PERSONALS.

MR. I. F. EDMONDS, resident secretary Commercial Union Assurance Co., at Denver, Colo., was in Montreal this week.

MR. H. SUTHERLAND, the energetic agency director of the Imperial Life Assurance Company, of Canada, passed through Montreal last week, "en route" to Newfoundland, in the interests of his Company.

MR. JOHN CARSON, agent for Province of Quebec of the Ottawa Fire Insurance Company, sailed for England last week. We are informed that the object of his visit is for the purpose of arranging a re-insurance treaty.

MR. T. M. E. ARMSTRONG, assistant general manager of the Ocean Accident, London, Eng., who has been visiting the branches of the Corporation in the United States and Canada, is expected in Montreal to-day.

PREMIUM RATE AND BURNING RATE.

In regard to above "Rough Notes" has the following remarks:

In the face of constant agitation over rates for fire insurance it would be well to keep in mind two facts, viz., First, the normal rate of burning in the United States has not increased during the past decade ending with 1901; second, the average rate charged for fire insurance during the same period has diminished. These two facts, if well understood, would settle many controversies.

The highest statistical authority on matters relating to fire underwriting is the National Board of Fire Underwriters, that hasclearly established the fact that for twenty-nine years following the Chicago and Boston conflagrations the average rate of burning in the United States has been 48 cents to each $100 at risk; that for the five years ending with 1896 it was .5180, nearly 52 cents per $100 at risk, and for the like period ending with 1901 it was .4416 per $100 at risk. It is further shown, by the same authority, that the average premium rate prevailing in the United States during the five years ending with 1894 was much higher than during the succeeding five years, the average rate in 1894 being 1.11 and five years later 96½. This declining tendency in rates, caused solely by competitors, was not checked until about two years ago. According to latest computations, the average rate for 1901 was 1.06, or five points below the prevailing rate in 1894. A statement of above facts calls out several pertinent queries. Why do companies insist in stating the cause of increase in rates to be the increasing rate of burning? We can not answer this, especially in view of the fact that the true answer, the preceding decline in rates, lies so near the surface and has been made so plain by the statistics compiled by the National Board.

Another query, equally pertinent, is, why did so many companies withdraw from business in 1901, when the burning rate was lower than during the preceding two years and rates were advancing? The answer to this we think easier than the first. The years preceding 1901 were marked by unusual competition and a disregard of the fundamental rules of underwriting. It was a period during which many companies striving after volume of business persisted in rate cutting and other demoralizing practices, so that, from these causes, rate wars ensued, resulting in a waste of insurance capital and heavy losses to agents involved in these wars. The companies most involved in these losses were forced to quit, and were re-insured by their more prudent or stronger competitors or were forced into liquidation. Had the average premium rate of 1894 prevailed down to 1901, the producing revenue would have been sufficient to have paid all losses and expenses incurred and left a profit for the companies instead of the large annual deficit they were obliged to face. Let the plain truth be told: reduction of rates caused the deficits from which the companies have suffered; truth always wears well. There is a large increase in the amount of property burned year by year, but the increased amount of property burned hardly keeps pace with the increased amount of property to burn; hence the burning rate does not vary much from 48 cents to $100 at risk." Referring to the same topic, the U. S. "Review" says:

As stated, the statistics show conclusively that a normal rate of burning is about 48 cents per $100 at risk. With this fact in view it is interesting to note the rate of burning in the United States for each year during the past decade:

Year.	Rate of Burning.	Year.	Rate of Burning.
1892	.5133	1897	.3882
1893	.5723	1898	.4217
1894	.5328	1899	.4817
1895	.4744	1900	.4647
1896	.4496	1901	.4515
Average	.5085	Average	.4416

It will be seen from this presentation that the rate of burning during the last five years has been very much less than in the preceding five years. The average rate for the first five years is .5085, and for the second five years .4416, a decrease of over 6½ points.

It seems to be rightly claimed that no one can make an impartial study of those facts without reaching the conclusion that the rate of burning in the United States has not increased and that the tendency is not towards an increase. It is true that the value of property consumed by fire, and the amount paid for losses by insurance companies, is steadily increasing, and yet that increase does not seem to keep pace with the increase in the value of insurable property, which has been extraordinary.

Coincident with this condition has occurred a steady decrease in rates of insurance charged since 1894. During that year the average rate was 1.11. Five years later it had dropped to 96½. This drop was caused by competition. In 1899 this decline in rates was checked, and during the past two years the average rate has been raised to $1.06.

The trouble in fire insurance to-day, as it has manifested itself to those who have carefully studied the situation, is that rates in fire insurance have been forced down to a figure which is too low to provide for a normal rate of burning. It is believed also that a more general understanding of the facts on the part of those who are identified with the business will help rather than retard an improvement in the situation.

ACKNOWLEDGMENTS.

THE 31ST ANNUAL REPORT OF MINNESOTA, Part II. Life, Casualty, Fidelity and Assessment Insurance. Last year was the life insurance banner year in that State. The amount issued was $28,378,668, the premiums received $4,676,176. The commissioner calls for State interference to compel fraternal societies to charge adequate rates, as they otherwise will continue a course that will "result in final dissolution."