

# British Fire Insurance Experience in 1917

**Result of British Companies' Business Throughout the World Last Year as Appeared in Part in London Times—Growth of Premium Income Due to War Conditions and Elimination of Enemy Re-insurances.**

A predominant feature of fire insurance results in the past year was the further marked expansion shown in the premium incomes of the principal offices. In this respect a fresh high record was established. The cause of this expansion is, of course, the higher value placed on buildings, machinery, plant and materials for insurance purposes, owing to the substantial advance which has taken place in the prices of all commodities. But, though since the war began the premium income of the fire offices has been very considerably increased, it is well known that the increased amount of insurance effected on account of the higher cost of replacement has by no means been in proportion to the increase in prices of commodities and it is to be feared that many people have so far failed to raise the amount of their cover in respect of fire risk to a level which would enable them to replace without loss the goods they have insured. Partly for this reason it may be expected that in the current year the premium income of the fire offices will rise to a still higher level.

The year's results were marred by three great conflagrations abroad, the biggest being at Salonika, which inflicted damage estimated at over four millions sterling. Some of the principal offices suffered heavy losses by this fire, among the chief sufferers being the North British and Mercantile, whose fire accounts in consequence showed a debit balance of £217,000 on the year's working, and the Sun Fire Office, which suffered a loss of £290,000. Fire losses here and in America were on a larger scale last year than in 1916, a fact which is to be attributed partly to higher values placed on insured property, and partly to the lessened amount of supervision and caretaking which has resulted from the shortage of labor.

In the current year the losses suffered by fire in this country and America have been on a still larger scale. Many of these outbreaks have occurred at war industrial establishments, and the increasing claims which are being made in America has led to the initiation of a movement to raise still further the rates of insurance in the United States and Canada. In consequence of the numerous losses suffered in America a general agreement to increase premium rates was come to in the latter part of 1917 by the companies operating there. Yet this increase in rates has failed to check the number of fires in North America, and it is suspected that enemy incendiarism is a more important contributory cause of the persistency of outbreaks at war industrial establishments. In July, for instance, the losses involved by the principal outbreaks in North America amounted to £4,907,400 or 50 per cent. more than in the same month of 1917, and it is stated that the year will certainly prove a bad one for underwriters of fire risks.

A factor in the increase of premium incomes since the war has been the larger amounts retained by the British offices in consequence of the cutting off of the German and Austrian reinsurance markets. The British offices have been reinsuring with one another, and the activities of the few British offices specializing in reinsurance has been increased by the support which they were certainly entitled to. These offices need encouragement of the best description in the form of high-class risks, which it is within the powers of the big offices to give them. Fire losses in the United Kingdom in 1917 are estimated to have amounted to about four millions, against three and a quarter millions

in 1916 and four and a quarter millions in 1915, so that the experience of the home business was not, on the whole, really unsatisfactory. In the United States and Canada losses are estimated to have cost 53½ millions, against 46¼ millions in 1916, which was about the same as in 1915. A fire at Vladivostok in March, 1917, is reckoned to have resulted in £3,000,000 worth of damage, and another at Trondhjem cost about as much.

The item of net interest receipts, earned in respect of the investment of the fire funds, is a very substantial one, and provides a great part of the dividends paid to the shareholders. In the case of some of the great composite offices, the interest received on the fire account alone is more than sufficient to pay the dividends, apart from the interest received in other departments, and the profit from current operations. This is a remarkable indication of the great reserve strength of the fire companies, and a tribute to the prudence of their management. It also explains why the fire insurance business is one of the industries in which this country is prominent. The operations of the British offices are world-wide, and the names of the leading companies are as well known in all the great cities of the world as they are here. The secret of their success is due to their reputation for fair dealing, and for the magnificent security that they afford, which has often been severely tested, but never found wanting. British offices have never received any direct assistance whatever from the State, a fact which speaks well for their independence, and for the ability with which they have been conducted in the face of world-wide competition.

In the following are shown the premiums, the losses and expenses of 23 offices for the past year:

Office	Premiums	Losses	%	Expenses	%
Alliance ....	£1,516,105	£ 640,735	42.26	£ 552,300	36.43
Atlas.....	1,392,698	652,429	46.85	520,257	37.36
Caledonian	547,150	295,923	54.08	192,878	35.25
Century....	118,235	63,064	53.34	44,785	37.87
Com. Union	4,545,966	2,218,889	48.81	1,544,292	33.97
Eagle .....	327,456	162,915	49.75	129,663	39.60
Employers'	192,997	99,892	51.76	52,515	27.21
General.....	234,325	167,882	71.67	81,439	34.77
Guardian....	763,781	338,195	44.28	263,981	34.56
Law Union..	320,011	147,112	45.97	110,761	34.61
L. & L. & G.	3,557,410	1,929,371	54.23	1,199,121	33.71
London.....	872,725	417,797	47.87	319,033	36.56
L. & Lanc.	2,113,560	917,764	43.42	729,874	34.53
N. British..	2,856,402	1,923,013	67.36	1,012,704	35.45
Northern	1,687,914	929,700	55.08	588,317	34.86
Norw. Un....	1,365,245	671,841	49.21	466,659	34.18
Phoenix....	1,709,321	822,605	48.12	639,310	37.39
Royal.....	4,882,477	2,479,073	50.77	1,686,042	34.53
Royal Ex..	1,117,886	576,408	48.52	428,076	36.14
Scot. Union	964,030	484,352	50.24	337,226	34.99
State.....	319,163	171,207	53.64	113,905	35.69
Sun.....	1,696,246	1,134,928	66.91	627,487	36.99
Yorkshire....	609,124	300,316	49.30	218,775	35.92
Totals.....	£33,710,139	£17,546,311	52.0	£11,859,400	35.1

## MR. D. R. CLARKE AN ASSISTANT GENERAL MANAGER.

Mr. Douglas R. Clarke, superintendent of British Columbia branches of the Bank of Montreal, has been appointed to the position of assistant general manager of the Bank with headquarters at Montreal. It is not contemplated that Mr. Clarke will relinquish his responsi-