

THE CONFLAGRATION HAZARD.

In view of the recrudescence in Canada, of municipal insurance proposals which ignore entirely the conflagration hazard, it is worth while stating afresh what this hazard really means in terms of dollars and cents. THE CHRONICLE'S records show that there have been in Canada since 1845, thirty fires which each resulted in a property loss of from \$750,000 to \$13,500,000. The total property loss caused by these thirty fires is \$82,000,000. The greater portion of this loss has taken place in comparatively recent years. Sixteen of these fires, involving an aggregate property loss of \$46,500,000, have occurred since 1900. Of these sixteen, twelve took place in cities and towns, representing a property loss of \$37,000,000.

It is sometimes assumed that better building construction and developments in fire-fighting apparatus and fire-fighting methods have served to neutralise the conflagration hazard to a large extent. But, in fact, any lessening of the hazard owing to improvements in construction, and the use of more effective fire-fighting methods has been offset by the development of new hazards, resulting from the use of modern processes in industry and commerce. The facts above stated regarding the incidence of Canadian conflagrations in recent years are extremely illuminating in this connection. The truth is that the progress of scientific invention and practise in industry is not only bringing new and serious hazards into the business of fire insurance, but is having a serious effect upon the conflagration hazard. The insurer that ignores this fact, does so at his peril.

As regards the financial effect of the conflagration hazard, it may be recalled that in 1904, when the wholesale warehouse district at Toronto was swept away, the Dominion licensed fire companies in Canada incurred Canadian losses in a proportion of 107.76 per cent. to premiums received; in 1900, the year of the Hull-Ottawa disaster, the proportion was 97.00 per cent. Further back, in 1877, the year of the St. John, N.B., fire, the companies paid out in losses a sum equal to 225.58 per cent. of the premiums they received. It requires considerable time to get back from such experiences as these to a basis of a small average profit. The fact that in the 48 years to the end of 1916, the fire companies holding Dominion licenses paid out in losses 60.4 per cent. of the premiums they received during the same period, furnishes convincing evidence of the serious financial effect of the heavy conflagrations which occur from time to time, particularly when added to a constant ratio of small and moderately large losses that in Canada is by no means low. Proper provision to cope with that serious financial effect must be made in all fire insurance premium rates.

TORONTO'S INSURANCE OF SOLDIERS.

The city of Toronto has decided not to insure those who are called from the city under the Military Service Act to serve with the Colors, and that in future no insurance will be paid to the relatives of Toronto men killed while serving overseas, unless they are actual dependents and living in the city. Financial considerations are believed to be the reason for this decision.

TO IMITATE BRITISH COMPANIES.

A considerable stir appears to have been created among the New York fire and marine insurance fraternity by an address delivered before the Insurance Society of that city by Mr. Arthur Richmond Marsh, on the subject of "The Internationalisation of Business." Mr. Marsh wants American insurance companies to imitate the example of the great British fire organizations, and get out into the world. British insurance companies accompany British trade all over the world, both coming and going, and more than that, they accompany American trade, both coming and going, and a good deal of the rest of the world's trade too. Mr. Marsh points out that there is no country in the world where at least one British insurance company cannot be found—the Falkland Islands, Thibet, Siam, China—they are everywhere:—"The home office of the Liverpool & London & Globe knows all about local conditions in Manchuria, and can tell about the risks and customs there as well as about those in London."

For the American companies to get out into the world, Mr. Marsh admits, will not be an easy task. Some of the difficulties arise, he says, from the conceptions in the minds of insurance supervising officials and legislators. Supervising authorities detest anything going on that they do not know about and cannot stop at any time. One reason why, in Mr. Marsh's opinion, the British companies can do a world-wide business is that they have no hard and fast rules about reserves. What they have is enough, as any examination of company reports will show.

It will, no doubt, be gratifying to British insurance executives to learn that the methods and enterprise which have been characteristic of British insurance organisations for a century past, are now being commended to American underwriters as the one thing needful. Certain it is that the supremacy of London, which was so pronounced a feature of world trade and finance up to the advent of the war, and is not yet certainly a thing of the past, was based upon something broader than a mere capacity to lend from stores of previously accumulated wealth. Willingness to venture—anywhere and everywhere—in trade and commerce is the real foundation of this supremacy. The great British insurance companies exemplified this spirit of venture, of honour in meeting obligations, however onerous, and also the national spirit of "stick-at-it-iveness" in a particular line, with the present result that they are not only a tower of strength to British finances, but a sheet anchor of the world's industry and commerce.

BRITISH CROWN ASSURANCE CORPORATION.

Mr. D. W. MacLennan, general manager of the British Crown Assurance Corporation, sailed for England a few days ago, following a visit to the principal Canadian centres. Mr. MacLennan, who has three sons at the Front, has been an annual visitor to Canada for some years, and on this occasion completed arrangements for a Dominion license for his Company, to transact fire and automobile insurance, in place of the provincial licenses under which it has hitherto operated in Canada.

Messrs. J. H. Riddell (manager), and E. C. G. Johnson (assistant manager), of Toronto, are the popular executive officers of the British Crown's Canadian branch.