

# The Chronicle

## Insurance & Finance.

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### A Fictitious Fire Company.

In the suit, State of Ohio vs. Amazon Insurance Company, the Secretary testified that the Company was incorporated under the laws of West Virginia to do fire insurance business. The authorized capital is \$100,000 of which \$3,000 has been paid in. "The Company," he said, "is a fiction." "I, said the Secretary, "receive all the premiums and deposit them to my own credit, the Company has no bank account and if any losses have been paid, I have paid them." The "if" in that remark is charmingly naive.

The Company, which is himself, has issued 497 policies averaging \$300 each, so this insurance Pooh-Bah, has incurred liabilities of \$149,100, which are uncollectable. The Court ordered the so-called Amazon Company to be ousted from the State. The amazing thing is that such a bogus affair could get incorporation in any State, and amazing it is that a prosecution was not at once instituted by the State authorities against the so-called Secretary for obtaining money on false pretences.

### Fire Insurance Statistics.

A writer in The "Insurance Index" comments upon the undue confidence placed upon a certain class of fire insurance statistics. One variety of these figures usually consists of premiums received and losses incurred on each of the more or less numerous items of a classification of risks, to tell the desirability, or otherwise, of each class. Even such a record is helpful, but by no means decisive, for almost any class of fire risk will, during a period, experience physical and moral changes which may so influence the present cost of insuring it as to make previous figures misleading—changes in construction, heating and lighting, in methods of manufacture, indeed, a considerable variety of changing conditions, making a class

essentially better or worse risks, and materially modifying or reversing previous experiences.

Losses, too, on a certain class, may not all of them be chargeable to the inherent hazard of the class. Fires may be of conflagration or exposure origin, or from accidents common to any sort of use and occupancy. Fluctuation of rates also influences the story of percentage loss to premiums. Adequate or inadequate rates for a term of years might be the reason for a favourable or unfavourable record of a class, and which would be changed at current compensation. Safer teaching comes when the amount of property written is a part of this sort of figures. It is a large subject, even this branch of statistics, but these hints will illustrate the fallibility of figures, which many rely upon as determining facts never fully or truly submitted for their arbitration. It takes some underwriting experience, discernment and discrimination to understand the varied language of insurance statistics unto instruction.

### Record of British Fires.

A monthly record of fires in the United Kingdom, compiled with care and skill, shown in those published by the New York "Commercial Bulletin," would be extremely interesting. The "Policy Holder" has given a statement of "British fires" as below, for years 1902, 1901, 1900, which it says "are not put forward as being by any means a 'complete' record, but, as they stand, the totals brought out may be taken as an accurate guide as to the general trend of the business." The sterling figures are converted into currency at the rate of \$5 per £ sterling:—

	1902.	1901.	1900.
	\$	\$	\$
January to March.....	4,395,500	2,815,000	2,910,000
April to June.....	5,292,200	4,107,500	3,967,500
July to September.....	4,975,900	5,908,000	4,134,500
October to December.....	4,434,700	4,086,375	2,754,750
	\$19,098,300	\$16,916,875	\$13,766,750