

A WORLDWIDE FIRE INSURANCE SURVEY.

Summary of Happenings and Developments in Europe and America during the Year 1908.

Underwriting in Great Britain was characterized during 1908 by considerable "change from staid practice to novel ideas and forms of expansion"—to quote *The Post Magazine*, of London, in its year-end review of insurance matters. This movement, which began somewhat abruptly in 1907, is spoken of as being still in full swing—legislation and public demands, as well as the ingenuity of those who provide new attractions, having broken through the old restrictions and accustomed offices to look for new sources of profit. A combined policy for fire, burglary and domestic insurances is now offered to householders by most of the companies, and the time seems by no means remote when other forms of cover will be included in the same document. The insurance of profits, too, hitherto regarded with such distrust, is now being transacted by the leading fire offices. As our contemporary warningly remarks, it must not be forgotten that these changes are profoundly affecting the whole organisation of the offices.

Results in United Kingdom Favourable on the Whole.

Fire underwriting results for the year in the United Kingdom have, on the whole, been favourable. There has been a freedom from devastating conflagrations; but, owing to the rapid slackening of trade and the downward tendency of rates, it has been exceedingly difficult to maintain income. Further, the competition of new ventures is not merely unabated, but actually on the increase. Not only are offices established for other classes of insurance now including fire business, but the stream of new companies keeps the officials of the old ones continually on the alert. Most of them, of course, favour a non-tariff career to begin with; but their acceptances generally have a close reference to tariff rates. In the matter of amalgamations, *The Post Magazine* holds that some, certainly, of the old offices, now no more, ought to be still in existence; and it does seem as if a good share of the economies aimed at by absorption are neutralized by the necessity for fighting new competitors. It would seem, however, that the amalgamation movement had almost entirely spent itself—at least, in connection with fire companies.

The fire loss ratio for 1908 is expected to be below the average. Nevertheless, several classes of risk stand out prominently on account of bad experience. Many large fires have occurred in boot and shoe factories. Following many other losses in connection with this trade, the low rates ruling in recent years were found to be intolerable, and a necessary increase has been imposed, at which no one will be surprised. Malsters have not been conspicuous for the number of fires, but the few which have occurred, show that the present inadequate rates can have afforded no profit. Fires in tanneries were also unsatisfactorily frequent. Mansions have again contributed very serious items, and this risk, at one time lucrative enough, has of late years become a matter of grave concern. Notable theatre fires include £12,500 at Drury Lane where the value of the fire-proof curtain was

strikingly exemplified. Indeed, the improvement in this class of risk is highly satisfactory. Industrial strikes are always a source of anxiety in insurance circles; but, although there have been two of importance in the past year, it is gratifying to find that no fires have been traceable to their influence. On the other hand, grave suspicion attaches to the Glasgow unemployed in respect of numerous fires, especially amongst Timber Yards.

Too small consideration is still given in many quarters to the question of fire-extinguishing apparatus. Many small towns and villages are still entirely without public appliances. On these grounds underwriters welcome such measures as the Local Government Bill (Scotland), which proposed to place Scottish County Authorities on the same footing as Local Authorities in England, by granting them powers to establish, or join other councils in providing, fire brigades, or to pay for the use of brigades already in existence. Amongst private appliances, it is satisfactory to see rapid headway being made by automatic fire alarms.

The work of the British Fire Prevention Committee has now been extended from investigations regarding fire-resisting materials to enquiries into the efficiency of first-aid fire appliances. The work of dealing with these appliances should have the effect of popularising the reports of the committee.

Important Questions of Company Management.

Tariff changes have not been numerous or striking during the past twelve months, and many companies think the tariff now includes as much as it can conveniently control. There still remain, however, a number of special risks which ought to be regulated; for competition, without a tariff, invariably results in keeping rates below a paying level.

Municipal insurance still has no lack of defenders. The other side of the question, however, commands attention. Possibly it was with certain recent losses in mind that the annual conference at Wallasey, Cheshire, of various Urban District councils deferred the consideration of this subject for another year.

From a broad point of view, the fact should be hailed with satisfaction that Lloyd's Underwriters have been moved to take in hand the question of solvency for fire commitments. It is certainly in the general interest that the public should have some guarantee for the fire premiums passing to members of this institution. If some arrangement could be made with them by the tariff offices for reassurances, on the understanding that they should cease to compete for direct premiums, it would be an advantage.

In concluding its summary of the year's developments in Britain, *The Post Magazine* says that, with so many new schemes on hand, the question of expense and office management is likely to become acute in the immediate future. Money spent in obtaining good business, on surveying and inspection, or on accurate and rapid administration, must place an office at an advantage in respect of its competitors; and, since large sums are now required for these purposes, it is necessary that every unremunerative expense should be rigidly curtailed. More than ever before, the business calls for close study and application. On these grounds the development of the Insurance Institute move-