

BANK ANALOGY TO "RESERVE FOR UNEARNED PREMIUMS."

There is an analogy between the item "Reserve for unearned premiums" in fire insurance statements, and the item found in bank statements such as "Reserved for interest" or "Rebate on notes discounted." When a bank discounts a bill or note the entire amount of interest is deducted for the term between the date of the discounting and the maturity of the note. Thus on 1st inst. a note was discounted which does not mature until, say, 4th August next. Now, if the accounts of the discounting bank are made up for the year on 31st inst., there will be interest included in its interest account for two months after the bank's year has closed. It is manifest that this two months interest forms no part of the earnings of the current year, but is an anticipation of the interest earnings of the year commencing after the 31st May. This sum is, therefore, deducted from the gross profits as a "rebate" or "interest reserve," as it has not been earned. There is a further analogy between such "rebate of interest" by a bank and "reserve for unearned premiums" by a fire insurance company. When a fire policy is cancelled or surrendered before its term has expired the company returns that proportion of the premium which represents the unexpired time of the policy. This corresponds exactly to a bank returning, or making an allowance for, a portion of the discount or interest charged on a note or bill when it requires such note or bill to be withdrawn prior to maturity, the amount returned or allowed for being the portion represented by the unexpired time. Such retirements of discounted notes is familiar enough to English banks that rediscount at the Bank of England, which very unceremoniously demands any note it has discounted to be promptly retired without assigning any reason, and the sum it calls for to redeem such note is the amount of it, less the discount for the unexpired time.

NEW YORK STATE FIRE INSURANCE, 1901.

The Report for 1901 of the Insurance Department of the State of New York gives statistics from which the following tables have been compiled:

NEW YORK AND OTHER STATES JOINT STOCK FIRE CO.'S.

No. of Companies.....	1901.	1900.	Increase or Decrease.	
			Dec.	10
	\$	\$		\$
Assets.....	244,270,955	233,274,145	Inc.	10,995,910
Liabilities, except capital.....	116,040,631	103,109,563	Inc.	2,931,078
Capital.....	54,202,875	56,452,875	Dec.	2,250,000
Surplus.....	74,026,549	73,711,707	Inc.	314,842

Premiums received.....	112,845,037	98,237,295	Inc.	14,607,742
Total receipts.....	122,559,314	107,794,486	Inc.	14,774,828
Losses paid.....	63,814,643	60,913,861	Inc.	2,900,782
Percentage of loans paid to premiums.....	56.6 p. c.	62.0 p. c.	Dec.	5.4 p. c.
Dividends paid.....	6,304,328	6,286,826	Inc.	17,502
Total outgo.....	113,360,959	105,954,168	Inc.	7,405,991
Risks in force.....	16,181,839,636	15,083,475,823	Inc.	1,098,363,813

MUTUAL FIRE CO.'S OF NEW YORK AND OTHER STATES.

No. of Companies.....	1901.	1900.	Inc. or Dec.	
			Dec.	2
	\$	\$		\$
Premium notes.....	1,212,979	1,294,868	Dec.	81,889
Other assets.....	5 4,085	831,352	Dec.	297,267
Total assets.....	2,514,443	2,878,550	Dec.	364,107
Liabilities.....	483,335	631,161	Dec.	147,826
Prem's rec'd.....	432,934	581,431	Dec.	158,497
Total receipts.....	482,653	645,281	Dec.	162,628
Losses paid.....	291,659	465,287	Dec.	173,628
Total outgo.....	488,144	701,280	Dec.	213,136
Risks in force.....	84,798,839	98,531,044	Dec.	13,732,205

FIRE COMPANIES OF OTHER COUNTRIES—U.S. BRANCHES.

Number of Co.'s.....	1901.	1900.	Inc. or Dec.	
	\$	\$		\$
Assets.....	76,146,809	77,722,724		
Liabilities.....	46,383,660	44,450,013	Dec.	1,975,915
Excess of assets over liabilities.....	29,763,149	33,272,711	Inc.	1,933,647
Premiums received.....	50,681,170	48,205,225	Dec.	4,709,562
Total receipts.....	53,018,759	50,494,712	Inc.	2,475,945
Losses paid.....	32,548,865	31,559,106	Inc.	2,524,047
Total outgo.....	50,547,463	49,148,064	Inc.	1,399,399
Risks in force.....	7,077,375,714	7,241,336,349	Dec.	163,960,635

The following is a synopsis of above tables showing the aggregate of the fire companies business in 1901:

Total fire companies in New York State.....	116
Decrease of fire companies in 1901.....	2
Total Assets.....	\$ 246,784,498
Total Liabilities, except capital.....	116,523,966
Total Capital.....	54,202,875
Total Premium Receipts.....	113,277,971
Total Losses paid.....	64,106,302
Dividends paid.....	6,304,328
Total Risks in force.....	16,266,638,475
Surplus.....	74,026,549

BANK DIVIDENDS.—The following bank dividends have been declared, with date of payment.

Bank of Montreal.....	5	per cent.	2nd June
Bank of Commerce.....	3 1/2	"	"
Merchants Bank of Canada.....	3 1/2	"	"
Bank of Toronto.....	5 and 1	"	"
Imperial Bank.....	5 and 1	"	"
Bank of Ottawa.....	4 1/2	"	"
Bank of Hamilton.....	5	"	"
Standard Bank.....	5	"	"
Union Bank.....	3 1/2	"	"
Bank of Hochelaga.....	3 1/2	"	"
Quebec Bank.....	3	"	"
Ontario Bank.....	3	"	"
Traders' Bank.....	3	"	"

The total of above amounts to \$1,920,580.

The transfer books of above banks will be closed from 17th to 31st May, both days inclusive.