UNDERWRITING AND INVESTMENT PROFITS AND LOSSES OF MISCELLANEOUS INSURANCE COMPANIES IN 1901.

From "The Spectator," New York

An improvement in the conditions surrounding the business of the miscellaneous insurance companies in 1901, as compared with the two years immediately preceding, is noticeable on examination of the results shown in the accompanying tabulation. But thirteen of the thirty-one companies made an underwriting profit in 1900, whereas twenty out of the thirty-one made money on their insurance transactions in 1901. A net underwriting profit of $488,336 in 1901, against a loss of $269,821 in 1900, shows that the difference in favour of the companies between the two years exceeded $758,000, though part of this difference may be ascribed to the omission of the Frankfort from this year's table (which is compiled from the Connecticut Insurance Report), and the inclusion therein of the figures of the United States Health and Accident. Earned premiums seem to grow quite steadily at the rate of about $3,000,000 per annum. The underwriting experience of individual companies in 1901 ranged from a loss of 24.65 per cent. to a profit of 15.41 per cent. of premiums, the average net profit for all the companies having been 1.88 per cent. in 1901, with a loss of 1.19 per cent. in 1900, and a profit of 1.01 per cent. in 1899.

It will be noticed that four of the companies made additions to their "contingent funds" during 1901. As these funds are maintained primarily as a safeguard for the companies' underwriting transactions, and are treated in the companies' statements as liabilities, it is deemed proper to reduce underwriting profits (or increase underwriting losses) by the amounts thus transferred to "contingent funds." As the amounts of such additions to "contingent funds" are indicated by foot notes, the extent of their effect upon the results can be readily ascertained.

A notable feature of the exhibit for 1901 is the heavy decrease in the expense ratio, averaging nearly eight and one half per cent. for all the companies, and in individual instances considerably exceeding this percentage. Against this saving is an increase of about one per cent. in the loss ratio.

The net underwriting profit of 488,336, plus the net investment income and accretion, $2,300,302, enabled the American companies to pay $1,305,714 for dividends, the foreign companies to remit $144,869 (net) to their home offices, and all companies to add $1,338,055, in the aggregate, to their surplus funds. Against $1,305,714 paid for dividends by American companies there were $205,635 of underwriting profit and $2,227,787 of investment gains. It is, therefore, clear that notwithstanding improved conditions these companies, collectively, are not earning more than one-sixth of their dividends through their underwriting transactions, while nearly one-half of the number are losing money on their underwriting.

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From the *Spectator*, New York.

NAME OF COMPANY.	Premiums Earned in 1901.	Losses and Underwriting Expenses incurred in 1901.	Underwriting Profit in 1901.	Underwriting Losses in 1901	Investment Income and Accretion in 1901.	†Surplus Earned in 1901.	† Dividends incurred in 1901.	Increase (§) or Decrease (—) in Net Surplus in 1901.	Ratio Net Losses Incurred to Premiums Earned in 1901.	Ratio Expenses Incurred to Premiums Earned in 1901.	Ratio Underwriting Profit (§) or Loss (—) to Premiums.
	$	$	$	$	$	$	$	$	per cent.	per cent.	per cent.
Ætna Indemnity	145,435	146,386	....	951	13,650	12,699	....	§ 12,699	24.57	76.09	—.65
Ætna Life (Accident Dept.)	1,257,083	1,194,973	62,110	....	49,441	111,551	43,750	§ 67,801	46.95	48.11	§ 4.94
Am. Bonding and Trust	456,627	492,344	....	35,717	38,305	2,588	80,000	—77,412	45.15	62.66	—7.82
Am. Credit Indemnity	700,744	653,302	47,482	....	26,443	73,925	28,000	§ 45,925	34.89	58.31	§ 6.77
American Surety, New York	980,949	1,071,977	....	91,028	408,730	317,702	200,000	§ 117,702	50.47	58.80	—9.27
Central Accident, Pittsburg	258,405	249,942	8,976	....	9,475	18,451	12,000	§ 6,451	33.91	62.61	§ 3.47
City Trust, Safe Dep't, etc.	219,250	273,118	....	53,868	59,677	5,809	30,000	—24,191	43.38	81.19	—24.56
Employers' Liability, London	1,552,098	1,413,780	138,318	....	39,820	178,138	99,846	§ 78,292	44.70	46.38	§ 8.91
Fidelity and Casualty	3,644,512	a3,757,678	....	a 112,166	346,589	b234,423	56,250	§ 178,173	b44.09	b56.25	—3.07
Fidelity and Deposit	1,179,580	1,113,336	66,533	....	229,128	295,661	244,963	§ 50,698	42.65	51.71	§ 5.64
General Accident, Perth	228,217	c210,437	b17,780	....	12,560	b 30,340	—1,844	§ 32,184	b36.25	b53.77	§ 7.78
General Accident, Phil.	77,103	65,218	11,885	....	4,474	16,359	....	§ 16,359	33.58	51.01	§ 15.41
Hartford Steam Boiler	1,073,411	1,109,151	....	35,740	184,127	148,387	80,000	§ 68,387	12.93	90.40	—3.33
Lawyers' Surety, New York	69,340	80,095	....	10,755	33,412	22,657	25,000	—2,343	10.11	105.40	—15.52
Lloyds' Plate Glass, N. Y.	425,900	414,087	11,813	....	43,421	55,234	25,000	§ 30,234	46.42	50.80	§ 2.77
London Guar. and Accident	961,732	d 919,284	b42,448	....	19,115	61,563	46,867	§ 14,696	b52.84	b41.19	§ 4.41
Maryland Casualty	1,625,971	1,563,138	62,833	....	45,643	108,476	75,000	§ 33,476	50.58	45.56	§ 3.86
Metropolitan Plate Glass	295,248	289,090	6,[illegible]	....	80,725	86,919	20,000	§ 66,919	40.80	57.10	§ 2.10
National Surety, N. Y.	525,470	597,569	....	72,099	—7,779	—79,828	50,000	—129,828	36.74	76.98	—13.72
New Amsterdam Casualty	361,827	363,701	..	1,874	8,194	6,320	....	§ 6,320	51.22	49.30	—.51
New Jersey Plate Glass	121,552	119,054	2,498	....	8,305	10,803	6,000	§ 4,803	44.01	53.93	§ 2.05
New York Plate Glass	263,191	252,469	10,722	....	35,616	46,338	10,000	§ 36,338	39.58	56.34	§ 4.07
Ocean Accident and Guar.	925,363	841,208	84,155	....	1,020	85,175	....	§ 85,175	43.09	47.83	§ 9.09
Preferred Accident	1,084,772	1,109,487	....	24,715	38,758	14,043	12,000	§ 2,043	43.51	58.77	—2.28
Standard Life and Accident	1,191,520	e1,162,024	b29,496	....	49,545	b79,041	28,750	§ 50,291	b50.68	b45.17	§ 2.47
Travelers (Accident Dep't)	3,606,954	3,422,983	183,971	....	367,084	551,055	150,000	§ 401,055	46.36	48.54	§ 5.10
Union Casualty and Surety	409,785	415,710	....	5,925	10,689	4,764	....	§ 4,764	48.40	55.05	—1.44
United States Casualty	791,512	734,336	56,176	....	43,824	100,000	....	§ 100,000	35.09	57.80	§ 7.11
U. S. Fidelity and Guar.	1,031,462	1,000,953	30,509	....	70,220	100,729	90,000	§ 10,729	27.38	69.76	§ 2.96
U. S. Guarantee	90,342	89,029	1,313	....	17,271	18,584	15,000	§ 3,584	34.92	63.63	§ 1.45
U. S. Health and Accident	409,676	351,726	57,963	..	12,767	70,730	24,000	§ 46,730	57.46	28.39	§ 14.15
Totals 1901 (31 companies)	25,954,430	25,476,094	*488,336	....	2,300,302	2,788,638	*1,450,583	* § 1,338,055	42.91	54.61	§ 1.88
Totals 1900 (31 companies)	22,724,048	22,993,869	....	*269,821	2,514,920	2,275,099	*927,530	* § 1,347,569	41.97	63.07	—1.19
Totals 1899 (31 companies)	19,827,922	19,628,193	*199,729	....	1,840,460	2,040,189	*677,078	* § 1,363,111	43.71	55.28	§ 1.01

* Net. † Amounts for foreign companies in dividend column represent net remittances to or (—) net receipts from home offices. Amounts for American companies preceded by minus sign (—) indicate surplus paid in by stockholders. ‡ Minus sign (—) in surplus earned column indicates combined underwriting and investment loss in 1901. a Includes $100,000 added to the "contingent fund." b Excluding addition to "contingent fund." c Includes $50,000 added to "contingent fund." d Includes $5,000 added to "contingent reserve." e Includes $20,000 added to "contingent fund."