

NORTHERN ASSURANCE COMPANY, LIMITED.

Annual reports showing steady development in the scale of operations, profitable business and progressive strength have come to be expected almost as a matter of course from the Northern Assurance Company, Limited, of Aberdeen and London. The Company's record has for so many years been consistently good and it has achieved such a remarkable position of financial strength that nothing else than a first-class conflagration would be likely, it would seem, to disturb the even tenor of its way. The Company has always been conducted with Scottish shrewdness and conservatism from its establishment nearly eighty years ago. Right from the first, foundations of a solid and enduring character were laid, and so business has expanded upon the best lines. It is now in the fine position of being able to maintain without special effort a high position among the great British insurance companies.

A FAVOURABLE EXPERIENCE.

The record of the fire department for 1913 is a notably favourable one. The net premium income increased \$77,865 to \$6,300,185. With this increased income losses were actually lower than in the previous year, absorbing \$3,241,915, a ratio of 51.5% to the year's premium income as compared with 53% in 1912. Expenses were also kept down, absorbing \$2,361,480, a proportion of 37.5 per cent. to net premium income, against 37.7 per cent. in 1912.

A STRONG POSITION.

The position of the Northern Assurance Company is indeed one of very great financial strength. Not only is the fire premium reserve maintained at the high ratio of 50 per cent., giving a fund at the close of last year of \$3,150,090, but in addition there is maintained a conflagration reserve of \$6,000,000. So that the fire funds of the Northern, including the balance of profit and loss account carried forward of \$1,341,455 amount altogether to \$10,491,545 or practically the fine proportion of 167 per cent. to the fire premium income of last year. No better security than this could possibly be wished for, and as the Chairman pointed out at the recent annual meeting, these very large reserves enable the Company to view the future with comparative equanimity. While recent years have been comparatively prosperous ones for the great fire insurance companies as a whole, experience has long since taught the fire underwriter that enormous conflagrations, while uncertain in their happening, are yet almost inevitable over a prolonged period. It is only a company like the Northern taking ample care to guard against these conflagrations, that can afford to

go steadily on its way without worrying about possibilities.

THE NORTHERN IN CANADA.

The Northern Assurance Company has been operating in the Canadian field since 1867. Its Canadian Manager, Mr. Robert W. Tyre of Montreal, has been in office no fewer than twenty-seven years, and is one of the oldest fire underwriters in the Dominion. Under his management the Company's traditional reputation for prompt and liberal settlement of claims is fully maintained, and there is a natural sequence of a steadily increasing business. Last year the Northern's fire premiums in Canada amounted to \$718,600, an increase of over \$80,000 upon the premium income of 1912. Losses incurred amounted to \$368,975, giving the moderate ratio to premiums of 51.3 per cent. In the Canadian field as elsewhere, the fine position and excellent reputation held by the Northern should continue to ensure for it a progressive business of the very best type.

THE CANADIAN AGENCY.

The Canadian Agency, whose failure followed that of Chaplin, Milne, Grenfell & Co., was a privately owned company, acting as an issuing and financial house for Canadian and other securities. It did not deal direct with the public, says a London advice, but acted as the "shop" with which members of the Stock Exchange could deal in the securities in which the agency was concerned. By means of its weekly circular and answers to individual inquiries it acted as a kind of information and inquiry office for Canadian financial affairs in general, and in particular for the Canadian and other securities in which it was specially interested.

These are some of the Canadian companies in whose securities the Agency has from time to time been concerned:

	Share Capital, and Bonds.	Debentures
Lake Superior Corporation.....	\$8,000,000	£1,760,000
Algoma Central & Hudson Bay Ry. 2,000,000		2,016,000
Algoma Central Terminals	20,000	1,027,000
Algoma Eastern Railway	560,000	500,000
Algoma Steel Corporation.....	5,000,000	2,876,000
Lake Superior Paper.....	1,600,000	1,000,000
Southern Alberta Land	700,000	940,000
Alberta Land	300,000	200,000
South Winnipeg	370,000	500,000
Western Canada Land	500,000	500,000
Western Canada Mortgage	300,000	500,000
	£19,350,000	£11,620,000

A rough comparison of the two companies—Chaplin, Milne, and the Canadian Agency—may be made as follows:—

	Chaplin, Milne, Dec. 31, 1912.	Canadian Agency, June 30, 1913.
Capital	£350,000	£500,000
Loans as liability.....		2,342,000
Cash	225,847	229,892
Loans as assets		230,122
Investments	1,478,052	3,223,488
Deposits	1,598,528	514,386
Acceptances	796,750	
Total Liability	2,820,515	4,585,996