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CONSTITUTION  
AND RULES

OF THE

Toronto Board

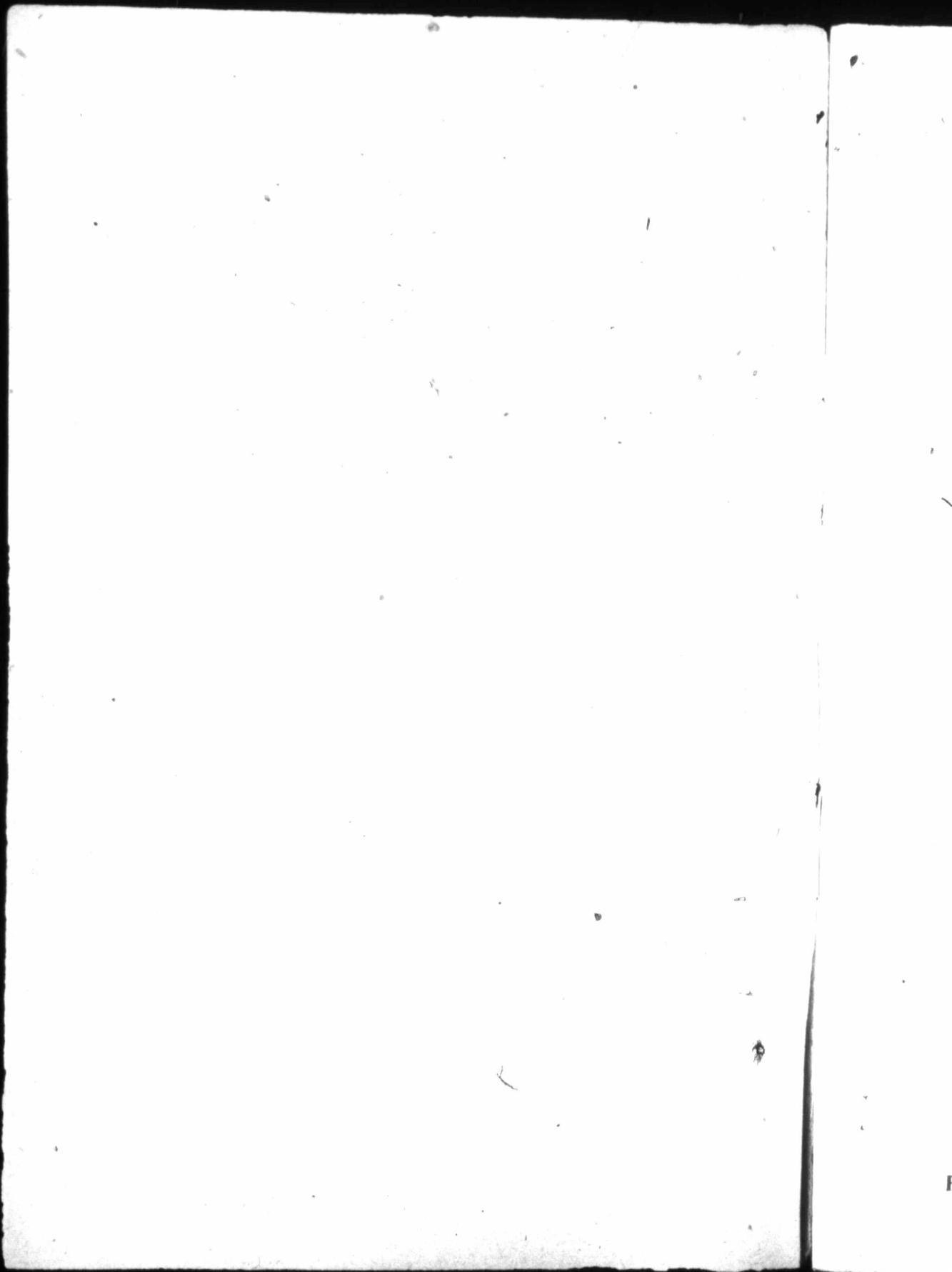
OF

Fire Underwriters.

21st February 1897

REVISED NOVEMBER, 1896.

For Amendments and Additions January, 1897,  
see Page 23.



CONSTITUTION = = =  
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OF THE

Toronto Board

OF

Fire Underwriters.

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REVISED NOVEMBER, 1896.

For Amendments and Additions January, 1897,  
see Page 23.

## RULES OF ORDER.

- 1.—The presiding officer shall decide all questions of order subject to an appeal to the meeting.
- 2.—No motion shall be put or debated unless seconded, and all motions shall be reduced to writing.
- 3.—When any question is under debate, no motion shall be received, except to amend, to postpone, or adjourn, which latter motion excludes all debate and shall always be in order.
- 4.—The debate shall be governed by parliamentary practice
- 5.—At an ordinary or special meeting of the Board, the Chair having been taken by the proper officer then present, the following shall be the

## ORDER OF BUSINESS :

- 1.—Reading the Minutes of previous meeting.
- 2.—Unfinished business of previous meeting.
- 3.—Reports of Special Committees, or of the individual members forming a Committee of the Whole.
- 4.—New business.

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## STANDING ORDERS.

Revised November, 1896.

*Extracts from Toronto Board Minutes in force, November, 1896.*

1.—That a Register be kept in which all changes of rating shall be entered, and which shall at all times be open to the inspection of members only.

2.—That all questions deferred for action be placed on Minutes as notices of motion for next meeting.

3.—Printed Minutes to be sufficient notice of all enquiries relative to ratings, and a full compliance with Article 7 of the Constitution, and Sections 18 and 19 of Rules.

4.—All notices of rating shall be announced from the Chair before the adjournment of the Board.

5.—That no alteration can be made in the wording of the Statutory Declaration as prepared by the Secretary under Article 13 of the Constitution.

6.—That inasmuch as it is the practice of the C. F. U. A. to allow rebates on current policies without re-issue when the rate of insurance has been reduced owing to the introduction of Automatic Fire Alarm System or other improvements, from the date at which the reduced rate is published by the Secretary, that this Board adopt the same system and practice.

7.—Risks outside of Toronto may be taken by Toronto agents, but no commission, rebate, or other consideration inconsistent with the Rules of the C. F. U. Association can be allowed, either directly or indirectly. If any violation of this Rule comes before the Toronto Board, it shall be the duty of the Secretary to report the matter at once to the Western Branch of the C. F. U. Association.

8.—That Sub-Section C, of Section 18 of the Rules, shall be held to apply to other than Schedule Rated Risks, when such risks are constructed or protected as described therein, it being the opinion of the meeting (Annual Meeting, 1889), that there are at present in Toronto no Mercantile Risks coming within this description.

9.—That no queries be put on the minutes unless the name or names of the owners or occupant is given, as well as the location of the risk.

10.—All replies to queries must be in the possession of the Secretary

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That Standing Order No. 9 be amended to read: That no queries except those under Sections Nos. 7 and 8 of the Rules relative to the transaction of business with Non-Tariff Offices be put on the minutes unless the name of the owners or occupant is given, as well as the location of the risk. Provided, nevertheless, that the right of making queries as conferred by this amendment shall be taken and deemed to extend only to risks placed or accepted after this date.

(27-11-99)  
It is further provided that the name of the Non-Tariff Company be given in any query under this amendment in place of the name of assured and location of the risk, not more than one Non-Tariff Office to be included in any query.

not later than 2 o'clock p.m. on the day of meeting; after that hour replies cannot be accepted to appear in that day's minutes.

11.—If queries are not answered to the satisfaction of the Board, not later than the second meeting after the query has been asked, the Secretary is hereby instructed to write to the Head Office of the Company in fault.

12.—That the Advice Note System of the Canadian Fire Underwriters' Association be adopted for cases of direct charges of infraction against any particular companies.

13.—When a Company is interested in a risk referred to on query sheet, the Agent (if any) through whom the risk was taken shall, on request of the Secretary, also sign the sheet.

14.—That the practice of transferring the appointment and registration of one Special Agent who has paid a fee to another without fee, be not allowed; and that the practice of changing the names of Special Agents without fee from time to time after the regular annual election of Special Agents by substituting other name or names, thus enabling offices so doing to have a greater number of "Special Agents without fee" during the year, than is provided for, is contrary to the spirit of the Rule or Rules of this Board respecting such Special Agency appointments, and consequently cannot be permitted, except in case of death or removal from the city.

15.—Where premises are as full subscribers, under the Holmes Protective Police and Fire Patrol Company, only one-half the charge in Special and Schedule Rated Risks for want of watchman and watch clock shall be exacted; such Special and Schedule Rated Risks so protected to be registered with the Secretary for reference.

16.—That this Board resigns all jurisdiction over Toronto Junction to the Canadian Fire Underwriters' Association.

17.—That six two-gallon chemical fire pails be accepted in lieu of six pails and a cask of salted water, as required in Schedule Rated Risks.

18.—The following are the terms upon which a reduction of insurance is allowed on risks fully equipped with approved Automatic Fire Alarm:

On risks rated in the ordinary mercantile tariff:—A reduction of 10 per cent. from the rates may be made provided the 75 per cent. Co Insurance Clause is inserted in the policy, but a reduction of 5 per cent. on risks in the ordinary mercantile tariff may be made when a satisfactory automatic fire alarm is provided without the introduction of a Co-Insurance Clause.

That enquiry  
to the date of  
enquiry.—Car

On Schedule Rated and Special Risks a reduction of 10 cents may be made from the rate of risks rating under 2 per cent.; for risks rating 2 per cent. and higher, a reduction of 5 per cent. of the rate may be made; this allowance, however, shall not be made when one has already been made for watchman with watch clock.

No allowance shall be made by Companies for automatic fire alarm until the equipment shall have been approved by the Secretary and the reduced rate promulgated.

The Secretary shall govern himself by, and the Company furnishing and maintaining the equipment shall be required to comply with, and agree to, the regulations of the Boston Board of Underwriters for the introduction of such alarm.

19.—Every Automatic Fire Alarm Company must keep up a constant supervision of the plant in each risk on which a reduction of rate is allowed for this mode of fire alarm, and such Company is required to pay to the Secretary of this Board an annual fee of \$10.00 in each case, to defray the expenses of periodical inspection (not less than four times a year) of each plant.

20.—That risks specially rated lower than the ordinary Tariff rate shall be entitled to such rates as provided for in Rules for reduction for Automatic Fire Alarm, and the 75 per cent. Co-Insurance Clause. The Rules provide that reductions for only one system of alarm shall be allowed for in any one risk.

21.—This Board adheres to all present and future schedules and special ratings of the Canadian Fire Underwriters' Association.

22.—The premium at Tariff rates must always be stated on every interim receipt, renewal receipt, or covering note, unless the insurance is on a risk which is not covered by any rating in the minimum, ordinary, or special Tariffs, or which has not been specifically or schedule rated by the Board. When covering such risks, pending submission of application for rating, the clause "at rate to be named by the Board," must be inserted on the receipt or covering note.

23.—Section 4 of Rules has been interpreted to mean that no employee of any Company is eligible to receive commission unless registered under the Rules of the Board.

That enquiries relative to violations may extend back in the case of annual risks to a term eighteen months prior to the date of enquiry, and in the case of three year risks to a term three and one-half year's prior to the date of enquiry.—Carried.

(Annual Meeting 7-2-99)

# TORONTO BOARD OF FIRE UNDERWRITERS.

REVISED AND AMENDED UP TO NOVEMBER, 1896.

## CONSTITUTION.

### NAME.

ARTICLE 1.—This Association shall be known as the Toronto Board of Fire Underwriters, under the jurisdiction of the Canadian Fire Underwriters' Association.

### OBJECTS.

ARTICLE 2.—The objects of this Board are the establishment and maintenance of Fire Insurance Rates and the promotion of the interests of Fire Insurance business in Toronto.

### OFFICERS.

ARTICLE 3.—The Officers of the Board shall consist of a President, Vice President and Secretary-Treasurer.

### OFFICERS—HOW ELECTED.

ARTICLE 4.—The officers of this Board shall be elected by ballot at the Annual Meeting and shall hold office for one year, or until their successors be appointed. Any officer is eligible for re-election; and should he retire before the expiration of his term of office, the members may at any regular meeting elect his successor for the remainder of the unexpired term.

### OFFICERS' DUTIES.

ARTICLE 5.—It shall be the duty of the President (or in his absence the Vice-President) to preside at all meetings of the Board, and to call special meetings of the Board at the written request of any five members.

ARTICLE 6.—In the event of the absence from any meeting, special or ordinary, of the Board of both the President and Vice-President, the members then present may elect a Chairman to preside at such meeting.

### DUTY OF THE SECRETARY *(See also Rules 10 and 23.)*

ARTICLE 7.—It shall be the duty of the Secretary (or in his absence the Chairman shall appoint a substitute) to take the Minutes of the proceedings of each meeting and record the same in a book kept for the purpose. He shall forward a printed copy of the Minutes to each member of the Board, and to the Head Office in Canada of each Company member of the Canadian Fire Underwriters' Association, and to the Secretaries of the Western and Eastern Branches of the Canadian Fire Underwriters'

Association; also such other requisite notices, written or printed, as may be necessary.

**MEETINGS—WHEN HELD.**

ARTICLE 8.—Regular meetings of the Board shall be held every Monday at three p.m., and the Annual Meeting on such date as the members by a majority vote may decide. *See Amendment*

**NOTICE OF SPECIAL AND EMERGENCY MEETINGS.**

ARTICLE 9.—One month's notice shall be sent to each member of any Special Meeting; stating the object of such Special Meeting.

An Emergency Meeting of the Board may be called at any time, to deal only with such matters as are specified in the requisition, on the written requisition of fifteen members, twenty-four hours' notice of the same being given in the usual manner, by the Secretary. Requisition and Notice to state the object for which the meeting is called.

**BREACH OF CONFIDENCE—ITS PENALTY.**

ARTICLE 10.—The proceedings, orders, debates of this Board, and also the Tariff of rates (as far as the latter is possible) shall be deemed to be honorably and strictly confidential, and shall not be divulged to any person not a member of this Board, and any violation of this rule shall subject the offending party to the penalties inflicted under sections 6 and 9 of the Rules of this Board; but it is provided that this Article shall not prohibit any member from exhibiting to any officer of his Company any of the documents referred to in this Article.

**QUORUM.**

ARTICLE 11.—Seven members shall constitute a quorum for the transaction of business.

**MEMBERSHIP.**

ARTICLE 12.—Every Company member of the Canadian Fire Underwriters' Association shall be *ipso facto* a member of this Board.

**MEMBERS TO SIGN CONSTITUTION.**

ARTICLE 13.—All existing members, or Companies becoming members of the Board, shall, by their chief representative for Canada and by their Local Agent at Toronto, and by all registered agents, for the time being, sign a copy of this Constitution and Rules (kept by the Secretary for that purpose); agreeing that in the event of any charge being made of its violation either general or directly against their individual Company, they will make a full and complete statement of their position or knowledge in connection with the risk or risks, or the point in question. And should

the same be challenged, he or they shall, if called upon to do so, make a statutory declaration that the same is true, or submit any or all books or papers in his or their office for inspection by the Secretary or both; and that he or they agree that each one of the representatives or employees of each Company provided for in the Constitution and Rules, shall, if required, make a similar statutory declaration; and the failure of any one of the persons mentioned to make a satisfactory declaration shall be accepted as evidence of a breach of these Rules, and shall be dealt with as provided in Section No. 6 of the Rules.

#### **GRIEVANCES.**

ARTICLE 14.—Any member of the Board feeling aggrieved can appeal to the Appeal Committee of the Canadian Fire Underwriters' Association by notifying the Secretary in writing, who shall take immediate steps to have the complaint brought before the Committee. The Appeal Committee shall be a Standing Committee of Chief Representatives of six offices, equally drawn from the Western and Eastern Branches of the Canadian Fire Underwriters' Association and to be named by the President. The President of the Association shall *ex officio* be a member of the Committee in addition to the six members named, and shall be the convener of any meetings found necessary.

#### **PERSONS ELIGIBLE TO ATTEND MEETINGS.**

ARTICLE 15 —Any Manager, Secretary or Chief Toronto Agent or Agents, representing a Fire Insurance Company being a member of this Board, may, in case of absence, substitute his Assistant Manager or Inspector to attend the meetings of the Board; such substitute, however, shall be bound by all the obligations referred to in Articles 10 and 13, on behalf of the Company he represents; his name shall be filed with the Secretary, and any action he may take in the proceedings of the Board shall be deemed as binding in every way upon his Company, as if he were the Manager, Secretary or Chief Toronto Agent. The Chief Executive Officers of all Companies connected with the Board shall always be entitled to take part in its proceedings. When two or more representatives of a Company are present at any meeting of the Board, the Company so represented shall be entitled to one vote only.

#### **CONSTITUTION AND RULES—HOW AMENDED.**

ARTICLE 16.—The Constitution or Rules may, subject however to the concurrence of the Canadian Fire Underwriters' Association, be altered or amended, or new ones adopted by a two-thirds vote at the Annual Meeting or a Special Meeting called for that purpose, provided that one

month's notice of such proposed alteration or amendment be given or sent to each member of the Board, except in the case of any Rule, Rating or Standing Order, which may have been adopted by the Canadian Fire Underwriters' Association, when such Rule, Rating or Standing Order may be adopted by the Toronto Board at any ordinary meeting, on one week's notice being given and published in the Minutes, or at any Annual Meeting without notice.

**AGENTS AND CANVASSERS SUBJECT TO CONSTITUTION  
AND RULES.**

ARTICLE 17.—The Constitution and Rules shall apply to Agents and to persons empowered to take risks for any Company represented at this Board.

## RULES.

### RISKS THAT MAY BE TAKEN FOR 3 YEARS.

SECTION 1.—No member of this Board shall take any risk for a longer term than one year, except such as are specifically mentioned in the Tariff of Rates. It shall, however, be competent for Companies to issue three years' term Policies for two years' premiums on Buildings and Contents, excepting upon Mercantile, Manufacturing and Hazardous Risks, (Banks, and Buildings occupied as offices solely are not Mercantile Risks), and certain property owned by the Government and the Municipality of Toronto may be insured by the issue of Policies thereon for three years at two annual premiums. Should any three-year Risk be changed by the introduction therein, in whole or in part, of a Mercantile or Hazardous occupation, the long term Policy must be cancelled, and thereafter the proper annual rate for the new occupation must be charged on the building and all the occupancies therein.

### CANCELLATION OF POLICIES.

SECTION 2.—In cancelling a Policy at the request of the insured, a Company shall charge the short term premium up to the date of such cancellation; this, however, does not refer to cancellations where the risk is not terminated, but carried on under another policy for the mutual convenience of the Company and insured.

### SHORT TERM RATES—WHEN TO BE CHARGED.

SECTION 3.—All insurance for a term less than one year shall be charged short period rates, as in the table attached to the Tariff. This section does not refer to re-insurance between two Companies.

### WRITING RISKS UNDER TARIFF—DIVIDING COMMISSION.

SECTION 4.—No member of this Board shall underwrite a risk at a lower rate of premium than that provided for by the Tariff authorized by the Board, or pay to, or divide commissions with others than agents authorized to receive such commissions, and whose names shall have been registered with the Secretary of the Board, or return to the insured, directly or indirectly, any portion of the stated premium. Commission, however, is allowed to be paid on re-insurance by one Company to another. *(See Amendment Page 23)*

### LOAN COMPANIES OR BANKS.

SECTION 5.—Commission may be paid to Loan Companies or Banks and Life Insurance Companies only on the insurance of property on which the loss, if any, is payable to such Companies or Banks.

**PENALTY FOR VIOLATION OF RULES.**

SECTION 6.—(a) No member of this Association shall accept or renew a risk at less than Tariff Rate. Any Company or Agent violating the foregoing rule, shall be obliged to cancel the insurance, and the Company, or its representative, shall not be permitted to accept a risk on the same property, nor shall the Agent be permitted to place a risk thereon in any Company, for three months from the date of such cancellation. Should, however, the insurance be a renewal of a risk not specially rated, which was renewed or accepted the previous year at the correct Tariff Rate, the Company shall be permitted to collect the additional premium instead of cancelling the insurance. When more than one Company is on a given risk below Tariff Rate, the Secretary shall name a day for Companies to act concurrently in cancelling the insurance.

(b) Each Company hereby undertakes to be responsible for due payment by its agent, of any and all fines imposed by the Board upon him; but if preferred, a deposit by the agent of \$50 will be considered as equivalent to such undertaking. Should it be shown to the satisfaction of the Toronto Board, by a two-thirds' vote (a majority vote only being required in case of irregular payment of commission), of the members present at any regular meeting—the usual notice through the Board's printed Minutes of the previous meeting having been given—that any of the officials or employees, or a Company—a member of this Board—has violated any of the Rules or Regulations, except Tariff Rates which are provided for under preceding Section (a), the Board shall impose a fine on such person or persons so violating as follows, viz.: Twenty-five per cent. of the correct premium involved in the transaction (but not less than twenty-five dollars), if it be a question of commission, or consideration violation; and in other cases (except for violation of Section 7 of Rules, for which the fine shall not be less than ten dollars), a direct fine of five dollars for the first offence, and ten dollars for each subsequent offence by the same party or parties; (but in no case shall the fine be less than five dollars); and the report of the same with the names of the offenders and the amount of fine to be conspicuously printed in the Minutes of the Toronto Board of that date.

**NON-TARIFF OR UNLICENSED COMPANIES.**

SECTION 7.—No member of the Board shall effect or accept any insurance, or re-insurance with or from any Fire Insurance Company licensed to do business in Canada, not a member of this Board, except in instances where all Board Companies should be full or not open for the insurance, and then only in strict conformity with Tariff rates and regulations.

This rule is intended to prevent the transaction of business through the Agents of Non-Tariff Offices, whether with or without any consideration, except as provided for in Section 8.

In all cases when a Company or its representative has such insurance to effect, the Secretary of the Board must be notified on forms provided for the purpose, which shall read in the following manner: "I hereby give notice to the Secretary of the Toronto Board that having applied to all the Board Companies for insurance on the property of

located on

Street,

and having failed to secure the amount of insurance required, I have placed the same in Non-Board Companies at Tariff rates."

**AGENTS REPRESENTING NON-TARIFF COMPANIES.**

SECTION 8.—That, hereafter no office or person holding official connection with a Non-Tariff Company, or acting as Agent or Sub-Agent for a Non-Tariff Office, shall be eligible to represent or act for a Tariff Office, or receive or place business, or receive commission with or from members of this Board, whether as General Agent, Sub-Agent, or in any other capacity whatever.

**FLAGRANT VIOLATIONS OF TARIFF—HOW PUNISHED.**

SECTION 9.—Any representative of a Company belonging to this Board, who shall be proved to the satisfaction of said Board to have flagrantly violated any of the Rules of this Association, may be suspended by a majority vote of three-fourths of the members present at a special meeting called for that purpose. One week's notice of motion to be given by the member proposing such meeting.

**DUTY OF MEMBERS TO REPORT VIOLATIONS AND HOW.**

SECTION 10.—It shall be the duty of each member to report to the Secretary, on printed forms provided for the purpose, all known deviations from the Rules and Rates as adopted, who shall submit the same at the next meeting of the Board for enquiry, the name of the complainant not to appear on the form.

**CURRENT EXPENSES—HOW ASSESSED.**

SECTION 11.—The current expenses of the Board shall be met by an annual contribution from each Company belonging thereto, such contribution being divided and assessed *pro rata* on the aggregate Ontario business of each Company respectively for the previous year; but new Companies having no income for said previous year shall be assessed not less than \$25 each.

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That Section 7 of Rules be amended by the addition of the following paragraph: "In each and every instance where such notice has been given, the same shall be published in the Minutes of the next meeting of the Board."—  
Carried. *(Annual Meeting 8-2-99)*

**TARIFF RATE TO APPLY TO RENEWALS.**

SECTION 12.—The Tariff of Rates shall apply to all renewals of existing risks, as well as to new business, unless specially provided to the contrary.

**BUILDINGS OF DIFFERENT CONSTRUCTION ADJOINING.**

SECTION 13.—When buildings of different construction are adjoining and communicating, and separate sums are insured on each, or on the contents of each, a rate not less than that applicable to the different classes must be charged; but if the said buildings are insured *under one sum*, the rate applicable to the building of inferior construction shall apply, and if the contents of both buildings are insured *under one sum*, the contents rate shall be applied in a similar manner.

**SEPARATION OF AMOUNTS.**

SECTION 14.—Specific amounts must be placed on each kind of property covered by the insurance. Building and Contents, or Building and Machinery, or Stock and Machinery must never be written under one sum, and all insurances covering the same property should be made to read concurrently.

**MIXED CONSTRUCTION AND DIFFERENT OCCUPANCIES.**

SECTION 14a.—When any building combines more than one classification in its construction, or when said building is occupied by more than one tenant, the highest rate applicable to the lowest classification and to the greatest occupation hazard shall be applicable to all, except that the rate on the following stocks (upon which the rate is advanced on account of their perishable nature), shall not govern the rates of occupancies in the same building, nameily:

Book and Stationer's Stocks, Church Ornament Stocks (no wood-work), Confectionery (no manufacturing), Crockery, Drug Stocks, Glassware, Fancy Dry Goods, Millinery and Small Wares, Florists, Jewelers, Opticians, Milliners and Dressmakers, Pawnbrokers, Photographers, Picture Frame and Artist Work (Salesroom only), Silversmiths and Working Jewelers, Stationers and Book Stores, Tobacconists, Toy Shops and Fancy Goods.

In any case in which it may appear to a member that the occupancy rate should not properly be applicable to the whole Building and Contents, he may in such case, provided the Secretary, after proper examination, shall approve and second his recommendation, submit the case to the Board, one week's notice having beforehand been given; and the Board shall in such case have power, *by a two-thirds' vote of the members present*, to modify or waive the charge of the said occupancy rate.

each and every instance  
meeting of the Board."—  
(99)

**BLANKET POLICIES INTERDICTED.**

SECTION 15.— No member of the Board shall include in one amount insurance on two or more risks, unless such risks shall be on or in buildings communicating internally with each other, or under one roof, unless the policy be "Subject to Average."

**MINIMUM RATES FOR SPECIALS.**

SECTION 16.— That the Minimum Rates for Specials in Toronto shall not be less than those named in the Tariff adopted by the Canadian Fire Underwriters' Association, which shall be the net ratings. And, further, that any Special Ratings of this Board which may be in excess of the Minimum Rates referred to, shall, at the discretion of the Toronto Board, be maintained or altered according to their Rules; but such rates shall in no case be less than the Minimum.

**SPECIAL RATINGS—HOW CHANGED.**

SECTION 17.— That no change of rate be permitted in any premises specially rated, except as provided for in Section 18, or unless the same premises shall have become vacant, in which case the Special Rating shall cease (*unless rated for external hazard*). If desirable, the premises may then be again specially rated under the new occupancy, unless otherwise ordered by the Board.

SECTION 18.— Any member desiring to bring forward a resolution for the inspection and rating of any particular risk, shall give one week's notice of the same at a meeting of the Board, provided that in no case shall any risk be re-rated within six months, unless some material change in said risk has taken place within that period; and that the Secretary be empowered to inspect and report a rate, for the decision of the Board, on all risks which in future may be brought up for rating. Such ratings, recommended by the Secretary at the weekly meeting of the Board, cannot be changed except by a two-thirds' vote of the members present, after one week's notice has been given through the printed minutes. Specific Tariff Rates fixed for any Risk shall supersede the general Tariff.

(a) Where, by reason of the construction, or by some special feature of the risk, a strict application of the Schedule extras would inflict a manifest injustice, the Secretary shall have power—subject to confirmation by the Board—to modify the extras in the Schedule with regard to such Special Risks. And, further, whereas the strict application of the extra required by the Schedule rating for boiler, causes, in many instances, an injustice to the assured, where the boiler is used for heating only, and similarly as regards iron smoke stacks on buildings which do not endanger

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2. That Section 18, Clause A of the Rules be amended to read, "That where by reason of peculiar construction or other special feature of a risk, the strict application of the Tariff or Schedule extras would, in the opinion of the Secretary, be inadvisable, he shall have power to modify the same. And, further, whereas the strict application of the extra required by the Schedule for boiler hazard causes in many instances an injustice to the assured, where the boiler is used for heating only, and similarly as regards iron smoke stacks on buildings which do not endanger the factory proper, it shall be at the discretion of the Secretary to modify or abolish altogether the extras in question, if circumstances warrant such action."

*(Annual Meeting 21-2-01)*

the factory proper, it shall be at the discretion of the Secretary to modify or abolish altogether the extras in question, if circumstances warrant such action.

(b) When a manufacturing risk has been so constructed or improved as to render eligible for acceptance by the New England Mutual Insurance Companies, such risks may, upon application, be exempted from the operation of any Tariff, and shall then be specially rated by the Board, according to the circumstances of each case, but such specially rated risks shall be inspected at least twice a year as a guarantee that the Standard for which the Special rating was granted is being maintained—the expenses of such inspection to be borne by the Companies interested in the risk

(c) When a risk, from peculiarity of construction of the building, is better than what was contemplated when the Minimum Tariff was established, or when a risk of any occupation not provided for in Schedule rating, is provided with fully equipped automatic sprinklers or automatic fire alarm, it shall be competent for this Board, on application being made by the assured, and on the recommendation of the Secretary, to specially rate such risk, anything in the Board Rules or Rating to the contrary notwithstanding.

(d) That the Secretary be empowered to specially rate brick blocks divided by entire walls to roof when the circumstances appear to him to warrant it; such rating to be subject to the approval of the Board.

(e) That all Standard Sprinkled Textile Manufacturing Risks, equipped in accordance with the conditions of the New England Mutuals, and the storehouses in connection therewith and under the protection of the mill appliances, be struck out of the Tariff, and that every Company be allowed to write them at any rate they may see fit. But no Risk can be dealt with under this Rule, until it has been bulletined by the Secretary as coming within that class. *See Amendment Page 22*

**WHEN A CASE IS TO BE REPORTED TO HEAD OFFICE.**

SECTION 19.—Each instance where the full premium *actually paid* is below Tariff rate, shall be treated as a contravention of the Rules, notwithstanding the same may be reported to the Company and settled for by the agent at the proper Tariff rate, and each of such contraventions shall be reported by the Secretary of this Board to the chief office of the Company in Canada.

**A CHARGE—HOW INVESTIGATED.**

SECTION 20.—If a charge is made against any member or representative of a Company, a member of this Board, the Secretary shall investigate

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the matter and if need be, have the right of access to any papers, books or other documents, and should he fail in having the matter rectified to his satisfaction he shall then at once report all the facts to the Board, whose decision in the matter shall be final. Should the defaulting representative or Company neglect to comply with the decision of the Board, a special meeting shall be called as provided for in Article 9 of the Constitution and Section 9 of the Rules, to determine what action may be taken. Provided, however, that any such charge or accusation may, if deemed advisable, be referred to a Committee, to whom the reply of the accused shall be communicated; and no charge or accusation shall be printed or appear in the Minutes until the report of the Secretary or Committee is before the Board, and then only as part of the whole case, and when ordered by the Board to be printed.

**VIOLATIONS OF TARIFF OR RULES NOT TO BE FOLLOWED.**

SECTION 21.—If any member of this Board infringe or break any of the Rules of this Association, the same shall not be considered either an excuse or justification for any other member so doing.

**ENDORSEMENT FEES.**

SECTION 22.—A fee of fifty cents must be charged and collected for all endorsements, except notices of further insurance and concurrent wording; and any endorsement or written acknowledgment of a change of interest shall be considered as an assignment and charged for as such.

**DUTY OF SECRETARY** (See also Con. Art. 7 and Rule 10).

SECTION 23.—It shall be the duty of the Secretary of the Board to send a printed enquiry to every member upon such matters as may form the subject of general enquiry at the Board Meetings, and it shall be the duty of every member to send a written reply to such enquiries in time to be laid before the next regular weekly meeting of the Board. (See Standing Orders Nos. 10 and 11).

**WORKMEN'S RISK.**

SECTION 24.—That no Agent of a Board Company shall in any case grant a Workmen's Risk except on the printed or written forms in use by his Company, or by endorsement on Policy, and in no case shall any Workmen's Risk be granted free of charge for an indefinite period. The minimum extra rate for any period short of two weeks shall be five cents per \$100. The signing of a written waiver is strictly prohibited. All applications involving any question as to the propriety of granting Workmen's Permits in certain cases where a doubt exists, free of any charge, must be referred to the Secretary for decision, such decision to be recorded

in a book to be kept for the purpose at the office of the Association. On Special and Schedule Risks, ordinary repairs and alterations may be permitted without extra charge, and in case of Mercantile Risks permission for ordinary alterations and repairs may be allowed free for five days at any one time. All notices material to the Risk, such as Workmen's Risk, must be made direct to Companies on the Risk, a notice to the Secretary not being considered binding on Companies.

#### **TO PREVENT GROUNDLESS CHARGES.**

SECTION 25.—To prevent groundless charges being made, all enquiries or charges filed with the Secretary, where an investigation of books or statutory declaration is required, must be accompanied by a deposit of two dollars with the Secretary by the Company or Agent making such request for each Company named in such charge up to five in number, but a deposit of \$10 shall cover a general charge of any number of Companies, such money to be repaid in the event of the charge being sustained, and to be forfeited to the Board if found groundless.

#### **MONEYS FROM LICENSES, &c., HOW DISPOSED OF.**

SECTION 26.—All moneys received from licenses or fines to be held by the Secretary of the Toronto Board to be disposed of as may hereafter be decided at any ordinary meeting two weeks notice having been given.

#### **MINIMUM RATES FOR WHOLESALE AND RETAIL RISKS.**

SECTION 27.—No retail stock shall be written at less than 75 cents, and no wholesale stock at less than 60 cents, whether specified in the Tariff or not.

#### **GRAIN RISKS.**

SECTION 28.—That each Company shall name a person as the responsible representative for all Grain Risks taken by it, who shall facilitate in every way possible any investigation that may be instituted regarding any infraction of the agreement, not to allow to the insured or any other person in any way, directly or indirectly, any beneficial consideration whatever. That supposed infraction shall be reported to the Secretary, or other officer appointed by the Board, in writing (confidentially), who shall at once proceed to investigate the charge and report thereon to the Board.

#### **SMALL STOCKS.**

SECTION 29.—Dwelling houses, having small retail stores, with stocks not exceeding \$100 in value and *without any manufacturing*, shall be exempt from rating as store risks, provided a warranty to the above effect is in-

serted in the policy. This Rule does not apply to risks constructed for or occupied as stores, but only to risks constructed wholly for dwellings and having no store or shop front. Besides, the value of the stock, without any manufacturing, must also be warranted, and further, all policies on such a risk, whether for tenants or owner, must contain the full warranty to exempt them from the full mercantile rate.

*See Tar. 18  
Annual Meeting  
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**WAIVING ONTARIO STATUTORY CONDITIONS**

SECTION 30.- Companies are prohibited from waiving any Statutory Condition that affects any Tariff Rule or Rates, such, for instance, as a change of risk, or of the extra charge for workmen's risk.

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## RULES RESPECTING TORONTO, CITY AND SPECIAL AGENTS.

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1.—A main object of this Board is to provide Rules which shall operate to retain the commissions accruing from the business among the *bona fide*, regular, active and recognized Agents of Companies, and to counteract in every proper way the attraction which a loose system of paying indiscriminate commissions has to bring into the field men who can control an occasional risk, but who are ignorant of, and not *bona fide* regularly engaged in Fire Insurance business, the effect of such a system being to reduce the commissions accruing to the regular, active and recognized Agents and to interfere with and discredit the business generally.

2.—It would be contrary to the spirit and intention of the Rules of this Board that a firm or individual or their bookkeeper, clerk, employe or agent should be appointed by a Company as City Agent, with the direct or indirect object that the business of such firm or individual, or such business as they might incidentally be able to influence, should be secured by that Company.

3.—The Rules respecting all agency appointments shall be interpreted in the light of the two foregoing Sections.

4.—The Toronto Agency of a Company shall, subject to the provisions hereafter named, be composed of one or more persons, not exceeding three, or a firm of not more than three persons (to be called the Toronto Agents), duly appointed to be the Chief Agent or Chief Agents of that Company at Toronto by the Head Office of that Company, and who shall account direct to the said Head Office, and whose name or names shall be registered by the Company with the Secretary before they are eligible to act. And to meet the case in which a Toronto Chief Agency may be composed of less than three persons, then such Agency may supply such deficiency by the appointment of City Agents, but the total number of such Chief Toronto and City Agents shall not, collectively, exceed three.

5.—A Company shall be at liberty to appoint three Special Agents without fee, but who shall in all other respects, except in respect to limit of commission, be subject to the rules respecting Special Agents, provided under Sections 7 to 19 hereof inclusive, but the total of Chief Toronto, or City Agents and Special Agents exempt from fee, shall not exceed six in

number, and only the Chief Toronto and City Agents shall be permitted to act as brokers and to transact business with other Companies than the one for which they are registered or receive a commission directly or indirectly therefor.

6.—Special Agents may be appointed as hereinafter provided.

7.—Only persons who are *bona fide* engaged in the occupation of soliciting or canvassing for Fire Insurance business, or Fire and Life Insurance business, and whose chief occupation this is, shall be eligible as Special Agents, except that persons who are really and *bona fide* Real Estate or House and Land Agents, and have an office and definite place of business in Toronto for that purpose, shall be eligible as Special Agents.

8.—Every person taking out a certificate as a Special Agent shall pay to this Board an annual license fee of \$50, except as provided in Section 5 hereof, and the commission payable to any Special Agent shall be limited to ten per cent. on the premium.

9.—Any person desiring to act as Special Agent in Toronto, and to carry on such business for any Company a member of this Board, shall make application in writing to the Secretary, accompanied by a letter from the Company for whom he proposes to act, sustaining his application, and by the amount of the fee of \$50 (to be returned to him in the event of his application being refused).

10.—Such applications shall be submitted upon a form, to be supplied by the Secretary, which shall embody the rules and conditions as hereinafter provided, to which the applicant shall undertake to be subject, and which he shall pledge himself to fulfill in the event of his application being approved.

11.—Such application shall be submitted to a regular meeting of the Board, and at the next subsequent regular meeting it shall be granted except the eligibility of the applicant is questioned by any member of the Board, in which case the matter shall be deferred to the next regular meeting, and shall then be decided by the majority vote of the members present, the vote to be taken by ballot; but should there be an adverse vote of two-thirds of the members present, then the applicant shall thereby become ineligible for nomination as Special Agent for any Company for six months after date of such adverse vote.

12.—The following shall be the rules and conditions referred to in Section 10, and to which all Special Agents shall be subject :

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(a) An applicant to be eligible must be *bona fide* engaged or about to be immediately so engaged, in soliciting fire risks for the Company he represents, or seeks to represent, and must undertake that he will not receive nor participate in commission on the business of any establishment or firm in which he is or may be engaged as principal or employee.

(b) He must undertake further that he will not directly or indirectly permit the assured or any employee thereof, or any other person to participate in his commission.

(c) That he will not directly or indirectly give or offer business, either new or renewal, to any Company except the one whose registered Special Agent he is. Any Special Agent demanding or accepting commission or other consideration from any Company other than the one whose Special Agent he is, shall be liable to dismissal by a two-thirds' majority vote of the Board, and that in the event of such dismissal, he shall be disqualified to act for any Company either as City or Special Agent for twelve months after date of such dismissal.

(d) That he will strictly conform to all Rules, Regulations and Rates of the Board, and in no way whatsoever seek to evade or connive at any evasion of the same.

(e) That he will immediately answer, verbally or in writing as may be required, any and all questions which may be put to him by the Secretary with regard to the placing or renewing of risks.

(f) That in the event of his Company cancelling a risk upon which he shall have received a commission, he will return the commission upon the unearned premium, and that he undertakes further to be bound by the three following conditions:

(g) Any charge of infraction of Rules or Regulations preferred against a Special Agent shall be dealt with in the same manner as, and be subject to the penalties provided for in cases of infraction by other representatives of Companies under the Rules of the Board, and in such manner as may be decided by the Board from time to time.

(h) The non-payment of a premium due a Company by a Special Agent, after he has received the same from the assured, shall be held to be a violation of the condition upon which his certificate was issued, and to make same liable to cancellation.

(i) In the event of the dismissal of a Special Agent by his Company for infraction of the Rules of the Board, the reasons for such dismissal may be submitted by the Company to any regular meeting, when, by a vote of two-thirds' majority of the members present, such Special

Agent may be declared disqualified to act for any Company either as City or Special Agent for twelve months after date of such dismissal. Provided, however, that two weeks' notice be given of such submission in the ordinary way through the printed minutes, and that one week's notice of such submission be sent by the Secretary to such Special Agent which shall inform him of the matter to be submitted and invite his personal attendance at the meeting in order that he may have an opportunity of making such statement or explanation as he may have to offer.

13. — When an application has been approved, the Secretary shall then register the name of the applicant as Special Agent for the Company appointing him, after which he shall hand him a certificate permitting him to transact business as a Special Agent in the City of Toronto for such Company, terminable on the 1st of March next following, and until receiving such certificate he shall not be eligible to act.

14. — Such certificates shall terminate on 1st March in each year, and the fee shall be chargeable *pro rata* for the portion of the year yet to run up to that date, provided that the amount shall be not less than one-fourth of the annual fee, and the Secretary shall pay back to applicants such part of the \$50 paid in by them as may be called for under this section.

**Re-election of Special Agents:**

15. — All Special Agents must be re-elected annually at the last regular meeting in February, and after the regular one week's notice shall have been given; when their eligibility, as then qualified, to continue to act, shall be open to question by any member, which question shall be dealt with and disposed of in same manner and with same conditions as above provided.

16. — When re-elected a Special Agent with fee must forthwith pay the fee for the ensuing year, to the 1st of March following, to the Secretary, whose receipt for same upon his Certificate will authorize such Special Agent to continue to act subject to the Rules to that date.

17. — No commission shall be paid directly or indirectly to any one not a member of this Board, unless as provided for in this Section and in Sections 4 and 5 of the Rules. No Special Agent shall act for more than one Company. To such Special Agents a commission may be paid only by the Company whose Special Agent he is.

18. — A Special Agent shall not be allowed to act as a broker, or to receive a commission from another Agent, or from any Company except the one whose Special Agent he is; and no Special Agent shall be allowed to receive commission or any other consideration on any business except that which is placed in the Company for which he is registered Special Agent.

19. — A list of all Agents and Special Agents shall be posted in the Board Rooms by the Secretary for reference.

## AMENDMENTS AND ADDITIONS TO CONSTITUTION AND RULES.

ADOPTED AT ANNUAL MEETING, 14TH JANUARY, 1897.

ARTICLE 8.—*Meetings*.—Amended to provide that the regular meetings of the Board be held at 2 30 instead of 3 p.m., and that meetings be held ~~fortnightly instead of weekly~~ *monthly* *Meeting 21-22*

SECTION 4.—*Dividing Commission*—Amended by the addition of the words: "or agree to do so" after the word "commissions" in the third line.

SECTION 18.—*Special Ratings*.—Enlarged by the addition of the following paragraph:

(g) That the Board be empowered to extend the system of specific rating by gradually rating the city, block by block; and that discretionary power be granted in the rating of risks where a large number of non-hazardous occupants in one building are affected by a single mercantile occupant, or where a number of ordinary mercantile occupants in one building are seriously affected by a single small manufacturing occupant, and blocks of buildings (and their contents) with various occupancies and without complete division fire walls, provided that any rating below the minimum must be confirmed by a two-thirds majority of the Board, at the meeting at which the rate is considered.

### OMISSION.

ADOPTED AT SPECIAL MEETING, 6TH JUNE, 1895.

SECTION 18.—*Special Ratings*.—Paragraph (f) It shall be competent for the Board, upon the recommendation of the Secretary, after the usual notice in the printed Minutes, to specially rate any risk that may possess appliances for extinguishing fires, or other features that were not taken into account when the minimum rate for that class of risk was fixed.