

1874.

MAY.

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Bryce McMurrich & Co.

WHOLESALE

DRY GOODS MERCHANTS,

ARE RECEIVING

GOODS WEEKLY BY STEAMERS

FROM

Liverpool and Glasgow,

And Stock in all Departments

WELL ASSORTED.

Agents for sale of DUNDAS COTTON MILLS
MANUFACTURES.

WAREHOUSE—34 Yonge Street, TORONTO.

THE MONETARY TIMES,
AND TRADE REVIEW.

TORONTO, CAN. FRIDAY, MAY 8, 1874

FIRE INSURANCE IN CANADA—1873.

It is apparent from the returns for 1873, which we are enabled to lay before our readers, that the Companies have had comparatively good fortune; and that, contrary to their general experience, most of them are able to show a balance to the credit of the year's transactions. We doubt not that this result is in some measure due to the advanced rates which have been realized; but were it not for the lessened number and damage of fires the difference in rates would probably have done no more than to wipe out the annually recurring loss to which, for a number of years, the Companies had been accustomed. It would therefore be an egregious mistake to base upon the experience of a single year the assumption that rates are too high. On the contrary, it may be found that all the margin saved last year will be imperatively, needed to cover the shortcomings of past and previous years.

Twenty-two Companies hold licenses to transact the business of fire insurance throughout the Dominion. Of these seven are Canadian, twelve British, and three American. The total premium receipts of all these Companies in 1873 were \$3,065,575 on 156,405 policies and covering risks to the amount of \$278,754,837. The business of five years—premiums and losses—compare as follows:—

| | Losses. | Premiums. |
|----------------------|-----------|-------------|
| 1869—20 Companies... | \$967,939 | \$1,840,273 |
| 1870—20 Companies... | 1,747,563 | 1,958,538 |
| 1871—23 Companies... | 1,574,598 | 2,342,377 |
| 1872—23 Companies... | 1,899,371 | 2,610,369 |
| 1873—22 Companies... | 1,608,270 | 3,065,575 |

Total\$7,797,741 \$11,817,132

A steady and satisfactory increase of business from year to year is here shown, and with an apparently good margin for profit. If, however, 25 per cent be deducted for expenses it will be seen that the margin for dividend on the capital employed and to reinsure the current business, is quite insufficient.

The premium receipts for two years compare thus, omitting cents:—

| | 1872. | 1873. |
|-----------------------|-----------|-----------|
| Ætna..... | \$177,944 | \$183,929 |
| Agricultural of W... | 73,613 | 64,641 |
| Agricultural Mutual. | 43,858 | 73,614 |
| British America | 174,047 | 191,035 |
| Commercial Union... | 57,329 | 29,782 |
| Guardian | 32,947 | 54,387 |
| Hartford | 80,687 | 103,685 |
| Imperial | 102,750 | 134,710 |
| Isolated Risk..... | 59,122 | 55,623 |
| Lancashire..... | 43,967 | 66,733 |
| L. & Lon. & Globe... | 260,263 | 258,632 |
| London Corporation. | 67,385 | 79,368 |
| N.Brit. & Mercantile | 235,290 | 303,234 |
| Northern | 69,906 | 75,359 |
| Phoenix | 108,216 | 158,403 |
| Provincial | 161,159 | 190,857 |
| Quebec | 77,508 | 75,169 |
| Queen | 150,531 | 179,562 |
| Royal Canadian | | 97,147 |
| Royal | 315,848 | 371,045 |
| Scottish Imperial.... | 55,793 | 59,050 |
| Western | 262,202 | 256,598 |

Total\$2,610,369 \$3,065,575

As between the different classes of Companies, the seven Canadian received \$940,047 or 30½ per cent of the premiums; the three American \$352,257 or 11½ per cent. and the twelve British Companies \$1,773,181 or 57½ per cent.

The losses paid during the year amounted to 52½ per cent; if the losses in suspense and resisted be included the percentage would be 57½. Taking the different classes of Companies separately we found the premiums and losses with percentages to be as follow:—

| | Premiums. | Losses. | p.c. |
|----------------------|-------------|-------------|------|
| 3 American Co's... | \$352,257 | \$227,720 | 64½ |
| 7 Canadian Co's... | 940,047 | 494,077 | 52½ |
| 12 British Co's..... | 1,773,181 | 886,973 | 50 |
| 22 | \$3,065,575 | \$1,608,270 | |

Taking next the individual companies we find the percentage of loss in each case to be: Ætna of Hartford 57 per cent; Agricultural of Watertown, 43½; Agricultural of London, 64; British America, 61½; Commercial Union, 106½; Guardian, 143 1-5; Hartford, 16; Imperial, 53; Isolated Risk, 36 2-5; Lancashire, 70; Liverpool & Lon-

don & Globe, 52½; London Corporation, 55½; North British and Mercantile 35½; Northern, 93½; Phoenix, of London, 33½; Provincial, 55½; Quebec, 76½; Queen, 55½; Royal Canadian, 06½; Royal, 45½; Scottish Imperial, 103; Western, 53½.

The profits of the Companies may be approximately stated as follows:—

| | |
|--------------------------------------|-------------|
| Premiums of the year | \$3,065,575 |
| Losses..... | \$1,608,270 |
| 25 per cent of premiums for expenses | 766,394 |
| | 2,374,664 |

Margin for dividends and reinsurance ... \$690,911

Owing to the incomplete character of the returns we are unable to collate any figures showing the assets of the Companies. There is no restriction imposed as to the amount of risks a Company may take; there is no guarantee that cases may not arise in which a Company may be liable for tens of millions, even when its capital and assets were all gone except the insignificant sum deposited with the Government. How absurd this is, especially in the case of a foreign Company, needs not to be explained or emphasized.

Should the present association of the Fire Insurance Companies be dissolved—an event which is within the possibilities of the immediate future—they are not likely soon to have another year with such favorable results as those shown in the figures given above. The past few weeks—if we have not mistaken the indications—lead us to believe that the present year will yield a larger crop of fires than its predecessor. That the comparative immunity enjoyed during most of last year will not long continue we set down as a certainty, based on the deductions of experience; and the Companies should keep this eventuality in mind and shape their course accordingly.

THE AMENDED TARIFF.

Public opinion has asserted itself so strongly in opposition to the tariff resolutions brought down by Mr. Cartwright, on the 25th ult., as to compel their withdrawal. The tariff which took effect on May 1st is not that of April 15th; but one much more in harmony with the sentiment of the country. It was demonstrated very clearly that the distinction between staple and fancy dry goods, however sound in theory, could not be observed in practice. This difficulty was obviated by raising the whole 15 per cent list to 17½ per cent. An increased revenue being thus secured the tea duty was reduced, the list of ships materials made subject to duty was greatly curtailed,