

FIRE INSURANCE PROFITS.

Only those unfamiliar with the subject will advance the claim that insurance companies are reaping extravagant profits from the fire insurance business. Yet this contention is often made without first properly considering all the factors, or comparing the outgo with the income. Those imbued with this false idea overlook the fact that fire insurance cannot be determined by the results of one or two years. Disasters such as those which visited San Francisco, Chicago, Boston and Baltimore, may wipe out the profits of many prosperous years.

A REASONABLE PROFIT.

Suppose, for example, an insurance company should clear, say, \$100,000 in a year, after payment of losses and expenses and making provision for its reserve, there is no justification for the claim that this sum affords an enormous profit. If the premium income of the company was \$2,000,000 (and that is a fair volume of business) the above profit would only be 5 per cent. Surely, this is not unreasonable nor enormous. Still, in spite of these facts, an erroneous opinion seems to prevail generally concerning the profits made in the fire insurance business, and not unfrequently is heard a cry for a reduction of fire insurance rates, with a denunciation of the companies as soulless corporations and powerful monopolies—all the result of a misconception of the basic principles upon which the profits of fire insurance are calculated and a failure to understand the difference between a transaction in fire insurance and one in any other commercial pursuit.

AN UNKNOWN QUANTITY.

The sale of fire insurance differs materially from the sale of any other thing, in that it is a sale of an unknown quantity. The underwriter contracts to pay the insured the total sum insured at any time during the existence of the policy, so that the company may become liable to adjust the entire amount of the insurance immediately after the policy has been delivered. It may never be called upon at all—or if so, for only a trifling percentage of the policy. Not a few ignorant people contend that the reserve of a fire insurance company is just so much money improperly extracted from the public. It is a safe prediction that much of this complaint comes from those who would, in case of fire, put down their own profits at double the percentage earned by the fire underwriting corporation.—*Insurance Press.*

THE SPIRIT OF ENGLAND.

A London cable says:—"The question as to further war loans and their terms, if the war continues, will depend on the course of the war itself. But it should be clearly understood that England is ready to face another requisition for a thousand millions sterling next year rather than consent to an inconclusive termination of the war. Financial London is steadfast in its conviction that the final complete triumph of the Allies is the only guarantee of the speedy financial recuperation of the whole world—not excluding Germany."

There will be no official minimum price for the new War Loan on the London Stock Exchange.

GUARDIAN ASSURANCE COMPANY, LIMITED.

It is officially announced in London, England, that Mr. George William Reynolds (who has been in the service of the Guardian Assurance Company for the past 26 years, and since 1897 manager of the company's Law Courts Branch, London, England), has been promoted to the position of General Manager and Secretary.

Another important appointment arising out of the retirement of Mr. A. J. Relton, is that of Mr. Robert William Campbell Davidson as manager of the fire department. This gentleman has been connected with the Guardian for the past 20 years and has served as General Foreign Inspector, becoming Foreign Fire Superintendent in 1910 and subsequently Assistant Manager of the Foreign Fire Department. Doubtless, Mr. Davidson at an opportune time will visit Canada where the Company has become most popular under the management of Mr. H. M. Lambert.

Mr. T. G. C. Browne, who retires from the secretaryship of the company on account of advancing years, has been elected a director.

INSURANCE COMPANIES' SUBSCRIPTIONS TO WAR LOAN.

The following subscriptions to the new War Loan by insurance companies are reported *inter alia* by English exchanges:—

Employers' Liability, £113,400; Gresham Life & Fire & Accident, £70,000; Guardian, £200,000; Law Union & Rock, £262,000; London Assurance, £150,000; North British, over £500,000, (after conversion of Consols, £1,100,000 in the two War Loans); Northern, £170,000; Norwich Union Fire, £100,000; Scottish Union & National, £100,000; Prudential, \$5,000,000; Sun Life of Canada, \$200,000.

This list omits several of the largest companies. It would be interesting if a complete list of the subscriptions made by insurance organisations to the new War Loan could be compiled. Such a list would form a striking revelation of the large financial resources of these companies as well as an indication that they are at the present time performing a notable service in furnishing the sinews of war for the Empire.

VERDICTS IN SUICIDE CASES.

Every time a prominent or wealthy man commits suicide, the most strenuous and absurd and almost criminal efforts are made by the family and friends to have it appear as accident or murder, says the Insurance Post. This is partly due to a desire to realise on the life insurance, in case any of it is recent enough to come within the provisions of the suicide clause, to make accident insurance collectable, or to spare the feelings of the family from the verdict of suicide.

Some consideration may be paid to the feelings of the families, but so far as the motive is to defraud insurance companies it is not only unworthy but criminal. Insurance companies are often criticized for contesting doubtful claims, but if the public was aware of the often outrageous attempts made to conceal evidence, distort the facts and secure prejudiced verdicts from coroners' juries, it would wonder that more claims are not contested, with criminal prosecution besides.