

# NORTHERN ASSURANCE CO.

The Seventieth Annual General Meeting of this Company was held within their house at Aberdeen, on Wednesday, the 2nd of May, 1906, when the Directors' Report was presented.

The following is a summary of the report referred to:—

## FIRE DEPARTMENT.

The premiums received last year amounted to **\$5,562,960**, showing, in comparison with the premiums of the previous year, an increase of **\$111,695**.

The Losses incurred amounted to **\$2,669,590**, or **48.0** per cent. of the premiums. This is the lowest ratio which has been experienced by the Company since the year 1878. The general average of the experience of the company from the beginning is now **57.7** per cent., or including its provision for losses on current risks, exactly **60.0** per cent.

The expenses of management (including commission to agents and charges of every kind) came to **\$1,958,905**, or **35.2** per cent. of the premiums, a ratio of **1.5** in excess of that of the previous year.

The directors have thought it desirable to increase from 45 to 50 per cent. the provision for liability under current policies. After charging the account with **\$2,781,480**, to meet this liability and crediting it with **\$2,453,065**, the amount charged in 1904, there remains a credit balance of **\$608,050**, which, as usual, has been transferred to the Profit and Loss Account.

## FIRE ACCOUNT.

Amount of Fire Fund at the beginning of the year ..	\$5,500,000	Losses by fire paid and outstanding (after deduction of re-insurances) .....	\$2,669,590
Proportion of premiums set aside to meet liability under current policies at 31st December, 1904 .....	2,453,065	Commission .....	894,530
Premiums received (after deduction of re-insurances) ..	5,562,960	Expenses of management .....	1,064,375
		Proportion of premiums set aside to meet liability under current policies, being 45 per cent. of the revenue for 1905 ..	\$2,503,330
		Additional amount to increase reserve to 50 per cent. ....	278,150
			2,781,480
		Profit transferred to Profit and Loss Account, viz:—	
		Profit for the year .....	884,200
		Less addition to premium reserve (as above) .....	278,150
			606,050
		Amount of Fire Fund at the end of the year, as per balance sheet .....	5,500,000
	<b>\$13,516,025</b>		<b>\$13,516,025</b>

## BALANCE SHEET ON DECEMBER 31, 1905.

LIABILITIES		ASSETS	
Shareholders' capital paid up .....	\$1,500,000	Mortgages on property within the United Kingdom ..	\$1,391,295
Fire Reserve Fund .....	5,500,500	Mortgages on property out of the United Kingdom ..	293,470
Proportion of fire premiums set aside to meet liability under current policies .....	2,781,480	Loans on parochial and other public rates .....	2,256,095
Life Assurance Fund—participation branch .....	17,422,900	“ life interests .....	244,500
Life Assurance Fund—non participation branch .....	1,722,340	“ reversions .....	211,895
Endowment and Capital Redemption Fund .....	248,835	“ stocks and shares .....	237,500
Annuity Fund .....	3,616,875	“ Company's policies .....	928,740
Staff Pension Fund .....	480,645	Investments—	
Fletcher Trust Fund .....	44,000	British government securities .....	1,880,045
Investment Reserve Fund .....	368,395	British municipal securities .....	1,864,655
Balance at the credit of Profit and Loss Account ..	1,346,015	Indian and colonial government securities .....	1,717,210
Outstanding claims .....	245,665	Indian and colonial provincial securities .....	722,320
Unclaimed surrender values .....	10,385	Indian and colonial municipal securities .....	1,567,415
Unpaid annuities .....	3,850	Foreign government securities .....	3,066,550
Outstanding fire losses .....	486,460	Foreign provincial securities .....	278,750
Outstanding charges .....	83,250	Foreign municipal securities .....	2,955,500
Bills payable .....	61,415	Railway and other debentures and debenture stocks—	
Due to other companies and agents .....	224,200	—Home and foreign .....	5,341,935
Shareholders' dividends unclaimed .....	5,930	Railway and other preference and guaranteed stocks—	
Due by General Funds to Life and Staff Funds .....	673,290	—Home and foreign .....	3,108,785
		Railway and other ordinary stocks .....	271,295
		Rent charges .....	50,895
		House property (Company's offices) .....	1,959,719
		Do. (mortgages foreclosed) .....	541,315
		Company's interest in Salvage Corps' buildings .....	34,065
		Freehold ground rents .....	229,726
		Reversions .....	2,082,470
		Bills receivable .....	64,910
		Due from other companies and agents .....	1,141,980
		Outstanding premiums .....	131,675
		Outstanding interest and dividends .....	36,065
		Interest accrued but not payable .....	309,615
		Cash in the hands of bankers (on deposit) .....	114,705
		Cash in the hands of bankers (on current account) ..	541,045
		Stamps on hand .....	1,785
		Cash in hand .....	10,530
		Due by general funds to life and staff funds .....	673,295
	<b>\$36,855,040</b>		<b>\$36,855,040</b>

\$5 taken as the equivalent of £1 stg.