

**PROFITS AND LOSSES IN FIRE UNDERWRITING.**

As the New York correspondent of THE CHRONICLE points out, the 1908 record of fire insurance companies doing business in the United States shows an underwriting profit for that year of but 3 per cent. on a business done of over a quarter of a billion dollars. And, aside from Chelsea, the year brought no pronounced conflagrations. Over a ten-year period, as computed below, there was an underwriting loss of nearly 4 per cent.

**UNITED STATES FIRE UNDERWRITING BALANCE SHEET FOR 1908.**

(From the address of President J. Montgomery Hare, of the National Board of Fire Underwriters.)

The table of the underwriting result for 1908 shows a profit for the year of 3 19 100 per cent. as follows:—

Premiums, fire, marine and inland.....	\$ 254,675,170	
Losses paid, fire, marine and inland.....		\$140,164,352
Increase in liabilities during the year (outstanding losses, unearned premiums and all other claims).....		6,161,582
Actual expenses.....		\$9,919,352
Profit (3 19-100 per cent. of premiums).....		8,129,884
	\$254,675,170	\$254,675,170

The ten year table shows a loss of 3 99-100 per cent. for the period 1899 to 1908, inclusive, to wit:

Premiums, fire, marine and inland.....	\$2,022,385,306	
Losses paid, fire, marine and inland.....		\$1,211,476,034
Increase in liabilities during the period (outstanding losses, unearned premiums and all other claims).....		127,207,609
Expenses.....		764,569,083
Loss (3 99-100 per cent.).....	80,867,420	
	\$2,103,252,726	\$2,103,252,726

In Canada, over a period of forty years, fire insurance premiums and losses have been as follows:

**FORTY YEARS OF CANADIAN FIRE INSURANCE.**

ALL COMPANIES.	Premiums.	Losses.	Loss Ratio %	Comb. Loss & Exp. Ratio. %
1869-1873.....	\$ 11,621,000	\$ 7,794,000	67.1	97.1
1874-1878.....	17,958,000	17,676,000	98.4	128.4
1879-1883.....	19,389,000	12,566,000	64.8	94.8
1884-1888.....	25,447,000	15,703,000	61.7	91.7
1889-1893.....	30,898,000	19,479,000	63.0	93.0
1894-1898.....	35,238,000	23,243,000	66.0	96.0
1899-1903.....	47,854,000	29,755,000	62.2	92.2
1904-1908*.....	75,510,000	45,222,000	59.9	89.9
Total, 1869-1908.....	\$263,915,000	\$171,432,000	65.0	95.0

\*Figures for 1908 are estimated in case of three Canadian Companies—exact details not being furnished.

From which it appears that net premiums received have been \$263,915,000, and losses \$171,432,000. Taking expenses at \$79,174,000 (30 per cent. of premiums) there remains a balance of \$13,300,000. But this difference between income and outgo is not profit. Against this it is to be further reckoned that the net liabilities of the companies for unearned premium reserves increased over tenfold upon the \$800,000 held at the beginning of 1869. Allowing for which increase in liabilities, the margin of underwriting profit becomes small indeed.

**INTERESTING HISTORICAL SKETCH OF THE MISSISQUOI AND ROUVILLE MUTUAL.**

In notable contrast to the ephemeral careers of some mutual fire companies in the Province of Quebec, has been the seventy-four years' history of the conservatively conducted Missisquoi and Rouville Mutual Fire Insurance Company. This company was established on the seventeenth day of March, 1835, at the Village of Philipsburg, in the county of Missisquoi, by the early settlers of that part of the Eastern Townships, mostly direct descendants of the United Empire Loyalists, for the protection of their own property from loss by fire. At that time there were no fire insurance companies represented or doing business in that part of the Province of which they could avail themselves. There were 35 policies issued to the 18th day of August, 1835—these in all probability being the first policies issued by a Mutual Fire Insurance Company in Canada.

The company was originally formed upon the large premium note plan, but after a few years was changed to the low-rate note with one-third paid down—since changed to one-fifth—and the balance in annual payments, being equivalent to a cash premium basis; at the expiration of the term, the balance, after paying losses and expenses, was returned in cash as dividends to the policyholders. This is the plan still followed in the mutual branch of the company's business.

In the year 1884, the head office of the company was moved from Philipsburg to Frelighsburg, its present location. In the year 1888 the company commenced issuing policies on the cash premium plan, as provided by the insurance law of the Province, which has proved very satisfactory to the assured and profitable to the mutual policyholders.

During the seventy-four years since its organization, the company has made steady, though not rapid, advancement. Very wisely the principal policyholders have been so well satisfied with results attained that they have not been anxious to extend the business very much outside or into new territory; nor has the mistake been made of actively bidding for risks where the conflagration hazard makes it unwise for a mutual company of this class to enter. In this long history of seventy-four years, the company has met and paid every legitimate claim promptly and satisfactorily, and stands to-day in a better position than at any time in its history. The company is capably officered by Messrs E. E. Spencer, president; C. H. Boright, vice-president, and A. H. Holden, secretary-treasurer.

The summarized table relating to the mutual fire insurance companies of the Province of Quebec, compiled by the provincial insurance department, scarcely does justice to this company, nor to the Montmagny Mutual and the Stanstead & Sherbrooke. The more detailed statements in the report show that these three offices are alone in including substantial reinsurance reserves among their liabilities. For instance out of total liabilities of \$70,419 reported at the end of August, 1908, by the Missisquoi & Rouville the sum of \$66,379 was a reserve for unearned premiums. The last annual statement of this company, showed total assets of \$172,065—some \$65,000 of which consisted of