

taking up the records once more we read that for 37 years the loss ratio in Canada has been about 70 p.c., the actual figures being for premiums \$215,874,368, and for losses \$146,318,293, while for the years 1904 and 1905 together the loss ratio was 74 per cent., so that having in view some 30 p.c. for expenses we cannot well see any call for a general reduction.

Nevertheless, we may point out, in passing, that property owners by conforming to the rules of the underwriters can and do bring about material reductions in particular cases, and as these instances increase, people will come to see more clearly that the interests of the insured and the companies are identical, which is, to endeavour to lessen the annual waste to the country by fire.

To further illustrate the necessity of fire insurance companies building up substantial reserve funds, we turn to the exhibit given in our last issue of the returns of the offices doing business in the United States with which (with one exception) Canadians are interested and there we find the premium income to have been in 1905, some ninety millions of dollars with losses of about forty-seven millions, or a trifle over 50 p.c. which is a very fair showing.

Yet, such is the uncertainty of fire insurance on this continent, scarcely had a fourth of the present year passed, when a catastrophe among the most terrible the world has witnessed and utterly beyond the power of man to either foresee or prevent, occurred in San Francisco that brought about a conflagration, by which these companies we have referred to will probably lose on a moderate computation some fifty millions of dollars, or about the same amount that they paid last year upon their entire business in the United States.

One of the British offices is reported to have stated that about half its reserve fund say \$5,000,000 has been swept away. There are doubtless many companies who will fail to meet their engagements, but those strong companies doing business here, as well as in the States, will pay their debts to the last dollar for the reason that they have laid by reserves, and if such have been taken from the pockets of the public, it is that it may be repaid when most needed.

Without reserves for calamities like San Francisco, Baltimore, Toronto, etc., a fire policy would resemble the promissory note of a gambler.

Rates may, at times, appear high to the uninitiated who only take a short view of the subject. But that they are fully justified is well known by those companies who have successfully withstood the disasters of Chicago, Boston, St. John, N.B., Ottawa, Baltimore, Toronto and San Francisco, for with such lessons it would be sheer madness not to roll up reserves, which cannot be done with-

out the rates do more than merely cover losses and expenses.

Let the public work in harmony with the underwriters and set to work to improve the construction of buildings so as to reduce the conflagration hazard and a corresponding reduction in rates will follow, for companies admit that low rates are more profitable than high rates, always allowing that the rate is commensurate to the risk.

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#### PHOENIX ASSURANCE COMPANY, LTD.

The report of the directors of the Phoenix Assurance Company, for the year ending 31st December, 1905, appears on another page.

The premiums received during the past year, less re-insurance, amounted to \$7,119,935. The losses, and expenses were \$5,903,110.

After making provision for unexpired risks, additions to general reserve, and investment reserve, including balance brought forward from last account, and allowing for interim dividend, the result of the year's business leaves a balance at the credit of profit and loss of \$1,369,395.

The company has a paid-up capital of \$1,344,400, a general reserve fund of \$3,750,000, a reserve for unexpired risks of \$3,000,000, and an investment fund of \$225,170.

The total security for policy-holders, including uncalled capital, amounts to \$21,788,565.

The Phoenix has the high distinction of being the first British office to establish agencies on the Continents of Europe and America. It was the first to introduce fire insurance into Germany.

Its history in Canada, dates back 102 years. The record of the Phoenix in this country is honourable, a record which also applies to its representatives.

The net premium income of the company in Canada, last year amounted to nearly \$1,000,000.

Messrs. Paterson & Son, chief agents for Canada, recently purchased a valuable property in a prominent business centre, nearly opposite the Montreal Stock Exchange, which will be reconstructed and fitted up, so as to provide handsome and capacious offices for the large business transacted by them, for the Phoenix Assurance Company.

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INSTALLMENT STOREKEEPERS who imagine that they can seize goods in the house of a purchaser who is in arrears in his payments on the instalment plan had a sharp lesson given them in Police Court, Toronto, last week. A storekeeper sent a man to carry away a stove that had been bought on the instalment plan, and not fully paid for. The magistrate said, "They have no right to break into a man's house and steal his goods. I must make an example in this case. The prisoner (the storekeeper) will go to jail for 30 days without option of fine."