

Eastern Casualty Underwriters Association

Compensation Rates Affected

By the adoption of a plan to inspect all risks coming within the scope of the workman's compensation act of the Province of Quebec, each factory, workshop or place of employment will be subject to a special rate based upon the merits of each risk. At a recent meeting of the Eastern Casualty Underwriters' Association held in Montreal, Mr. T. J. Ketcham of New York, addressed the Association on the subject of the improvement of physical hazards under employers' liability and workmen's compensation. The rates as used to-day are basic and are predicated upon a normal hazard. These rates will be increased or decreased according to the Debits and Credits as found by inspections made by experts using the Universal Analytical Inspection formula. This system is now followed in States having workman's compensation acts and has proved of great benefit to insurance carriers and to the public, both in reduction of rates and in the prevention of industrial accidents. Where risks are, found subnormal recommendations for installation of safe guards and for safety devices are made and every effort put forth to bring the risk up to standard, credits are also given for safety welfare campaign among the workmen, and instruction is given in accident prevention. Sanitation, dust and light also is considered in the make up of the rate. In addition to the physical hazard attention is given to accident frequency and loss expense. By a close scrutiny of a plant and its past experience, an adequate rate will be promulgated by the Association and each risk will bear a rate true to its exposure and without reference to another of like kind and secure a rate correct and scientific.

LICENSING AND QUALIFICATIONS OF INSURANCE AGENTS AND BROKERS

One of our contemporaries recently discussed the question of the institution of laws governing the licensing and qualifications of insurance agents, and the subject is one which deserves special thought for many reasons. Practically every insurance in modern times passes through the hands of an agent or broker before it reaches the actual company. In other words the securing of the business and the preparation of the form is always carried out by someone outside the company's offices and in many cases that agent's training has not been as intensive and thorough as that of the company official for the reason that other business interests are frequently associated with the insurance agent's

work. Now the importance of the insurance profession can scarcely be exaggerated: it is vital to our commercial existence, and as a writer has said it is secondary only to our monetary system. This importance is universally acknowledged and the competition of modern times has elevated the position of the agent to one of the greatest importance. He is delegated authority to give cover for thousands of dollars. He has power frequently to accept risks for the company just as if he were the company itself.

On the other hand looking at the matter from the point of view of the public at large there is an inference in their minds that the very fact of a man being an agent of a company constitutes him an authority on the whole question of insurance and they very often leave to him the most intricate problems connected with the preparation of their insurance contracts. There are huge varieties of cover and the protection given must fit the requirements of the client in every detail. Some risks are colossal, others small. Frequently many interests are involved in the one risk, some entitled to different protection from others. Therefore the knowledge of an agent must of necessity be of a technical character, and we are rather inclined to believe that any law or practice which will tend to exclude from the insurance agency or brokerage business any who cannot qualify in some stated degree as competent to handle insurance business is in the best interests of all concerned. We doubt the practicability of holding any rigid examinations for new licencees to this end, but we do agree that it is only right that those who intend to practice in the business and to whom the public look for advice on insurance affairs should be made to prove that they have at least some knowledge of the intricacies and responsibilities of the profession.

No doubt the point might be raised that if a great association of brokers and agents be set up, making them a privileged class in certain respects, they might be tempted to hold the pistol to the head of the insurance companies and exact undue payment for their services. We do not think so. We never heard that the Institute of Chartered Accountants, for example, has endeavoured to do anything of that kind. After all, the insurance companies are not a weakly body, and such a thing as combined action among them is not altogether unheard of. They would be quite capable of taking care of themselves if incorporated brokers and agents were foolish enough to forget that their well-being depends upon the continuance of cordial co-operation with the insurance companies. The essence of the whole thing is that the broker and the agent must be useful. The essence of all work is utility.