got in before the books were closed on the 31st December. The actual losses amounted to 21½ per cent, on the income, and made with the approximate losses only 33 per cent. Under the circumstances the directors felt that they could pay a dividend of 10 per cent., and this they recommended to be declared. The motion for the adoption of the report was then seconded. Mr. J. A. Mowatt pressed upon the directors the advisability of taking some measures to bring in the foreign arrears and made some further remarks in reference to the accounts.

Mr. Goodlatte made some remarks and suggested that the day of meeting be put forward in future, so that they could give an exact statement of the accounts up to the 31st December. The arrears due by the shareholders were, he said, in process of collection, and within the last two months they got £500 from two shareholders alone. It was a fact that some of the wealthiest shareholders were in arrears.

The chairman said that since the company had started they had received the kindest co-operation and assistance from almost all insurance companies doing business in England. The less said about those nearest home the better. But, from companies on the other side they got every encouragement. That was a very gratifying fact for a company so young and, as compared with other companies, so limited. The subscribed capital was increased to £175,000 with £26,000 paid up.

After some further unimportant discussion the meeting separated.

Insurance.

Fire Insurance Business of 1867.—With this number of the *Underwriter* we furnish our subscribers in the form of a Supplement, with a full copy of the two Charts of Fire Insurance Business for the year 1867, prepared from the Official Returns to the Insurance Department. One being for the Companies of this State, and the other for the "other State" Companies, doing business in New York last year.

Upon Chart No. 1 it appears that the total assets of the 106 New York State Companies amonnt to........	$46,543,631 83
The total paid up stock capital being	29,111,332 00
Leaving gross surplus	$17,432,299 83
Deducting all liabilities to the public, including reserve for re-insurance..	10,777,204 16
Would show a net total surplus of....	$6,655,095 67

This net surplus represents 22.86 per centum on the total paid up capital.

The Premium Receipts of the 106 New York State Companies for the year amounted to......................	$24,066,468 95
Total Income of same which includes interest with premium	27,169 686 75

The excess of income over premium receipts, arising from the interest earnings of the invested capital and surplus thus appears to have been $3,103,217 80, being over 10 per cent. per annum calculated on the paid up capital alone.

The total premium income being		$24,066,458 95
The losses incurred for the year amounted to.........	$14,313,431 07	
The Expenses	6,384,901 18	
The Taxes, national and local	1,333,601 33	
	$22,031,933 58	
Add Reserve required for re-insurance, as estimated at 50 per cent. of unexpired premium	6,514,499 98	
	$31,546,433 56	
Which shows a deficiency on premium accouut alone to meet all the exigencies of the year		$7,479,964 61

Referring again to the capital account we we have shown that the

Earnings from this source including surplus accumulation amounted to	$3,103,217 80
Whilst the Dividends declared on capital in the year amounted to only	2,232,354 00
Leaving an excess of the capital or at least asset earnings over the sum distributed of	$870,863 80

On the other hand the total income of the year

being	$27,169,686 75
And the total disbursements only....	25,318,388 94
Left an accretion of surplus in the year of	$1,851,297 81

To this extent, therefore, the New York State Companies taken as a whole, were bettered by the year's operations close on two million dollars. But considering the results presented by this analysis solely from the capital point of view, in other words from the stockholders, they are not all gratifying. It is made manifest that as an investment, as a whole, the Fire Insurance Capital of this State does not pay, and the question follows, why does it not pay? Are the losses by fire so excessive or is the cost of management so extravagant that no better results can be obtained?

On the first point, we see from the charts, that the losses incurred for 1867 exceeded 59 per cent., call it 60 per cent., which would just leave 40 per cent. of the total premium to protect the current risks into 1868, as re-insurance reserve, charging nothing for expenses. Nothing can be made clearer than that on such a business there is no margin left for profit. With such a percentage of loss to receipts the business is a losing game. Hence the rates must be held to be insufficient, or at least a preponderating proportion of the business done has been transacted on an insufficient scale of premium. The element of expense is not admissible in this general average consideration of the business. A scale of annual premium that is not found sufficient to meet the loss of the year, and leave the requisite margin for re-insurance on hand at the close of the year cannot be adhered to except on the hap hazard plan of "Better luck next time."

But the element of expense or cost of running the business of Fire Insurance must still be considered as of high importance in reviewing the general condition of the interest.

The average running expenses of the New York State Companies excluding taxes is shown to be 23 per cent. on income. Taken on the premium receipt alone the ratio would rise to over 26 per cent. The lowest ratio in the list is 10 per cent.; the highest, omitting exceptional cases of new companies only a few months running, and an old Company re-arranging its organization, is 37 per cent. Turning to the chart of other State Companies transacting business in this State, numbering 44, representing $16,620,000 of capital and having $33,531,331 94 assets, we see the ratio of expense was 21 per cent. Some of the Boston Companies run down so almost incredibly low that we are at liberty to assume the officers serve for the honour of the thing; but the large agency Companies are up to and betimes over the average. The old *Ætna* runs up to 27; Hartford, 21; Phœnix of Hartford, 28; whilst the old North America, and Franklin, both of Philadelphia, each mark 17 per cent. The Home, of New York, did its work last year at 25 per cent. The Continental at 21. The four Companies constituting the Underwriter's Agency notched 25, 24, 26 and 28 in their alphabetical order, and the Phœnix ran down to 17, producing much comment in the profession, and great astonishment how a large agency business could be done at such a figure. The four one million capital Companies stood thus on the expense column:

Lorillard, 25 per cent.; Niagara, 26 per ct.; Phœnix, 17 per cent.; Security, 29 per ct.

The seven half million capital Companies ranged as follows:

Continental, 21 per cent.; Germania, 25 per cent.; Howard, 19per cent.; International, 22 per cent.; Manhattan, 18 per cent.; North American, 27 per cent.; Yonkers and New York, 22 per cent.

The twelve Companies with $300,000 capital mark their expenses thus:

Ætna, of New York, 24 per cent.; Atlantic, 17 per cent.; Citizens', 23 per cent.; Columbia, 28 per cent.; Eagle, 14 per cent.; Lamar, 15 per cent.; Metropolitan, 58 per cent., (exceptional); Mutual, of Buffalo, 24 per cent.; New Amsterdam, 20 per cent.; Bowery, N. Y., 17 per cent.; Republic, 28 per cent.; Western, of Buffalo, 18 per cent.

It is not necessary to pursue the comparison of expenses further. It seems safe to assume that for the cost of transacting a general fire business embracing agencies throughout the country, at least 25 per cent. on the receipts must be set aside according to the present scale of compensation allowed to agents and brokers. It must be remembered that the outlay for salaries and expenses by our Insurance Companies is not all confined to our State. The sum of $6,384,901 81 returned for expenses last year was distributed over a large surface, and as an element of our social economy the expenditure of Insurance Companies is of large importance in the community, supplying employment and support to many branches of trade and commerce.—*Wall Street Underwriter.*

Objections to Mr. Rose's proposed Insurance Bill, as affecting Life and Accident Companies.—The following circular, containing objections to Mr. Rose's Insurance Bill, was distributed in Ottawa on Saturday:—

Section 4.—The amount of deposit required is too large; for a Life Company $50,000 would be an ample guarantee. A much better plan, however, would be to require a graduated deposit, commencing at say $20,000, to be annually increased by a percentage (say 50) of the cash premiums received until the gross sum of $50,000 should be accumulatad, which would not take more than a few years. This would encourage good companies to remain, instead of driving many of them out, as the present proposition surely will.

As there are no local Accident Companies, there should be no deposit required of them. It is believed that the amount of Accident business to be done in Canada is too small to support a local company.

Section 2.—Should be expunged. Some companies have not a paid up capital at all, Mutuals for instance, and there are several British Stock Companies who are so situated, though they possess ample funds to cover all liabilities.

The smaller the paid up capital of a life company the better for the policy holders, as they will have less to pay shareholders for the use of it, and the larger will be the profits to divide amongst the insured.

The largest life office in Britain—the Scottish Widows' Fund—never had any capital, and its assets now exceed four millions and a half sterling.

Very few life companies pay up more than £10,000 at the start, it is deemed quite sufficient, as after a time it is the accumulations that must be relied on, the capital being merely a guarantee fund for the first few years.

Section 12.—Prevents collection of life premiums or payment of losses on policies already in force, through agents, by companies failing to comply with the law. This will be a hardship and inconvenience to the public, and should be amended to apply only to receiving premiums on fire risks.

Section 14.—Every company should be required to make a statement. It is no hardship whatever, and is of great importance to the public to determine the relative merits of different companies, much more so than the deposit. There should be no invidious distinction whatever.

Section 22.—Should be altered so as to bring the Act into force on the first January next. July is too soon to admit of the companies communicating with Britain and making the necessary arrangements.

Companies who are prevented by their charters or laws from investing in Dominion Stock, should be allowed to substitute an equal amount of Government Stocks of their own country. This would *protect the policy holders equally well*, and it is only with this object, that a deposit should be required at all.

If the Bill is amended as above, a sufficient number of companies will be left to carry on the business without inducing over competition on the one hand, or creating a monopoly on the other. It is important to guard against the latter. Competition in Life business is not so objectionable, because rates cannot be reduced to a non-paying standard, as is often the case in Fire or Marine Insurance. It merely reduces greater activity and energy in the management,—and there will be more people insured in this way than if a sluggish business is carried on by a few companies.