

BRITISH COLUMBIA INSURANCE IN 1918

Fire Insurance Losses Over Five Dollars Per Capita—
Practically All Lines Show Growth

DURING the year 1918 there were 109 companies doing fire insurance business in British Columbia, of which all but one had Dominion licenses, according to the report of W. G. Garrett, superintendent of insurance for British Columbia, which has just been issued. Seven fire companies entered the province during the year, and one withdrew. Both premiums and losses showed increases. The report refers to the fire prevention movement, and the formation of the B.C. Fire Prevention League. Work in the field of fire inquiry and inspection has been carried on by J. A. Thomas, who was appointed under the 1918 amendments to the B.C. Fire Insurance Act. Referring to fire insurance, Mr. Garrett says:—

"The fire statistics are not so satisfactory as during the past few years. There is a considerable increase in the number of fires and the amount of loss. The latter figures for the first time exceed \$2,000,000, making an average loss per diem of over \$5,000 and a per capita loss of \$5.25, with 400,000 as a round estimate of population for the province. It should be observed that the losses shown comprise only losses covered by insurance. The difference between the two sets of figures, less the amount covered by unlicensed insurance, is absolute loss. The larger figures for 1918 I ascribe in part to a more complete series of reports and to the enhanced values of property destroyed. With regard to reports, I may remark that the persons and companies responsible are filing them more promptly and in better shape than in the past. It is hoped that the importance of keeping these comprehensive statistics will be fully realized in order that effective steps may be devised for a reduction of the fire waste. In particular I should like to see a still further reduction in the number of fires of 'unknown' origin. Experience gained by investigation will, no doubt, tend to produce that result. It is hoped, moreover, that the campaign for thrift and conservation will bear fruit and the figures for 1919 show a distinct improvement. No one who examines the statistics can fail to be struck by the numerous instances where carelessness only was the reason for the fire. Many of these fires are no doubt insignificant in themselves, but reviewed in the aggregate and with a realization of the danger attaching to every fire they are extremely serious.

High Losses in Districts

"Analysing the figures and comparing them with 1917, we find that the losses in the district municipalities are mainly responsible for the increased loss. Burnaby, Delta, Maple Ridge, Point Grey, and Richmond show considerably higher figures; the last named due to the conflagration at Steveston. Among the cities Vancouver's fires and losses alike record increases, accounting for 75 per cent. of the total losses in city municipalities. Its per capita loss is higher than the average for the province. The showing of Victoria is highly creditable. In the table setting forth the causes of fires the increase in number of fires due to exposure is largely attributable to the Steveston fire. Sparks from different sources caused 25 per cent. of the total number of fires. There were four lives lost by fire during the year.

"Fires involving a loss of more than \$30,000 numbered eleven, and their importance may be estimated by the fact that their total loss amounted to \$1,296,000, or over 61 per cent. of the year's loss. The balance of 39 per cent. was caused by 933 fires. These figures are striking, but tell the same story as any similar statistics for Canada and the United States. The eleven fires occurred as follows: Six on lumber-mill premises, one each in a shipyard, a factory, a warehouse, and a store, and one at Steveston. The practical importance of proper inspection is well illustrated by the Steveston fire, which was due to a defective stove-pipe. But the moral of these figures as a whole is that primary and continuous attention should be directed by all parties to the necessity of keeping plants of all descriptions free from fire hazards.

"Five formal fire investigations were held under the 'British Columbia Fire Insurance Act' as amended in 1918, and although no case of arson came to light, there is no doubt that the inquiries were beneficial. Apart from these, Mr. Thomas has conducted numerous investigations with the aim of preventing fires, and in that field has achieved fine results."

Life and Other Lines

The number of insurance companies, other than fire, doing business was 107, of which 88 had Dominion licenses; 16 companies came in during the year, 2 withdrew, and 5 supplementary licenses were issued. There is now over \$100,000,000 of life insurance in force in the province. Premiums for miscellaneous insurance showed an increase of \$200,000; automobile, marine, sickness, and accident insurance all showed increases, while employers' liability showed a decline.

Mr. Garrett's report concludes as follows:—

"The legislature at its session this year carried into practice the principle of uniform legislation by enacting a new 'Fire-insurance Policy Act.' The statutory conditions contained in the act are practically identical with those in force in Alberta, Saskatchewan, Manitoba, and Ontario. The other amendments to the statutes relating to insurance do not call for special mention.

"Allusion should be made to the resolution of the legislature that 'early consideration by the government of legislation with respect to State Health Insurance . . . is desirable.' It is a matter fraught with great potentialities for both success and failure. State insurance of this kind has, of course, been in existence for many years in Germany and for some few years in England, but in America it is a novelty. There has been recently much debate and close investigation by our neighbors across the line, and in some states the question has been put to the vote of the people; for example, in California, where it was rejected. The arguments pro and con are naturally very numerous and the considerations involved of grave importance. It may be asserted that the experience of England and Germany is of little value in determining whether such proposals are practicable in this province. The conditions of the population and the area affected, both leading factors, are so different. There is a large body of opinion in the United States adverse to such state insurance, and the most notable element of the opposition is the American Federation of Labor, which is absolutely hostile. The public here seems to be little acquainted with the subject and its ramifications, and the hope may be expressed that the press will thoroughly investigate it before urging either its adoption or rejection.

"The losses by fire having during recent years grown to such perilous dimensions, legislation respecting prevention of fire was enacted in April last by Parliament. Provisions have been embodied in the criminal code, making negligence under certain circumstances a crime. The amendments are so important that I feel they should receive as much publicity as possible.

"Last year I ventured to suggest in my report that the insurance acts referred to should be consolidated, and the experience of another year has confirmed the view I then entertained.

"There is, too, an increasing number of insurance agents in favor of legislation which would make a license a necessary qualification before any one could act as such agent. Other provinces and many states have a law of this kind, and I believe I am correct in saying that everywhere it has proved of high value, not only to the public, but also to the insurance fraternity. The subject deserves early consideration.

"The importance of the insurance companies as investors in the province is pointed out in two tables furnished in the report. The life insurance companies as at the end of last year have invested \$16,179,154.61, of which \$6,826,824.75 is invested on mortgages and \$9,352,329.86 is invested in other securities. While fire and miscellaneous insurance companies have invested \$6,588,459.70 of which \$3,201,399.01 are invested in mortgages and \$3,387,060.69 are invested in other securities."