

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION, LIMITED.

Among the British insurance offices who are primarily concerned with the various branches of liability and accident insurance, there is none more widely known or held in greater respect than The Employers' Liability Assurance Corporation, Limited. Established just over thirty years ago, the Corporation was fortunate in having as its general manager from the start until last year, Mr. S. Stanley Brown, an underwriter well known in Canada, who died only a few weeks after his retirement and whose admirable work for the Corporation no doubt contributed very largely to give it that excellent reputation which it now bears. There is every evidence that the fine tradition which the Corporation has created for itself is being continued under the direction of the present General Manager and Secretary, Mr. W. E. Gray, and that the business will continue to show large expansion and favorable results similar to those which have been reported for many years.

SUCCESS IN 1912.

The fact that the Chairman at the recent annual meeting was able to refer to the report for 1912 as the best ever issued is sufficient evidence of the success achieved by the Corporation in its operations last year. The premium income of 1912 reached \$8,418,721, an advance of nearly \$1,600,000 upon that of 1911, which was \$6,837,722. So recently as the year 1909, the premium income was only \$5,091,268, from which fact it will be seen that great strides have been made by the Corporation in the extent of its business during recent years. Both the loss and expense ratio last year were remarkably favorable. Losses absorbed \$4,255,489, giving a ratio to premiums of 50.5 per cent., whereas the ratio in 1911 was 56.7 per cent. The expense ratio also, has been diminished substantially from 36.2 p.c. in 1911 to 33.3 p.c. in 1912—a fact which in itself constitutes an excellent tribute to the efficiency of the Corporation's management. As a result of the year's business, the revenue balance is increased from \$6,564,837 to \$7,534,562.

The balance sheet shows that in investments and cash, the Corporation has made a great advance during 1912. At December 31 last, these stood at \$10,974,671, an increase of over \$1,100,000 upon the figures recorded at the close of 1911, which were \$9,851,682. Reserves were brought up to \$9,418,482, an increase of practically \$1,000,000 in the twelve months. The whole position disclosed is an admirably satisfactory one.

THE CORPORATION IN CANADA.

In the Canadian field, The Employers' Liability Corporation is well-known, and a large business, substantially increased last year, is transacted in

personal accident, health, liability and fidelity guarantee insurance. The Canadian managers of the Corporation are Messrs. Griffin and Woodland, to whom a handsome tribute was paid by the Chairman at the recent annual meeting of the Corporation. Referring to a recent visit to Canada by himself and another director, the Chairman (Lord Claud Hamilton), observed that "we found that Messrs. Griffin and Woodland, our managers in the Dominion, were men of exceptional ability with a thorough grasp of the business and exercising a most beneficial control over the agents who work under them. . . . I think we may say that the Canadian business as a whole is on an exceedingly firm basis." Since 1911, The Employers' Liability Corporation has also been transacting fire business in the Canadian field, Mr. John Jenkins being the fire superintendent. A sound business is being built up in this department. Last year, fire premiums received in Canada by the Corporation totalled \$174,606 and losses incurred were \$55,678, a ratio of 31.88.

FIRE COMPANIES' DIVIDENDS PAID OUT OF INTEREST EARNINGS.

Statistics compiled by the *Insurance Age* show that the dividends of American fire companies during the last twenty years have been paid out of interest earnings and not from underwriting profits. In 1913 fire companies reporting in New York state earned \$18,700,497 in interest and paid \$12,994,051 in dividends. The facts are, observes our contemporary, that there has been little or no underwriting profit for many years. The president of the National Board of Fire Underwriters, in his address to its recent annual meeting, showed that the underwriting profit of 183 stock companies during 1912 was about 2.52 per cent. on a business involving premium receipts of \$307,287,313. He also shows that for the last ten years an actual underwriting loss of .13 per cent. was sustained in a business in which premiums were collected to the amount of \$2,550,290,543.

GREAT FINANCIAL INSTITUTIONS.

The secret of this ability to pay good dividends, even when there is no underwriting profit, is found in the fact that most of the fire insurance companies are, in reality, great financial institutions and directed by men who are well able to handle their investments. The matter goes deeper than this, for many of these investments were made years ago and have become exceedingly profitable in the course of time. It is mostly the companies that are nearly or quite a half century of age and which have all the time been accumulating surplus largely founded on fortunate investments in the past, which have paid these returns upon the capital invested. Very few companies organized in recent years have been able to pay more than merely nominal dividends, if any at all, and, as is well known, a large majority of the companies started during the past