

UNLICENSED FIRE INSURANCE IN CANADA

Unlicensed fire insurance in Canada at December 31st last, totalled \$247,798,040, over 25 per cent. of the amount held in force at the same date by the Dominion-licensed companies, the latter's total being \$1,091,363,198. The gain in amount in force of unlicensed insurance over the preceding year is about \$12,000,000, this growth being practically accounted for by the advance in the amount of unlicensed insurance in force in the single province of Quebec. The unlicensed stock companies appear to have increased their Canadian business substantially last year, their amount in force showing an increase of over \$10,000,000 at \$41,941,577. The mutual companies' insurance in force is over \$5,000,000 higher at \$124,704,514 and that of the reciprocal underwriters has also increased by \$5,000,000 to \$27,111,426. The business of Lloyds Associations, on the other hand, is down by over \$9,000,000 to \$54,040,523.

It is evident that if unlicensed insurance in Canada were taxed at the same rate as the Dominion-licensed companies—about 2¾ per cent. of premium income—a substantial addition to Canadian revenues could be made. Possibly, in the not far distant future, the sheer necessity of mobilising additional means of revenue for the Dominion, will result in action which unassailable argument has hitherto been unable to secure. Nobody wants to exclude these unlicensed concerns from doing business in Canada; the only demand is that they shall conform to the same requirements and pay taxation on the same basis as those companies regularly entered. The fairness of this demand cannot possibly be denied.

The following tables show the details of unlicensed insurance in force in Canada in 1916 and 1915:—

SITUATION OF PROPERTY BY PROVINCES.

	1916.	1915.
Nova Scotia.....	\$ 6,304,087	\$ 5,713,674
New Brunswick.....	8,358,815	10,733,775
Quebec.....	89,054,985	76,907,525
Ontario.....	105,100,547	103,645,877
Manitoba.....	11,383,827	9,462,290
Saskatchewan.....	8,515,339	9,030,304
Alberta.....	6,099,883	6,723,638
British Columbia.....	12,559,055	13,196,664
Prince Edward Island.....	19,702	16,850
Yukon.....	401,800	340,000
	\$247,798,040	\$235,770,597

NATURE OF PROPERTY INSURED.

	1916.	1915.
Lumber and lumber mills.....	\$ 14,680,118	\$ 15,488,299
Other industrial plants and mercantile establishments.....	173,567,202	154,450,371
Stock and merchandise.....	34,727,095	40,649,711
Railway property and equipment.....	24,048,237	24,896,076
Miscellaneous.....	775,388	286,140
	\$247,798,040	\$235,770,597

NATURE OF INSURERS.

	1916.	1915.
Lloyds Associations.....	\$ 54,040,523	\$ 63,188,168
Reciprocal Underwriters.....	27,111,426	22,109,561
Mutual Companies.....	124,704,514	119,174,939
Stock Companies.....	41,941,577	31,297,929
	\$247,798,040	\$235,770,597

THE CHRONICLE acknowledges with thanks receipt of the 1916 bound volume of the "Policyholder" of Manchester, with the publisher's compliments.

EMPLOYERS' LIABILITY EXPERIENCE IN CANADA, 1916.

Much of the business tabulated in the Dominion blue-books under the heading of employers' liability insurance would be classified more accurately as workmen's compensation business. As is well known, the established companies transacting this business received a severe blow in 1915 through the establishment of a Government monopoly in Ontario. In preceding years, the business in Canada had developed very rapidly and attained respectable proportions. From a net premium income in 1907, of \$908,998, the business expanded until a maximum premium income of \$3,516,758 was received in 1913. In the following year, 1914, there was a slight decrease in premium income to \$3,433,179. Cessation of business in Ontario resulted in a drop in the premium income for 1915 to \$1,952,250, and the record of 1916 shows a further slight falling off to \$1,944,897.

RAPID RISE OF LOSS RATIO.

While the past two years have shown a decrease of approximately 40 per cent. in premium income from the 1914 level, the loss ratio has coincidentally rapidly increased. In 1914, losses incurred totalled \$1,507,051, a proportion of 43.9 per cent. of premiums. In 1915, with the shrinkage in premiums, they declined to \$1,014,485, at which level they were, however, in a proportion of 51.9 per cent. Last year, losses incurred increased to \$1,151,126, a proportion of 59.2 per cent. Probably, this remarkable increase is in part accounted for by the great reduction in premium income. To what extent it is associated with the world-wide tendency of workmen's compensation loss ratios to increase, as beneficiaries become more alive to the possibilities contained in workmen's compensation legislation, remains to be seen.

COMPANIES' EXPERIENCE IN 1916.

The following table, showing in detail the 1916 experience of the Dominion-licensed companies transacting this business, makes it evident that a number of the companies found the year anything but a profitable one in this line.

	Net Premiums.	Losses Incurred.	% Losses to Prems.
Canada Accident.....	\$183,534	\$148,431	80.9
Dominion-Gresham.....	10,643	7,962	74.8
Employers' Liability.....	487,942	269,783	55.5
Fidelity & Casualty.....	5,672	994	17.5
General Accident of Canada.....	90,207	46,631	51.7
Globe Indemnity of Canada.....	124,369	77,510	62.3
Guardian Accid't & Guar'tee.....	49,965	28,980	58.0
Imperial Guarantee & Accid't.....	2,044	None	...
Law Union & Rock.....	33,332	14,336	43.0
London Guarantee & Accident.....	219,376	147,299	67.2
London & Lanc. Gn'tee & Acc.....	20,321	6,170	30.4
Maryland Casualty.....	42,922	26,421	61.5
Merchants & Employers'.....	58,690	34,739	59.2
North American Accident.....	109,335	81,345	74.4
Norwich Union.....	20,268	4,181	20.6
Ocean.....	214,517	99,322	46.3
Railway Passengers.....	64,950	33,784	52.0
Royal Exchange.....	8,392	5,403	64.4
Travelers of Hartford.....	110,529	83,765	75.8
U. S. Fidelity.....	56,073	16,704	29.8
Yorkshire.....	31,816	17,366	54.6
	\$1,944,897	\$1,151,126	59.2

FURTHER RESTRICTION OF PREMIUMS PROBABLE.
With British Columbia definitely committed to