

Meetings.

THE LANCASHIRE INSURANCE CO.

The eighteenth annual meeting of the proprietors of this company took place in Manchester, Eng., on the 10th of March. Mr. John Todd, the chairman of the directors presiding.

The report of the directors, which was read by Mr. George Stewart, the general manager was to the following effect:—

Accounts and Balance Sheet.—Accompanying the present report will be found, as in former years, detailed accounts of the fire and life business, and the general balance sheet of the company.

Funds and Investments.—The satisfactory nature of the investments may be seen by a reference to the balance sheet of the company. The amount of interest realized by these investments during the year was £16,095 18s. 7d.

Fire Business.—The fire premiums received during the year 1869, amounted to £112,799. The sums paid during the year for re-insuring the surplus risks of the company amounted to £20,283, and the claims for loss and damage by fire to £83,416. After payment of all claims, expenses of management, and re-insurance, and making due provision for claims unadjusted at 31st December, 1869, there was a clear profit of £15,542 11s. 10d. on the fire business of the year, which sum has been carried to the credit of the proprietors fund.

Life Business.—The income of this department during the year, amounted to £19,340. The claims from 51 deaths amounted to £19,569, and after providing for these and the various other sums detailed in the balance sheet, the life reserve fund has been increased to £181,832 9s. 4d., which as the shareholders are aware, is separately invested, and in no way mixed up either with the shareholders' capital or the fire reserve fund. The period having arrived for the fourth investigation into the affairs of the life department, with the view to a division of profits, the whole assets and liabilities have been carefully examined and valued. The results are contained in the following account prepared by the actuary:—

Valuation of Life Assurance Fund, Dec. 31, 1869.

LIABILITIES.

1. Present value of policies in force on 31st December, 1869, and bonuses thereon.....	£153,935 0 0
2. Sum due to the proprietors at 31st December, 1864.....	1,400 0 0
3. Claims under policies in course of payment, and bonuses thereon.....	8,092 13 6
Total.....	£200,027 13 6
Surplus.....	16,565 9 1
	£216,593 2 7

ASSETS.

1. Present value of re-insurances and bonuses thereon.....	£21,355 0 0
2. Investments—	
(1) Railway debentures, viz:—	
Great Western.....	£15,000 0 0
Lancashire & Yorkshire.....	10,000 0 0
London & North-western.....	33,000 0 0
Manchester and South Junction.....	10,000 0 0
Midland.....	20,000 0 0
South-Eastern.....	20,000 0 0
Total debentures.....	£108,000 0 0
(2) Mersey Dock Bonds.....	24,000 0 0
(3) Mortgages on first-class securities.....	44,441 18 6
(4) Loans in connection with life policies.....	8,293 8 1
	£184,734 6 7
3. Balance in banker's hands.....	5,078 19 9
4. Balance in hands of branch offices and agencies.....	5,420 16 3
	£210,593 2 7

Of this surplus of £16,565 9s. 1d., one-fifth, or £3,313 belongs to the proprietors, and the remaining four-fifths to the life assured.

Proprietors' and Reserve Funds.—The income of the proprietors' and reserve funds for the year amounted to £28,126 5s. 7d., out of which the

directors have already declared a dividend of 10 per cent. per annum, which absorbed the sum of £14,614, leaving a surplus of £13,512 5s. 7d., of which £9,693 14s. 8. has been appropriated to the Birmingham purchase, and £3,818 10s. 11d. has been added to the reserve fund. The paid-up capital amounts, as formerly, to £146,140. The ordinary reserve fund has been increased from £46,350 13s. 1d. to £50,169 4s., and the amount reserved towards the Birmingham office purchase has been increased to £18,300.

The Chairman, in moving the adoption of the report, said: Gentlemen, the report which you have just heard read contains a full and candid statement of our proceedings during the year 1869, and the balance-sheet, which has been in your possession for upwards of a fortnight, faithfully represents the position of the company on the 31st December last. On looking at the business of the year, I am quite sure you will be satisfied with the results. Our income has amounted to upwards of £170,000, and although the claims made upon us for losses by fire and by death have amounted to nearly £73,000, we have not only been enabled to pay you our usual dividend of 10 per cent., but, in addition, have increased materially the amounts of our reserve funds. I need not trouble you with figures, as the report and balance sheet is so full on all points; but we must all deem it to be a satisfactory feature that, in addition to our large paid-up capital, we have such large reserve funds in both departments, that in the life branch exceeding £184,000, in the fire upwards of £50,000. In the last session of Parliament a bill was introduced for the regulation of life assurance companies, but from some cause or other—probably the pressure of public business—the bill was ultimately withdrawn. The same gentlemen who moved in the matter last year have again introduced a bill, and that of an improved character, in the present session. To the principles contained in that bill I think it to be the duty of every honestly-managed insurance company to give its hearty support. There may be matters of detail on which there may be a difference of opinion, and which may require readjusting, but to the main features and the principles of the bill, there can be no possible objection, and I am convinced that if it becomes law, and its provisions are strictly enforced by the Board of Trade, the public will have every security the law can provide. It has been suggested that the bill might with advantage go further, by the introduction of clauses appointing a special officer to see the act carried out, and the appointment of a royal commission to examine into the position of every insurance company now in existence. I merely throw these suggestions out for what they are worth. But to return to our own affairs. I think I may fairly congratulate the shareholders and the persons assured in the Lancashire on the sound position to which we have, step by step, attained. Our business is sound; our financial position is strong; our income and investments go on increasing from year to year; and I believe that the same care and attention which has produced these results in the past will produce equally satisfactory results in the future. And now, gentlemen, I move that the report now read be approved and adopted.

Mr. Blair, in seconding the resolution, said that after the remarks made by the chairman little was left for him to say upon the subject. With regard to the accounts he had little to say excepting that if they were not making rapid, they were making a remarkably steady progress. He believed their fire premiums had not greatly increased during the year, but, turning to the report 1863, he found that the fire premium had in six years nearly doubled, being now £112,799. With regard to their losses, he found that last year they were less than in the previous year. That was a matter which showed that the directors had taken great care in the selection of the risks. With regard to the life business, he thought they could point with satisfaction to the

report of the investments. It was desirable that those who insured their lives should know where their money was invested, and how it was to be realized when it became due. He thought they might honestly point to the report as of a highly satisfactory nature; and he hoped the company would progress as it had hitherto done. The resolution for the adoption of the report was passed unanimously.

Mr. Heald said he should have been very glad to have made the proposition he was about to make behind the backs of the directors, as he could have then said more than he now proposed to do; but the time had arrived when they had at length a reserve fund of £50,000, collected together by the zeal, assiduity, and discretion of their directors. In 1853 the shareholders of the company voted to the directors the sum of £1,000. The net income of the company from all sources was then about £45,000. They went on for about three years, and in 1856 they added another £1,000 to the *honorary* paid to the directors. Fourteen years had passed, and the income of the company was now about £145,000. He thought it was time—instead of passing mere votes of thanks—they did something more substantial, and he proposed that the *honorary* to the directors be increased to £1,500 a year. As to the amount of duty which fell upon the directors, he might state that three-quarters of a million had been paid in fire and life losses. That involved an immense amount of responsibility, and yet he observed with satisfaction that the Lancashire Insurance company never presented themselves in a court of law contesting any of their claims. It was true they had not on the board of directors any men with handles to their names, but they had men of business habits who had won their way to affluence by industry and application to business, the resolution was unanimously.

Mr. Joseph Wrigley asked what was the total amount paid by the company for the Birmingham business, and what was the amount of the assets from that company which had been transferred?

Mr. Stewart said that four years ago, they purchased the Birmingham office. The first condition was that the Birmingham office should pay to them £5,000 in case they undertook the responsibility of outstanding risks. The Lancashire Company said they would pay nothing for five years, but the amount of liability was estimated at £40,000, to be payable in March, 1871. In the meantime they resolved to lay aside one-fifth of the whole sum payable out of the receipts to hand over to the Birmingham proprietors. They had done that, and they had done more. Having given notes for the £40,000, they had purchased as many of those notes as they possibly could, and had paid £9,692 from the profits of the company during the past year. The whole sum was payable in 1871, but he had great pleasure in saying of the £40,000, they had only £11,000 still to raise. He had no hesitation in saying that when the five years were complete, they should have got the Birmingham office for nothing.

Mr. Wrigley said that the answer was very satisfactory, and would no doubt give great satisfaction to the shareholders.

Mr. C. Sever, proposed a vote of thanks to the directors, which was passed and duly responded to. A vote of thanks was also proposed to the manager, Mr. Stewart, the officers of the company.

Mr. Stewart, in responding, spoke highly of the other officials of the company, and said the company had made gradual progress. Their progress might have been more rapid as to income, but the question was whether that progress would have been made in the same proportion as to profit. He thoroughly agreed with what the chairman had stated with reference to the bill before Parliament. From what he knew of life assurance, he was persuaded that the time had come when they could no longer depend upon the act passed in 1844. They must have an Act of Parliament passed which