

FIRE PREMIUMS AND LOSSES IN CANADA, 1914.

We publish in this issue our annual tables, which have been compiled for a great number of years, showing the ratio of net losses incurred to net cash received for premiums in 1914 by the fire companies operating in Canada under Dominion licenses. For many years past, with the exception of 1909, these statistics, which are compiled from the report of the Dominion Superintendent of Insurance, have shown a marked expansion in the volume of business transacted by the companies and, of recent years, in the number of organisations operating in this field. A few years ago, there was almost an avalanche of American companies newly entering the Dominion, while last year, in spite of the depressed circumstances one or two companies from outside made a start here. As was to have been anticipated, the gain in premiums received last year was not so great as in some of the immediately preceding years, though premiums made the substantial advance of some \$1,800,000 over those of 1913. However, there is little doubt that the competition for the Dominion's fire insurance business is quite keen enough for comfort, and that altogether apart from the illegitimate competition of the unlicensed concerns of various kinds, who at the close of 1904 had insurance in force in Canada equal to about six per cent. of the amount which the licensed companies reporting to the Dominion Government had in force at the same date.

SUPREMACY OF BRITISH COMPANIES.

In spite of the increased competition of recent years, the British companies continue to maintain their supremacy in the Canadian field. Last year the amount of their premiums was well over 50 per cent. of the total premiums received by all the fire companies holding a Dominion license, and it must be remembered also that a number of the companies which figure under the heading of Canadian companies are in reality in the position of subsidiaries of the big British corporations. Several of the American companies also—one with a Canadian income of important proportions—are also controlled by British companies. While every now and again some insurance nationalist is found to cavil at this condition of affairs, nobody with a sense of perspective is likely to begrudge the British companies the enviable position in Canadian fire insurance which they enjoy. In the past they have done magnificent work in helping build up the Dominion. Some of them have been well established in Canada for generations—in at least one instance for well over a century—and their managements have ably maintained the highest traditions of British business in sound underwriting and quiet, unassuming but none the less effective service.

Probably in no case, over a long period of years, have the profits secured by the British companies from their Canadian business been more than moderate, and these have been well earned considering the

services which have been rendered. The companies' enormous resources have been at all times available, and have been freely drawn upon, to meet the losses occasioned by the conflagrations which have from time to time swept the cities and towns of the Dominion from the Atlantic to the Pacific. Moreover, the companies have invested very large amounts of funds in the Dominion, and in the erection and maintenance of handsome and commodious office structures in the several large Canadian business centres, they have displayed a public spirited policy that is distinctly to their credit.

THE BUSINESS OF 1914.

As already noted, the business of the fire companies last year did not expand to so great an extent as in some recent years. It may be anticipated that probably the current year will accentuate this movement. The lightness of stocks and the pause in building operations will tend to keep down the volume of premiums. The premiums received by the whole of the companies last year totalled \$27,546,880, an increase, as already noted, of about \$1,800,000 on those of 1913 which were \$25,745,947. As might be anticipated from their recent vigorous invasion of the Canadian field, the American and French companies secured the lion's share of this increase in premium income, their total being \$8,772,188 against \$7,508,052 in 1913. The British companies show an advance of nearly \$600,000 from \$13,138,597 in 1913 to \$13,710,942 in 1914. On the other hand, the Canadian companies show an actual decline of over \$35,000 in comparison with their 1913 premium income, to \$5,063,750, within \$350 of their 1912 income. It is interesting to note that last year five companies had Canadian premium incomes in excess of a million dollars, compared with three in 1913. They are:—Royal, \$1,450,549; Liverpool and London and Globe, \$1,383,305; Hartford, \$1,049,834; Phoenix of London, \$1,035,778; Commercial Union, \$1,000,069. These figures are exclusive of the premium incomes of subsidiary and controlled companies operating in Canada.

The year does not appear to have been a very profitable one for many of the companies. The loss experience was on the whole less favorable than that of 1913, markedly so in the case of the British companies, the average loss ratio of which comes out at 58.21 against 54.78 in 1913, making the worst average showing in a number of years. The Canadian companies' loss ratio is fractionally higher at 61.52 against 61.31 or the highest since 1908. On the other hand the American and French companies show an average of 54.40 against 56.96 in 1913.

TWENTY YEARS' RECORD.

The additional table summarising the loss record of the whole of the companies for the past twenty years shows at a glance the course of the fire insur-