

THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LIMITED.

The accounts of the Ocean Accident & Guarantee Corporation, Ltd., have the interest which belongs to "the largest casualty company in the world." While now attached to the Commercial Union Assurance Company, the Ocean retains its separate representation and great organisation both at home and abroad, and at the recent annual meeting in London, the new chairman (Mr. E. Roger Owen), who a year ago succeeded Sir Thomas Hewitt, K.C., in that position had some notable things to say regarding the position of the casualty business generally. In pointing out some of the difficulties with which the company had to contend during 1911, Mr. Roger Owen drew particular attention to the condition of affairs in the United States field. "America," he said, "is passing through an economic stage which makes it, for the moment, very difficult, if not impossible, for casualty companies to work at a profit, and it is to be feared that these conditions will not be readily overcome, because new laws are constantly being introduced which favour labour, and, during this period of change, old laws are being interpreted in a more liberal manner, whilst the companies engaged in the business are failing to agree upon adequate rates to meet the increased liability."

Drawbacks of this kind have, however, not prevented the Ocean achieving a satisfactory year, thanks to the ability with which the company is managed, both at home and in the foreign fields where it is so well known and highly esteemed. While the net premiums received from the various departments aggregate \$9,165,012, against \$8,298,636 last year, thus showing a considerable expansion in the volume of business transacted, the losses and expenses have been kept down to satisfactory ratios. They may be briefly summarised as follows:—

	Losses	Expenses
Fire.....	48.7	35.9
Accident.....	44.2	40.9
Employers' Liability (U.K.).....	61.2	35.1
General Accident (Miscellaneous, including Employers' Liability abroad).....	57.3	35.9

Of these different departments the largest is the general accident, whose premium income was over \$5,500,000. Relatively, it will be seen, the poorest showing is made by the employers' liability business in the United Kingdom, but in the opinion of those who are well acquainted with the present conditions of that business, the Ocean is to be congratulated upon having been able to show a balance of premium income over claims and expenses. Another satisfactory point which may be alluded to is that the ratio of expenses is considerably lower than in 1910. Had expenses continued on the same level as in the former year, the company would have paid out approximately \$150,000 more in this way than was actually the case.

The amounts transferred to profit and loss from the various departments as a result of the year's operations aggregate \$544,000, which with income from other sources and the balance of the last year's account makes the total available, \$2,689,760. After payment of dividend, income tax, and office building and furniture expenses, the handsome balance of \$2,450,700 is carried forward, compared with \$2,169,278 last year.

The figures of the balance sheet on another page form an imposing exhibit of financial strength. The company's assets now aggregate \$11,063,750 against \$11,600,494 last year. The investments are in the highest class of securities and there is the interesting certificate appended to the balance sheet that "the investments, less the investment reserve and general contingency fund, are, in the aggregate, fully of the value stated in the balance sheet."

In Canada, where the Ocean Accident has an extensive business, its interests are ably conserved by the general manager, Mr. Charles H. Neely, of Toronto.

THE TAXATION OF INSURANCE COMPANIES IN QUEBEC.

With reference to the letter on this subject from Mr. William H. Drapier, jr., superintendent of agencies of the National Surety Company, published in our issue of April 19, we have received the following communication from the Comptroller of Provincial Revenue of the Province of Quebec, to whom a copy of Mr. Drapier's letter was referred:—

To the Editor of The Chronicle.

SIR:—The Superintendent of Insurance has referred to this Department your letter of the 4th inst. enclosing copy of one to you from Mr. W. H. Drapier concerning the National Surety Co. As there was something I did not understand in the last six lines of the second paragraph of this letter, before writing you, I thought it best to communicate with our Collector at Montreal, Mr. Wallace Dawson. I have just received his reply. He tells me that the writer "is labouring under a mistake; he states that the tax was levied and due 1st July, 1910, six months before the company was admitted. That is not a fact. Had he studied his receipt or voucher, he would have noticed that the account was marked due 1st January, 1911 and read as enclosed. I have no idea what he means by penalties."

You will please find enclosed a copy of the account sent by Mr. Dawson to the Company, together with copies of correspondence relating thereto, being a letter from the Assistant-Secretary to Mr. Dawson, of the 26th February, 1912, and another of the 5th March of the same year.

As regards the remainder of Mr. Drapier's letter, it consists of a comparison between the taxation in this Province and that in other provinces of the Dominion, and more particularly complaints of the right which municipal councils have to tax insurance companies doing business in their limits. You will readily understand that no change in these conditions can be made without legislative provision. Respecting the municipalities, the laws of this Province give them certain powers which they have exercised for years and which, I apprehend, it would be very difficult to take from them.

Yours truly,

A. BROSSEAU.

Comptroller Provincial Revenue.

While we give publicity to this letter with pleasure, it does not affect the position which we took up in our comments upon Mr. Drapier's original communication, as to the excessiveness of the present scale of taxation upon the insurance companies in the Province of Quebec. No doubt, as the Comptroller suggests, the municipalities of the province would raise a vigorous protest against the removal of their privileges, which have been in force for years and which have degenerated into abuses, but their protests would hardly be more vigorous than those of other parties similarly affected. Both would have to be met by vigorous action. Merely because the municipalities or anyone else have had the privilege of imposing unjust taxation upon the insurance companies for many years is no reason why they should be allowed to continue to do so.