

Correspondence.

THE INSURANCE RETURNS.

To the Editor of the *Monetary Times*.

DEAR SIR,—My attention has been called to a letter in your issue of the 9th inst., over the signature of "A shareholder in several Companies," and headed "The Insurance Returns."

Your correspondent states that "premiums must be either 'earned' or 'unearned,'" and I see that the Provincial claims only 45 per cent of the current years premiums as earned, the balance being a reserve for future losses (30 per cent), and expenses 25 per cent," but he does not explain whether both the 30 per cent. reserved for losses, and 25 per cent. for expenses are to be considered as unearned.

Correctly speaking, the unearned premiums on a Policy is that proportion of the premium which the period for which the Policy has yet to run, bears to the whole period for which it was issued. But for all practical purposes it is quite safe to charge as a liability against the Company for "unearned" premium such a proportion of its years premiums as will suffice to reinsure its risks and to assume that the remainder is "earned."

Suppose a company in the first year of its existence receives \$100,000 in premiums, and it is found at the end of the year that 40 per cent. would be sufficient to reinsure its risks, surely it would be quite safe to consider 60 per cent. as "earned," leaving 40 per cent. as "unearned premium." The bulk of the expenses are paid during the year, and a y that may be unpaid should be entered as such amongst the liabilities.

If then, 40 per cent. is sufficient to reinsure the business of those companies which have in their returns to Government, adopted this figure, they are quite justified in claiming to have earned 60 per cent. And if less than 40 per cent. would not cover the liability for unearned premium, then the Provincial in allowing only 30 per cent. has underestimated this liability.

Your correspondents figures, by which he endeavors to prove that "the 'British America claims credit for \$75,622 more than it took in," that "the Western claims \$102,638 of a like imaginary nature" &c., are scarcely worthy of notice. The returns to Government clearly show that a portion of the premium earned in 1874, was received in the previous year.

"A shareholder in several Companies" is entirely astray in his calculations. I would advise him to endeavor to induce the Companies in which he is interested, to publish yearly a statement of assets and liabilities, including in the latter a sum sufficient to reinsure current risks. This would probably be more satisfactory to the public than finding fault with returns to Government which are correct.

Yours truly,

F. A. BALL,
Manager.

Toronto, April 22, 1875.

Insurance.

FIRE RECORD.—Fredericton, N. B., April 11.—A fire destroyed a three-storey brick-cased building, owned by Henry Torrens, occupied by O. & F. McGouldrick, boots and shoes, furs, &c., and Arthur Limerick, hardware; wooden building, owned by Mrs. Cumings, occupied by R. H. Ransford, groceries and liquors; wooden building, in Wilmott's Alley, attached to Torrens', owned by him, occupied as tavern and dwelling by James Crangle; Losses in North British & Mercantile: Torrens' brick-cased building, \$2,800; Torrens' wooden building, in alley, \$1,200;

Limerick's hardware stock, \$2,000; Mrs. Cumings, wood buildings, \$1,000; Ransford's stock, \$1,000; total loss, \$8,000. Royal Canadian: O. & F. McGouldrick's stock, total loss, \$3,000. Wilmot's new brick building was damaged to the extent of \$100.

Kingston, April 19.—A fire broke out in Captain Lewis's sail loft; building slightly damaged. Loss on stock about \$200; no insurance. Also a small house occupied by Mr. Bond. The building was owned by Mr. J. Brokenshire. Insurance on building and furniture \$400.

St. Catharines, April 18.—William Begg's cooper shop was destroyed by fire, with a large quantity of staves and flour barrels. Loss covered by insurance.

Delhi, Ont., April 19.—A destructive fire took place, consuming the residence of Mr. A. Wilkinson. Part of the goods, with some of the furniture, were saved in a damaged condition. Loss about \$4,000; nearly covered by insurance.

Bowmanville, April 17.—A fire broke out this afternoon on King street, in a building occupied by C. Bounsall as a dwelling.

Merrickville, April 17.—A fire broke out in the third storey of an unoccupied portion of Jackes' block. Fortunately the fire was confined to two sections of the upper flat of the building. The loss is covered by insurance.

Quebec, April 17.—Edson Tibster's manufactory at New Liverpool was destroyed by fire yesterday for the third time. Many hands are thrown out of employment. The firm intend rebuilding immediately.

Sparta, April 17.—A fire totally destroyed the dwelling house, cheese factory, and the adjoining premises of Mr. James Pound, on the sixth concession of Yarmouth.

Sonya, April.—Mr. Mitchell's tavern was destroyed by fire. The stock was nearly all saved. The buildings belonged to Mr. D. Carmichael, and were insured at \$800. Mr. Mitchell had \$200 on his stock. The fire originated in a defective chimney.

Streetsville, April 16.—A fire broke out in the stables of the Credit Valley Hotel, which was quickly consumed. Some of the contents were saved in a damaged condition. Gooderham & Worts' store house took fire but was eventually subdued. The hotel was owned by Mr. R. Crozier and occupied by Frank Owen. Loss about \$2,000. No insurance.

Meaford, April 11.—A fire destroyed Peter Hair's barn and stables, with horses and cattle. Loss heavy. Insured in the Sydenham Mutual.

Sarnia, April 12.—Coakly's shoe shop and D. McCart's grocery took fire, both stocks mostly removed. Coakly's stock insured for \$1,900; McCart's stock, \$1,000.

London, April 16.—A fire broke out in a frame building occupied by Mr. D. Andrews as a brush factory. The house and stock were totally destroyed. There is \$250 insurance on the building, owned by Mr. Jarman, in the British America, and \$1,000 on the stock in the North British and Mercantile.

Hamilton, April 21.—A fire was discovered in the fancy goods store of Mrs. H. Cousander, on James street. The flames were soon extinguished. Loss about \$1,000; covered by insurance.

St. Catharines, April 21.—A fire broke out in brick block on Duke street, the whole of which was consumed. The loss on the building, owned by William Duck, is about \$6,000; partly insured.

Bobcaygeon, April 21.—Cronn's Hotel was discovered to be in flames. The origin of the fire is unknown, but it is so suspicious that an investigation will be held. Building insured in the Gore for \$800; furniture also insured. A boarder named Gannon lost \$475 in bills, which he forgot to take from his bed.

Quebec, April 21.—A fire broke out in residence of Mr. A. J. Maxham. Damage slight.

Commercial.

MONTREAL MARKET.

From our own Reporter.

Montreal, April 20th, 1875.

On Friday last we were visited with a very heavy snow storm which lasted the whole day covering the ground to the depth of about 8 or 9 inches this was followed by hard frost during the night, and it has continued very cold ever since, the snow which fell on Friday is still lying in places where the sun didn't reach it. The ice on the river owing to the severe frost continues in the same state as at the date of our last report crossing has ceased, but no "shove" to break up the ice has yet taken place.

The late change in the sugar duties lately issued to the Collector of Customs, to collect the duties on the basis of the old instead of the new or larger drawback, was countermanded on Thursday, having been found to be illegal as it added to the true value the difference between these two allowances.

Business has not improved much this week, wholesale dealers complain of the meagreness of the purchases by the country merchants, but until there has been some considerable movement both in Grain and Lumber money will be stringent, and business confined within narrow limits.

The return of the stock of flour in store here on the 15th inst. shows an increase of 10,620 brls since the 1st inst.

ASHES.—*Pots.*—The demand for first sort has been very fair all week and a good many barrels have changed hands chiefly at \$5.57½ the range being \$5.57½ to 5.60 to day the market closes at \$5.50 to 5.60, there has been nothing done in inferior prices for which remain quite nominal; *Pearls* The market for this ash is dull and neglected the only sale reported during the week was a few barrels of seconds at \$5.57½c. Stocks in the Inspection stores are Pots 1616 brls; Pearls 1108 brls.

BOOTS AND SHOES.—A good number of small orders are coming in, and the stocks in manufacturers hands of spring goods are not considered to be beyond the actual requirements on the opening of navigation. Our quotations are about the same as last week. We quote Mens kid boots \$2.75 to 3.30; do. French calf \$3 to \$3.75; do Buff Congress \$1.75 to 2.25; do split Brogans \$1.10 to 1.25; Boys do 90c to \$1.00; Womens Buff and pebbled bals \$1.20 to 1.40; do prunella bals 75c to \$1.75; do congress 75c to \$1.75; Misses Buff and pebbled bals 90c to \$1.15; do prunella bals and congress 70c to \$1.25.

CATTLE.—The market yesterday was moderately well supplied, and some very superior distillery fed cattle were offered which brought \$5.50 to 5.75, other cattle realized from \$5.00 to 5.50, very few selling under \$5.00 per 100 lbs. *Sheep* there were none on the market. *Hogs* there were a few offered yesterday which sold at \$9.00 per 100 lbs. *Dressed Hogs*, the season is about over, and the current quotation is \$11.00 per 100 lbs.

DRY GOODS.—We cannot report this business as being active, but there is no doubt that a more hopeful feeling exists in the trade, a considerable number of buyers have been and are at present in the city, but they are only buying for the supply of immediate wants, and perhaps this is the wisest course for them to pursue in the present dull state of business and tightness of money, which is likely to continue till the farmers begin to realize on the sale of their grain which they have been keeping back from the market in anticipation of higher prices. Stocks in the city are comparatively little broken in upon. Fancy dry goods are in good demand. In clothing, very little movement of any consequence is looked for till the opening