

FIRE INSURANCE RATES

The record of failures of fire insurance companies in Canada and of the results of the companies which have survived, indicate that the fire insurance business does not bring large profits. The Ontario fire marshal, Mr. E. P. Heaton, in his report on fire insurance rates and their control, refers to the "unreasonably autocratic attitude" of the Canadian Fire Underwriters' Association in its relation to the insuring public. He cites a number of conclusions and among them the fact that the practical control of fire insurance rates within Ontario is in the hands of companies, members of the Canadian Fire Underwriters' Association, known as tariff companies, who transact over 80 per cent. of the entire business of the province. He again describes the attitude of the association as "arbitrary and autocratic," and states that it has failed to make any serious effort to obtain reliable statistics upon which the adequacy of rates might be predicated. Mr. Heaton should know something of this subject, as he managed the fire insurance company organized for the benefit of Canadian manufacturers, a company which was disbanded after a short career because of its heavy losses, despite the fact that it charged tariff rates.

Presumably the principal object of the Royal Commission now investigating this subject in Ontario, will be to prevent discrimination in the matter of fire insurance rates. *The Monetary Times* believes that the companies

should not object to placing their rate schedules on file with the government. When an insurer feels that his rate is too high, he would then have the right to consult the schedules and to be informed as to how his rate is made up. In addition, it would be desirable for the government to appoint an inspector who would make independent inspections of waterworks—an important factor in fire insurance—or joint examination with the inspectors of the Canadian Fire Underwriters' Association. This work of inspection has heretofore been in the hands of the association. It has cost considerable money and because these reports are placed before municipal bodies without any outlay on their part, they almost invariably receive scant attention.

If the government have the rates on file and insurers can learn how these rates are made up, discrimination would be prevented. That seems to be about as far as the government can properly go. They can scarcely regulate the price of insurance any more than they can the price of other commodities.

In his supplementary report, Mr. Heaton, the fire marshal, points out that "oppressive legislation, that is, legislation forbidding the association of companies for rate-making purposes, has always failed and has resulted in demoralized commercial conditions." He cites the case of the state of Missouri. When such a law was passed there, all fire insurance companies, except those of domestic origin, retired from business and completely demoralized commercial credit. A similar condition is now operating in South Carolina, from which 67 insurance companies have withdrawn.

SEPTEMBER FIRE LOSSES

Waste was Below Average for Ninth Month—Twelve Large Fires

The Monetary Times' estimate of Canada's fire loss during September amounted to \$981,703, as compared with August loss of \$803,109 and \$1,116,109 for the corresponding period of last year. The following is the estimate for the September losses:—

Fires exceeding \$10,000	\$795,500
Small fires	56,850
Estimates for unreported fires	129,353
	\$981,703

The Monetary Times' record for the past four years shows the following monthly losses:—

	1913.	1914.	1915.	1916.
January	\$3,913,385	\$2,796,312	\$1,249,886	\$1,649,217
February	2,037,386	2,920,749	1,019,556	3,275,600
March	1,710,756	2,660,666	1,631,696	1,406,501
April	1,470,622	1,916,235	1,463,747	1,469,437
May	2,123,868	1,935,516	881,855	1,850,205
June	3,069,446	1,267,416	1,157,156	494,557
July	2,579,698	2,033,139	773,269	1,159,285
August	3,034,775	2,921,379	403,693	803,109
September	1,468,324	1,356,281	1,116,109	981,703

The fires reported in September at which the losses amounted to \$10,000 and over were:—

Maisonneuve, Que., Sept. 5....	Tenements	\$ 10,000
St. Thomas, Ont., Sept. 5....	Construction plant ..	20,000
Westboro', Ont.	Stores, etc.	57,000
Toronto, Ont., Sept. 10....	Factory	86,500
Vancouver, B.C., Sept. 11....	Factory	100,000
Sarnia, Ont., Sept. 14....	Factory, etc.	300,000
St. Thomas, Ont., Sept. 17....	Factories	40,000

Cavan Twp., Ont., Sept. 21....	Barns	\$ 10,000
Oil Springs, Ont., Sept. 21....	Barn and contents..	10,000
Sydney, N.S., Sept. 23....	Carriage works	10,000
Winnipeg, Man., Sept. 25....	Stables, etc.	12,000
Quebec, Que., Sept. 27	Institution.....	50,000

Among the causes were: Lightning 6, sparks 3, incendiary 2, overheated furnace 2, dropped matches 2.

The structures damaged and destroyed were: 30 barns and stables, 12 residences, 7 factories, 4 sawmills, 4 stores, 2 stations, 1 garage, 1 roundhouse, 1 hotel.

The following table compiled by *The Monetary Times*, shows deaths caused by fire during the first eight months of 1916 compared with previous returns:—

	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.
January	16	27	27	27	14	26	3	10
February	8	15	12	11	21	18	11	20
March	16	20	18	24	22	27	23	23
April	18	37	20	15	11	22	14	6
May	21	15	28	18	33	8	5	14
June	16	52	13	6	18	12	2	6
July	4	15	110	9	9	8	13	268
August	17	11	22	16	29	3	14	30
September	10	10	13	6	27	9	27	2

The fires at which fatalities occurred were:—

Halifax, N.S., Sept. 11....	Burning store.....	1
Kingston, Ont., Sept. 20....	Playing with matches ...	1

SUBSCRIPTIONS TO THE TWO LOANS

The \$50,000,000 war loan of November, 1915, was subscribed to the extent of \$104,000,000 by 24,803 subscribers. The present \$100,000,000 loan has been subscribed by over \$200,000,000, representing about 30,000 subscribers, or 5,000 more than a year ago.

The government are considering the issue of bonds of small denomination to attract small savings.