

INSURANCE AMALGAMATIONS.

The two insurance company amalgamations, of which details are given in this issue, consummate an arrangement somewhat out of the ordinary course. As a general rule, amalgamation means the taking over of a newer and comparatively weaker competitor by a powerful rival. In the Phoenix-Atlas case both companies are quite old, as insurance companies go, the former dating from 1782 and the other from 1808. England in both these years was in a low financial condition, Consols being in that period at from 54 to 64. But both companies came successfully through the dark days of their youth, and went on steadily advancing in strength and in public confidence, their business being conducted with judgment and economy. A narrative of the conservative methods both pursued in their early years would amuse this generation. There seemed to be a morbid shrinking from publicity, as though an increase of business were not desired. Indeed, the old system assumed that those who required fire insurance would find out where it was to be had and apply for it. There were no public advertisements of the companies, save in two or three journals; no literature was published, no statements issued, and, in many instances, there was no sign or plate on the building to indicate where an insurance agent did business. One company that took the initiative in advertising lost two titled directors who were shocked at seeing their names in an advertisement! Indeed, some agents threw up their agency from this, what we in this age must call absurd delicacy so many men felt about their name appearing in a public advertisement. Although under such conditions the business of insurance companies was kept in narrow limits, it was generally so conducted as to cause a steady growth in financial strength, a very decided conviction prevailing that the protection of policyholders was the first duty of an insurance company. The idea of competing for business never entered the minds of insurance managers or local agents. Indeed, there are some, and not a few, in the old land who have very old-fashioned views in regard to the evils of competition and soliciting business by personal appeals or advertising. The drain caused by competitive methods, or even by a policy of self defence, is now quite a serious item in the annual expenditure of an insurance company. How far this money is derived from the business acquired by such new forms of expenditure, or how far it is taken from funds that were contributed years ago by then holders of policies, upon which, in case of a life company, they have an equitable claim, are questions of serious moment that are being asked by many policyholders. The pressure of competition having raised the expenditures of companies has

suggested amalgamation as a policy of economy. There are certain obvious classes of outlay, both in administering the business and acquiring or maintaining it which can be materially reduced by an amalgamation. Staff expenses may be reduced, and others of even greater magnitude, when the business of two offices is consolidated. There is one competitor less by the fusion effected. In the case of the Phoenix-Atlas the amalgamation unites two powerful companies of long and high standing which have every prospect of illustrating the strength of unity.

PHOENIX-ATLAS.

Early last August a rumour gained wide currency that the Phoenix Fire Insurance Company, London, England, had taken over the Atlas Insurance Company, and that Mr. Pipkin, manager of the Atlas, had been appointed general manager of the amalgamated organization. In response to a cable enquiry sent from us on the 14th August a special cable was sent by our London correspondent stating, that the fusion of above companies was not accomplished, which information was announced in THE CHRONICLE of 16th August. The two companies are each so strong in extent of business and financial resources that considerable surprise has been caused by the authentic announcement of their amalgamation having taken place. The Atlas having a life branch, which is a class of business the amalgamation will not transact, this department has been taken over by the Pelican Life Insurance Company, which is one of the oldest in England, and occupies a high position. It is not represented in Canada. The respective positions of the Phoenix and Atlas are shown in following figures:—

	Phoenix.	Atlas.
When established	1782.	1808.
Capital paid up.....	\$1,344,400	\$ 600,000
Net Premiums, 1900.....	6,344,870	2,176,777
Fire Funds, 1900.....	7,884,175	3,201,665

The Atlas figures do not include those of the life department. The shareholders of both companies will meet to give legal ratification to the amalgamation, as it is known that the stock of both companies is in the hands of those who approve of the arrangement. The Phoenix Fire Insurance Company and the Pelican Life are intimately associated. The manager of the new organization will be Mr. Samuel J. Pipkin, general manager of the Atlas, but what changes in the staff have been decided upon, or under consideration, have not been made known. The company will be entitled, "Phoenix & Atlas Fire Office, Limited."