

Fire Insurance in Ontario, 1912

STATISTICAL SUMMARY OF BUSINESS TRANSACTED BY PROVINCIAL COMPANIES.

(Compiled by The Chronicle.)

	Admitted Assets	Liabilities excluding Joint Stock	Paid-up Capital Stock	Amount at Risk	Gross Premiums 1912	Total Income 1912	Amount paid for Losses 1912	Proportion to Gross Premiums 1912	Management Expenses 1912	Proportion to Gross Premiums 1912	Total Estimated Expenses 1912
	\$	\$	\$	\$	\$	\$	\$		\$		\$
Joint Stock Companies (6)	841,692	328,157	1,901,400	58,044,604	502,275	621,187	205,683	40.95	173,245	34.49	632,940
Cash Mutual Companies without Joint Capital (4)	2,896,174	404,700	.....	104,006,246	706,402†	839,602	306,617	43.41	209,180	29.61	663,336
Cash Mutual Companies with Joint Capital (9)	958,336	414,942	288,809	58,201,827	577,581†	725,318	303,884	52.61	159,660	27.64	667,635
Purely Mutual Companies (69)	8,714,406	20,344	.....	255,573,925	557,391*	628,296	408,326	.....	112,708	.....	553,915
Totals	13,410,608	1,168,143	2,190,209	475,826,602	2,043,649	2,812,403	1,224,510	.....	654,793	.....	2,517,826

† Fixed payments of 1912 plus premiums on cash system.

* Fixed payments of 1912 plus assessments.

FIRE INSURANCE IN ONTARIO, 1912.

The issue by the Ontario Superintendent of Insurance (Mr. A. R. Boswell), of his abstract report for 1912, enables *The Chronicle* to compile and publish again this week the annual statistical summary of the operations of the fire companies who come under the aegis of this provincial department. Their number is unchanged from 1911. Eighty-eight fire companies report to the Ontario Superintendent of Insurance, sixty-nine of these being of the purely-mutual type, thirteen cash mutuals (of which four are without joint stock capital) and six joint stock companies. These last, while the same in number as in 1911, differ in personnel, the Traders of Toronto having dropped out of the return while the British Dominions, an English company, appears for the first time.

The ratios of losses to gross premiums in respect of the different classes of companies for 1912, and also the two previous years are as follows:—

	1912.	1911.	1910.
Joint Stock Companies	40.95	49.82	43.66
Cash Mutuals without Joint Stock Capital	43.41	40.01	46.17
Cash Mutuals with Joint Stock Capital	52.61	46.08	59.67

The joint stock companies, it will be seen, did better last year than in either of the two previous years, while the cash mutuals' ratios are less favorable than in 1911, though better than in 1910. The joint stock companies show a considerable falling-off in gross premiums which last year were practically \$60,000 lower than in 1911 at \$502,275. This drop in premium income may have some relation to the fall in loss ratio, owing to a more careful selection of risks and the weeding-out of undesirables. Unfortunately, the fall in loss ratio is in part offset by a rise in management expenses, which last year were 34.49 per cent. of gross premiums against 32.16 per cent. in 1911. While the four cash mutual companies without joint stock capital report an increase of some \$26,000 in gross premiums last year, the nine with joint stock capital show a shrinkage of some \$50,000. The expense ratios of both classes of companies are practically the same as in 1911.

Regarding the purely mutual companies, it may be said that while their gross premiums were some \$24,000 larger last year than in 1911, they paid out in losses over \$61,000 less than in the previous year. In fact, the losses paid were actually less than in 1910, when these purely-mutual companies had at risk \$23,000,000 less than in 1912. So that the year was apparently a favorable one for their operations, owing, in part, no doubt to the wet summer, which would have a tendency to minimise farm risks.

In regard to the difference between the amount paid out for losses plus the management expenses and the total expenses, it may be pointed out that the latter includes such items as re-insurance premiums, dividends, the repayment of borrowed money, etc., and additionally, in the case of the cash mutual companies, returned premiums and refunds to members