FORTY-SEVEN YEARS' FIRE UNDERWRITING IN CANADA.

In the year 1869, the first for which official records of Canadian fire insurance are available, the companies operating in the new Dominion received in premiums in Canada, something like $1,800,000 and paid out for losses $1,027,720. In 1915 the premiums received by the companies totalled $26,530,293 and their losses incurred, $13,667,458. The Canadian premiums of more than one big British fire company with its subsidiaries are now in excess of or about equal to the premiums received by the whole of the fire companies operating in Canada in 1869.

While the premium income of the fire insurance companies in Canada has expanded in proportion to the development of the Dominion during the last half century, so also have the losses increased which the companies have been called upon to pay. Consequently, the average profits of the companies have been small—extremely small in comparison with the risks undertaken. In the forty-seven years, 1869-1915 inclusive, the companies operating under Dominion licenses in Canada received in premiums a sum of $423,011,168. They paid in losses an aggregate of $256,996,231, a proportion of 60.7 per cent. to the premiums received. With an all-over allowance of, say, 35 per cent. for expenses, which be it remembered, include heavy taxation and much expenditure on purely preventive work, and an allowance for the increased premium reserve, it is apparent that the average remuneration obtained by the companies has been exceedingly meagre. Probably 4 to 5 per cent. would be a very liberal estimate of it, for which handsome profit the companies have to be prepared at any time for a great inroad upon their resources through a conflagration.

The best that can be said for the average loss ratio of the whole of the companies is that it is better than it used to be. During recent years, thanks to a fairly favorable experience, this loss ratio has been steadily reduced as the following table of percentages shows:

To end of 1915	60.7	To end of 1909	64.2
" " 1914	61.3	" " 1908	65.0
" " 1913	61.7	" " 1907	65.4
" " 1912	62.2	" " 1906	66.3
" " 1911	63.0	" " 1905	67.8
" " 1910	63.6		

This ratio may be, of course, increased again at any time through a year's bad experience.

The premiums received and losses paid by the respective classes of companies during forty-seven years are shown in the following tables:—

PREMIUMS RECEIVED.

Canadian Companies	$ 91,215,880
British Companies	253,062,789
American and French Companies	78,732,499
	$423,011,168

LOSSES PAID.

Canadian Companies	$ 57,208,221
British Companies	155,446,054
American and French Companies	44,341,956
	$256,996,231

PROPORTION, LOSSES TO PREMIUMS.

Canadian Companies	62.7
British Companies	61.4
American and French Companies	56.3
	60.7

DECREASE IN RATES.

Indicating the growth of the business during recent years, it may be noted that the total of premiums received during the last ten years is only seven millions short of the total for the preceding thirty-seven years. Owing to the downward trend in rates (which averaged 1.17 in 1914 against 1.60 in 1905), an extension of the business larger than the bare figures indicate has, in fact, taken place. The decrease in the average rate during the decade through improvements in building construction and protective arrangements is a decidedly substantial one, indicating that fire underwriters are not unwilling to give credit for improvements in risks and protection.

It will be noticed that the American companies' loss ratio is considerably better than that of the British companies. This is probably accounted for by the fact that the greater number of the American fire companies are comparative new comers to the field. On the other hand, the majority of the British companies have been long established here, and they have borne the brunt of past great conflagrations which have entailed enormous insurance losses, and may have successors any day. The American companies have, perhaps, found conditions a little more favorable for fire underwriting at a profit than in earlier days.

MORTALITY OF CANADIAN COMPANIES.

The fact is highly significant, that since 1909, nine Canadian fire insurance companies holding Dominion licenses have gone into liquidation overwhelmed by the hazards of the business. A considerable number of smaller fry, provincially licensed, have also disappeared in the same period and for the same reason. A present mortality of this serious character is strongly suggestive that existing rates are scarcely in excess of the standard demanded by the hazards involved. The whole record also goes to show that it is impossible to neglect the conflagration hazard in the making of fire rates, and that a rate alike fair to the insured and to the insurer, can only be made by those who are intimately acquainted with the various and complex hazards of the business as the result of a lifetime's experience in it.

NATIONAL OF HARTFORD.

The National Fire Insurance Company of Hartford states that the figures given in the preliminary report of the Dominion Superintendent of Insurance, of losses incurred in Canada, 1915, $628,644, are incorrect and that the incurred losses reported to the Dominion Department were $431,394.