

FIRE COMPANIES' EXPERIENCE BY PROVINCES.

In 1917, the insurance department at Ottawa inaugurated the practice of publishing statistics of the business of the Dominion-licensed fire companies arranged according to provinces, and this departure has been continued this year. The details given are net premiums written (less licensed re-insurance) and net losses incurred. From the figures published in the blue-books, the subjoined table has been compiled, showing the experience of the companies by provinces in each of the years 1916 and 1917, and the combined experience of those two years.

A number of interesting facts are shown up effectively in this tabulation. It appears that in the last two years, practically one-half of the companies' Canadian fire premiums have come from the two provinces of Ontario and Quebec, Ontario itself being responsible for a third of the whole. Experience in that province, which constitutes the most important fire insurance field in Canada, has been decidedly bad during the last two years. A two-year loss ratio as high as 69.3 per cent. means a heavy loss to the companies, particularly in these days when with expanding premium income, increased reserve is no light item. Nova Scotia's two-year record is proportionately as bad as that of Ontario, although the actual amounts involved are very much less. The case of Prince Edward Island is interesting. There was a conflagration of moderate size at Summerside in December, 1916, and with the limited premium income coming from the Island, it will in consequence need several years of relatively good business, to bring down the Island's loss ratio to a reasonable level.

While these statistics are interesting so far as

they go, a word of caution is perhaps necessary in regard to their use, as they can be easily misused to prove what in fact they do not prove at all. It will be noted that outside the two provinces of Ontario and Quebec, the figures of the fire insurance business of any single Canadian province are very small. They are in fact so small that a conflagration of only moderate size in any one province would have a pronounced effect upon loss ratios. The possibilities of conflagration in numerous centres throughout Canada are notorious, and it is upon those possibilities of conflagration that fire insurance ratio generally must be based. Any method of rating which omits to take into consideration these conflagration possibilities is ipso facto unsound. In the case of San Francisco, fire underwriters were much criticised for several years before 1906, because their ratios took into consideration, conflagration possibilities foreseen by fire insurance engineers. After 1906, nothing more was heard of this criticism. Here in Canada, the loudest criticism of fire insurance rates has come, curiously enough, from that province, in which as the records show, the fire underwriters have lost in recent years most money. In any case, considering the possibilities of conflagration at various Canadian centres, the fire insurance business of no single Canadian province is large enough to warrant its selection for the purposes of average. Canadian fire insurance business can only be averaged for the whole Dominion.

These statistics then must be used in argument with caution. But with the Dominion authorities continuing to collect them, there will be available in a few years, a very interesting body of information regarding the growth of the fire business by provinces, the provincial distribution of premium income, and the loss experience by provinces.

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	Premiums Written 1916	Losses Incurred 1916	% Losses to Premiums 1916	Premiums Written 1917	Losses Incurred 1917	% Losses to Premiums 1917	Total of Premiums Written 1916-17	Losses Incurred 1916-17	% Losses to Premiums 1916-17
	\$	\$	p.c.	\$	\$	p.c.	\$	\$	p.c.
Alberta.....	2,087,818	1,000,066	47.9	2,431,748	813,007	33.4	4,519,566	1,813,073	40.1
British Columbia.....	2,915,663	1,314,865	45.1	3,480,396	864,967	24.9	6,396,059	2,179,832	35.7
Manitoba.....	2,635,394	1,372,749	52.1	2,814,919	1,597,612	56.8	5,450,313	2,970,361	54.5
New Brunswick.....	1,283,675	776,660	60.5	1,456,135	854,343	58.7	2,739,810	1,631,003	59.5
Nova Scotia.....	1,246,731	625,392	50.2	1,439,245	1,247,211	86.7	2,685,976	1,872,603	69.8
Ontario.....	9,735,142	7,550,718	77.6	11,289,839	7,015,384	62.1	21,024,981	14,566,102	69.3
Prince Edward Island.....	118,065	248,086	210.1	155,031	75,410	48.6	273,096	323,496	118.5
Quebec.....	6,991,149	3,438,339	49.2	7,734,936	4,616,312	59.7	14,726,085	8,054,651	54.7
Saskatchewan.....	2,249,037	893,356	49.7	2,753,197	1,220,612	44.3	5,002,234	2,113,968	42.3
Yukon.....	2,584			3,861	203	5.3	6,445	203	3.1
Floating Premiums undivided.....	30,062			46,538			76,600		
Totals and Averages.....	29,295,320	17,220,231	58.8	33,605,845	18,305,061	54.5	62,901,165	35,525,292	56.5

CLAIMS UNDER TORNADO POLICIES

The Spectator, New York, says:— A multiplicity of small claims under tornado policies and a tendency to make claims under such policies for losses by hail are awakening discussion as to the advisability of embracing a clause in tornado policies providing that no claim shall be made for a loss less than \$25. It costs in many instances as much or more to adjust and settle a claim for a few dollars as the amount of

the loss, so that the percentage of adjustment expense is much too heavy on this account. Such a clause would certainly tend to discourage the filing of claims for such small amounts that they would mean little to the average policyholder, whereas, in the aggregate, they amount to a considerable sum for the companies, besides putting the latter to a vast amount of trouble and expense. The plan seems to be at least worthy of serious consideration.