

years, just as on page XI the same totals for the same period are given for the British companies. And yet our alert critics seem to have been unaware of the existence of these official figures. Here is how they look summarized:—

The Canadian companies in the fifteen years from 1875 to 1889, inclusive, collected in total premiums on their entire business \$48,361,197, and paid for general expenses (not including dividends) \$14,982,763, or just 31 per cent. of the premiums. The losses paid during this period were \$35,025,646, making the total losses and expenses paid \$50,008,409, or \$1,647,212 more than was collected in premiums! Adding interest income on invested funds and all other receipts, making the total income \$51,001,437, and it will be seen that the companies had left for their work and use of capital an average of \$66,202 each year, or merely a nominal return for their paid up capital such as our Walkerton friends would scarcely be satisfied with.

The Canadian business of the British and American companies has of course been conducted through branch offices, and for 15 years was as follows, combined for both classes of companies: Premiums collected, \$46,910,084; losses paid, \$33,182,763; expenses paid (no dividends), \$11,116,529. This amount is only for expenses incurred in Canada, to which is to be added the *pro rata* share chargeable to these companies for home office expenses, estimated at about ten per cent. Now, ten per cent. on the above total of premiums is \$4,691,008, which added to the \$11,116,529 makes \$15,807,537, or 33.6 per cent. for expenses. In proof of the correctness of this ten per cent. addition we cite the experience of the American companies, as given in Table XIII of the New York insurance report for 1889. The expenses there given of course include the expenses of branches in Canada and elsewhere. The average ratio of expenses to premiums for all the joint-stock companies of New York and other States reporting to that department was 37.05 for 1889. That this was no exceptional experience is shown by the fact, that the average expense of the companies referred to for the five years ending with 1889 was 36.6 of the premiums.

To sum up total results to Canadian companies and to British and American companies on their Canadian business for 15 years, we have the following:—

	Total Premiums. \$	Losses paid. \$	General Expenses. \$	Expenses and Losses Combined. \$
Canadian Co's.	48,361,197	35,025,646	14,982,763	50,008,409
British Companies..	41,633,930	29,577,762	10,019,205	39,596,968
American Co's.	5,300,094	3,635,001	1,097,323	4,702,324
Share of home office expenses added to Brit. & Am. Cos., 10 p. c. of prem.			4,691,008	4,691,008
	95,271,251	68,208,409	30,790,300	98,998,709

Percentage of expenses to premiums..... 32.31

Thus it will be seen that during the 15 years from 1875 to 1889 it cost the Canadian companies and the other companies in Canada, for losses and expenses, \$98,998,709, or \$3,727,428 more than they received from premiums.

But we are able to go further back even than 15 years. In August, 1887, the INSURANCE AND FINANCE

CHRONICLE published in its columns elaborate tables, giving in detail the experience of all the companies in Canada from 1869 to 1886 inclusive. We have added to the results there given those of 1887-8-9, thus covering a period of 21 years. This shows total premiums collected in Canada by the Canadian companies of \$22,374,087, losses paid \$16,373,422, and expenses \$7,558,400. This is an expense ratio of 33.7, and a loss of \$1,557,735 on the underwriting of the 21 years. The combined total premiums of the British and American companies for the 21 years were \$57,177,155, the losses paid \$39,986,347, and the expenses in Canada \$13,594,610. Adding ten per cent. of premiums for home office expenses, or \$5,717,715, and we have an expense ratio of 33.8, and a loss on underwriting account for the 21 years of \$2,121,517. This shows that the cost of the Canadian business for all the companies was \$3,679,252 more than the premiums collected, and shows that our estimate in our former article of a 30 per cent. expense ratio, as we there stated, was below the actual fact. The lugging into their communication by our Walkerton friends of a rough estimate by the *Monetary Times* as to the expense ratio seems not to have been a specially brilliant stroke, inasmuch as that journal stated that the average expense of conducting the business was "over 25 per cent. of the premiums," without attempting or professing to give authentic figures. That, however, is of no consequence in this connection, for we are dealing with hard facts, not estimates. In this connection we desire to print the following extracts from the Walkerton communication:—

Now, why should the people of Canada continue paying all this money to these gentlemen for managing their insurance business, if they can manage it themselves through their municipal councils? We see by their own figures that in 21 years the directors and stockholders received \$23,391,148 over and above the amount required for the payment of losses. And they got all this vast sum for nothing. Not one dollar of their own money went into the business. Their stock, subscribed as a guarantee, was invested in Government bonds and municipal debentures, on which they received every year the current rates of interest. The millions drawn from the people for insurance went into their pockets as a bonus.

Of course reference is here made to the statement near the beginning of the communication, based on the figures of the Dominion insurance report, that in 21 years the companies collected in Canada \$80,002,000 in premiums, and paid out \$56,610,852 for losses, the difference being \$23,391,148. We confess to our surprise that any member of a body of business men like the Walkerton Board of Trade should be capable of uttering such a transparent absurdity as that found in the above quoted paragraph. For a sane business man to make the statement, that the stockholders and directors of the insurance companies got the difference between the premiums collected and losses paid as a bonus which went into their pockets, and that "they got all this vast sum for nothing," is certainly surprising, and a very poor compliment to the insurance knowledge, not to say business intelligence, of the "insurance committee" of the Walkerton Board of Trade. These gentlemen must certainly know that it