FORTY-FIVE YEARS OF FIRE UNDERWRITING IN CANADA.

Statistics of the results of fire underwriting in Canada by the regularly licensed companies under the supervision of the Dominion Government from 1869 to the close of 1913, a period of forty-five years show that while here and there individual companies may have earned good profits as a result of their fire underwriting in Canada, as a whole the business yields exceedingly modest returns. Study of these figures suggests, in fact, a certain amount of wonder that in a country like Canada where investments and business ventures giving large returns are to be readily found, any capital should be ever attracted to a business generally more distinguished for its hazards than for its profits.

PREMIUMS RECEIVED.

The amount which has been received in premiums by the fire companies during the 45 years is almost \$370,000,000. Classified according to nationality the amounts received by the respective companies are as follows:—

Canadian Companies	\$ 81,706,778
British Companies	225,693,037
American and French Companies	61,620,365
	\$369,020,180

It is interesting to note as an indication of the rapidity with which the fire insurance business in Canada has expanded during recent years that up to the close of 1902, eleven years ago, the aggregate premiums received by the fire companies from 1869 onwards totalled \$177,000,000. So that in the last eleven years the amount of their premiums has more then equalled the amount of premiums of the previous thirty-four years. The average rate of growth during the last eleven years has been nearly \$17,500,000. Last year the addition to the aggregate was practically \$26,000,000.

LOSSES PAID.

The losses paid by the whole of the companies during forty-five years reach \$227,607,002. The details are:—

Canadian Companies	\$ 51,590,419
British Companies	140,758,700
American and French Companies	35,257,883
	\$227,607,002

That is to say during the forty-five years, companies operating in Canada have paid away in losses 61.7% of the premiums they received, the proportions being respectively as follows:—

Canadian Companies	63.1
British Companies	64.6
American and French Companies	57.2
	61.7

The best that can be said for this ratio is that it is better than it used to be. During recent years, thanks to a fairly favorable experience, this loss ratio has been steadily reduced as the following table of percentages shows:—

To end of 1913	61.7	To end of 1908	65.0
" " 1912	62.2	" " 1907	65.4
" " 1911	63.0	" " 1906	66.3
" " 1910	63.6	" " 1905	67.8
1909	64.2		

However, there is no telling when a huge conflagration may send this ratio up again. When an all-round allowance of say 33 1-3 per cent. has been made for expenses, and the increased premium reserve and conflagration hazard are reckoned with, a loss ratio of 61.7 does not leave a very large margin of profits. That some of the companies have made and continue to make very fair profits is of course true, but against these can be set off a number of other companies who have made heavy losses. Considering the hazardous character of the fire insurance business, it is probably true to say that there is scarcely any other branch of commerce or finance involving equal risks which makes in the aggregate so moderate a return to the capital engaged in it.

MORTALITY OF FIRE COMPANIES.

A large number of fire companies which were operating in Canada at one time or another during the period of 45 years, have now gone out of business. They include sixteen Canadian companies, eleven British and five American companies. In some cases, their disappearance has been due to amalgamations; in others to the fact that they have found circumstances unpropitious for their continuance. In this connection, it is interesting to note American experience in regard to mortality among fire companies. A compilation by the *Spectator* of New York some time ago showed that of 186 fire companies operating in New York state on January 1, 1871, 142 or 76 per cent. had in 1910 gone out of business, leaving 44 or 24 per cent. surviving. Similarly the *Policyholder* of Manchester has shown that the number of British fire offices which secure any degree of permanency is relatively small. Of 574 offices started during the fifty years between 1860 and 1909, 191 existed at the beginning of 1911. But many of them while possessed of powers to write fire business have never actively exercised those powers, and others restrict their business to some particular class of risk.

SOME TIMELY DONT'S.

Don't allow children to play near open fires. Within the past two weeks several children were burned to death.

Don't allow rubbish to accumulate in stairways or cellars. If you have reason to believe that your neighbor is not as careful as he might be, it is your right to speak to the fire chief about it.

Don't use gasoline indoors for cleaning.

Don't use ordinary matches. Safety matches are just as cheap. Keep all matches away from children.

Don't fail to see that used matches are harmless before throwing them away. Then don't throw them in trash piles or in the grass.

Don't fill oil lamps at night and don't use paper shades on any kind of lamps