

BRITISH FIRE COMPANIES DURING 1908.

During 1908 the eighteen British fire offices which do business in this country received \$9,919,403 in Canadian net premiums—as compared with \$9,302,906 in 1907. The net amount paid for losses was \$5,775,803, as compared with \$5,073,985 in the preceding year. It will thus be seen that while the 1908 loss ratio was greater than that of 1907 (58.23 per cent. as compared with 54.54 per cent.) the premium income was some \$600,000 larger last year than during the preceding twelve-month.

Taking their total business the world over, these eighteen leading British companies not only showed an increased loss ratio, but decreased premium income. As a result, net profits were \$6,000,000 or more behind those of 1907.

In some degree the 1908 showing was adversely affected through the changing of previous years' losses into the twelvemonth's accounts—this being specially the case with litigated Valparaiso and Jamaica claims.

General trade and manufacturing conditions, at home and abroad, naturally interfered with business volume and results. Increased competition within fire office ranks was another factor. This obtained particularly in San Francisco, where lapse of time and an improved water system have

contributed to remove the natural prejudice felt by fire companies against that ill-starred city.

In Great Britain, too, competition has been keen, resulting from establishment of non-tariff offices and the entrance of accident offices into the fire field. Of the non-tariff offices a writer in *The Times* recently remarked: "It is improbable that a large number of these will survive the ordeal which, sooner or later, tests the financial resources of every insurance office." They concluded too hastily, from the profits made by fire offices in 1905 and 1907, that the business would be a gold-mine for all comers. True, even in off years like 1908, well established companies continue to pay high dividends—one even distributing 20 per cent. to its shareholders. But present-day returns come largely from interest on investment accumulations, not from current underwriting operations. Shareholders' consistent self-restraint in years past resulted in building up the strong reserves which have brought to leading British fire offices their two-fold reward: reputation for unrivalled strength, and a dividend-earning power that even lean years cannot seriously impair. And the strengthening process still goes on.

Upon companies such as these the new British insurance bill will have little practical bearing. The publicity of accounts which it requires of all fire offices can furnish without misgiving.

WORLD-WIDE FIRE INSURANCE BUSINESS DURING 1908.

Of the Eighteen British Companies which Transact Canadian Business.

COMPANY.	Premiums. (Net)	Losses. (Net)	Commission and other Expenses.	Percentage to Premiums.		Reserves.		Paid-up Capital.
				Of Losses.	Of Ex- penses.	Fire Fund.	Gen'l Funds *	
	£	£	£			£	£	£
Alliance	1,325,040	564,293	477,903	42.6	36.0	2,100,000	557,103	1,000,000
Atlas	1,023,005	579,870	376,678	56.7	36.8	735,966	65,471	2,400,000
Caledonian	442,435	250,105	160,523	56.5	36.3	148,545	125,511	107,500
Commercial Union	2,785,965	1,470,981	1,038,966	52.8	37.3	2,370,466	257,755	295,000
General Accident, Fire and Life ..	113,653	65,902	41,898	58.0	36.8	45,461	210,056	212,497
Guardian	543,264	307,150	197,946	56.5	36.4	760,950	162,530	1,000,000
Law Union and Crown	240,749	93,483	87,198	38.8	36.2	(n) 285,000	70,818	90,000
Liverpool and London and Globe ..	2,603,864	1,399,965	903,790	53.8	34.7	1,100,000	2,565,769	245,640
London Assurance	640,319	316,068	240,577	49.3	37.6	450,000	546,014	448,275
London and Lancashire Fire	1,456,291	787,788	(o) 493,697	54.1	33.9	590,000	1,002,662	264,125
North British and Mercantile	2,176,806	1,172,804	720,902	55.7	34.2	2,392,722	754,772	1,212,500
Northern	1,229,247	704,254	452,678	57.3	36.8	1,514,624	337,534	300,000
Norwich Union	1,101,505	661,435	r 389,241	60.0	35.3	1,346,100	—	132,000
Phoenix	1,438,923	771,788	528,596	53.6	36.7	1,350,000	329,951	340,310
Royal	3,693,671	1,939,589	1,288,371	52.5	34.9	1,800,000	2,708,022	391,887
Scottish Union and National	635,106	345,178	220,382	54.3	34.7	317,553	387,025	300,000
Sun	1,450,753	797,598	536,225	55.0	36.9	2,080,361	400,747	120,000
Yorkshire	263,902	127,327	97,379	48.2	36.9	313,790	71,619	75,657

*Comprises balance of Profit and Loss Account, and other funds not specially ear-marked for a particular department.

(n) £200,000 represented by debenture stock issue. (o) Income Tax included. (r) Excluding cost of Act of Parliament and registration of company, £4,830, and cost of business acquired, £3,500.

THE TOLEDO RAILWAY bondholders' committee in a recent letter to holders of the first mortgage 4 per cent. consolidated bonds, say that the company will not be able to pay the principal or interest on the \$4,866,000 bonds maturing July 1, this making the third default on interest payments, but the committee asks that no summary action be taken against the company.

The protective committee has made arrangements, in one way and another, to take care of various bond obligations falling due this summer. It is hoped this will enable the company to get its affairs into better shape.

SAO PAULO earnings for May were \$190,277 gross and \$114,707 net, as compared with \$187,860 gross and \$117,644 net, a year ago. The aggregate net earnings from January 1 to May 31, were \$645,109 as compared with \$624,890 a year ago. Following strong local urging the company recently reduced its rates for electric light and power and also reduced the tramway rates by abolishing double fares on all lines on which two fares were charged. These changes in rates naturally affect the May income, but the management express the hope that soon the effect of these reduced rates will increase the income.