FIRE MUTUALS IN QUEBEC.

With Notable Exceptions, their Condition Calls for Critical Attention.

The condition of mutual fire insurance companies licensed by the Province of Quebec has come in for considerable discussion in the Legislature of late—and apparently with good reason in some instances. Happily there are other companies which have continued the even tenor of their way for years back. These show no signs of radical departure from the lines of underwriting activity to which mutual companies should restrict themselves, and evidence a practical realization of the necessity for reserve funds that are not contingent upon the payment of assessed notes. For example, the Missisquoi and Rouville, though comparatively few of its risks are in towns or cities, maintains high-class investments amounting to over $85,000 as well as a goodly bank balance in cash.

But there are companies much less favourably situated. As already mentioned in these columns, the Canada Mutual recently issued a letter to policyholders stating that re-insurance of policies on the cash system was being effected with a new company, La Caisse Générale, and calling upon those insured under the premium-note system to pay up forthwith 40 per cent. on their five-year promissory notes—a maximum two years' call. The letter further recommended mutual policyholders to ask cancellation of their policies as soon as they had paid the 40 per cent. call, and added: "The reason is that our department of mutual insurance, after having received and paid that 40 per cent., will be without any income for two years, or with an income curtailed for the five years to come. So far that department could scarcely exist by its own revenue (20 per cent. per annum) and unless the losses are much less than in the past, we must conclude that the department will be bankrupt inside of two years and perhaps much sooner."

The Canada Mutual, it will be remembered, protested against the legislation of last session making it obligatory upon all mutual companies to make a deposit with the government, stating that it did so "for the safeguard of the company, its agents and members."

Lately, also, the attention of the Legislature has been called to the circumstance that several other companies are making calls much in excess of what policyholders were told would be the maximum. "It is the old story," as The Insurance Monitor remarks regarding recent instances throughout the United States, "of policyholders called on unexpectedly to make good excessive losses which they had been led to believe would never occur. Only when the policyholders of a mutual company can be made to realize that every policy issued is a distinct mortgage on their property, will the system be placed on a proper basis." But when such realization comes there is usually no "basis" of any sort left.

Herewith there is given a table summarizing certain particulars relating to the mutual fire insurance companies of the Province of Quebec, for the year ending August 31, 1908. There are about 80,000 policies in force for $73,417,000, and nominal assets are $2,190,800. It is to be noted, however, that current liabilities are $429,000, and that $1,639,000 of the nominal assets consist of unassessed deposit notes, and of notes called but unpaid. This leaves tangible assets of but little over $120,000. The matter assumes a still more serious aspect when it is noted how large a proportion of the business of some companies is carried in towns and cities—$15,010,000 of the total $73,417,000 being so placed.

If the Province of Quebec is to continue licensing mutual companies, there should be careful enquiry made and full publicity given regarding the standing of each. At present there are three companies against which specific complaints have been made, and whose affairs are being investigated by the Inspector of Insurance.

Mutual Fire Insurance Companies of the Province of Quebec.

Showing the Assets, Liabilities, Income, Expenditure and other Particulars for Year ending 31st August, 1908.

Name of Companies.	Deposit Notes unassessed or unpaid.	Total nominal Assets (including preceding column)	Liabilities	Income	Expenditure	Amounts of Policies in force	Amount in force in cities and towns	Amount issued during year	Losses: Lost	Paid	Unpaid	Contested
	$	$	$	$	$	$	$	$	$	$	$	$
County of Beauharnois	48,465	58,754	.....	9,087	8,434	4,059,885	....	1,427,890	4,434	4,434	.....	.....
Canada	168,313	187,675	32,076	121,308	120,051	10,293,088	2,707,928	4,684,577	61,442	60,274	5,955	2,316
Commerce	128,075	129,594	2,871	13,961	13,887	1,142,850	....	1,196,600	5,096	4,225	871	.....
County of Maskinonge	18,151	18,158	684	279	285	905,562	....	31,954	52	250	302	.....
Equitable	138,895	165,729	18,022	54,797	45,577	4,318,111	1,252,041	2,141,296	32,953	20,850	4,559	13,375
La Foncière	70,907	85,343	40,360	91,784	92,525	6,465,732	2,352,709	3,395,069	50,261	37,735	11,090	3,382
Missisquoi and Rouville	64,468	172,065	70,419	63,674	54,946	7,883,658	1,117,508	3,409,352	30,714	30,456	2,473	1,566
Montmagny	190,145	351,619	158,935	145,391	170,341	10,138,240	....	3,822,0[illegible]4	63,481	69,034	5,107	800
Jacques Cartier	23,382	28,082	20,355	20,119	20,761	1,659,618	440,482	716,144	16,411	7,806	11,580	6,353
La Provinciale	68,283	80,667	18,457	90,109	93,611	6,045,004	1,329,900	584,648	64,045	48,410	13,457	.....
Richmond, Drummond and Yamaska	49,721	80,465	9,068	41,493	38,740	3,015,125	1,224,415	1,519,023	29,453	23,583	6 915	900
Stanstead and Sherbrooke	513,397	657,047	11,454	103,839	96,619	10,391,809	2,224,000	4,399 648	63 127	61,127	2,000	441
Beurreries et Fromageries	81,108	83,039	9 525	16,482	16,602	1 146 650	....	603,450	12 049	7,404	9,525	.....
Dominion	38,698	48,008	13,014	23,066	26,171	2,082 751	767,890	1,240,58[illegible]	21,390	8,840	11,343	.....
La Providence	37,145	43,831	20,923	25,508	26,462	3,868,926	1,593,772	984,48[illegible]	23,309	9,843	8,040	8,051
Total	1,639,153	2,190,076	429,163	820,897	815,012	73,417,069	15,010,645	30,160,803	478,217	394,271	932 17	37,184