

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED.

Among the younger British insurance institutions, The Employers' Liability Assurance Corporation Ltd., occupies a notable position. Established in a comparatively modest way some 35 years ago, the Corporation has from the outset been directed and managed with much acumen and discretion, with the present result that it occupies an enviable position as one of the soundest and most successful organisations in its field. Within recent years, the Corporation's operations have increased enormously in extent, and there is every indication that a future of extending business and advancing prosperity lies before it. At the recent annual meeting held in London, those intimately associated with the Corporation spoke most hopefully and confidently of its prospects, and the highly satisfactory position disclosed in the current financial statement shows that their optimism is exceedingly well grounded.

THE RECORD OF 1914.

In spite of the war, and all that that means as a handicap to business, the Corporation enjoyed in 1914, what the chairman correctly and aptly described as a most excellent year. There was again a very large expansion of almost a million dollars in the premium income, it amounting to \$9,493,262 against \$8,443,506 in 1913. As recently as 1909, it is interesting to note, the Corporation's income was only just over \$5,000,000. Coincidentally with this large increase in premium in come last year and despite the very large advances in income in recent years, there was an actual decrease in the 1914 volume of claims, which totalled \$4,976,081, about \$65,000 less than in 1913. This is an excellent testimonial to the generally good quality of the Corporation's business. Commission, expenses of management, etc., were kept within reasonable limits, there being a saving of over 1½ per cent. in the former compared with 1913 and only a very slight fractional increase in expenses of management. As a result of the year's operations, the insurance fund was increased from \$5,515,501, at which figure it stood on January 1st, 1914, to \$6,109,918. Of this fund \$3,761,305 is reserve for unexpired risks, this reserve having been added to at the rate of 40 per cent. of premium income last year and \$2,348,612 is for total estimated liability in respect of outstanding losses, equal to 25 per cent. of the premium income.

The Corporation's position is further strengthened by additional reserves, there being a general reserve of \$4,506,687 and an investment reserve of \$328,346, which latter, it was pointed out at the recent meeting, more than covers the depreciation in the Corporation's securities. The details of the balance sheet show that the Corporation's cash position is a particularly strong one, while the investments, which are in the highest grades of securities now total practically \$10,000,000. Total reserves, exclusive of investment reserve, are \$10,706,605, a proportion of about 114 per cent. to last year's premium income. Total assets are \$12,936,746, an increase of over \$1,500,000 during last year. Altogether the position is one of admirable strength and well calculated to inspire the confidence of policyholders.

THE CORPORATION IN CANADA.

In the Canadian field, The Employers' Liability Corporation is widely known and a large and steadily increasing business is transacted in personal accident, health, liability and fidelity guarantee insurance. Mr. Charles W. I. Woodland, of Toronto, is general manager of the Corporation for Canada and Newfoundland and the Canadian business is maintained on an exceedingly firm basis. In the last four years also, the Corporation has transacted fire business in Canada, Mr. John Jenkins being the fire manager. In 1914 fire premiums received in Canada by the Corporation totalled \$323,178, and net losses incurred were \$185,100, a loss ratio of about 57 per cent. A sound business is being built up in this department.

The total income in Canada for 1914 for all branches of the Corporation's business amounted to about \$1,400,000, a sum of over \$1,340,000 being deposited with the Dominion Government. Throughout the Dominion the Corporation occupies a substantial position and is held in high esteem.

A POINT ABOUT SURRENDER VALUES.

An interesting point regarding surrender values has just been decided by the Ontario Court of Appeal. As reported by the Toronto Globe, in the case decided there was not sufficient surrender value and partial payment, when the annual premium was due, to prolong the life of the policy for the minimum term, which was three months. But if the surrender value had been applied day by day it would have prolonged the life of the policy up to the time at which the insured died. Although the surrender value did not cover a quarterly premium, as was required by the terms of contract, the trial Judge held that it kept the policy valid up to the time when the insured died. This decision against the company was reversed by the Court of Appeal, the Judges holding that the policy had lapsed because there was not sufficient surrender value at the time of default to prolong it for three months.

PRUDENTIAL NOW SELLS ONLY PARTICIPATING INSURANCE.

Agents of the Prudential Insurance Company of America began, on Monday, April 5th, to sell participating policies of life insurance, in accordance with recent action taken by the Board of Directors, under the provision of a new law signed by Governor Fielder of New Jersey. In future all Prudential policies will be participating in form as well as in fact.

The act in question was introduced and passed for the purpose of permitting stock insurance companies to change from non-participating to participating companies, and is in line with the mutualization plans of the Prudential.

Outstanding Prudential policies have now automatically become participating without the necessity of legislation and policyholders will benefit accordingly.

Mr. J. D. Kennedy, insurance agent, Sherbrooke, P.Q., spent a few days in the city last week. He reports business conditions in his home city as prosperous. The various factories are busy, general trade is good and collections are satisfactory.