



## Current Articles 2001 – March

### A History Lesson!

Insurance is our business, but where did it all begin.

Historians believe that as early as 5,000 B.C. boat operators in China found it necessary to redistribute their cargoes to several boats as they approached treacherous rapids on their rivers. If one boat was lost, all the boat owners shared the loss and no one was wiped out. This is the very principal of insurance -sharing the losses of a few among the many.

The first issued policy was a marine policy on Newfoundland fish. It was a marine policy and issued in 1604.

Modern insurance is traced to the Great Fire of London -September 2, 1666, when an oven in the King's bakeshop became overheated, caught fire, spread and nearly destroyed the entire city of London. More than 640 acres of buildings were completely gutted. Thirteen thousand two hundred families in London were left homeless. 86 parish churches were burned including St. Paul's Cathedral. The property loss in 1604 money was estimated at 10 million pounds sterling.

A year after the fire, a dentist, Dr Nicholas Barbon, opened an insurance office and offered insurance against fire only and only to selected dwellings in London -no contents. In 1706 Charles Povey organized the Sun Fire Office in London and would insure contents as well. This company was later converted to a stock company named the Sun Insurance Office. This later became the Sun Alliance and exists today as The Royal Sun Alliance.

In the New World, fire destroyed Jamestown, Virginia in 1608. In 1631 a series of "great " fires in Boston resulted in the first fire regulation in America -We have ordered that noe (sic) man shall build his chimney with wood nor cover his house with thatch ... "

Until 1752 all fire insurance in America was written by British companies. In that year the first American fire insurance company was formed and named The Philadelphia Contributorship for the Insurance of Houses from Loss by Fire. The company was formed by a well known American who was famous for his experiments with lightning. As a result of his experiments the company refused to insure houses if there were nearby trees. Yes, the founder was Benjamin Franklin.

Franklin also realized that most fires were caused by heating equipment and mainly open fireplaces which in those days were used to heat and for cooking. As a result he invented a heater, The Franklin Stove, and would offer a discount if such device was used. This may be the first attempt at Risk Management !

There were no municipal fire departments in the early days. Each insurance company operated their own fire fighting department. When a fire policy was effected the client would receive a cast iron "fire mark" which would be fastened to the outside of the building. When a fire occurred and the insurer's fire department summoned they would identify their risks by the individual fire mark of their company. It is rumored that if you called the wrong fire insurance company and they

could not identify with your fire mark, that they would turn around and return and let the fire burn.

In 1792, The Insurance Company of North America, was formed as the first stock company in America. This later became the INA and later CIGNA.

In Canada, the first company to establish an office from England in 1804 was the Phoenix of London. Five years later in 1809, the first Canadian company was formed and known as The Fire Association of Halifax, later changed to the Halifax Insurance Company which today is known as ING Halifax.

In 1836, under the Mutual Fire Insurance Act of William IV was formed the Gore Mutual Insurance Company and which is the oldest continuously operated mutual fire insurance company in Canada. It is interesting to note that the original freehold members of the Gore signed the charter in Plumer Burley's Tavern which was located at King and James, at the site of the original Birk's building. Hamilton was not called Hamilton, in those days but was called the District of Gore - hence the name Gore Mutual. Where did you think Gore Park got its name? The company was put on hold because of the Mackenzie Rebellion and did not start to operate until several years later and the first office was located in Brantford.

. . . . . to be continued . Have you heard of the Great Fire of Toronto ?

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