

TWO BILLIONS OF FIRE INSURANCE

Were at Risk at the End of Last Year—Unlicensed Companies Are Doing a Big Business in Canada.

The net amount of fire insurance at risk in Canada at the end of last year was \$2,035,515,028. This showed a fairly large increase over 1909, when the figures were \$1,863,276,504. Losses, unfortunately, were much heavier in 1910 than in the previous year the figures being \$10,233,332 and \$8,646,826 respectively. As pointed out last week, the fire underwriting results for the year just past were very much less satisfactory than in the previous year; for in 1909 the loss ratio was only 50.46 per cent. of the premiums, while last year it reached 58.31 per cent. The fire loss of these companies almost reached eleven millions of dollars (\$10,908,531) last year, while the 1909 total reached only \$8,604,477.

Although the British companies did a larger share of the fire underwriting of the year, and suffered a larger share of the loss than both the other groups of companies combined, their ratio of loss to premium was smallest of the three, as the following comparative table shows:—

	Premiums.	Losses.	Ratio of loss.
British companies	\$10,243,235	\$5,488,717	53.58
American companies	4,148,489	2,237,450	53.92
Canadian companies	4,316,163	2,507,165	60.14

The following table gives a comparison of some of the leading items for the two years:—

	1909.	1910.		Increase or Decrease
Net cash received for premiums	\$ 17,049,464	\$ 18,707,887	+	\$ 1,658,423
Re-insurance and return premiums	4,952,509	5,455,372	+	502,773
Gross cash received for premiums	22,002,063	24,163,259	+	2,161,196
Gross amount of policies new and renewed	1,579,975,867	1,815,289,605	+	235,313,738
Net amount at risk at date	1,863,276,504	2,035,515,028	+	172,238,524
Net amount of losses incurred during the year	8,604,477	10,908,531	+	2,304,054
Net amount paid for losses	8,646,826	10,233,332	+	1,586,506
Unsettled Claims:				
Not resisted	821,685	1,378,689	+	557,004
Resisted	55,377	53,377	—	2,000

The only decrease last year in the above items was in the value of unsettled claims resisted, there being a large increase in the unsettled claims not resisted. The net cash received for premiums exhibited a gain over 1909 of \$1,658,423, or 9.7 per cent., and the gross cash for premiums increased \$2,161,196. There is now at risk the large sum of \$2,035,515,028, a gain over the previous year of \$172,000,000, or 9.2 per cent. The net losses incurred during the year showed a heavy increase of \$2,304,000, or 26 per cent. The net amount paid for losses also showed a large gain, being \$1,586,000, or 18.3 per cent.

Since 1869 the companies transacting fire insurance in Canada have received in premiums \$299,448,353, divided as follows:—

Companies.	1869-1902.	1869-1910.
Canadian	\$ 40,008,505	\$ 66,746,582
British	117,207,683	189,256,621
American	19,804,726	43,445,150
Grand Total	\$177,020,974	\$299,448,353

The following table shows the losses paid during the past forty years:—

Companies.	1869-1910.
Canadian	\$43,293,007
British	121,318,288
American	25,888,005

Grand Total

The total assets of the twenty-five Canadian fire insurance companies last year amounted to \$13,088,312. Their nature is shown in the following table, cents being omitted:

Assets.	Amount.
Real estate	\$ 517,886
Loan on real estate	890,072
Bonds and debentures	6,617,391
Stocks	1,508,192
Agents' balances, and premiums outstanding	1,654,372
Cash on hand and in banks	1,067,080
Interest due and accrued	91,987
Other assets	741,319
Total assets	\$13,088,312

The Canadian companies' liabilities last year, not including capital stock, totalled \$6,294,910, divided as follows:

Liabilities.	Amount.
Unsettled losses	\$ 727,584
Reserve of unearned premiums	5,027,284
Sundry	540,041

Total liabilities not including capital stock....\$6,294,910

The excess of assets over liabilities excluding capital stock was \$6,793,401. The capital stock paid-up in cash amounted to \$7,137,200. Here are the assets of the British and American fire insurance companies transacting business in Canada:—

Assets.	British Companies.	American Companies.
Real estate	\$ 2,172,022	\$
Loans on real estate	13,807,503
Bonds and debentures	12,138,611	3,389,089
Stocks	94,678	144,141
Agents' balances and premiums outstanding	1,310,964	533,103
Cash on hand and in banks	1,296,704	207,003
Interest due and accrued	351,687	26,080
Other assets	288,665	5,658
Total assets in Canada	\$31,460,837	\$4,305,085

Cents are omitted in the above tables. There were twenty-one British and sixteen American companies doing fire underwriting in Canada last year. Of these several did

other classes of business, including life, accident, guarantee, sickness, automobile, sprinkler leakage, inland transportation, tornado and live stock business. The total liabilities of the British companies in Canada amounted in 1910 to \$8,659,357, and of the American companies \$2,719,298. The British unsettled losses were \$756,739, and the American \$347,473. The reserve of unearned premiums of the British companies amounted to \$6,269,109, compared with the American total of \$2,332,132. The following table shows the comparison of total cash income and total cash expenditure of the Canadian, British and American companies:—

Companies.	Total Cash Income.	Total Cash Expenditure.
Canadian	\$ 8,918,010	\$8,457,964
British	11,511,016	8,546,696
American	4,286,038	3,398,211

Nine Canadian companies last year showed an excess of expenditure over income. This was the case in only one British company, and one American company. The following table gives some interesting ratios:—

Companies.	Rate of losses paid per cent. of premiums received.	Rate of general expenses per cent. of premiums received.	Rate of total cash expenditure per cent. of total cash income.	Rate of premiums charged per cent. of risks taken.
Canadian	57.62	38.01	94.84	0.94
British	53.58	29.85	83.44	1.33
American	53.93	27.98	81.91	1.41

The following figures throw an interesting light on the amount of insurance written on property in Canada by companies, associations, or underwriters unlicensed to do business in this country. The business is done under the provision of section 139 of the Insurance Act, 1910, a section strongly opposed by the licensed companies and by The Monetary Times:—

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