

INSURANCE IN CANADA 1881.

We are favored by Professor J. B. Cherriman, the Dominion Superintendent of Insurance, with copies of his report for 1881.

At present 69 companies (not including several which are in process of liquidation) are under supervision of his office.

No. of Companies doing Life Insurance.....	39
“ “ “ Fire “	29
“ “ “ Inland Marine Insurance..	6
“ “ “ Ocean Marine “ ..	3
“ “ “ Accident Insurance.....	5
“ “ “ Guarantee “	2
“ “ “ Plate-glass “	1
“ “ “ Steam Boiler “	1

These 69 companies had on deposit in the hands of the Receiver General securities to the value of \$7,032,377.53 on June 30th last.

During 1881, and during first six months of 1882, three companies retired from business in Canada.

Dominion Fire and Marine, transferred business to the Fire Insurance Association.

- Merchants Marine, ceased business,
- Canada Fire and Marine, reinsured with Citizens.

During the same period, four companies were newly licensed to transact Insurance in Canada.

- The City of London Fire Insurance Co. (limited) of London, England.
- The Scottish Union and National Fire Insurance Co. of Edinburgh, Scotland.
- The Lion Life Insurance Co. of London, Eng.
- The North American Mutual Insurance Co. of Toronto.

FIRE INSURANCE.

The Professor goes more into detail this year than has been his habit in previous reports, on the increase and decrease of premiums and of losses of the various companies, both as classed by nationality and as taken individually, and also compares ratios with those of previous years, so much so that underwriters, on carefully reading his statements and deductions, cannot but be benefited thereby, and will most assuredly rise from the perusal with a firm and serious determination to make it their earnest endeavor to make the showing better in 1882.

We quote from the report :

In 1880 we had to note the most prosperous year for Fire Insurance on record ; in 1881 we have to record the most disastrous (with the two exceptions of 1870 and the year of the St. John conflagration, 1877). The loss rate has reached 83.94, which has been exceeded only on the two occasions above stated. The city of Quebec* was the scene of an extensive conflagration on the 8th June which swept over the districts of St. Jean and St. Louis, and is estimated to have destroyed three millions of property. The losses in this fire paid by the companies amounted to \$800,736, of which a large portion (\$362,502) fell to the share of the Quebec Fire Assurance Company. It is much to the credit of this company that it was able to meet its losses promptly and in full, not leaving a single claim against it unsatisfied at the close of the year. The other companies suffered in various amounts as detailed below. The summer was unusually hot and dry, especially, in Western

* This unfortunate city has been visited by no less than six conflagrations within the past thirty-six years. In May and June, 1845, two fires swept away two-thirds of the suburbs of St. Roch and St. Jacques, destroying four millions of property ; on the 14th October, 1866, one and a-half millions were destroyed in the districts of St. Roch and St. Sauveur ; on the 24th May, 1870, a loss of six hundred thousand dollars occurred in St. Roch's ; on the 30th May, 1876, the district of St. Louis lost a million ; and lastly, on the 8th June, 1881, three millions were destroyed, making a total of over ten millions sacrificed in this city alone.

Ontario, and much damage was inflicted by bush fires and lightning, affecting severely the agricultural companies. But in addition to these exceptional causes, the number and extent of sporadic fires was great, and fell very much on what were considered as risks of the first order. It is to be hoped that such a year may not occur again for a long time.

The following table exhibits the results for the thirteen years during which the returns have been made.

Fire Insurance in Canada.

Year.	Premiums received.	Losses paid.	Rate of Losses per cent. of Premiums.
	\$	\$	
1869.....	1,785,539	1,027,720	57.56
1870.....	1,916,779	1,624,837	84.77
1871.....	2,321,716	1,549,199	66.73
1872.....	2,628,710	1,909,975	72.66
1873.....	2,968,416	1,682,184	56.67
1874.....	3,522,303	1,926,159	54.68
1875.....	3,594,704	2,563,531	71.31
1876.....	3,708,006	2,867,295	77.33
1877.....	3,764,005	8,490,919	225.58
1878.....	3,368,430	1,822,674	54.11
1879.....	3,227,488	2,145,198	66.47
1880.....	3,479,577	1,666,578	47.90
1881.....	3,827,116	3,169,824	82.83
Totals.....	40,112,849	32,446,093	80.89

In dividing these ratios into classes, according to nationalities, the Canadian companies show the heaviest loss ratio during 1881, owing to the Quebec Co.'s heavy loss in its own city, though the results for the whole 13 years show the Home Companies to be somewhat ahead.

Fire Insurance in Canada for the Thirteen years—1869-1881.

	Premiums received.	Losses paid.	Rate of Losses per cent. Premiums.
	\$	\$	
Canadian Companies....	14,051,371	11,225,692	79.62
British do.....	22,190,718	18,617,481	83.90
American do.....	3,270,760	2,602,920	79.58
Totals.....	40,112,849	32,446,093	80.89

An outside observer would naturally ask the reason that a business that had more than doubled itself in seven years, should have been allowed to have stood still for the succeeding six. And notwithstanding the stock answer of "depressed times and lowered rates," he would still be unsatisfied and would believe, in common with many of the initiated, that the "diamond cut diamond" trouble had been in full blast and the outside fields left uncared for and unrequited.

Every one knows that twenty-five men, if agreed in a common-sense compact, could have a change from a

Loss ratio of.....	80.09
And the expenses say.....	27.00
Making a total of.....	107.09

showing a net loss of 8 per cent. on business done during 13 years. (Making no calculation as to compound interest lost, or of capital sunk).

The old cry of low rates, though having more truth in it, yet does not cover the ground—incorrect practices have far more to answer for.