

PERSONAL RESPONSIBILITY AND THE FIRE LOSS.

The more closely the situation is analyzed, the more apparent does it become that the prevailing indifference in Canada in the matter of fire waste is due largely to the ease with which personal responsibility can be shirked, said Mr. J. Grove Smith, of the Canadian Fire Underwriters' Association in a recent address before the Commission of Conservation. Mr. Smith is at present engaged on behalf of the Commission in a comprehensive investigation of fire losses in Canada and methods of fire prevention. The result of many fires, continued Mr. Smith, is a possible advantage to the property-owner. Out of date furnishings and unsaleable merchandise are converted into ready cash. The censure and opprobrium that attach to defaulted accounts can be exchanged for active sympathy and extended credit. With this situation, said Mr. Smith, is it any wonder that the mental attitude ranges from unconscious indifference to premeditated arson? The careless owner of property, insured beyond probable loss in any one fire, is blind to the danger in accumulations of rubbish and defective structural conditions. Only a step removed is the criminal purpose that does not hesitate to use insurance as an easy way out of financial difficulties.

ALTERNATIVE METHODS.

Two methods have been suggested for dealing with the problem of enforcing greater individual responsibility. One is the enactment of a neighbouring liability law, following the Code Napoleon, which would make the owner of property in which fire occurs liable for all damages caused to others as a result of its spreading. The other suggestion is to charge against all fires the cost of their extinguishment. These measures, worthy as they are of consideration, are, in Mr. Smith's opinion, little more than an evasion of the real issue. Only a small proportion of fires in cities extend beyond the place of their origin, and the additional liability, where it existed, would be quickly covered by a new form of consequential loss insurance. The alternative suggestion of charging fire department costs against the owner of property in case of fire, carries with it the danger that, to save immediate personal expense, the calling of the brigade may be delayed until the fire assumes proportions that will ensure the charges being more than covered by the insurance indemnity to be received.

The problem can be met, however, thinks Mr. Smith, by the addition of a simple provision to present insurance policies, whereby the owner shall himself bear a specified percentage of the amount of loss. If this be done, Mr. Smith says, insurance will still serve its real purpose of protecting a property owner against serious loss, but he will no longer have, as at present, the feeling of security that engenders indifference and carelessness. The fundamental principle involved has been approved in other branches of insurance, notably in the exception of the first week of injury from payment of workmen's compensation. Through a reduction of insurance rates equal to the percentage of loss exempted from indemnity and a further advantage in the decrease of fires which would inevitably follow, its application to fire insurance would, in Mr. Smith's opinion, result in an immediate public benefit.

DISABILITY, COMPENSATION AND EARNING POWER.

The case of Savoie vs. Canadian Light and Power Company, which came before Justice Archer in the Montreal Superior Court this week, is interesting insurance-wise from several points of view. Plaintiff, while engaged in the transformer room of the power house at St. Timothee, received a shock from the high tension line, as a result of which he lost his left arm below the elbow and seriously and permanently injured his right hand. Under the Quebec Workmen's Compensation Act, he now sued for an annual compensation of \$265. The Company put forward the extraordinary defence that as plaintiff, who is a graduate of Laval University, is able to give private lessons to a few students and lessons in St. Mary's College, by which he earns about as much as before the accident, he could accordingly make no claim for compensation. This contention was made mince-meat of by Justice Archer, who in giving judgment for the plaintiff remarked:—

"It might just as well be maintained that if a workman who lost his two arms possessed a good voice he might sing at cafe-concerts and earn a salary in that way, and that the court ought to take that into consideration in deciding if the workman was entitled to compensation for the loss of his arms. It might also be urged that the court should take into consideration the fact that the man might sing in the streets, where charitable persons would give him a few cents.

"Can one pretend that because a workman whose earning capacity has been considerably diminished through an accident while following his trade, happened to be, say, a member of Parliament, the emolument he would receive as such, ought to be taken into consideration in fixing the amount of his compensation for the accident he had suffered? One might give an infinite number of examples to demonstrate that the principle that is now invoked cannot be sustained."

This case, the defence to which does not reflect much credit upon the Company, is illustrative of the points raised in our issue of November 10th by a contributor regarding the disability clause in life policies. Supposing that the plaintiff in this case held a life policy containing the common form of disability clause, he would, following this accident, apparently derive no benefit from it. Although in a judge's opinion his capacity for work has diminished 80 per cent., plaintiff is still able to earn a "living" of some sort, and so the disability clause would not be operative.

WILES OF THE "EXPERT."

The race of "experts" who solicit the job of examining fire insurance policies for the holders, with a view to giving advice upon the regularity of forms and the quality of the company, seems to increase, remarks the N. Y. Spectator. This service is simply a device originally started by smart brokers to get hold of a batch of policies in order to copy the name of companies, amounts insured, rates of premium, and, most important of all, information of the dates of expiration on each policy. With these data a smart broker may organize a raid upon the line of insurance, and under some plea or other obtain a pull with the property-holder and persuade him to turn over the account to the so-called "expert."

The Insurance Company of the State of Pennsylvania has received an additional Dominion license to transact tornado insurance.