

MUNICIPAL FIRE INSURANCE

In Relation' to Fire Underwriters' Profits — Some Figures of Interest.

An article designed to make it appear that fire insurance is a money-making business finds place in the August issue of The Canadian Municipal Journal. After a rose-colored statement of English insurance companies' profits and the wonders of profits achieved by a single Canadian company quite lately, a paragraph of the article concludes: "Municipal Insurance has paid in England—why should it not pay, here?"

One cogent reason why any sort of fire underwriting enterprise which may pay in England does not pay here is the marked difference in conditions in the two countries. In Great Britain, solid stone and brick construction, conservative building laws, municipal regulations and careful habits of the populace with respect to combustible substances, keep the annual fire loss down to something like 40 cents per annum per head of the population. The average percentage in Germany, France, Denmark and Italy is only 33 cents. In Canada, lax building laws, houses built largely of wood, forest fires, a variable climate, and careless habits with respect to fire, have caused the fire loss of Canada to mount to \$2.70 per head in 1909, and to \$3.14 per head in 1910. Here is one answer to the editor's "Why?"

While it is quite true that British fire underwriting companies of the first class make good profits, they do not make them out of Canadian risks, but out of the enormous business they do in other parts of the world. The result of five years' fire underwriting in Canada in 1868 to 1874 by all companies was a loss of 1.23 per cent. instead of a profit. Taking the years 1875 to 1908, inclusive, the Dominion Insurance Report shows that the Canadian, British and American companies doing business in Canada took \$251,260,021 in premiums. They paid for losses in those 33 years \$163,242,836; for expenses \$78,391,456; and they carried a liability for reserve on unexpired premiums of \$9,453,479. Adding these items together we have \$251,087,171 showing a profit of only \$172,850, equal to a mere fraction of one per cent., all told, on the Canadian business.

In some of these years the companies showed a good profit the favorable margin being, for example, in 1874, 1880, 1889, 1896, 1902 and 1906, nine, seventeen, thirteen, six, twenty-five, and twenty per cent., respectively. But the conflagration of 1877 in St. John swept away millions; for ten years, between 1891 and 1901, the outgo was always over 100 per cent. of the income; big fires in Quebec, Hull and Ottawa in 1901 and a bigger one in Toronto in 1904 carried the expenditure in the one case to \$105 and in the other to 142 per cent. of the premiums. As we have already stated forty years' underwriting in Canada was a loss. Thus, unfailingly, does the Fire Fiend at longer or shorter intervals pull to pieces the reserves which insurance companies laboriously accumulate in favorable years. If a company here and there manages by selection of risks and by great economy to make good profits for five or even ten years and build up good reserve, this cannot efface the facts of past experience, nor can it remove the conflagration hazard.

It might be well for The Canadian Municipal Journal, which has built up an alluring fabric of possible money-making out of the success of one Canadian company and the large dividends of a dozen or two prominent British and American to look further into the record of fire underwriting in Canada. It will find the list of unsuccessful com-

panies a long one. In the thirty-six years, ended with 1906, twenty-seven United States companies either went out of business or retired from Canada, the best-remembered being the New England, of Hartford, the Andes, of Cincinnati, and the Agricultural, Watertown. In the same period eighteen British companies gave up the struggle, notable among them being the State, the Monarch, the Albion and the United. The Canadian companies which were removed from the list numbered twenty-two, making a total of 67 of all nationalities. A list of some of these Canadian organizations may be of service to the readers of The Canadian Municipal Journal, and an enlightenment, at least, to its editor.

Provincial, Toronto.	Prince Edward Co., Picton.
Isolated Risk, Toronto.	Canada Farmers, Toronto.
Ottawa Agricultural, Ottawa	Canada Fire & Marine do.
Canada Agricultural, do	Dominion Grange, Hamilton
Stadacona, Quebec.	Citizens, Montreal.
Beaver, Toronto.	St. Lawrence do.
Toronto, do.	Victoria-Montreal do.
National do.	Eastern Townships Mutual
Phoenix Mutual, do.	Stanstead, Que.
	Eastern, Halifax.

This is a convincing list.

MONTREAL HARBOR REPORT.

Large Floating Dock to be One of the Latest Acquisitions—Policy of Development.

An extensive report of the Harbor Commissioners of Montreal has been published for the year 1910. The development of Montreal's harbor, which was planned and devised by their chief engineer, Mr. F. W. Cowie, was accepted and approved of by Parliament, and work on the same was commenced during the year under review. This scheme has its objective in a twelve years' continuous policy of development, but while the report naturally deals almost solely with the work accomplished during 1910, it also outlines in some measure the lines upon which this progress is to be continued in the future.

Floating Dry Dock.

Referring to the floating dry dock, which Messrs. Vickers, Sons & Maxim are building and will operate, the commissioners state that the dredging of the site at Molson's Creek has been carried on continuously, and it is expected that the dock will be installed and ready for work in the spring of next year. The plans, which have been approved for this work, call for the reclamation of some 30 acres of land, which will be sufficient to provide sites for all the workshops and other buildings that may be found necessary.

Reverting to the shipping itself, the commissioners draw attention to the fact that during the past year two new lines of vessels have been operating in the port. The chief of these is, of course, the Royal line, owned and operated by the Canadian Northern, and plying between Bristol and Montreal. The second new enterprise in this direction which saw its birth in 1910 was the service between this port and Australia, which was undertaken by the vessels of the New Zealand Shipping Company's fleet, under the direction and management of the Canadian Pacific Railway. Mention is also made of the enterprise shown by the Donaldson line in building and putting on the St. Lawrence route a new steamer in the *Saturnia*, which has helped in no slight degree to increase the trade between this port and Glasgow.