NO FIRE INSURANCE MONOPOLY.

Seldom has the charge of monopoly been more loosely made than against fire insurance interests in Canada. The existence of some such organization as the Canadian Fire Underwriters Association is amply justified by the services it renders the public, as well as by its practical necessity in carrying on the business of fire insurance.

The gradual bettering of fire prevention and fire fighting methods throughout the country—and the consequent lowering of premium rates where recommended changes are carried out—is due to the activity of the association. To individual property-owners the advice of its experts is always available; and practical rate-benefits are duly accorded to the man wide-awake enough to qualify therefor.

A few weeks ago the New Jersey courts decided that the Newark Fire Insurance Exchange must dissolve. Its president announced the other day that, in consequence, the fire companies will now have to abandon the work of removing latent fire hazards, especially in the congested value district of the city, as it would be useless to direct the attention of property owners to hazards on their premises, because—divorced from the rate-making power—the exchange could not inflict penalties.

The introduction of schedule rating, with its allowances for improvements in construction and preventive devices, could have come about only through joint arrangement on the part of underwriters. Indeed, as the late Professor Zartman of Yale once said, a rating association instead of tending to kill off non-tariff companies is a sort of "nursing-bottle" for their nourishment. If it were not for the rates decided upon after careful joint-deliberation by tariff companies, the non-tariff offices would have to depend upon individual guess-work. And few but wild-cats would venture to enter the business on such a basis as that. It is by more or less close approximation to the association's rates that the non-tariff offices continue to transact their business.

But even the dyed-in-the-wool monopoly-hater who continues to call the C.F.U.A. a combine, should take notice of the fact that the present agitation for insurance legislation bearing more fairly upon fire underwriting, is as much demanded by non-tariff as by tariff offices. Nor is this movement open to the charge that "it has merely enlarged the combine to take the non-tariffs in." Fire insurance interests in Canada—and with every right—have simply united in urging that companies (whether Canadian or foreign) when licensed to do business in the Dominion, shall not be subjected to "underground" competition. They are making no effort to keep out any foreign company or to prevent the formation of new Canadian companies—if they were, the cry of monopoly would have full justification. But all that is asked is that others shall not be allowed to escape such regulations and restrictions as are placed upon companies duly applying for Dominion licenses.

In accord with this reasonable contention the All-Canada Fire Insurance Federation urges upon the Government the dropping of the clause which would permit merchants and manufacturers to place all their insurance in unlicensed companies so long as they paid a 15 per cent. premium tax. For one thing, the evasion of the tax payment would be an easy matter—unless a special and costly government staff of collectors were instituted. And, in effect, the provision would mean a letting-down of the bars for the admission of wild-cat concerns incapable of carrying out their contracts.

In order, however, that no just complaint should obtain, as to any shortage of insurance available, Canadian fire underwriters have themselves suggested a method whereby the insured may obtain outside policies if necessary. An amendment to section 139 of the new Insurance Bill is suggested whereby the Superintendent of Insurance may issue licenses to persons resident in Canada, permitting the procuring of policies of fire insurance in companies not licensed to transact business in Canada. The proviso is made that before the person named in such license shall procure any insurance in such companies he shall file with the superintendent an affidavit that he is unable to procure in companies licensed to do business in Canada the amount of insurance necessary; and shall only procure outside insurance after he has secured insurance in companies licensed to do business, to the full amount which the companies are willing to write on the property. Each person so licensed would be required to keep a separate account of the business done under such license, and to file a copy of this account, verified under oath in January and July of each year, with the superintendent—showing tne exact amount of such insurance placed during the preceding six months for any person, firm or corporation, the gross premium charged thereon, the companies in which the same is placed and to which the same has been offered, and the dates of the policies and the terms thereof, and an account of all such policies cancelled and the premium thereof and the date of cancellation.

It is to be noted that the proposed provision would be considered as complied with, if the person licensed to procure insurance in companies not licensed in Canada, offers the insurance required on any property to not less than four-fifths of such companies licensed to do business in Canada as have an office or agency in the Province in which the property is situated.