

ence of the year past. Compare the percentage of losses to premiums received. It is as follows:

	1876.	1875.
New York companies...49	1-1000	37 93-1000
Other State companies...52	4-1000	51 44-1000

These figures are weighty and important in determining the ability of the companies to further reduce rates. It is not less true, however, that there is a pressing and persistent demand from one end of the land to the other for reduction in rates, and it is unfortunately true that the companies, in the height of a prosperity which is more fictitious than real, are conceding reductions everywhere. The remark applies to every section of the country that the customer who pays the same rate now as he paid one year ago without complaint, is a rare bird. This is of course entirely a matter between individuals and companies; but it may be set down as a correct maxim that the public cannot afford to patronize companies with impaired capital, and it is a truth that few underwriters will dispute that any serious reduction in rates will impair the capitals of many companies (unless they quit business) at the end of the present year. This fact cannot be ignored or forgotten by all persons interested in solvent insurance against fire: The average of losses to risks written remains unaltered, while a reduction in rates tends to increase the volume of risks assumed! The inevitable result of continued reductions is that the percentage of losses to receipts increases until there is a halt in the reduction, and, if there is no halt, it is only a question of time when the losses equal the receipts, and the companies' capitals become impaired. This is not to be considered an argument for high rates so much as a plea for safe insurance; for the moment the companies cease to make money their security is useless to the public.

There are some general facts in the condition of the companies at the beginning of the year which are interesting as showing the movement of business. These may be classified as follows:

Total assets of New York companies, Jan. 1, 1877.....	\$59,661,955
Total assets of other State companies, Jan. 1, 1877.....	77,047,416
United States assets foreign companies, Jan. 1, 1877.....	17,670,748
Net surplus over capital, reinsurance, and other liabilities.....	
New York companies.....	\$18,398,063
Other States.....	22,087,150
Reinsurance fund of foreign companies.....	5,796,288
Total amount of risks in force Jan. 1, 1877:	
New York companies.....	\$2,850,894,391
Other State companies.....	2,563,847,205
Foreign companies.....	896,457,834
Total risks.....	\$6,320,199,130

There is something appalling in the mention of these figures, but it gives the reader an idea of the enormous value of the perishable property of the country. There is no fixed rule for limiting the insurance in its proportion to values. Upon some risks the companies decline to insure over 50 per cent., but upon others they prefer insurance for full value. A safe estimate would be to add 33 per cent. to the above figures to arrive at the actual value of the property insured. Yet there are hundreds of millions

insured in other companies than those doing business here.

It may be explained that the risks of the large agency companies are so widely scattered that, despite the grand disproportion between their assets and risks in force, the companies are perfectly safe. It will, however, prove interesting to compare the standing of the companies as related to each other in their methods of business. Only the American companies will be given in this place, because the foreign companies have large assets at home responsible for losses in the U. S. and elsewhere, and, as only their American assets are reported, it would be unfair to compare them with American offices. The companies will be taken in order of their assets:

Risks in force	
Total assets, Jan. 1, 1877.	
Aetna, Hartford.....	\$7,115,624
North American, Phila.....	6,091,884
Home, New York.....	6,104,651
Fire Association, Phila.....	3,778,651
Franklin, Phila.....	3,352,865
Hartford, Hartford.....	3,273,869
Continental, New York.....	3,049,083
Phoenix, New York.....	2,792,903
Phoenix, Hartford.....	2,407,531
German-American, N. Y.....	2,226,553
Germania, New York.....	1,717,848
Pennsylvania, Phila.....	1,675,691
Hanover, New York.....	1,642,883
Springfield, Mass.....	1,515,672
Niagara, New York.....	1,442,415
American, Newark.....	1,377,103
Connecticut, Hartford.....	1,362,844
American, Phila.....	1,286,796
Girard, Phila.....	1,112,277
Manufacturers', Boston.....	1,100,058
*Agricultural, N. Y.....	1,095,310
American, New York.....	1,079,644
National, Hartford.....	1,040,524
Merchants', Newark.....	1,003,084

There is a lesson taught by the foregoing figures relative to the comparative conservatism displayed in the management of the companies. The observable feature of the returns is that the New York City companies are carrying a far greater proportion of risks to assets than the Hartford or Philadelphia companies of equal strength. This is peculiarly noticeable in the returns of the Aetna, Home, and North American Companies, the first three in the list. The Continental and Hanover figures present the same comparison. On their face these differences would seem to indicate recklessness in underwriting, but the explanation is that the city companies carry immense lines in New York, whereas their competitors find their chief patronage at a distance from their home offices. The question recurs, however, whether the New York companies are not thereby endangered to a greater extent than if they imitated their rivals. There is a wide difference of opinion on this subject, and it would require several columns to discuss it intelligently. The figures presented show some marked characteristics in the practice of companies. They verify the popular traditions of the various offices which are known as conservative or otherwise. It is not considered by underwriters that the safety of a company depends entirely upon a single consideration, and the comparison herewith made is simply a link

\* This Company professes to insure only farm property isolated. The American, of Chicago, engaged in the same business exclusively, with assets of \$882,023, had at risk Jan. 1, 1877, \$160,181,521.

in the chain by which they may be judged. The quality of business affects the status of the company far more than the quantity. An even hundred millions at risk upon dwelling-house business will produce a less amount of losses than one million upon poor planing-mills, and it is quality that fixes the reputation for recklessness or conservatism.

There are many Western companies doing business in New York, and it is interesting to note their advance in the scale since last year. Their assets compare as follows:

	Jan. 1, '77	Jan. 1, '76
St. Paul of Minnesota.....	\$943,661	\$908,881
Amazon, Cincinnati.....	935,163	963,682
Traders', Chicago.....	827,379	823,480
N.W. National, Milwaukee.....	877,193	871,780
Am. Central, St. Louis.....	747,468	715,339
Detroit, Detroit.....	484,046	456,587
Citizens', St. Louis.....	433,146	430,255
St. Joseph, St. Joe, Mo.....	420,245	406,560
St. Louis, St. Louis.....	347,091	346,479
Mercantile, Cleveland.....	379,383	388,055
Jefferson, St. Louis.....	269,535	243,708
Toledo, Toledo, O.....	252,392	247,507

These returns, as showing the comparative assets of the companies at the beginning of each year, are not marvellous for their encouragement. The increase in a few cases is so slight as to scarcely overcome the decrease in other cases. They serve to illustrate the almost universal belief that the companies are not getting rich very rapidly, and, as these remarks apply to the question of rates for the present year, it will be seen the policy of further reductions is at least doubtful.

We stated above that many companies paid dividends this year out of their surplus. This was also the case last year, when a large number of companies expended more money than they received. Here is a partial list of them:

Companies.	Receipts.	Expenditures.
Aetna (of New York).....	\$ 92,655	\$147,367
American.....	244,716	255,374
Amity.....	76,317	80,925
Atlantic.....	352,231	387,510
Capital City.....	50,977	55,217
City.....	87,786	101,835
Clinton.....	121,266	142,660
Columbia.....	117,897	154,653
Commerce.....	64,074	83,219
Engle.....	182,235	206,017
Empire City.....	85,911	115,084
Emporium.....	56,964	77,675
Exchange.....	171,233	182,256
Firmen's Fund.....	89,212	98,188
Gebhard.....	57,826	67,584
Globe.....	110,800	132,946
Hamilton.....	88,676	94,551
Hoffman.....	181,246	197,049
Hope.....	62,542	77,723
Jefferson.....	103,704	119,093
Lenox.....	59,032	68,236
Mechanics' & Traders.....	244,762	271,878
New York Fire.....	122,115	135,963
New York City.....	101,536	108,121
Park.....	81,672	94,586
People's.....	73,513	84,982
Resolute.....	89,257	104,764
Sterling.....	68,970	79,822
Stuyvesant.....	83,954	95,536

There are many others in the same category, but the difference is less than in the companies named, and they are therefore omitted.

In a majority of cases the companies above mentioned are those which are devoted, exclusively, or nearly so, to a city business and, if it proves anything, it is that strictly local companies did a losing business last year. But here is a list of agency companies, some of them