

HOW FIRE INSURANCE "PAYS!"

The following little table, compiled from the National Board's latest statistics, is a boiled-down presentation of the fire insurance companies [American and foreign] in the United States from 1860 to the end of 1892. We have calculated from the National Board's figures the expense per \$100 of risk. This is a very interesting column. So is the column showing the total cost per \$100 of risk, *i.e.*, the sum of the fire cost and the expense cost:—

5 Year Periods.	Fire Risks Written (Millions of Dols.)	Fire Losses Paid (Millions of Dols.)	Expenses Paid (Millions of Dols.)	Loss per \$100 of Risk, (cents)	Ex. per \$100 of Risk, (cents)	Cost per \$100 of Risk, (cents)	Prem. per \$100 of Risk, (cents)
1860-65	13,622	54.6	31.6	40	23	63	86
1866-70	22,701	114.5	73.0	50	32	82	87
1871-75	30,086	177.5	94.2	59	31	90	94
1876-80	34,706	155.5	108.6	43	31	74	80
1881-85	48,826	241.3	155.1	49	32	81	85
1886-90	59,354	299.7	196.1	50	33	84	87
Aggregate.	209,796	1,038.1	658.5	49	31	80	85
1891	14,732	73.0	45.8	50	31	81	81
1892	15,386	81.0	48.5	53	32	83	85

In view of the assertion, so often heard, that the fire insurance business is being ruined by an increase of expense, it is surprising to discover that the expense connected with securing and carrying \$100 of risk was not greater in 1892 than in the five year period, 1866-70. The expense item is steady at about 31 cents per \$100 of risk. As between fire cost and expense cost, the fires have embarrassed insurance companies more than expenses. Many fire underwriters hold that the fire cost has been even and the expense cost erratic and latterly exorbitant—but here are the figures. A difference of 1 cent per \$100 of risk means \$1,538,600 when the companies write \$15,386,000 of risks as they did in 1892. The most conspicuous lessons taught by these figures are: (1) that the companies need higher premiums at once, and (2) that they must provide for a probably increasing fire cost by requiring premiums that will average a little higher in succeeding years instead of a little lower. In 1891 and 1892 there was no margin whatever, the premiums having been just sufficient to pay losses and expenses. We may add, incidentally, that the foregoing table displays the fire insurance "octopus" in all his hideousness.—*N. Y. Chronicle.*

MONTREAL AND THE FIRE UNDERWRITERS.

The Special Committee on Insurance, appointed by the Montreal City Council to confer with the Canadian Board of Underwriters, embodied the results in a report which has been laid before the Council for consideration and action. The report manifestly verifies the repeated assertions of the CHRONICLE as to the many reforms deemed essential, and it is to be hoped this matter will not be allowed to lie dormant. The report is as follows:—

Interview between a special committee, composed of His Worship the Mayor and Aldermen Hurteau, Clendinning, Thompson, Desmarceau and Dagenais, and the Underwriters of Montreal, in connection with the causes of the numerous conflagrations which have broken out recently, the efficiency of the Fire Brigade and the increase of the insurance rates.

Precis of the observations and remarks made by the Underwriters:—

1. They declare most emphatically that it is not their intention to lodge complaints or charges against any one, but that it cannot be denied that Montreal is one of the cities where fires cause the largest losses, that the insurance companies for many years past have failed to realize any profits, and that they would be in a much better position had they not done business here for the last seven years; that since the month of January last their losses amount to between \$500,000 and \$600,000, while their premiums for the current year do not exceed \$900,000,

2. That their rates of insurance are naturally fixed according to their losses, and that the greater the risks the higher the rates; that they have not, however, generally increased their rates, but have only done so upon certain stocks and effects.

3. In connection with the causes of the frequent conflagrations and the heavy losses resulting therefrom, they do not wish to accuse the Fire Department, nor exaggerate the defects of the water works; but they cannot ignore what has appeared in the press and the statements of Mr. Davis, Superintendent of the Water Works, concerning the pressure and the distribution of the water.

4. It appears certain that the pressure of the water is inadequate, and that the distribution of the water is far from perfect, and that the water pipes are not in as good condition as they should be.

5. The provisions of the by-law relating to the construction and the inspection of dwellings should be obeyed much better; they are insufficient, and others should be enacted, providing among other things for the construction of division walls which would prevent the fire from gaining headway.

6. The saw-mills, the wood-yards in the most inhabited parts of the city, the increase in the number of dwellings and manufactures of all sorts, has also increased the danger of fire.

7. Complaints are made in certain parts of the city that there are not enough fire engines and hydrants.

8. The wires suspended over the streets hinder the men to a great extent in their work, and are an obstacle to the efficient use of ladders and engines, and are a source of danger which, in certain cases, paralyzes the efforts of the firemen.

9. Electricity appears to be a serious cause of fires, and it is observed that since it has become in general use and in certain cities of the United States (in Boston, for example), fires have considerably increased.

10. Certain fires convey the impression that they did not occur accidentally, and the result of the enquiries for the purpose of discovering the guilty parties is not likely to cause alarm among the incendiaries.

11. The Police Department might be called upon to exercise more vigilance.

The representatives of the insurance companies mentioned certain complaints on the part of the public and the press against the manner in which the chiefs and men of the Fire Brigade worked at the fires in William and St. James streets. They suggested that an independent inquiry should be held by persons beyond the influence of the Council and of the department.

Financial and Statistical.

There seems to be a half defined notion extant that were it possible to penetrate beneath the surface, some interesting information might be disclosed concerning the Canadian Pacific Railway. Perhaps this impression is chiefly due to the notable fact that some of the largest original owners have greatly reduced their holdings of stock. In fact, in the case of one local owner who held 24,000 shares in 1890, reduced to 19,000 in 1891, his name has now entirely disappeared from the stock list submitted at the annual meeting last month, and he is understood to have joined the camp of Grand Trunk devotees. The inner history of railroad "promoting" appears to belong to the order of things which Lord Dundreary declared "no fellow could understand"; and the sudden drop in C.P.R. prices last month, when there seemed so much anxiety to sell out in London and on our local stock-market, must have made some of the later investors wish they had curbed their ambition to become railroad owners.

In reporting the past year's rate of dividend of the Canadian Banks, in our last issue, the Trader's Bank was mistakenly noted as paying 7 per cent.; it should have been at 6 per cent. per annum.