

THE CHARACTER OF FIRE PREMIUM INCREASES.

One of the features of the fire companies' experience in Canada last year was the rise in premium income. The tables published by The Chronicle a few weeks ago show a gain in this respect over the preceding year of \$3,500,000. This is certainly the largest annual gain in twenty years, and probably amongst the largest in the Canadian history of the business. The nearest approach to this record gain was in 1912, when the increase of premiums over 1911 was \$2,619,000. At that time, Canada was in the midst of a great construction boom. Building of all kinds was extremely active throughout the Dominion, while the values of goods and commodities were comparatively stable. In brief, the substantial increase in premium incomes at that time was the result of new construction. Last year's increase was brought about under entirely different conditions. There was a certain amount of new construction, but this was almost wholly of industrial plants connected with war production. General building was, comparatively speaking, at a standstill. At the same time, the values of all goods and commodities went sky-rocketing up all through the twelve-month.

While last year's increase in premium income was a substantial one, it is easily seen that the fire companies are not getting the revenue they should get in view of the diminution in the dollar's purchasing power. The decrease in the purchasing power of the dollar, in other words, the rise in the value of commodities expressed in terms of money, since 1914 is probably not less than 40 per cent. But the increase in the volume of the fire companies' premiums since 1914 is only about 17½ per cent.—from \$27,499,158 in the calendar year 1914, to \$31,269,677 in the calendar year 1917. That is to say, the volume of the companies' premiums, expressed in terms of money, has by no means kept pace with the decline in the purchasing power of the dollar.

Part of the increase in premiums since 1914, is due, as already stated, to new construction. So that the increase in premiums due to the rise in values is considerably less than the whole amount of premium advance in four years. It appears that while under-insurance is a more or less constant quality when values are reasonably stable, it has increased in enormous proportion since the outbreak of war. This is evident even when every allowance has been made for the decrease of stocks in certain lines. Thus the rapid rise in values has been detrimental to the fire companies, whose premium income has not by any means kept pace with it. Despite the substantial increase in premiums last year, their premium-funds, as expressed in terms of money, are in fact, considerably smaller than they should be.

Their premium-funds in fact, are relatively restricted, at a time when losses certainly show no signs of falling off, and expenses have actually been heavily increased.

The point is of practical importance, since the present outlook is that prices of commodities will only decrease very gradually after the war, and

that for several years at least, they will remain at an exceedingly high level. Thus the outlook is that unless a very considerable change is effected in the bringing of insurances in force more into line in terms of money, with actual values, the companies in the years ahead will have to work with proportionately, a smaller volume of premiums than in pre-war days. Any period of industrial paralysis in Canada would, of course, have an immediate effect upon the companies' premium incomes. But altogether apart from this very obvious cause of restriction of income, the companies will continue to be prejudicially affected, relatively speaking, unless there is a more general movement to decrease the recently vastly-enlarged proportion of under-insurance to total insurance in force.

YOUR RECORD COUNTS.

Many companies pay close attention to the past fire records of parties applying for insurance. Thus, if a man has suffered from two or more fires of any importance, his application for insurance is likely to be closely scrutinized before it is accepted. It may be that the man is entirely honest, and that no one can produce an iota of evidence reflecting upon his moral character; however, if he has been unfortunate enough to have previously had two of three fires, which have cost the insurance companies money, they are apt to think twice before accepting him again as a policy-holder, on the principle that the burnt child dreads the fire. It may be that this particular man may never again experience another fire, and that the companies which do write his risk will profit thereby; but those who, like a famous European financier, decline to have dealings with unlucky men, will probably refuse to write his risk.—The Spectator.

MY CREED.

I believe in the tragic uncertainty of life, the incalculable value of time, and the absolute certainty of life insurance. I believe steadfastly in the company I represent, in the contract I offer, in the people I solicit; that lives are composed of years, years of days, days of hours, hours of minutes; therefore, he who wastes a minute, wastes a portion of life, and to that extent is guilty of homicide.

I believe I can do anything anybody else can, if I work ten times as hard. I believe in pleasant memories, agreeable fancies, pleasing prospects, but most of all in hard work. I believe in the supremacy of conscience, the reign of love, the conquest of kindness, the marketability of good will, the folly and futility of hate, and the sure reward of persistence and tact; that courtesy, chivalry, initiative and patient toil secure a prize worthy of struggle; I believe I'll struggle.—Imperial Life News.

Mr. O. W. Pease, the newly-appointed Canadian manager of the Queensland Insurance Company, has left for an extended trip throughout the West, in connection with the organization necessary for the business of his company. The Queensland is an old and well established fire company.