

GUARDIAN ASSURANCE COMPANY, LIMITED.

Having done uniformly well in its fire trading for several years past, the Guardian Assurance Company, Limited, of London, in common with some other of the British fire offices, had a reminder last year of the uncertainty attaching to the business of fire insurance. The Guardian's loss ratio in 1911 was 59.59 per cent. against 48.11 per cent. in 1910, which was, of course, a much more than average good year. The change is, of course, merely the inevitable swing of the pendulum. As the Chairman (the Hon. Evelyn Hubbard) mentioned at the recent annual meeting, a careful survey of the business does not disclose any departure from the lines which have led to success in former years, and while the opening of 1912 has not been all that could be desired, at the same time, the return swing of the pendulum to the former standard of profits can be confidently anticipated.

It can be frankly said that there is no company in a better position than the Guardian to meet the vicissitudes of the fire business. With a net premium income last year of \$2,970,565, the Guardian possesses a fire fund of \$4,021,500. That is to say, the Guardian has put aside for the reserve for unexpired risks \$1,321,500, not less than the ample allowance of 44.48 per cent. of the premium income and has built up an additional reserve fund of \$2,700,000. So that, in fact, the company's fire funds are equal to 135 per cent. of the premium income, and these funds are supplemented by a paid-up capital of \$5,000,000. This is as ample a security as the most fastidious could desire; it is an excellent tribute to the conservative character of Mr. A. J. Relton's management, and should warmly commend the company to both present and prospective policyholders.

The total funds of the Guardian are now practically \$32,000,000. Transacting at home the business of life and miscellaneous insurance, the Guardian has confined its operations in Canada, which field it entered in 1869, to fire insurance. Under the able management of Mr. H. M. Lambert, of Montreal, the Canadian manager, the fire business of the Guardian shows steady expansion throughout the Dominion. Last year, the Guardian received net cash for premiums \$752,342 and incurred net losses of \$480,584. As previously announced, the Guardian is now launching out into the casualty business in Canada, through the medium of the Guardian Accident and Guarantee Company, a subsidiary. The Guardian is one of the comparatively few English companies which have been successful in earning a profit from their casualty, etc., underwriting in England, and as the time is propitious for the new Canadian undertaking, a prosperous future, under the Guardian's good management, may be safely anticipated for the new subsidiary.

The London Economist's monthly index number, to be published on Saturday, shows a further decline during May—only 6 points, following a break of 98 points in April. This reduction is entirely due to the further decline in coal prices. Cereals advanced $7\frac{1}{2}$ points to 633, groceries, etc., declined $6\frac{1}{2}$ to 379, textiles are 11 points lower at 570, minerals 19 points lower at 493 $\frac{1}{2}$ and heavy goods advanced 23 points to 611 $\frac{1}{2}$.

PROBLEMS OF THE FIRE WASTE.

Connecticut Insurance Commissioner Summarises Difficulties of Conservation Problem—Origins of the Fire Waste.

The total fire loss in the United States for thirty-six years, covering from 1875 to 1910, both inclusive, was over \$5,100,000,000, or an average per year of nearly \$142,000,000, writes the Insurance Commissioner for Connecticut in his newly issued annual report. There has been an almost steady increase, outside of the years in which the great conflagrations of Baltimore and San Francisco took place, from \$78,000,000 in 1875 to \$214,000,000 in 1910. This last sum represents an annual tax upon every man, woman and child in the land of a little over \$2.50. Compared with the figures as ascertained in a half dozen of the countries of Europe, this result is all out of proportion. The annual average per capita loss from fire in Austria, Denmark, France, Germany, Italy, and Switzerland, for periods ranging from 1898 to 1904, was only thirty-three cents, or only about one-eighth as much as in the United States, and if we compare the loss per capita in ten American cities, in 1907, with a similar loss in ten European cities of the same size in 1904, the proportion is as two hundred and twenty-seven to sixty-nine. These particular years are taken because data for the same year were not available in both cases. They are based on and cover only the direct loss by fire. If we add to them the cost of maintaining our fire departments and other protective agencies, which in our large cities is over seven times the cost thereof in corresponding cities abroad, the ratio being \$1.53 per capita to twenty cents per capita, and the cost of maintaining so much of our water supplies as are properly chargeable to fire protection, as against that part chargeable to domestic consumption, and the excess of premiums paid over and above the losses, the total loss per capita becomes very much more than doubled. In 1907 the returns showed that the total cost of fires, excluding that of forest fires and marine losses, but including excess cost of fire protection due to bad construction and excess of premiums over insurance paid, was more than \$456,000,000, which exceeds in amount the total value of all the gold, silver, copper, and petroleum produced in the United States in that year, and nearly one-half of the entire cost of all new buildings constructed in the United States for the same time. This amount, tremendous as it is, becomes relatively insignificant when we take also into our consideration the further important fact that 1,449 persons were killed and 5,654 injured by fires in the United States in the same year, and that these figures probably by no means give the total number of persons killed and injured by fire, but rather those numbers represent the official returns only.

DESTRUCTION ABSOLUTE.

In all this discussion we must remember that the fire waste of which we are speaking represents actual, total loss and destruction of so much property, which before the loss was actually in existence and formed a part of the nation's wealth. The destruction was absolute and by no process could the property destroyed be restored. The insurance paid does not bring back the property destroyed; it simply equalizes the loss between all others whose property is insured;