

life companies may be said to have been somewhat increased since 1900, but at the same time the reserves have to be maintained on a more conservative basis than formerly; consequently the margin for profits from premiums is not now so large. The increased cost, also, of new business and the low rate of interest, which, of necessity, has to be accepted in safe investments, all tend to lessen the profits from such sources.

Hon. Senator Mackay said:—

"In seconding the adoption of the Directors' Report, I wish to say that the growth of our company has been progressive and at the same time conservative, which, I think, are the proper lines on which a life insurance company's business should be conducted. The investments and the securities held by our company are of the best, and in addition to having over \$200,000 of first-class government and municipal bonds (all owned by the company) deposited with the Dominion Government, yielding annually over 4 per cent., our loans, for which securities of the very best class are held, yield an average of over 5 1-2 per cent. interest. The careful policy of the company in this respect is proven by the fact that not one dollar of loss has been made on investments, and every dollar of interest has been promptly paid when due.

FLORIDA'S DISASTROUS RECORD OF FIRE LOSSES AND ITS LESSON.

Florida, which is usually associated with orange groves and perpetual summer, has a remarkably disastrous fire record. This somewhat discounts the theory that Canada's high ratio of fire losses is a result of the risks incident to a country where the winters are severe. The record is as follows for the past twenty-four years:—

	Premiums received.	Losses paid.	Ratio of losses paid to prem.
	\$	\$	
1903	1,276,162	646,568	56.7
1902	1,173,100	490,593	41.8
1901	944,295	4,033,636	427.1
1900	832,188	448,885	53.9
1899	710,285	312,845	44.0
1898	624,662	311,482	49.7
1897	613,447	206,614	33.6
1896	613,238	233,411	38.0
1895	688,990	354,300	51.6
1894	596,775	303,758	50.9
1893	575,489	229,214	39.8
1892	571,557	231,363	40.4
1891	472,399	613,199	129.0
Totals.....	9,592,587	8,233,316	ave. 85.8
1880 to 1890 inclusive.....	2,915,681	2,514,204	86.2
Totals.....	\$12,508,268	\$10,747,520	ave. 85.9

The exhibit is a remarkable illustration of the utter futility of judging the results of fire insurance business by a few years' experience. In the thirteen years given above, for which we have worked out

the annual ratio of losses paid to premiums received, the percentage of eleven of the years was quite favourable, in six years exceptionally so, yet for those thirteen years, 1891 to 1893, the average loss ratio was 85.8 per cent., which is so very high a figure as to have entailed a net loss to the companies of the whole of the premiums received, and an additional sacrifice of not less than \$1,800,000. Taking the whole twenty-four years' fire business in Florida, the losses paid and expenses exceeded the premiums received by \$2,600,000.

The above record emphasizes the absolute necessity of a fire insurance company preparing for conflagrations by imposing such rates as will provide a fund to meet these contingencies.

Since the above was written the conflagration at Tampa, Flo., has occurred and added fresh emphasis to the conflagration lesson.

CANADIAN RAILWAY ACCIDENT INSURANCE COMPANY.

The above company's ninth annual report shows the business to have considerably expanded during last year. The business written in 1903 is reported as having amounted to \$18,887,602, being an increase over 1902 to extent of \$1,615,628. The revenue statement gives the net premiums as \$158,413, to which sum is added \$3,346 as interest on investments, and \$8,983 "Contingency Account, 1902," the total revenue being thus raised to \$170,743. The claims paid were \$82,827, and commissions, expenses and salaries, \$65,699; these items, with \$186, depreciation office furniture, make the total expenditure \$148,712, leaving a surplus of \$22,031. The sum of \$8,000 was carried to reserve fund, which stands at \$40,570, and contingency account, \$8,780.

The meeting declared a dividend of 6 per cent. on the capital stock of \$40,000. The company's assets are stated to be \$109,089. Mr. John Emo is general manager; Mr. J. P. Dickson, secretary-treasurer, and Mr. D. Murphy, M.L.A., president.

KAVANAGH VERSUS THE NORWICH UNION FIRE INSURANCE SOCIETY.

Judgment in this case, appealed from the Superior Court, was rendered in the Court of Appeal, by Sir Alexander Lacoste, Chief Justice. The Superior Court had condemned the appellant, Mr. Walter Kavanagh, to pay \$2,250 damages to the Norwich Union Fire Insurance Society, under the following circumstances.

The appellant, Kavanagh, was agent in Montreal, of the Norwich Union. On the 4th September, 1900, the agency was taken from him. On the 7th of September the company took an action against him to revindicate its books, which appellant had refused to give up. The action was accompanied by