SOCIETY JOURNALISM AND THE ACCIDENT COMPANIES

A Toronto weekly journal, hitherto chiefly known as an agreeable gossip, with a *penchant* for smart society, fashion plates, dry goods advertisements and the like has been lately moved to feature a series of articles violently attacking the business of accident insurance. The writer of these articles has hitherto been known as a fire adjuster and his untrained criticisms of accident business contracts, the phraseology of which has been the result of, say, thirty years' work by specially trained legal minds and judicial contact with the business, are not edifying. This gentleman poses as an "expert." If this "expert's" ideas prevailed, the accident companies would be called upon to pay a multitude of fraudulent claims. They would thus be compelled to increase their premium rates to such an extent, that no business man could possibly afford to pay the charges. The end would simple be ruin for the accident companies and disaster to the public unable to obtain their protection.

How far is this attack on the accident companies justified? The whole point of it eventually comes to this: that their policies contain certain conditions; that there are certain specified risks and circumstances which the premium does not cover; that in short, the companies limit their liabilities.

That in brief is what the whole of this wild and whirling series of articles amounts to.

This "expert" foams because the accident companies won't gamble; because they won't be so foolish as to take on an unlimited and unknown liability; because they adopt the ordinary business methods of giving value in exchange for value received.

A CARELESS BUSINESS MAN.

The "expert" cites the case of a "Toronto business man," who wanted to travel through the far north of Canada. He took out an additional $10,000 accident policy, but before it was issued, started on his journey. When he got back he read the policy and discovered for the first time that "the policy provided that neither the principal sum, nor any of the benefits would be paid to anyone who met with accident while 'travelling in unsurveyed territory,' and after I left the railroad nine-tenths of the country through which I travelled was unsurveyed." He concludes, therefore, that the insurance was a "joke."

But has he really got anything to grumble about? Of course not. He could easily, if he had been as businesslike in this matter as presumably he is in his ordinary business transactions, have found out beforehand whether his abnormal risk was covered by the ordinary policies and premiums. Why blame the company, because taking no trouble, he didn't get what he wanted. The fault, if fault there was, was his own. If he transacted his own business in the easygoing way in which apparently he expected the insurance company to transact its business, there would soon be an end to it—in the bankruptcy court.

THE "EXPERT'S" LACK OF KNOWLEDGE.

The limited extent of this self-styled "expert's" knowledge of his subject was revealed in his opening articles. He had to go far afield for evidence to support his contentions. In fact, he went so far afield that he got astray in a report made by the Superintendent of New York State regarding a system of claims settlement, which applied only to a small section of the *Industrial* Accident Companies' business, and not to ordinary accident business at all. This particular investigation showed some glaring cases where the public had been taken advantage of by local representatives who extorted settlements by falsely and fraudulently interpreting the conditions of the policy. Needless to say this form of bluff on the part of the persons complained of, would not have held good in any court of law, but was the means of hoodwinking more or less ignorant policyholders.

It is said privately that in one case the matter was brought to the notice of the insurance commissioners by some of the other represeutatives of the same company. The commissioners in turn brought the matter before the notice of the head office of the company in question who immediately made amends by dismissing every member of the staff who had a part in such extortionate settlements and revising all its claims settlements for the previous five years to satisfy the commissioners and the public that the company itself had made amends for the wrong done by its local representatives. *No such conditions exist in Canada. In fact, there is no company transacting Industrial business on the same lines.*

AN ASTOUNDING SUGGESTION.

Subsequent articles only go to prove that this "expert's" knowledge is of that character which is said to be dangerous. Last week he made the astounding suggestion that insurance companies withdraw from their policies a clause to the effect that they are not liable unless the premium has been paid previous to the happening of an accident. The essence of any insurance contract from the days when policies were first issued right down to the present is based on the great, broad principle of prepayment of premium, i.e., payment of premium binds the company on the risk.

However, in these days of commerce when business is more or less contracted on credit, customs have arisen which are recognized and protected by the courts of justice and practically all insurance companies have entered into the practice of permitting responsible representatives to hand out policies and "binders" to responsible applicants for insurance.