

FIRE INSURANCE IN THE UNITED STATES.

Business Transacted and Losses Paid Throughout the States by Companies that do Business on Both Sides of the Border Line.

As in preceding years, THE CHRONICLE is indebted to the Spectator, of New York, for the figures from which there has been compiled the accompanying showing (see over page) of United States operations of fire insurance companies licensed to transact business on both sides of the border line. United State fire losses experienced by the 164 companies reporting to the New York Insurance Department (30 of which do business in Canada) were some \$8,000,000 lighter in 1909 than during 1908—while net premiums were nearly \$19,000,000 greater. The loss ratio for the companies as a whole was practically 49 per cent., as compared with over 56 per cent. in 1908, and rather less than 48 per cent in 1907. United States companies alone show losses of well on to \$100,000,000 giving a ratio of about 49 1-2 per cent., as compared with 56 per cent. in 1908, and 47 per cent. for the preceding year.

Experience of Foreign Companies.

Foreign offices (British, European and two Canadian) experienced losses of about \$35,000,000, giving a ratio of something over 49 per cent., as against 56 1-2 per cent. during 1908 and 51 per cent. during 1907.

Practically all outside companies of importance transacting fire insurance business in the United States report to the New York insurance department. The table appearing herewith is compiled from an exhibit covering the entire United States business of all fire companies reporting to the state superintendent of insurance (some of which also transact marine business). The figures are stated as having been taken from sworn reports of the various companies. As they are issued considerably in advance of the New York departmental report, THE CHRONICLE follows its usual procedure of compiling a table relating to the United States record of such companies as do business in the Dominion also—whether their head offices be in the United States, Great Britain or Canada.

With an expense ratio that it seems impossible to bring much under 35 per cent., and with the ever-present menace of conflagration losses, foreign companies do not find the United States the most profitable of fields, relatively to the amount of business transacted. Though 1909 was a fairly favourable year, the present outlook is not brightened by the eagerness of state after state to increase the restrictions and taxation burdens under which foreign, even more than native companies, labour.

Referring to the experience and outlook of British offices in the United States field, THE CHRONICLE some months ago quoted The Review of London, as giving the following suggestive—if somewhat indefinite—summing up:

"When a limited section of a company's business is unprofitable, it is considered *en règle* to cut it adrift, but the same rule cannot conveniently be applied to the business of a vast region like the United States of America. But it is possible, and might in some instances be advantageous. Meanwhile, it hardly falls within our province, as outsiders, to tender advice to any company. Each is the only competent judge of

its own potentiality. We make no attempt, therefore, to give an indiscriminate answer to the question whether more than a mere handful of British companies—and these the strongest—can afford to face another conflagration, unless it should be postponed for many years to come."

THE UNION LIFE ASSURANCE COMPANY.

A gain of over \$2,000,000 during 1909 brought the total of well-selected premium-paying insurances in force in the Union Life at the year-end up to \$15,367,426. In the past five years, the volume of business has grown threefold, evidencing the energy which President H. Pollman Evans and his associates have put into the upbuilding of this Canadian industrial company.

During 1909, the net cash premium income, after deducting all re-insurance premiums, was \$439,583, being an increase over the preceding year of \$83,591, the largest increase in the history of the company. Including interest, rents, dividends, etc., the total of the revenue account amounted to \$637,056.

Payments to policyholders were also larger in amount than in any previous year, amounting in all to \$85,610. Death claims continue to show what is considered a notably low mortality rate for an industrial company. The ratio of expenses to regular income decreased nearly four per cent., notwithstanding that the increase of premium-paying business placed on the books during 1909, was the greatest in the history of the company.

Assets increased nearly \$165,000 during the year, to an aggregate of \$827,113; and over \$125,000 was added to reserves, bringing that fund for protection of policyholders up to \$608,423—the surplus on policyholders' account being \$142,254.

The company's progress during the first five years is indicated below:—

	Total Income.	Total Assets.	Reserves.	Insurance in Force.
1909.	\$637,056	\$827,113	\$608,423	\$15,367,426
1908.	456,532	662,743	482,099	13,295,478
1907.	376,690	556,632	358,360	11,234,956
1906.	438,551	417,296	250,640	9,576,327
1905.	314,696	234,728	108,970	7,161,726
1904.	241,303	164,844	53,075	5,087,778

Actual operations of the company have extended over a period of 7 1-2 years, during which time a consistent annual increase of about \$2,000,000 in insurance in force has been maintained.

Speaking at the Union Life Banquet in Toronto recently, President Evans had this prophecy to make regarding the future of industrial life insurance generally:

"Splendid as have been the triumphs already won, I venture to predict that the next half-century will witness the evolution of the system of industrial insurance into forms of thrift and benevolence, that are at present unknown."

MUNICIPAL OWNERSHIP in Moncton, N.B., has evidently not accomplished all that was hoped. After many years' trial, it is now proposed that the municipal lighting plant be leased to an English syndicate. A nominal net profit of \$7,500 in 1909, is reduced to \$100, when depreciation is provided for. The old story over again.