three should he wish to do so, for while the London and Birmingham Fairs run concurrently from the 21st February to the 4th March, the Glasgow exhibit opens a week later on the 28th February.

TORONTO REAL ESTATE BOARD

A Real Estate Board for the city of Toronto was organized at a meeting of real estate men in that city on October 4th. A board of nine directors was elected. It is the intention to operate along the same lines as the Real Estate Boards in the American cities, more particularly Detroit, where the brokers have advanced their profession to keep pace with the very rapid growth of that city in recent years. Practically every city of 50,000 population or more in the United States have a Real Estate Board, which are all affiliated with the National Association of Real Estate Boards, at the annual meeting of which all the prominent real estate brokers in the United States are gathered together, and in the interchange of ideas a great deal of good is accomplished for the community at large.

The chief purposes for which the board was formed was to raise the standard of ethics and efficiency in the real estate business; to protect the interests of all owners of property in the city and environs, as well as the interests of real estate brokers; to bring the real estate men together and promote sociability, so that they shall act in harmony with each other rather than independently as in the past, and to take effective and organized action when necessary to combat unfair legislation and measures detrimental to the interests of the citizens in general and the real estate interests in particular.

Hamilton real estate dealers are also planning to follow the example of the Toronto realty men, and will form a real estate board. They say this board would afford protection to the property-owner, in addition to raising the standard of efficiency among the dealers. Any person who had a grievance against a dealer could obtain redress from an arbitration committee of the board.

*An address before the conference of provincial insurance superintendents, Winnipeg, October 4-7, 1920.