

THE ROYAL INSURANCE COMPANY.

The annual meeting of the shareholders of the "Royal" was held at Liverpool on the 7th ult. The annual statement will be found in another page.

Since its foundation, forty years ago, the history of the "Royal" has been one of uniform progress and prosperity; it has outlived many of its competitors and outrun others, and to-day it ranks as one of our colossal insurance offices, and its success is all its own, as, unlike other offices, it never amalgamated with any other company. It has now accumulated funds (including the increased or market value of its investments over their book valuation) of over twenty-eight million dollars, with an annual income of nearly five million dollars in the fire department, and of over one and a quarter million dollars in its life department, derived from premiums alone, which are gathered in from many lands, in fact, the "Royal" has a firm foothold in every important post throughout the whole world.

In 1854 the fire income was \$642,295; in 1864, \$2,032,015; 1874, \$3,873,155; in 1884 (last year), \$4,940,780. Its accumulated fire funds, in the same decennial periods, were \$355,500, \$1,016,370, \$4,068,705 and \$10,000,475. These figures show how certain is its progress. The net fire premium income in 1884 was \$4,940,780, or \$27,095 more than the previous year, while the losses amounted to \$3,382,315, or \$365,155 greater than in the previous year. The fire funds on December 31st, 1884, stood as follows:—reserve funds \$5,500,000, fire fund \$2,750,000; conflagration fund \$1,000,000; balance of profit and loss \$750,475; paid-up capital \$1,447,725, giving a grand total of \$11,448,200, which does not include the life funds.

In the life department, 1884 was the bonus year, and therefore, in addition to the ordinary annual statement, we have the actuarial report for the five years ending with 1884. The investigation has been made, independently, by the staff of the office and also by Mr. James Meikle, the able Edinburgh actuary, with almost exact conformity of result; which is of an eminently satisfactory nature. The life funds at the end of the year amounted to \$15,293,835.

The dividend to the shareholders has been increased from 25s to 28s sterling, which is the largest dividend the company ever paid, and of which there have been very few parallels anywhere.

The business of the Royal is conducted with rare ability and energy, both at home and abroad, and as a result we have an institution against which, as a contemporary graphically puts it, "storms may arise, and winds beat and deluges of fire losses sweep the insurance field, and carry many an underwriting wreck out of sight forever, but companies like the Royal, that have built a solid and impregnable ark out of their reserve funds, float securely and serenely on the tide, and stand firm as a rock as long as there is a bale of merchandise, an article of manufacture, or a building left standing to insure."

The Canadian branch of the Royal is ably administered by Messrs. Gault & Tatley, chief agents for the Dominion.

Mr. Robert Oliphant, Agency Superintendent for Scotland of the Queen Insurance Co., has been appointed Secretary for Scotland of the Glasgow and London.

AN ANALYSIS OF DEFERRED AND UNPAID PREMIUMS.

By WILLIAM T. STANDEN.
Consulting Actuary and Mathematician.

One of the invariable requirements of the Governmental supervision of insurance is the filing with the Insurance Departments, annually or semi-annually, the sworn statement of the condition of the company reporting, covering detailed accounts of income, expenditures, assets, etc. These general items are essential; but unfortunately an endless variety of questions are asked relating to matters that bear comparatively no public interest whatever, and which cannot possibly help the most skilled and careful examiner in determining anything of importance in regard to the standing of the company.

If the utility of these statements is to begin and end with the mere formality of filing them away in the archives of the various insurance bureaus, it would be almost as well if they were not made at all. It is nevertheless certain that in a vast majority of the Insurance Departments these statements are not subjected to any skilled expert criticism and examination. That this is so—or has been so, up to a very recent date—is proved by the fact that an examination of some of the statements made by defunct Life Insurance companies prior to the dates of their failures, will show clearly that their rotten condition could have been in a large measure detected, and their approaching failure foreseen. Of course, they do not say in so many words, "we are not in sound and proper condition. We do not deserve public support. We are facing and trying to stave off the certainty of an early failure, &c." It is not likely that in making their statements they would make any such confession of shortcoming. If their officers were bent upon holding the ship together as long as they possibly could for the sake of the salaries they were drawing it would be expected that they would resort to every kind of subterfuge to avoid detection. The first step would of course be the falsifying of their statement—involving themselves in perjured dishonor, and throwing a veil of suspicion and distrust over the sworn statements of good, sound and healthy companies.

It is not an easy thing to properly examine such a statement. The training of a mere accountant is not sufficient because there are several items appearing in such a statement that can be tampered with beyond almost the possibility of his detection. We say, it is not an easy thing to examine those statements, and if any person charged with the duty of such examination should declare the task to be an easy one it would create in us a very strong suspicion that he was but ill-qualified to fulfil his duties, and that his scrutiny would not be very intelligently directed.

The possibilities of falsification and misrepresentation that attach to each one of the items included in the income, expenditure and asset accounts, are almost endless in their number. Of course this statement applies with greatest force to the publications of the condition of Life Insurance Companies, but it certainly applies in a greater degree than is suspected to the statements of all branches of Insurance. An ingenious trickster who has had a long experience in his profession, and who is unscrupulous enough to resort to almost any method, rather than bring his income to a