

FACTS ABOUT THE "DEAD ONES."

A tabulation of liquidators' accounts regarding insolvent fire insurance companies, published in the newly-issued report of the Dominion Superintendent of Insurance, contains some interesting facts. In the case of the defunct Rimouski Fire, the nominal value of the assets at March 1st last was placed by the liquidator at \$183,952 and liabilities at \$228,932. The liquidator adds a note, however, that the actual value of the assets is considerably less than the nominal value. The force of this remark is realised when it is seen that among the assets are due by agents, \$33,869, and uncalled capital, \$32,687; while \$14,506 is due from other insurance and financial companies also in liquidation. In the case of one of these defunct debtors—the United London & Scottish Insurance Company—a final dividend appears to have been already received by the liquidator. Altogether the prospects of losses, \$115,324, return premiums on policies cancelled, \$90,924, and foreign losses and rebates, \$12,844 being paid one hundred cents on the dollar are about nil. Exercising patience, the creditors will perhaps be eventually rewarded with a dividend.

MODEST EXPECTATIONS.

The liquidator's statement of assets of another "dead one," the Ontario Fire, is worth giving in full:—

	Book Value	Expected to Realize
Cash in bank.....	\$61,459	\$61,459
Accts. receivable, agents' balances, proportions of losses recoverable.....	78,983	25,000
Investments and Accrued Interest thereon.....	29,377	5,386
Maps and plans.....	10,347	300
Contributories.....	7,823	2,593
Office furniture.....	1,800	200
Capital uncalled.....	40,000	30,000
	\$229,789	\$124,938

The comparative figures of agents' balances, etc., maps and plans and office furniture are especially commended to the attention of the small fry of Canadian insurance companies, which are accustomed to use similar items to swell up the totals of their balance sheets, and are apt to resent any suggestion by the outside critic that these items are not as good—if not better!—than cash in bank. Liabilities of the Ontario Fire, partly estimated, are \$207,900. So it seems that as in the case of the Rimouski, the claimants for losses and return premiums will have to be patient, and eventually perhaps they will get something.

SHAREHOLDERS' CONTRIBUTIONS.

Compared with these, the liquidator's statements regarding the Anglo-American and Montreal-Canada are quite cheerful reading. The Anglo-American has claims against it of \$55,088 and assets \$54,214, of which \$50,958 is represented by contributories' balances. The Montreal-Canada has assets of \$50,203, including \$37,635 shareholders' unpaid stock, and liabilities of \$31,312, assets in excess of liabilities being \$18,891. Presumably, however, in both cases, collection from the shareholders will be a long and tedious process, and in the case of these two companies, as of the others, it is hardly to be expected that shareholders' contributions will be paid up in full.

A WARNING TO THE UNWARY.

The facts regarding these four defunct organisations emphasize the necessity of enlarging the

Dominion Superintendent's powers in regard to companies getting into a weak condition, so that the necessary stop can be put to their activities at the earliest possible moment. Incidentally, also, the facts constitute a strong warning regarding the inadvisability of private investors embarking their capital into new fire insurance undertakings in Canada. Probably the only circumstances under which a new fire insurance company, starting out in business at the present time, could succeed, would be when exceptionally skilful underwriting was united with a firm refusal to launch out in the early years in chase of a large volume of premium income. There have been cases, in comparatively recent years, where these conditions coincided, and consequently newly-established companies have been successfully built up on firm foundations. For the private investor to embark capital in the fire business, when the safeguards mentioned are absent, is merely to court disaster. The bitter experience of the shareholders in the four defunct companies, the present condition of which is outlined above, and most of whose shareholders, judging by the published lists, can by no means afford their loss, and in some cases, are probably quite unable to pay their assessments, should certainly be a lesson to others invited to put hard-earned real money into so reckless an adventure as the average new fire company.

TOTAL VOLUME OF FIRE AND CASUALTY INSURANCE IN CANADA.

The Dominion Insurance Department has made a calculation of the total volume of fire and casualty insurance business in Canada last year, including that transacted by provincially licensed companies, and unlicensed insurance, as well as the business transacted by Dominion-licensed companies. Fire insurance effected in 1916 on property situated in Canada was as follows:—

Dominion licensees.....	\$3,418,238,680
Provincial licensees.....	368,271,639
Unlicensed companies.....	262,803,882
Total.....	\$4,049,314,201

The net fire premiums received and net fire losses paid by licensed companies during the year, and the net amount of insurance in force in those companies at the end of the year are given below. The returns required to be filed regarding insurance in unlicensed companies do not give this information:—

	Insurance in force, Dec. 31.	Net Premiums Received, 1916	Net Losses paid, 1916
Dominion licensees.....	\$3,720,058,236	\$27,783,851	\$15,116,011
Provincial licensees.....	849,915,678	3,902,504	2,188,438
	\$4,569,973,914	\$31,686,355	\$17,304,449

The net premiums received and net losses paid for miscellaneous classes of casualty insurance are as follows:—

	Net Pr'm's Rec'd, 1916	Net Losses Paid, 1916
Dominion licensees.....	\$9,277,011	\$5,114,855
Provincial licensees.....	1,757,144	1,600,891
	\$11,034,155	\$6,724,746

Every insurance man should press home upon his prospects the effect of rising prices. Insurance that may have been adequate a few years ago is far from sufficient to cover values now.