

## ABOUT BIG AND LITTLE COMPANIES.

It is not uncommon to hear nowadays the not altogether original remark, when the fire insurance situation is under consideration, that there are altogether too many companies. That is true, no doubt, and it is also true that there are a good many more people than there ought to be, apparently, in some parts of the world, just as there are too many stores and factories and railways and churches, and a long list of other superfluous things in this world. Of the right kind there are, however, none too many men and women, nor of mercantile and manufacturing enterprises, of churches and schools, and railways and insurance companies. Whatever is properly designed to meet the wants of society in any of its multifarious phases deserves to thrive, if judiciously conducted with strict reference to its original design. The only true passport to success for any enterprise legitimately launched is capable and honest management. In this age of fertile invention and rapid achievement we have come to measure things by a standard of bigness rather than of fitness, and the man or the enterprise that can get up the biggest "boom" and cover the most space in a particular arena is apt to marshal the crowd around his tent. Commercial enterprises are handled on a large scale, and large as they are, seek more and more to augment their bigness by forming "trusts" big enough to compel tribute if not admiration.

Very naturally, and very properly, fire insurance indemnity has to be offered on a large scale in the centres of commerce, and large insurance corporations, backed by many millions of money, are a necessity of the period, and there are none too many of them either. Neither are there too many small companies, provided they are of the right kind. The trouble is that there are numerous small companies of the wrong kind,—weaklings which have both a paucity of assets in the treasury and of brains in the management. Experience has long ago demonstrated what the inevitable outcome will be for a half-million-dollar company which undertakes to cover half a continent and imitate the methods of a ten-million-dollar one. The disaster which has overtaken so many companies of this class does not demonstrate, however, that none but giants can or ought to live. Experience shows the contrary to be true. Successful fire underwriting does not necessarily depend upon large capital and mammoth assets, but rather upon their employment. The success of any company, great or small, depends upon the assumption of risks in proportion to resources and upon the character of the risks and size of the rate, associated with economy and business tact in the management.

Soundness is not synonymous with size in fire insurance, any more than it is in other business enterprises. That company is most successful which manages to continuously show the largest margin between income and outgo. A company in the possession of half a million dollars of sound assets which saves an annual average of fifty thousand dollars as the result of its underwriting is a better company and has a bet-

ter right to live than one which with five millions saves only two hundred thousand. The business of the country, it is to be remembered, is not all done in the large cities. The flourishing town, the thriving village and the quiet hamlet, all have need of insurance protection, and present a field for the small, well managed company, quite as safe and manageable as the field dotted over with "target risks" and occupied by the big companies. But facts are what count rather than theorizing, and in order to exhibit facts from the record, for eight years, we have compiled the following table, embracing three groups of companies in the United States, "sized up," and showing the trading results of the underwriting:—

## TEN LARGEST COMPANIES.

NAME OF COMPANY.	When Organized.	Cash Capital.	Assets in 1893.	Premiums Rec'd., 1886-1893.	Losses and Expenses to Premiums, 1886 to 1893.
Aetna, Conn....	1819	4,000,000	10,807,666	25,015,515	83.10
Continental, N.Y.	1852	1,000,000	6,433,171	20,221,204	98.82
German-Amer., N.Y.....	1872	1,000,000	5,997,403	20,176,407	98.13
Hartford, Conn.	1810	1,250,000	7,378,092	24,182,484	90.31
Home, N.Y....	1853	3,000,000	9,008,834	35,099,097	99.89
Ins. Co. N.A., Phila.....	1792	3,000,000	9,432,250	34,885,357	98.54
Liv. Lond. and Globe.....	1836	.....	*8,598,271	36,150,657	93.20
Phenix, Brooklyn.....	1853	1,000,000	5,903,963	33,203,949	101.80
Phenix, Hartford.....	1854	2,000,000	5,494,044	21,501,651	95.45
Royal, Eng....	1845	.....	*7,409,681	28,139,035	94.43

\*Assets in United States.

## TEN SMALL COMPANIES.

	Organized.	Capital.	Assets 1893.	Premiums 1886-1893.	Loss and Expense Ratio 1886-1893.
		\$	\$	\$	
Albany, N.Y....	1811	250,000	428,065	725,452	97.32
Concordia, Wis.	1870	200,000	695,050	2,966,785	99.60
Farmers, Iowa.	1850	100,000	516,643	1,659,662	95.00
Forest City, Ill.	1874	100,000	300,069	903,311	78.00
German, Pittsburg.....	1862	200,000	514,916	1,855,487	99.80
Granite State, N.H.....	1885	200,000	577,178	2,734,766	95.72
Lumbermen's, Phila.....	1873	250,000	947,278	877,190	92.00
Reading, Pa....	1867	250,000	717,720	1,931,567	98.73
Rockford, Ill....	1866	200,000	1,001,741	3,094,984	92.32
Teutonia, New Orleans.....	1871	250,000	495,710	1,645,367	94.51

## TEN MEDIUM SIZED COMPANIES.

	Organized.	Capital.	Assets 1893.	Premiums 1886-1893.	Loss and Expense Ratio 1886-1893.
		\$	\$	\$	
Agricultural, N.Y.....	1853	500,000	2,312,676	6,708,080	99.00
American, N.J.	1846	600,000	2,342,939	3,671,322	90.92
American Central, Mo.....	1853	600,000	1,572,303	4,961,275	99.24
German, Freeport, Ill.....	1865	200,000	2,918,479	10,624,972	97.53
Glens Falls, N.Y.	1849	200,000	2,249,553	4,482,458	94.25
Milwaukee Mechanics.....	1852	200,000	2,000,009	4,902,999	93.62
New Hampshire Fire.....	1869	800,000	2,162,564	6,086,510	92.15
Northwestern Nat., Wis....	1869	600,000	1,633,979	4,518,562	92.50
Prov.-Washington, R. I.....	1799	400,000	1,217,302	8,212,355	99.52
St. Paul F. and M., Minn....	1865	500,000	2,101,154	9,112,041	97.24

In the class of small companies it will be noted that those selected have, with a single exception—the Granite State been in the field from twenty to eighty years, and have consequently been well tested. It would be