

Insurance.

FIRE RECORD.—Sunndale, Aug. 29.—A most disastrous fire occurred at this place. It originated in the woods and spreading to the village of Sunndale committed great destruction. Among the buildings destroyed were the passenger and freight house of the Northern Railway, insured for \$850; shed and contents, \$1,200; station agent's house, \$250; total, \$2,300. The loss is equally divided between the British America, Imperial, Phoenix, of London, Western and Provincial.

Ashburnham, Ont., Aug.—A Peterboro' paper says that on the 15th inst. a house in Ashburnham, used as a tavern, but not occupied at present a dwelling of Mr. Mowry, but occupied by Mr. G. Brook, and Mr. John Clarke's tannery, and the stables and sheds attached to all these buildings were consumed by fire. The loss may be summed up thus:—The tavern stables and shed about \$16,000; owned by Joseph Sedgwick. Mr. Mowry's loss is about \$1,500; insured for \$1,000. Mr. Clark's loss he considered about \$3,000; insured for \$1,400 in the Royal and Etna. Total loss about \$6,000; total insured, \$2,400.

Fullarton, Aug.—A large barn belonging to Mr. Michael Goetz, was struck by lightning and totally consumed, together with its entire contents, consisting of the principal part of this season's harvest, and a lot of machinery and implements. The fire spread with great rapidity, and no sooner was the dreadful crash heard by those near, than the whole barn was one sheet of flame. The property destroyed consisted of 500 bushels of fall wheat, 40 tons of hay, &c., &c. The loss is estimated at over \$3,000, and there is no insurance.

Belle River, Ont., Aug. 31.—VanOrden's mill was destroyed under very suspicious circumstances. One or two arrests have since been made. Loss heavy; insured in Commercial Union for \$1,000, and in the Queen for \$1,000.

St. John, N.B., Aug.—The steam saw mill of Messrs. Turtlott & Allingham was totally destroyed by fire on Thursday evening. Insurance \$8,000. The fire is supposed to be the work of an incendiary.

Goderich, Aug. 31.—The Press dispatch says, on Sunday a fire broke out in a large wooden block on West street belonging to Dr. Gordon, of Goderich, and Thomas Robertson, of Dundas, and occupied by W. Moss, shoemaker, B. McCormick, tailor, Miss Taylor, milliner, Mr. Thompson, shoemaker, and Mr. Sharp as a dwelling. The building being old and dry, the flames spread rapidly, and in a short time communicated with the brick North American hotel, kept by Andrew Donogh, which too fell a prey to the devouring flames. No water could be procured for the engine, but by the use of pails and zealous exertions of the citizens the Bank of Montreal building on the east was saved. Several buildings on the opposite side of the street were fired, but promptly extinguished. The North American hotel was insured for \$1,600 on building in the Provincial insurance company, and for \$500 on furniture in Toronto Mutual, which it is thought will fully cover Mr. Donogh's loss. Mr. Gordon had \$500 insured on wooden block, but I cannot ascertain what amount, if any, Mr. Robertson has on his portion; the loss of occupants except Miss Taylor, will be small, as most of their goods were saved, but of course damaged. The fire is said to have originated in Miss Taylor's shop, but how is yet unknown. She places her loss at \$800, and has insurance of \$700. Fortunately the wind was not strong and happened to be in the right direction, or one-eighth of the town would undoubtedly have been burnt.

NEW YORK LIFE.—The New York Life Insurance Company has made a deposit with the Government, and has, we are informed, obtained the necessary license to transact Life Insurance business in the Dominion of Canada.

SCHOONER DUNDERBERG.—This vessel, which sunk off Point au Barques some time since, was insured for \$35,000, as follows: Home, of New York, \$5,000; Western, of Buffalo, \$5,000; Underwriters' Agency, \$5,000; Detroit Fire and Marine, \$5,000; Etna, \$10,000, and Home, of New Haven, \$5,000. The cargo was covered as follows: Security, of New York, \$15,000; Western, of Buffalo, \$12,000; National, of Boston, \$6,000; Republic, of Chicago, \$5,000.

MONTREAL WATER WORKS.—A Committee of the City Council, at a late meeting, recommended that the sum of \$25,900 be appropriated for the construction of certain engine houses according to plans and specifications approved by the Committee. A further sum of \$4,000 was voted for defraying certain expenses, and the contract let to Mr. John Donnelly at \$24,315. At the same meeting the contract for the construction of a central fire station was awarded to James Howley & Co., for the sum of \$4,600.

HALIFAX FIRE DEPARTMENT.—The following figures, which we take from a Halifax paper, show the various amounts contributed by the Fire Insurance Companies to the revenue of that city during the years 1863, '64, '65 and '66; as also the sums paid by the city in support of the Fire Department during the same periods:—

Assessment paid by the various Insurance Companies:

In 1863,	\$5,739 00
1864,	4,278 57
1865,	2,786 70
1866,	2,944 84
Total,	\$13,749 11

The average being \$3,437 28.

City Expenditure on account of the Fire Department:

In 1863,	\$2,648 55
1864,	3,992 93
1865,	4,000 00
1866,	3,540 00
Total,	\$14,181 48

The average being \$3,545 27. It will thus be seen that the Insurance Companies alone nearly supported the Fire Department, the difference against them being only a little over \$100.

IS FIRE UNDERWRITING A PROFITABLE BUSINESS.

Do fire insurance companies pay their stockholders remunerative dividends? Let us take the statistics of the New York insurance department. In the last three years the one hundred and sixty-four fire and fire-marine insurance companies which do business in that state, received \$110,720,700.28 in premium receipts on fire and marine risks. Where did these one hundred and ten millions of dollars go? For payment of losses, \$61,996,634.07; for agents' commissions, \$13,091,936.49; for the tax iniquity, national, state and local, \$5,986,870.97; for salaries and other management expenses, 15,650,210.33; total \$111,519,470.20, or \$798,769.93 excess of disbursements over current receipts in a three years' business! True, these companies paid \$11,670,184 in dividends during this period—an average of \$3,920,061 annually among one hundred and sixty-four companies. Now the total assets of these companies during these three years averaged \$73,902,575, which, according to the figure just given, yielded only five and one-third per cent. in actual profits to stockholders. But these dividends were not obtained from the surplus earnings of the current business, the expenses of which exceeded the receipts from new transactions. They were only reached by appropriating the interest from the accumulated earnings of previous business, transacted during the period when fire underwriting was a prosperous occupa-

tion. In other words, in order to give the holders of insurance stock even a paltry interest upon the money invested therein, the directors of these companies had to borrow from the funds which legitimately belong to and should always remain in their reserved surplus. Increased business demands increased facilities. So it happens that insurance companies, to preserve themselves in safe condition, to afford adequate security to their policy holders, must either confine their business to fixed limits, or increase their surplus additions every year in the same ratios as they extend their operations. Companies which go on year after year, writing all the risks which they can get, without accumulating a corresponding increase of surplus assets, will very soon reach a crisis in their affairs when neither premium receipts nor interest receipts will suffice to liquidate their losses. It hardly requires the force of argument to prove that safety and prosperity alike urgently demand that not only shall past surplus reserves be preserved intact, but that the interest arising therefrom shall be applied every year to their further addition. The use of this interest fund to pay dividends can not be too severely reprehended. But when it is used, not only to pay dividends but to repair excess of current disbursements over current receipts, then we should hardly be able to find language to express our condemnation of the practice. A business so conducted as not to yield enough income to discharge current liabilities must be on the verge of immediate disaster. It is to this point that fire underwriting in the United States has finally reached, and, though there may be relief in a brief period of unusual prosperity, the law of average will soon assert itself, bringing, perhaps, untold and unparalleled disasters.

That we may be able, not less to bring the importance and necessity of reform to the notice of insurance companies, than to illustrate the absurdity of the public prejudice against the existing rates of insurance, we present herewith an original analysis of insurance receipts and disbursements for the last three years, as compiled by us from the returns of the one hundred and sixty-four fire and fire-marine companies doing business in the state of New York:

INCOME.		
	1865.	1866.
Fire premiums.....	\$25,419,589 55	\$32,281,404 76
Marine and inland premiums.....	4,188,652 78	6,586,087 51
Interest and rents.....	4,785,639 39	4,476,944 94
Miscellaneous receipts.....	131,865 08	168,548 77
Total cash income.....	\$34,525,746 80	\$43,512,985 98
Fire premiums.....	\$36,162,138 45	\$33,863,132 76
Marine and inland premiums.....	6,082,827 23	16,557,567 52
Interest and rent.....	4,752,841 58	14,015,425 91
Miscellaneous receipts.....	219,979 17	520,393 02
Total cash income.....	\$47,217,786 43	\$125,256,519 21
DISBURSEMENTS.		
	1865.	1866.
Fire losses.....	\$17,264,618 33	\$23,913,745 87
Marine losses.....	3,422,417 08	6,020,915 10
Dividends.....	4,616,607 11	3,369,250 70
Commissions.....	3,323,687 59	4,805,407 54
Salaries.....	2,401,339 09	2,812,866 30
National taxes.....	873,992 97	1,039,746 04
State and local taxes.....	909,755 97	955,844 19
All other expenses.....	2,020,782 70	2,321,327 70
Total disbursements.....	\$34,833,201 44	\$45,239,133 24
Total prem. receipts.....	\$29,608,242 33	\$38,867,492 27
Excess of disbursements, including dividends, over premium receipts.....	\$5,224,959 11	\$6,371,640 97
Dividends.....	\$4,616,607 11	\$3,369,250 70
Excess of losses and current expenses over prem. receipts.....	\$1,608,352 00	\$3,002,390 27