

this is a profitable state of affairs, so long as the current Loans are sound. With an able General Manager, who was trained under such shrewd financiers as the late Mr. Bethune and Mr. Austen, we may rest assured that all discounts are very carefully scrutinized, and cautiously passed upon by Mr. R. D. Gamble, who has the advantage of the great experience and sagacity of Sir Frank Smith, and a highly capable Board of Directors.

#### THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY.

The annual reports of the Liverpool & London & Globe are so uniformly good as to afford slight material for contrasting the business and results of one year with another. What comparisons can be made between different years only bring out the remarkable steadiness of the business, and the similarity of yearly results, which maintain an exceptionally high average of success. The Fire Premium income for the past year, after deducting the sums paid for re-insuring, amounted to \$7,764,175. This is less than the income from same sources in 1895, owing in part to the policy of pruning down its business in the United States, and to restrictions recently imposed on British insurance companies in Russia. These movements are on the established line of the Company, which has ever been chiefly anxious to retain only good, sound business, rather than cultivate connections chiefly for their volume of business. Now that the insurance field is so over-run with competing companies, the more conservative underwriters are being more and more restricted to the choicest risks, which are taken out by those who are cautious in selecting their insurance company, as the companies are, or ought to be, in selecting risks. The losses, inclusive of provision for all claims that had arisen in the year, amounted to \$4,199,850, which is 54.09 percent. of the premium income, which is an improvement on the results of 1894, and 1895. The expenses of 1896 were less than in 1895, owing to the economies effected by reducing the business. After paying, and providing for all the losses and expenses of the year, the handsome sum of \$1,009,670 remained, which was transferred to Profit & Loss, as the profit of the fire business of the past year. The total funds of the Liverpool, & London & Globe at the close of 1896 amounted to \$46,643,540. The average increase of the Company's accumulations of funds has been one million dollars yearly since 1886. The assets of the Company now amount to \$49,782,110. A reference to the figures as they stood ten years ago reminds us that in 1886 we recorded that Mr. G. F. C. Smith, the Chief Agent, and Resident Secretary in Canada, had then been "upwards of thirty years connected with the L. & L. & G.," who wrote the first policy issued by the Company in Canada. We then expressed our judgment that "the present condition of this Office

in the Dominion is largely owing to the skill and energy of its Chief Agent, who enjoys a high position in the esteem and confidence of his underwriting associates." It is very agreeable to recall these words after another decade of Mr. G. F. C. Smith's service with the L. & L. & G., which now extends over forty years, and we trust will continue for many long years. During the time of his management this Company has made very great progress and is now recognized in all parts of the world in the front rank of the most solid institutions doing insurance business.

#### THE PRESIDENT OF U. S. NATIONAL BOARD OF FIRE UNDERWRITERS ON INSURANCE PROFITS.

At the meeting of the National Board of Fire Underwriters, held at New York, on 13th May, the President, Mr. W. B. Clark, President of Aetna Fire Insurance Company, delivered an address in which he devoted considerable attention to the profits of the fire insurance business. President Clark declared it a well recognized fact that the business of fire insurance in the United States, as a whole, does not pay the underwriter a dollar of profit. Individual companies make a small profit, but nothing like what they should when the contingencies of the business are considered. The fire insurance companies, with a few exceptions, are not paying a dollar of dividends from underwriting profits, but depend upon their income from investments for this purpose. Continuing up to 1896 the table drawn up in 1891, by President Heald, Mr. Clark drew the following conclusions.

The companies have had nothing like the margin of profit which prudence and experience in every other enterprise would dictate as absolutely necessary. In connection with the prosperous year of 1896, therefore, we should weigh the facts, which may be summarized as follows:

1. A profit of 3.47-100 as shown by ex-President Heald's statement for surviving companies, from the date of organization to end of 1890.
2. A profit of 63-100 of one per cent. for all companies reporting to the New York State Insurance Department from 1891 to 1896, inclusive, on the basis of fire premiums, losses, and estimated expenses.
3. A profit of 67-100 of one per cent. for the said companies for the same period on the basis of fire, marine, and inland premiums, losses, and actual expenses.

We present the statements made by President Clarke before the United States National Board of Fire Underwriters on the principle that a public journal should exhibit the various views taken of subjects of public interest. The view shown above is too gloomy and pessimistic, from our standpoint. A glance at the stock list showing the market values, and dividends of fire insurance companies, is enough to show that the business is not so wholly unprofitable as was represented. Stocks of these companies range from par to 300 per cent. Out of a list before us of 28 New York, and Brooklyn Fire Insurance Com-