

ROYAL INSURANCE COMPANY.

A Year of Continued Progress.

The majority of the British offices, transacting fire business, can congratulate themselves, as the chairman of the Royal Insurance Company pointed out at the recent annual meeting at Liverpool, that the year 1909 proved, on the whole, uneventful, inasmuch as the companies were spared the now periodical conflagration, which, while making history, causes them heavy losses. Prosperity was general, and the fact that this great Liverpool company shared in it, is attested by the raising of the company's net fire premium income to a new high level record and by a decided drop, both in the aggregate amount of its fire losses, and their ratio to the net premium income.

A comparison of the results of 1908 and 1909 in the Royal's Fire Department shows the following:

	1908.	1909
Premiums after deductions of } reinsurances	\$17,975,865.17	\$18,436,799.70
Net Losses.....	9,439,331.75	9,026,164.98
Ratio of Losses to Premiums....	52.5	48.9
Expenses and Commission.....	6,270,071.98	6,597,578.93
Fire Fund at end of year.....	8,760,000.00	11,193,333.33

The net premiums, it will be observed, reached the magnificent total of \$18,436,799.70. This is an increase of \$460,000 upon the net premiums received in 1908, though the figures for that year were themselves a record in the Royal's history. Losses are down by \$413,000 to \$9,026,164.98 or a ratio of 48.9 per cent. This compares with 52.5 per cent. in 1908 and 47.9 per cent. in 1907.

The following table of fire underwriting results during the past nine years shows very clearly the great skill and care with which the extensive business of the Royal is conducted by Mr. Charles Alcock, the general manager, and those who are associated with him. During favourable years, it will be observed, results are such that the reserves can be strengthened to an extent, that the large periodical conflagrations which occur have no terrors for the Royal.

Year	Net Fire Premiums	Net Losses.	Loss Ratio.
1901	\$12,213,000	\$7,225,000	59 p.c.
1902	13,448,000	7,038,000	52.3 p.c.
1903	13,862,000	6,749,000	48.8 p.c.
1904	14,578,000	8,443,000	58 p.c. *
1905	14,863,000	6,700,000	45 p.c.
1906	16,699,000	13,145,000	78.8 p.c. †
1907	17,860,000	8,559,000	47.9 p.c.
1908	17,975,000	9,439,000	52.5 p.c.
1909	18,436,000	9,026,000	48.9 p.c.

* Baltimore and Toronto Conflagrations.
† San Francisco Conflagration.

After payment of commission, expenses of management and contributions to fire brigades, there was a surplus in 1909 of \$2,776,991.70. Of this amount \$2,433,333.33 was transferred to the fire fund, raising that fund from \$8,760,000 at the beginning of 1909 to \$11,193,333.33 at the end of 1909.

Progress of the Life Department.

On the 31st of December last, was closed another epoch in the history of the Life Department of the Royal, and the assets, liabilities and surplus at that date, have been determined by most careful examination and valuation. The report made by Mr. Duncan C. Fraser, M.A., F.I.A., disclosed a surplus of over \$5,100,000, and the policies then

in force numbered 57,903, assuring \$112,000,000, after deducting re-assurances. This large surplus provides for the distribution of over \$4,000,000 cash among the policyholders, and after still further strengthening the almost impregnable reserves, there is a surplus carried forward into the next account of about \$445,000. In the sum laid aside for distribution among life policyholders, is included the appropriate share of profits for each policy of the deferred dividend class, and such shares are transferred to the liabilities of the company as a trust for the policyholders of that class.

The Royal points back to a long period of 45 years during which it has paid to its policyholders exactly the same rate of profits. Further, so generous are the profits to policyholders at this period, that the directors have provided an even more liberal system of profit division than has been customary in the past. The interim bonuses of endowment assurance, becoming claims by maturity, will be paid at the full annual rate of \$15 per \$1,000, so that in effect, endowment assurances maturing in the quinquennial period just started, will receive a bonus at the rate of \$15 per \$1,000 on each year's premium paid during the full duration of the policies. The Life Department of the Royal is a great institution; it is not its bulk alone that excites wonder, but the splendid profits to policyholders, and the absolute security which is ensured for them.

The Royal's Life Department in Canada has been making steady progress. When we reviewed the last quinquennial report of the company in the year 1906, it wrote in that year, in Canada, not much over a quarter of a million dollars in assurances. According to reports from the Secretary of the Life Department, it seems likely that the new writings for the year 1910 will be about six times that amount.

The Royal has been long and honourably connected with the Canadian field, which it entered in 1851. The fire department is under the able direction of Mr. William Mackay (Canadian manager) and Mr. J. H. Labelle (assistant manager), and Mr. A. R. Howell is the energetic secretary of the life department. In view of the company's commanding and extraordinarily strong position it is only to be expected that the Royal will, in the future, make continued and marked progress here coincident with the development of the Dominion. In Great Britain, the Royal transacts an active marine and miscellaneous business, in addition to its leading lines of fire and life, and its combined assets reach now the aggregate of \$89,818,735.20. Compared with 1905, before the San Francisco disaster took place, this is an increase of no less than \$20,149,660. No more eloquent testimony as to the great strength of the Royal Insurance Company could be desired.

BANK'S BIG DIVIDENDS.—Directors of the Fifth Avenue Bank, New York, have declared the regular quarterly dividend of 25 per cent., and in addition have announced a special dividend of 130 per cent. out of the earnings for the year 1909. In 1909 the bank paid an extra dividend of 125 per cent.; in 1908, 160 per cent.; in 1907, 159 per cent., and in 1905, 120.