

record, so that we find towns classed "A" or "B" because of fire appliances, which, from their fire record or conflagration hazard, should bear much higher rates.

Then again as to buildings; no attention is paid to very important details of construction. If the walls are brick or stone, and the roof "first-class" it matters not that those walls average but twelve inches in thickness, and are full of openings while the roof is a four-sided mansard on a wooden frame, and the interior is cut up with elevator shafts, open stairways and huge light wells. It is "first-class," and secures the same rate as a building of standard construction. Cleanliness, if one may judge by our rates, has no place in our calculations, though such a large percentage of our losses arise from dirt and disorder.

By way of contrast, the Universal Mercantile Schedule, which is the result of the combined work and experience of a large number of the foremost underwriters on this continent—men thoroughly familiar with the business and its peculiar conditions here—offers, among others, the following advantages. First, as to towns; a standard city is described, and in ascertaining the basis rate of a particular town, all matters pertaining to fire appliances, construction, location, exposing endangerments, and previous fire record are considered. Secondly, as to individual risks; the basis rate of a standard building having been thus obtained, all risks are rated from this basis, consideration being taken of its walls, roof, interior construction, cleanliness, occupancy, exposures and contiguity to the fire department, as well as its own special fire appliances. The charges under each of these heads, both as to town and building, are light except in the case of glaring faults, especially those easily remedied; the desire being not so much to increase rates as to secure immunity from the chief cause of fires; viz., dirt and carelessness.

One naturally enquires why, in view of all these advantages, is the Mercantile Schedule not at once adopted. The reply is simple and not flattering—Ignorance.

For the information of these indolent ones, let me state that schedule rating was adopted in New York last July, and a recent critic in the "Insurance Times" says: "The work of improving risks goes steadily on and is a vindication of the Mercantile Schedule. The safeguards thus provided are of immense importance. If the companies were sure to be banded together for an indefinite period, upon the conditions of the present exchange, it would be comparatively easy to insist on improvements or a higher rate as the alternative."

Here, in Canada, our organization has secured a permanent position which is recognized by the public, so that we would not have to encounter the difficulty of frequent disorganization which confronts the companies in New York.

For the past eighteen years we have been tinkering away at our minimum tariff; changing, altering, enacting and re-enacting; still we have the same old tariff as in the beginning. No more, no less, and no good.

The time has passed when managers can sit in their offices and make flat rates for all risks and still make money for their companies. It is only by intelligent criticism of the details of each risk in

each town, charging for defects and crediting for improvements, whether of construction, condition or exposure, that business can be successfully carried on. Competition may not as yet be serious, but it is growing, and the only way to successfully meet it is by adopting modern methods of conducting our business.

OBSERVER.

Montreal, 11th March, 1901.

TORONTO LETTER.

The Inspection of Risks—The Fire Insurance Inspector, his Office and Work—The Hunter Case—Toronto Re-rating—Agency Changes.

Dear Editor,

There seems to be little, if any, abatement in the number of fires this month so far, in comparison with January and February preceding. Peterboro and now London among others are contributing their unwelcome quota to the loss list for 1901. A question arises in the mind, are risks as well inspected and reported on and with the same thoroughness and frequency as before the days of the C.F.U.A.? I know that the regular inspection made by the Association Inspectors are most excellent and trustworthy, the inspectors themselves being gentlemen without a doubt, highly qualified, and all competent for their duties, but then, in the very nature of things, they cannot be everywhere at once, and their surveys and reports being general, should not wholly take the place and supersede that particular and special investigation which a company's own inspector should make, well acquainted as he would be with its particular views and requirement, and its own experience. I know it used to be the custom to frequently inspect everything a company had on its books, and cover the whole field. Very beneficial, valuable work it was, although intrinsically costly. Is such inspection carried on now as fully as it used to be? Is there not a tendency to lean more and more upon the reports of the C. F. U. A. and its valuable output of ratings and statistics, and so, in a measure, shift to the officers of that institution much of the responsibility, in the direction alluded to, that rested hitherto upon the officials of the individual company?

In these days when the function of the so-called agent seems changed, from being, as the name implies, or used to imply, a representative of all and singular, the interests of his principal, to that of a mere business getter, the office of the inspector has become more important, I think, than ever. I am greatly inclined to magnify the office of the fire inspector and to emphasize the value of his work. He should be active, experienced, tactful and a man of resource and of quick perception. Whilst he should not be too old, he certainly should not be too young. Such a one, fond of his calling and ambitious, would likely save his salary many times in a year, in averted losses, and in the communication of valuable suggestions and advice to his manager, all being the result of information he would acquire in the intelligent observance of his duties. Of course, there are inspections that are prefatory, or that are worthless from lack of training on the part of the inspector, but a really first-class service rendered to the in-