

Rates Will Be Increased Here

**Fire Insurance Will be Higher
as Elsewhere Through-**

Announcement to Follow Amalgamation of Mainland and Island Underwriters

A conference is shortly to be held aiming at the amalgamation of the mainland and Vancouver island boards of fire underwriters. The general un-

understanding is that this is preliminary to the raising of the rates in Victoria on the same scale as has taken place at Vancouver and New Westminster. The Colonist has it from Mr. Elliott, secretary of the board of underwriters

in this city that it is quite likely that an increase in the rates will result, which, however, has been the case all over Canada.

An authoritative statement on the subject has been prepared by the Toronto branch of the Canadian Man-

facturers' Association, which has a membership of 370 carrying upwards of twenty-five million dollars of fire insurance. This statement controverts the assertion of the underwriters that insurance business in Canada has not been profitable. The government returns show that for 25 years (1890-1914)

business were \$188,455,830, and the losses \$126,205,688. The balance \$62,250,192 has been spent on commissions, salaries, profits, etc. This sixty-two millions is 32.5 per cent of all monies received. For the last eight years the

	Premiums.	Losses
896	\$7,075,850	\$4,137,501
897	7,157,661	4,701,833
898	7,350,131	4,784,487
899	7,910,492	5,182,038
900	8,331,948	7,774,293
901	9,650,349	9,577,000

902	0,599,928	0,174,906
903	10,577,084	4,152,280
903	11,207,856	5,866,052
Total		\$69,468,370	\$43,373,449

The average annual premium paid during these eight years was \$8,633.-46.

20; the average annual loss paid \$5,21,881. This shows an annual balance of \$3,261,865. If there have been no profits it has taken 36.34 per cent of all monies received to pay running expenses.

In this connection statistics showing the relation of running expenses to

premiums in some of the more important United States companies are interesting. The Factory Mutual Insurance companies, whose annual income is over \$10,000,000, or greater than the income of all the companies in Canada, carried on its business in 1901 on a margin of 88 per cent. and in 1900

4 per cent. The Manufacturers Mutual Fire of Rhode Island, whose premium income was 1902 \$317,500, conducted its business at an expense of 6 per cent; the Rhode Island Mutual with an income of \$435,343 at an expense of 6.1 per cent.

to follow the United States companies further, a large stock company in New York guarantees that the expenses of the corporation will be limited to 15 per cent. of the net premiums received. Other companies operating on strict and careful business lines are paying large dividends. The Continental pays

The Dominion government returns \$80 show the amount paid as divid-

nds. In 1902, the last year for which returns are available, the nine Canadian companies paid in dividends \$215,13, or a little over 6 per cent on the mid-up stock. Previous to this two of the largest Canadian companies had been paying larger dividends; the British American 7 per cent and

This would go to show that Canadian business has been profitable and that the recent increase in rates was justified. Mr. E. H. Harrison, of London and Lancashire Company

They state that their company had always had excellent business in Canada, and if they took from the profits of the Dominion the amount of \$6,000 required for the Toronto fire, they still had a very fair margin of surplus left. The average rate of premium collected in the Dominion, according to

This astonishing figure means

Toronto will pay in insurance in the next five years \$11,070,000, or \$1,076,000 in excess of the recent fire loss, and this is \$1,076,000 more than the \$10 million and seventy thousand dollars which equals three times the companies' annual average Toronto loss. This finding leads to the conclusion that the insurance companies are eager for the profits.

ing prosperous years, but when heavy losses occur build up the reserves exacting exorbitant premiums from sections of the community whose risks are good or better than they were previously.

The report on this subject proceeds:

the agents of the different companies is a delicate matter, but as the agents practically make up the underwriters, and as such have approved of the increase dictated largely by the such managers from Montreal, it must be expected. The different com-

...ions received by the company
...nts are not generally known. They
...ge, it is said, from 15 per cent up,
...an additional allowances for expenses
...that an agent's general allowance
...uld be 30 cents, and when this rate
...nsurance was \$1.50 his allowance
...uld be 30 cents, and when this rate

increased by \$1.00 his allowance would be 50 cents. For the agent the effect of the increased rate would mean any extra work or expense. It is just or equitable for them to be paid down and assess the city of Toronto an extra \$1,500,000 and at the same time vote 20 per cent of this, or \$300,-

into their own pockets? In addition his, hundreds of business men have eased their insurance owing to the cut fire which has benefited both the companies and the agents.

It is in the interests of the public to have these facts published. The Canadian Manufacturers' Association

not the least desire to too severely
cize the insurance companies or to
the board of underwriters to task.
y are, however, confronted with a
ation that it is impossible for them
cept."

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