

a large class of risks, and greatly improved methods of building constitute a condition which, compared with ten years ago, logically argues a decreased fire loss. And yet there is no such decrease, but the reverse, in spite of the improved condition. The committee on "Lighting, Heating and Patents," reporting to the National Board of Fire Underwriters at the recent meeting, plainly say that "first class buildings, with the best of occupants, containing merchandise of the safer classes, with approved heating apparatus, have been destroyed in such numbers and in so many different localities as to attract the special attention not only of underwriters but the public generally." Is this state of affairs due to increased moral hazard among "the best of occupants," or to some other cause? The committee seem to think that the new, unmeasured and half-mysterious element of electricity introduced so recently into human affairs has a great deal to do with a correct solution of the loss problem. So do we.

A LIFE INSURANCE agent can scarcely commit a greater blunder than to decry a competitor. To spend time to convince a client that another company is unworthy of confidence is worse than wasted time on the part of the canvasser, for if he succeeds he has only weakened confidence in all companies, for the average man knows that, substantially, there is not much difference among the regular, established life insurance institutions after all. The bad policy of attacking rivals is realized by the best and most successful agent, who, while admitting frankly that a policy in any of the companies is a good thing to have, labors to show that his own company has special merits and is best for his particular client. We are pleased to note that the *Weekly Statement*, published by the Mutual Life of New York, gives some wholesome advice to agents on this subject when it says: "We say in all earnestness, while under all circumstances you uphold the dignity and stability of our own great institution, you should refrain from saying ought against our competitors. The sensible insuring public will respect you and more promptly accept the contracts you offer. Your company will commend you, and you will reap the well-earned reward of your labors." What if all companies should sincerely give and all agents sincerely take this advice?

WE WOULD COMMEND to that portion of the insuring public who profess to believe that the business of fire insurance is exceedingly profitable the statement of Mr. D. W. C. Skilton, president of the National Board of Fire Underwriters, in his address at the recent annual meeting in New York, concerning the disappearance of fire insurance capital during the past five years. In 1886 sixty New York State companies had a combined capital of \$20,587,020, and at the end of 1891 there were forty-two companies having a capital of \$17,000,000, a decrease of over 3½ million. In 1886 two hundred and twenty-three companies of other States reported a combined capital of \$60,447,737, and at the close of 1891 one hundred and ninety-one

reported \$54,223,605, a shrinkage of \$6,124,232; or for all the companies of both classes above named, a decrease of \$9,811,152 in the five years. In this connection, we may call attention to the further fact that in 1891 the companies in the United States, home and foreign, reporting to the New York insurance department, paid an aggregate for losses in the United States amounting to \$73,008,954, which was 61.23 of the premiums received. The expense ratio to premiums averaged 36.60, allowing nothing for the proportion of home office expenses chargeable to the foreign companies. Thus expenses and losses combined absorbed 97.83 per cent. of the premiums received, leaving a little over two per cent. to show for the year's underwriting!

NET RESULTS TO COMPANIES IN CANADA.

The net results, financially, of the business of 1891 to the fire and marine insurance companies doing business in Canada are of interest to contemplate. Taking first the Canadian companies, we find that the total net premiums on all business in all countries amounted to \$3,586,852, and the total losses and expenses to \$3,777,230, showing a loss on underwriting account of \$190,378. The total income from all sources (additions to capital excluded) was \$3,733,481 and the total expenditure for all purposes \$3,922,487, the excess of expenditure over income being \$189,006. A comparison for the past five years shows the following for the Canadian companies:—

	INCOME.				
	1891.	1890.	1889.	1888.	1887.
	\$	\$	\$	\$	\$
Premiums....	3,586,852	3,603,152	3,539,641	3,348,046	3,346,969
Interest, etc..	134,421	135,875	119,929	119,816	114,522
Sundry	12,208	14,287	12,420	16,568	18,399
Totals.....	3,733,481	3,753,313	3,671,990	3,484,430	3,479,890
	EXPENDITURE.				
	1891.	1890.	1889.	1888.	1887.
	\$	\$	\$	\$	\$
Losses paid...	2,590,260	2,254,867	2,417,047	2,355,961	2,397,382
Expenses.....	1,186,970	1,114,472	1,064,558	1,009,168	1,031,697
Dividends to st'kh'lders..	145,257	135,690	126,759	122,198	123,423
Totals.....	3,922,487	3,505,029	3,608,364	3,487,327	3,552,501

It will be seen that of the five years given but two show an excess of income over expenditure, that of 1889 being merely nominal, but that of 1890 yielding a fair margin—\$248,284. The total income for the five years was \$18,122,203 and the total expenditures \$18,975,707, showing for the whole period an excess of income of only \$46,496, thanks to an exceptionally good year in 1890. In other words, by the use of interest and sundry income, an average dividend of only about seven per cent. has been realized on the cash capital employed and the trifling margin of \$46,496 saved in five years. And still the public talk about the big money made by fire insurance, and clamor for lower rates.

Taking a glance at the results of the year to British and American companies, we find that the total net premiums of the former amounted to \$4,211,480. The combined losses and expenses amounted to \$3,726,619, the excess of the former over the latter being \$484,861. The receipts from interest and sundries were \$336,211.