COMPILATION OF FIRE INSURANCE STATISTICS UPON THE BEST AND MOST EXPEDITIOUS METHODS, PRACTICALLY AND COMPREHENSIVELY EXPLAINED; TOGETHER WITH FULL INSTRUCTIONS FOR KEEPING BOOKS OF RESPECTIVE FIRE DEPARTMENTS, BY NEW AND IMPROVED ECONOMICAL SYSTEMS

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Compilation of Fire Insurance Statistics upon the Best and Most Expeditious Methods, Practically and Comprehensively Explained; Together with Full Instructions for Keeping Books of Respective Fire Departments, by New and Improved Economical Systems by T. R. Glover

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T. R. GLOVER

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Trieste

COMPILATION

OF

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FULL INSTRUCTIONS FOR KEEPING BOOKS OF RESPECTIVE FIRE DEPARTMENTS, BY NEW AND IMPROVED ECONOMICAL SYSTEMS;

AND APPENDIX.

BY

T. R. GLOVER.

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1878.

Dedicated

TO

MY FIRST SUBSCRIBER

CHARLES G. FOTHERGILL, Esq.,

MANAGER OF THE

LONDON AND LANCASHIRE FIRE OFFICE,

WITH T. R. GLOVER'S SINCERE RESPECT,

GRATITUDE, AND ESTEEM.

PREFACE.

In soliciting the Fire Insurance Offices to take copies of this Work, for its publication by subscription, the Author was circumscribed in the number that would be likely to assist him in giving to the Offices generally the benefit of the systems here explained, hence the necessity of £10 10s. per Copy being charged.

Since sending out Prospectuses to the Offices generally, the Author has devised a new system for keeping Fire Business Books, adapted to the requirements of the several Home Departments. This system has been adopted and carried out by the "London and Lancashire." It will be found that this new and improved system is in every respect infinitely superior to the older methods hitherto followed, and has the advantage of being considerably more economical, both in cost of books, &c., and labour.

This system, not contemplated when this Work was commenced, will, if adopted, work into and materially assist the Classification one, and render this Work of greater value than the Prospectus promised.

Full explanations, with forms and instructions for carrying it out, are here given, and I now leave the matter, confident that a perusal will fully shew its value.

As to the Classification system and methods here explained, the following will shew that this Work is not published before a necessity arose for one.

This necessity is far more absolute than is generally supposed, and any Office that has not hitherto classed its business, will find

that upon doing so, and bringing out the results of Five Years' combined business, that even if a loss (debiting proportionate expenses and margin for profit) upon its gross business transacted in the United Kingdom has not been sustained, one will be shewn under fully 50 per cent. of the individual Classes of risk thereunder, aggregating to about 40 per cent. of the gross premiums.

A minor illustration, taken from what may be termed the business of the Fire Offices generally (*i.e.* the Guarantees issued thereon by another Office), will verify to a certain extent the above statement; it is this:—

In a certain widely-extended district, embracing a fairly large amount in the aggregate upon nearly all kinds of risks, the business resulted, in a term of four combined years, in losses of no less than 95 per cent. of the gross premium received upon the said Guarantees issued. Analysing the Classed Statement thereof, and working out the percentage of results, they are thus stated, viz:—

	On Total Premium *Received.*	On Total Losses *Sustained.*
14 Classes out of the whole List, having respective Losses of more than 100 per cent. . .	gave 29·19 per cent., and	85·01 per cent.
One Class, with Loss of over 60 per cent.	gave 1·61 per cent., and	1·30 per cent.
All other Classes (being balance of 103) upon which Office actually transacted business, and had respectively a lower loss than 60 per cent. thereon . . .	gave 69·20 per cent., and	13·69 per cent.

This analysis of results would therefore shew, that by the elimination, or partial elimination and revision, of the 15 (or portion

of them) unprofitable Classes of risk, might make what had hitherto been an unsatisfactory branch of business, into one shewing profitable results, especially if it was found that the said unsatisfactory Classes of risk were not exceptional, but borne out by general experience in the other branches of the Office's business.

Having illustrated, to some extent, the necessity of a general system of Fire Statistics being carried out (further illustration might have been given if thought advisable), and such necessity being granted, the next consideration will naturally arise as to "What systems should be followed in order to carry out the work in the most efficient and economical manner?"

As to the value of his systems of working, as here set forth, the Author feels that he can confidently leave the matter to the verdict of the Subscribers for this Work, to whom he feels extremely grateful for the kind support they have already rendered him in its publication.

LIVERPOOL, *February*, 1878.