

### The Moral Hazard in Fire Insurance

The most pronounced feature of the fire insurance business now is the intense interest on the part of underwriters in the question of whom they have insured rather than what they have insured. Up to a few months ago underwriting consisted largely in watching lines. It was commonly said that there was no moral hazard. With goods scarce and prices rising, nobody wanted a fire. Now goods of many kinds are a drug on the market and prices are falling. Still nobody of the right kind want a fire. The question that interests the underwriter is how many of the wrong kind he has on his books. Those who went through the war period and succeeding months, giving the same attention to the character of the assured they took on as they had done in the past, are not worrying much.

Observation will convince almost anyone that insurance companies cannot do business profitably with people who are not right—it matters not whether they be agents or assured. A conceited belief by companies that they could manage agents who have proved crooked with other companies has cost them millions of dollars, and an equally foolish belief that if the risk was fit physically and the rate right they could overlook the character of the owner has cost them other millions. If the worry of this period when moral hazard is feared should impress underwriters with the truth that they can deal safely only with those above suspicion, the lesson would be worth much to them.

—N. Y. *Journal of Commerce*.

### Have You All the Life Insurance You Can Carry?

The following quotation from the Ohio State Journal will be found of practical value to life insurance men:

"A physician of long experience told us the other day that, when the time comes, few men dread death itself for themselves. There seems to be some kind provision of nature which influences

men to meet the inevitable, and calmly and almost contentedly. What they do dread, he said, is leaving their families unprovided for, and he told of some sad scenes where men about to die repented in bitter self-reproach their failure to assure while yet there was time the comfortable future of those looking to them for material support. It was the strongest life insurance argument we ever heard. No young man has a right to assume family responsibilities without doing the best he can to safeguard the future of his wife and hoped-for children. Life is uncertain, and we sometimes think the officiating clergymen ought to include among the questions which the hopeful but impecunious bridegroom must answer satisfactorily before taking this woman to be his wedded wife: "Have you all the life insurance you can carry?" That may sound rather material, even irreverent, but the old physician's testimony shows how essential to one's spiritual peace material things may be."

### The Future of British Insurance Rests with Composite Offices

The "Commercial World" of London says that the future of British insurance rests with the composite office. The office writing one class of business only will in a few years, it says, be regarded as an anomaly. There still remain half a dozen British life companies only that have so far shown no indication of branching out into other fields or making consolidations that would connect them with composite interests and operation.

### HE'S GONE

There was a man who fancied,  
By driving good and fast,  
He could get his car across the track  
Before the train came past.  
He would miss the engine by an inch,  
And make the train crew sore—  
There was a man who fancied this,  
But—there isn't any more.—B. & O. Safety Dept.

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