FIRE INSURANCE IN 1897.

(From the *Pall Mall Gazette.*)

Owing to the big fires in the cities of London and Melbourne at the end of last year, more than usual interest attaches to the reports of the fire insurance companies, most of which have now been published. One or two small companies were hard hit by these fires, but, in spite of some foolish talk at the time, these fires have not prevented 1897 being one of the best years for the offices for many years past. The total premium income of the forty-eight principal offices amounted to £19,003,309, of which 56.44 per cent. was absorbed by losses, 34.23 per cent. by expenses and commission, leaving a profit on the year's trading of more than 9 per cent. of the premium income. The only companies of any importance whose accounts for 1897 are not included in this statement are the Royal Exchange, the National of Ireland, and the Kent. The totals quoted include the figures of these offices for the previous year, and the substitution of their new figures would not make any important difference in the totals of the whole of the companies.

The percentage of the premiums absorbed in losses and expenses in recent years has been as follows:—

	Losses.	Expenses.	Together.
1897	56 4	34 2	90 6
1896	56 2	31 9	88 1
1895	56 6	32 4	89 0
1894	57 0	32 1	89 1
1893	68 8	31 8	100 6
1892	66 9	32 0	98 9
1888	59 2	31 0	90 2

The year 1888 saw the lowest ratios for many years prior to 1894. It will be seen from these figures that the losses in 1897 have on the whole been very favourable. The expenses, on the other hand, are something like 2 per cent. higher than the average for the previous ten years. As security for the insurance guaranteed by the offices they have paid-up capital amounting to £8,482,015 and funds exclusive of capital to the extent of £30,126,818. The items amount to 45 per cent. and 158 per cent. respectively of the annual premium income. The companies thus have in hand over two years' premiums, a security which is abundantly adequate for all contingencies. Of course the details of the various offices depart widely from these proportions. The losses and expenses of some companies were very heavy and of others very light, while the funds in proportion to premiums were much greater in some cases than in others. Only two offices experienced a loss ratio in excess of 70 per cent. These were the Hand-in-Hand with 71.2, and the unfortunate Empress with losses of 71.3 and expenses of 45.9 per cent.

Among the offices with a loss ratio of more than 60 per cent. are :—

	Losses.	Expenses.	Total.
Eastern Counties	63 6	35 0	98 6
Guardian	68 3	35 7	104 0
Lion	63 5	38 4	101 9
North of Scotland	61 2	71 6	132 8
Norwich Union	60 8	33 8	94 6
Palatine	60 7	36 5	97 2
Patriotic	65 0	32 7	97 7

It will be seen that in three of these cases there was a loss on the year's trading.

Among the most important companies which came out exceptionally well were :—

	Losses.	Expenses.	Total.
County	36 3	33 3	69 6
Essex and Suffolk	38 8	29 6	68 4
Law Union	38 5	33 1	71 6
Law Fire	43 0	29 9	72 9

The company with the largest premium income is the Royal, which for the fourth time in succession received more than £2,000,000 in premiums. Its loss ratio was 54.9 per cent. Five other offices had a premium income of more than a million. These were:

	Premiums.	Losses.
Commercial Union	£1,074,747	54 6 p.c.
Liverpool and London	1,540,747	55 7 "
North British & Mercantile	1,433,829	55 7 "
Phœnix	1,114,889	59 7 "
Sun	1,012,340	58 1 "

It is not surprising that the results accomplished by some of the successful offices tempt promoters to try new ventures, but it must be confessed that the records of many offices for many years offer equally significant warnings, and the difficulties in the way of a new company, added to the not infrequent loss on the trading account, should deter investors from risking their money in newly promoted fire offices.

Notes and Items.

Beer, as a thirst-quencher useless. The Northwestern Mutual Life of Milwaukee, as is well-known, has always held aloof from business more or less connected with the brewery interests. In the city of Milwaukee, which is the brewery city of the United States, the company is known as "The Teetotaller Life," "The Francis E. Willard Annex," etc., among those of its competitors of the glad hand and merry heart. Sometime ago the company caused an exhaustive investigation to be made as to the total abstinence or other habits of brewery employees with the result that some of the clerical force of these thirst-quenching corporations thought nothing of drinking fifteen or twenty glasses of beer a day. Thirst-quenching is a continuous performance in these offices, costing some of the breweries $100 a day !

Clunie, of California, confounded. The insurance companies have prevailed over Commissioner Clunie, of California, and their victory is complete. The particulars of Clunie's particular lunacy have already been given in these columns. He threatened to cancel the certificates of every foreign and eastern company doing business in California unless they complied with a state tax law, taxing them 1 per cent. on premiums, the proceeds to go to the fire department in the community in which the premium was paid. The tax had not been paid for some years, and he, therefore, called upon the companies to pay $279,530.98, which had accumulated against them, or take the consequences. Judge Morrow, of the United States Circuit court, holds that the commissioner has exceeded his authority. His authority to revoke a license is restricted to cases of insolvency, or to cases of transfer to Federal courts in cases of violation of a state statute. Mr. Clunie, who has been in New York for some time, ran home in a great rage last Thursday, saying the decision didn't suit him, and he would carry the case to Washington.