

reducing average rate of premiums. The effect on the average premium income per company, over the period, is shown by the following figures; the average premium rate per \$100 insured is also shown.

Year	Companies	Total Premiums Written	Average Premiums per Company	Average Premiums per \$100 Insured
	No.	\$	\$	\$
1920.....	152	50,527,937	332,419	1.05
1930.....	238	52,646,520	221,204	0.80
1935.....	242	40,884,876	168,945	0.70
1940.....	277	41,922,312	151,344	0.60

The decrease in the average rate of premium has not resulted in a decrease in underwriting profit; on the contrary, profits have, in the past decade, continued favourable as the reductions in rate have become more impressive, due to an unusually favourable loss ratio, and in spite of the increasing expense ratio usually inseparable from decrease in the average amount of premium. The trend in underwriting profits and loss ratios for the ten-year period is as follows:—

Year	Rate of Underwriting Profit	Loss Ratio	Year	Rate of Underwriting Profit	Loss Ratio
	p.c.	p.c.		p.c.	p.c.
1931.....	—2.45	59.47	1936.....	15.84	34.99
1932.....	—5.73	64.10	1937.....	14.99	34.88
1933.....	5.43	52.09	1938.....	10.07	40.91
1934.....	15.41	40.92	1939.....	12.57	38.40
1935.....	15.61	36.25	1940.....	13.72	36.84

While the fire insurance premiums have been decreasing, automobile and casualty insurance premiums have continued to increase, and in 1940 the latter two combined, for the first time, exceeded the fire insurance premiums. The increase in these lines in recent years may indicate a growing consciousness on the part of the public of the necessity of protection against hazards previously ignored. On the other hand, it may mean that the present-day complexity of living and business conditions creates hazards that formerly did not exist. Fire insurance companies, most of which transact also the additional lines mentioned, faced with a decreasing fire income, have sought to popularize protection against minor hazards by the use of endorsements extending their fire policies to cover the property insured against falling aircraft, hail, explosion, civil commotion, sprinkler leakage, tornado and vehicle impact damage, or any one or more of such risks, in addition to the fire cover; while the premiums for such additional cover are, in the aggregate, probably not of large amount, the effect of the introduction of the endorsements has no doubt increased the demand for complete protection.

The following figures show the trend in the volume of automobile and casualty premiums in relation to fire premiums at intervals during the past twenty years; the effect of the boom and depression years on the automobile and casualty record will be noticed.