

FIRE INSURANCE IN CANADA IN 1904.

The table published in this issue from the report of the superintendent of insurance relative to the fire insurance business in Canada last year is a very depressing exhibit.

The amount paid for losses last year is stated to have been \$14,099,534, against \$13,169,882 received for premiums, that is, the fire insurance companies paid out \$929,652 more for losses than their total receipts for premiums. This, however, does not cover the case, for, in addition to their payments for losses, the companies paid about 4 millions of dollars for expenses, so that their income from premiums fell short of providing for losses and expenses by about 5 millions of dollars.

The past year was an exceptional one owing mainly to the Toronto conflagration. But these exceptional years when the premium receipts are not sufficient to provide for losses and expenses have occurred much oftener than is generally known. Since 1869 the premiums received by the fire insurance companies have been inadequate to meeting the losses paid and expenses incurred in fourteen of the years, viz., 1870, 1871, 1872, 1875, 1876, 1879, 1881, 1886, 1892, 1893, 1894, 1895, 1900, 1904.

In those fourteen (14) years the total premiums amounted to \$74,619,417, and the losses to \$60,018,147, the 14 years average loss ratio having been 80.43. If to this we add 30 per cent. for expenses the outgo was 110.43 per cent. of premium receipts.

Estimating the expense average as 30 per cent. of premiums, in those 14 years the fire insurance companies had a total outgo of \$82,403,972, towards providing for which their total premium receipts were \$74,619,417.

For the whole term from 1869 to 1904 their premiums amounted to \$201,575,618 and losses paid to \$140,309,836, the loss ratio being 69.61 per cent. If then to the aggregate amount of losses from 1869 to 1904 there is added 30 per cent. for expenses, the total outgo amounts to \$200,782,690, against premium receipts of \$201,575,618. The balance of receipts in excess of outgo in the 36 years was \$792,928, an average of \$22,026 per year of trading profit to be divided amongst the 36 fire insurance companies doing business in Canada.

Such incontrovertible facts demonstrate that the rates charged for fire insurance in Canada during the years from 1869 to 1904, both inclusive, were insufficient to cover the losses and expenses with a moderate provision for profits on the capital engaged and at risk in the business.

MONTREAL CLEARING HOUSE.—Total for week ending September 21, 1905—Clearings, \$27,471,155; corresponding week 1904, \$21,306,292; 1903 \$19,064,960.

FIRE INSURANCE IN CANADA IN 1904.

(From the Report of the Superintendent of Insurance.)

FIRE PREMIUMS AND LOSSES CANADA IN 1904.

The cash received for premiums during the year in Canada has amounted to \$13,169,882, being greater than that received in 1903 by \$1,785,120; and the amount paid for losses has been \$14,099,534, which is greater than that paid in 1903 by \$8,228,818. The ratio of losses paid to premiums received is shown in the following table:—

| | Paid for Losses. | Received for Premiums. | Rate of Losses paid per cent. of Premiums received. | The same for 1903. |
|-------------------------|------------------|------------------------|---|--------------------|
| Canadian companies..... | \$ 2,561,475 | \$ 2,581,275 | 95.53 | 53.00 |
| British " | 9,172,919 | 8,343,666 | 109.94 | 51.86 |
| American " | 2,365,140 | 2,144,941 | 110.27 | 48.49 |
| Total | 14,099,534 | 13,169,882 | 107.06 | 51.57 |

The corresponding results for the thirty-six years over which our records extend, are given below:—

| | Premiums received. | Losses paid. | Rate of Losses paid per cent. of Premiums received. |
|-------------|--------------------|--------------|---|
| 1869 | \$ 1,785,539 | \$ 1,027,720 | 57.56 |
| 1870..... | 1,916,779 | 1,624,837 | 84.77 |
| 1871..... | 2,321,716 | 1,549,199 | 66.73 |
| 1872..... | 2,628,710 | 1,909,975 | 72.66 |
| 1873..... | 2,968,416 | 1,682,184 | 56.67 |
| 1874..... | 3,522,303 | 1,926,159 | 54.68 |
| 1875..... | 3,594,764 | 2,563,531 | 71.31 |
| 1876..... | 3,708,006 | 2,867,295 | 77.33 |
| 1877..... | 3,764,005 | 8,490,919 | 225.58 |
| 1878..... | 3,368,430 | 1,822,674 | 54.11 |
| 1879..... | 3,227,488 | 2,145,198 | 66.47 |
| 1880..... | 3,479,577 | 1,666,578 | 47.90 |
| 1881..... | 3,827,116 | 3,169,824 | 82.83 |
| 1882..... | 4,229,706 | 2,664,986 | 63.01 |
| 1883..... | 4,624,741 | 2,920,228 | 63.14 |
| 1884..... | 4,980,128 | 3,245,323 | 65.16 |
| 1885..... | 4,852,460 | 2,679,287 | 55.22 |
| 1886..... | 4,932,335 | 3,301,388 | 66.93 |
| 1887..... | 5,244,502 | 3,403,514 | 64.90 |
| 1888..... | 5,437,263 | 3,073,822 | 56.53 |
| 1889..... | 5,588,016 | 2,876,211 | 51.47 |
| 1890..... | 5,836,071 | 3,266,567 | 55.97 |
| 1891..... | 6,168,716 | 3,906,697 | 63.31 |
| 1892..... | 6,512,327 | 4,377,220 | 67.22 |
| 1893..... | 6,793,595 | 5,052,690 | 74.37 |
| 1894..... | 6,711,369 | 4,589,363 | 68.38 |
| 1895..... | 6,943,382 | 4,993,750 | 71.92 |
| 1896..... | 7,075,850 | 4,173,501 | 58.98 |
| 1897..... | 7,157,661 | 4,701,833 | 65.69 |
| 1898..... | 7,350,131 | 4,784,487 | 65.09 |
| 1899..... | 7,910,492 | 5,182,038 | 65.51 |
| 1900..... | 8,331,948 | 7,774,293 | 93.31 |
| 1901..... | 9,650,348 | 6,774,956 | 70.20 |
| 1902..... | 19,577,084 | 4,152,289 | 39.26 |
| 1903..... | 11,384,762 | 5,870,716 | 51.57 |
| 1904..... | 13,169,882 | 14,099,534 | 107.66 |
| Totals..... | 201,575,618 | 140,309,836 | 69.61 |

Taking the totals for the same thirty-six years, according to the nationalities of the companies, the following are the results 1869-1904:—