

GERMAN AMERICAN INSURANCE COMPANY.

The German American Insurance Company is one of the leading fire insurance institutions in the United States in extent of business, and financial strength.

Last year the net premiums written, after deducting all return premiums and reinsurance, amounted to \$5,075,760, showing an increase of \$340,579 over previous year. The reserve for unexpired risks was \$5,265,884, reserve for outstanding losses \$526,663, and reserve for other liabilities \$317,297, the aggregate of the reserves being \$6,109,845.

The total assets on January 1, 1906, were \$14,052,520, and net surplus over capital and all liabilities \$6,442,674. The "loss paying strength," consisting of the net surplus and the cash capital of \$1,500,000, was \$7,942,674. Growth and solidity are the characteristics of the German American.

Mr. W. N. Kremer, president, and Mr. Charles D. Smith, secretary, have high reputations as underwriters and sound men of business. Messrs. Esinhardt and Maguire, are chief agents in Montreal.

THE SOVEREIGN BANK OF CANADA.**PROPOSED INCREASE OF CAPITAL.**

A highly important and significant step is proposed to be taken by the Sovereign Bank of Canada at a meeting of the shareholders called for 1st March, at the head office, Toronto.

A proposition will be submitted that, the capital stock be increased from \$2,000,000 to \$4,000,000. On this being passed an application will be at once made to the Treasury Board for its certificate approving of the above increase of capital.

ANGLO-AMERICAN FIRE INSURANCE COMPANY.

The 7th annual meeting of the Anglo-American Fire Insurance Company was held in Toronto on the 6th inst.

The statement shows premium income as \$414,095; interest, \$7,854; total, \$421,950.

The fire losses amounted to \$171,548; re-insurance, \$134,183; expenses, etc., \$88,211, leaving a balance from revenue account of \$28,007.

The directors in applying for permission to wipe out a certain portion of the paid-up capital evidently had in view the advisability of calling up the balance of the subscribed capital amounting to \$213,640. Notwithstanding this condition of affairs the statement for last year showed a decrease in expenses of \$16,250, and an increase in premium income of \$19,666. We trust that under the management of Mr. H. H. Beck (whom the directors in their report speak highly of) the Anglo-American will be placed on a firm basis.

THE HURON & ERIE LOAN & SAVINGS COMPANY.

The 42nd annual report of this substantial company announces that an amalgamation was effected in January last, with the Canadian Savings & Loan Company.

The report covers the statement for 1905, of both the companies, which were submitted to the shareholders at London on 14th inst.

The main features in these statements severally are as follows:

	Huron & Erie, \$	Canadian, \$	Combined, \$
Capital paid up.....	1,400,000	750,000	2,150,000
Reserve Fund	1,000,000	245,000	1,245,000
Deposits	1,700,060	674,002	2,274,000
Stg. Debentures.....	1,709,058	1,709,058
Canadian "	2,766,254	685,455	3,451,709
Cash value of mortgages.....	7,855,265	2,376,943	10,232,208
Total assets.....	8,756,335	2,425,934	11,182,269

The net profits of the Huron & Erie were sufficient to pay 2½ yearly dividends at rate of 9 per cent. per annum, and leave a surplus of \$31,493.

The Canadian Savings & Loan Company's net earnings provided 2½ yearly dividends at 6 per cent. and left a surplus of \$13,173.

Out of the combined profits \$15,000 has been set aside for possible losses, expenses of legislation, re-inspection, etc., and \$30,000 added to the reserve fund.

Under the amalgamation arrangements the subscribed capital will be \$3,500,000, the amount paid up \$1,900,000, and the reserve fund \$1,525,000, or 80 p.c. of the paid-up capital.

The consolidation of mortgage loan companies has been going on for some time and is a wise movement as it ensures greater economy and tends to the financial strengthening of these institutions.

FIRE AND LIFE INSURANCE RATES.

A paper on the making of rates for fire and life insurance was read recently before the Special Agent's Association of the Pacific Northwest.

The making of adequate rates for the various hazards of fire insurance has ever been a highly unsatisfactory problem. Statistics as to the fire waste of the innumerable classifications have changed continually; they have not been reliable or trustworthy, and have led to wrong conclusions. No wonder that fire rates have been made by the rule of thumb until recently. However, since the introduction of schedule rating a great step forward has been made. Rates are more just to-day than ever before. But who will claim that schedule rates are based on correct foundations? The maker of fire rates must still admit that basis rates, exposure and deficiency charges and credits for improvements are still an arbitrary proceeding. They are not based on a scientific basis; they still belong to the rule of thumb.

To measure the fire waste, fire insurance companies gather statistics of the valuation of the insured property, of the amounts of insurance carried, of the premiums received and of losses sustained, and