

## GENERAL REVIEW OF INSURANCE.

By

BRITISH OFFICES IN 1909.

*(From The Insurance Register).*

Two Acts of Parliament closely affecting the business of Insurance were added to the Statute Book during the year. (1) The Marine Insurance (Gambling Policies) Act, 1909, which is dated the 20th October, and (2) the Assurance Companies Act, 1909, which received the Royal Assent on the 3rd December. The latter is easily the most important Insurance enactment since the passing of the famous Life Assurance Companies Act of 1870, which it repeals and to a large extent re-enacts.

The latest Act brings within the scope of its provisions, however, not only Life Assurance, but Fire, Accident and Employers' Liability Insurance and Bond Investment Business. Some of its most important clauses relate to deposits. All life assurance companies carrying on business within the United Kingdom are required to deposit, and keep deposited, with the Paymaster-General, the sum of £20,000 as security for policyholders, and this obligation is to apply, notwithstanding that the company has previously made and withdrawn such a deposit. Fire companies commencing business after the passing of the Act have to make a deposit of the same amount, unless the company has already made a deposit in respect of any other class of assurance business; and where a company having made a deposit in respect of fire insurance business, commences to carry on life assurance business or Employers' Liability Insurance business, the company may transfer the deposit so made to the account of that other business, and after such transfer the deposit is to be treated as if it had been made in respect of such other business. Accident companies are subject to provisions as to deposits similar to those relating to fire insurance companies. With regard to Employers' Liability business, a deposit has to be made unless the company commenced to carry on that class of business within the United Kingdom prior to the 28th day of August, 1907—the date of the passing of the Employers' Liability Insurance Companies Act, 1907. It is, however, further enacted that as soon as the fund provided and set apart for the satisfaction of the claims of Employers' Liability policyholders amounts to £40,000, the money deposited in respect of Employers' Liability business is to become returnable to the company if it has made a deposit in respect of any other class of assurance business. The deposit clauses with regard to bond investment companies follow closely the last-mentioned, with the exception that here the obligation to make the deposit attaches to companies commencing to carry on such business after the passing of the Act.

Considerable alteration in the form of the annual accounts will become necessary. Life Offices, for instance, will have to distinguish between business within the United Kingdom and business out of the United Kingdom, both as regards receipts and expenditure.

Separate revenue accounts are to be prepared, as

may be necessary according to the departments in which business is transacted, for:—(a) Life; (b) Sinking Fund or Capital Redemption; (c) Marine; (d) Fire; (e) Accident; (f) Employers' Liability; (g) Bond Investment; and (h) other business (including Employers' Liability transacted out of the United Kingdom); while a profit and loss account, showing which departments have resulted in a profit and which in a loss, is also prescribed.

The new Act repeals the Life Assurance Companies Acts, 1870 to 1872, and also the Employers' Liability Insurance Companies Act, 1907.

## LIFE ASSURANCE IN 1908-9.

*Premiums.*

The total premiums received, amounted to £41,404,980 against £39,610,581 appearing in the previous volume. To the total given above ordinary life business contributed £27,156,391 and industrial life business £14,248,589. The total increase is, therefore, £1,794,399. Of this increase, £609,982 arose in the ordinary department, a sum which is considerably less than that which would have been shown had it not been for the fact that Capital Redemption and Sinking Fund figures are now returned by a large number of companies in a separate Revenue Account, and these, have, wherever practicable, been eliminated from the results here given in the Life Revenue Account items. The increase arising in the Industrial department is £1,184,417, a result to which the inclusion for the first time of the figures of the Royal London Mutual Insurance Society, Limited, formerly the Royal London Friendly Society, has largely contributed. The inclusion of the imposing figures of the Australian Mutual Provident Society among those of the other Colonial Offices represented in this country, has had so material an effect upon the results given in this section as to make a comparison with the previous figures unnecessary. The premiums now shown in the Colonial section amount to £6,166,225 in the Ordinary department and £242,545 in the Industrial department, the Australian Mutual Provident Society producing £2,034,848 and £53,696 respectively. The figures of the Independent Order of Foresters—the business of which is somewhat special in character—have been omitted.

*Payments to Policyholders.*

The total payments to policyholders by British Ordinary Offices reached the large sum of \$27,677,173, the increase of 3,493,262 over the figures for the preceding year being chiefly in connection with Death Claims, including Reversionary Bonus, which rose from £15,912,604 to £18,223,353. Industrial Offices paid to their policyholders £5,904,327 against a previous £5,328,456, while the sum disbursed by the Colonial Offices was £4,183,142 in respect of Ordinary Life business, and £100,653 in respect of Industrial.

*Expenses of Management.*

The expenses of management, including Commission, come out as follows:—British offices (Ordinary) £3,609,749, (Industrial) £6,175,584; Colonial offices (Ordinary) £1,288,871, (Industrial) £117,999. The average ratios of expenses to Premium Income of British Life Offices compare, as