

THE DIRECTORS OF THE MUTUAL RESERVE LIFE INSURANCE COMPANY of New York, have re-elected Mr. Frederick A. Burnham, and Mr. George D. Eldridge, vice-president.

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AUTOMOBILES ARE NOT POPULAR in Belgium, to judge by a petition to the Parliament of that country, which asks that all automobiles may be burned in one great bonfire before 1908, and that the resultant scrap metal be sold for the benefit of those who have been maimed by "the accursed automobiles." These Belgians have some horse sense.

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GOVERNMENT HOUSE, DAWSON, Yukon Territory, the official residence of Lieutenant-Governor McInnes was destroyed by fire on Christmas Day, the damage amounting to \$100,000.

FIRE INSURANCE PROFITS.

Fire insurance companies, like other companies, are formed for profit. The people who provide the capital stock do it with the expectation that the yearly receipts, from premiums, interest on investments, etc., will be sufficient to pay all losses, and working expenses, and to leave a respectable balance for profits. Every insurance man knows that the results of any one year cannot be taken as a criterion of what is to be expected for future years. To have value, for purposes of forecasting the future, and for purposes of fixing fire rates, past experience has to be spread over a number of years. In Canada, last year, the following table shows the business done by the companies:

	Gross Amount of Risks taken	Net premiums less reinsure charged.
Canadian Companies...	\$301,816,272	\$ 3,026,326
British Companies...	649,566,539	8,583,203
American Companies...	188,712,561	2,689,111
	\$1,140,095,372	\$14,298,640

Probably the experience of the British companies furnishes the best illustration as to whether rates in Canada have been excessive or not. The report of the Superintendent of Insurance mentions, in respect to the business of the Canadian companies, "that their whole fire insurance business, in Canada and elsewhere, must be taken into account, inasmuch as a separation of expenses between these branches has not been made."

The insurance companies have always claimed that fire rates should be on a level to ensure the collection of sufficient in premiums to allow of a fair surplus remaining in the companies' hands after the payment of losses and of general expenses during a number of years. A reserve is also required to meet losses on unexpired business. The insurance report gives the results of operations of the British companies in Canada from

1875 to date. They are contained in the following table:

	Balance.	Year.	Balance.
1875.....	+\$ 51,765	1875 to	
1876.....	89,015	"	1876..... +\$ 140,780
1877.....	4,210,951	"	1877..... - 4,070,171
1878.....	676,458	"	1878..... - 3,393,713
1879.....	210,430	"	1879..... - 3,183,283
1880.....	727,389	"	1880..... - 2,455,894
1881.....	161,162	"	1881..... - 2,294,732
1882.....	481,511	"	1882..... - 1,813,221
1883.....	439,797	"	1883..... - 1,373,424
1884.....	443,919	"	1884..... - 929,505
1885.....	674,984	"	1885..... - 254,521
1886.....	237,216	"	1886..... - 17,305
1887.....	359,243	"	1887..... + 341,938
1888.....	752,956	"	1888..... + 1,094,894
1889.....	918,128	"	1889..... + 2,013,022
1890.....	712,981	"	1890..... + 2,726,003
1891.....	470,014	"	1891..... + 3,196,017
1892.....	452,941	"	1892..... + 3,648,958
1893.....	705,430	"	1893..... + 3,443,528
1894.....	172,105	"	1894..... + 3,615,633
1895.....	39,223	"	1895..... + 3,654,866
1896.....	709,118	"	1896..... + 4,364,974
1897.....	356,290	"	1897..... + 4,720,264
1898.....	140,610	"	1898..... + 4,860,874
1899.....	169,106	"	1899..... + 5,029,980
1900.....	1,365,476	"	1900..... + 3,664,504
1901.....	151,868	"	1901..... + 3,512,636
1902.....	2,247,890	"	1902..... + 5,760,526
1903.....	1,362,518	"	1903..... + 7,123,044
1904.....	3,153,572	"	1904..... + 3,969,472
1905.....	2,546,435	"	1905..... + 6,515,907

The first column of balances represents the results for the particular years; the second column represents the accumulated results up to the years given in the margin. Naturally a surplus is shown in every year except those in which conflagrations occurred. For instance, in the St. John fire, in 1877, the British companies lost nearly \$5,000,000; in 1900, at Ottawa and Hull they lost over \$2,500,000; again in 1903, at Toronto they lost very heavily. All these special years are marked in the table by heavy deficits. Taking the last column, of accumulated results; it is noticeable that after the St. John fire there was a deficit until 1887, ten years afterwards. In other words it took the British companies ten years to get even after the disastrous losses of that year. Since 1887, a net profit or surplus has been maintained to the present time, though the surplus has been heavily cut into on two separate occasions. The net result for the 30 years, 1875 to 1905, is a surplus of \$6,515,907, or an average profit of \$217,196 per year, an amount which even a hostile critic should admit is moderate indeed especially as no home office expenses appertaining to Canadian business enter into the calculation. The question as to how the extra heavy losses should be dealt with is the difficulty underwriters have to cope with. From the one point of view it seems quite reasonable, if they find the accumulations of years swept away in a single disaster, for them to raise the price of insurance. If they decide on this course they are met again by another question. Over what district shall the increased rates be applied and on what classes of risks. No matter how it may be applied