

# The Commercial

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## ARE YOU INSURED?

There is a growing desire among wholesalers all over the country to know what provisions their customers have made against loss by fire. The Hamilton, Toronto, and other boards of trade have devoted considerable attention of late to this very important subject, and more recently some discussion has taken place relative to the same matter among the members of the Winnipeg Board. If wholesalers in the East show so much solicitude in regard to the question of insurance against fire losses by their customers, how necessary is it then that Northwestern wholesalers should carefully consider the whole matter. Several causes are at work in this country, which have tended to produce a great laxity among retailers in protecting themselves and their creditors against possible losses from fire, and it is probable that the average of insurance in proportion to stocks of goods carried, is much less in Manitoba and the territories, than in the older provinces. In the city of Winnipeg and some of the larger towns of the province, this might not be the case, but there is no doubt but that the statement will apply with force to the country as a whole. One cause for this state of affairs will be found in the unequal distribution of insurance agencies, it being a cause of some trouble to obtain policies in some of the smaller and more out-of-the-way places, even when insurance is wanted, the bother of writing for insurance being too much for many merchants, and the risk is taken until such time as a travelling agent may happen to come around. This is negligence of the gravest kind, and deserves severe censure. Where a fire, with its consequent loss, results from such carelessness, little sympathy can be felt for the sufferer; and were it not that others are liable to injury through such negligence, the matter might be passed over with but brief notice. But generally the trouble does not end with the merchant, who, knowing the value of insurance protection against fire losses, allows himself to be ruined through sheer and almost criminal negligence. The creditors are often obliged to share in the general destruction, and are left without

any hope or means of recovering what is their right.

Another reason why many merchants in Manitoba and the territories carry insufficient insurance, or no insurance at all, is owing to the high premium rates which are frequently exacted. Because the premiums are high the merchant concludes that this is a sufficient excuse why he should take the risk of his own commercial ruin, as well as that of causing his creditors serious loss. But this excuse of high premiums is no excuse at all for neglecting adequate insurance; and besides, the higher motive of honesty should prompt every retailer to carry a sufficient amount of insurance to at least secure his lawful creditors against loss. No doubt many traders have real grievances against the companies in regard to the premium rates, the latter, in some instances, simply amounting to extortion. However, the merchant must put up with difficulties of this nature in the meantime, always trusting that time will rectify any injustices which may now have to be borne, as no doubt will be the case.

But though the motive of honesty should prompt every merchant having liabilities, to secure himself, and therefore his creditors, against fire losses, yet the fact that a dealer may not be bound by such obligations, should not make him careless about protecting himself by insurance. Though the merchant may owe nothing upon his stock, he cannot afford to go without insurance a day on account of premiums being high. If a merchant own his stock clear of liabilities, he should all the more cheerfully pay his premiums. In this latter case, it is clear that he is in a prosperous position and doing a prosperous business. He can, therefore, well afford to pay his premiums from his profits, with the knowledge that the few dollars so expended will never be missed; and at the same time he will have the satisfaction of knowing, that should his property be entirely swept away, he will have something substantial to fall back upon, which will enable him to commence anew in life. This being the case, the insurance premium, even though apparently a little steep, should be paid out with a feeling of satisfaction and pleasure, rather than grudgingly.

Frequently merchants have been heard to say something to the effect that they have carried insurance for many years and have never lost a dollar by fire, and therefore they will allow their policy to

lapse. This is certainly a foolish move and one which when acted upon is often dearly regretted. After ten or twelve years of insurance protection, the first year without it might bring ruinous disaster. In proof of this, how often do we read in connection with the report of a fire, that the policy had lapsed but a few days before, often unknown to the merchants.

In regard to the movement on the part of wholesalers, looking to the better protection of their customers and themselves against losses from fire, it is clearly a matter in which the wholesalers have a right to consideration. A case came to light a short time ago, in which a retail dealer who carried a stock to the amount of about \$15,000, with liabilities amounting to nearly \$10,000, was entirely without insurance. No wholesale dealer would think of carrying any quantity of goods in his warehouse a single day without insurance, and yet in such instances as the one referred to above, the wholesaler is compelled to carry the risk of loss from fire. When such cases as these are said to be of frequent occurrence in Manitoba and the Territories, it will be at once seen what an important matter this is to the wholesale trade. Indeed, it is said that insufficient insurance is the rule, and not the exception, and that an insurance of a couple of thousand dollars or so is usually considered ample protection by those having liabilities several times that amount. Retailers who will look reasonably at the matter will at once recognize the rights of wholesalers to insist that those whom they advance their goods to, should in turn protect themselves and their creditors as much as possible against fire losses. It is a simple matter of good faith on the part of the retailer toward the wholesale dealer.

Wholesalers are not without blame for the lack of action on the part of country merchants in providing protection against fire losses. The keen competition which exists at the present day in nearly all branches of trade, has made many wholesalers too anxious to sell goods, without considering the consequences. New houses especially, in order to gain a foothold, have been negligent in this respect. The consequence is that wholesalers have taken chances against loss from fire, without an inquiry, which they would not for a moment think of doing, were the goods in their own warerooms. Such action on the part of the wholesalers certainly shows