THE OCEAN ACCIDENT AND GUARANTEE CORPORATION LIMITED

Holding a notable position among those British insurance organisations devoting themselves to casualty business, the Ocean Accident and Guarantee Corporation, Limited, records in its accounts year by year, almost as a matter of course, steady advancement both in the extent of its operations and in its wealth and power. Some three years ago, as is well known, the Ocean became attached to the Commercial Union Assurance Company, but it retains both in Great Britain and abroad, its separate representation and matured organisation. While for 1913 the Company again records a period of decided progress and success, it is obvious that this has not been achieved without much industry and skill on the part of those to whom is entrusted the management and conduct of its affairs. As was mentioned at the recent annual meeting, the United States section of the business, from which a considerable proportion of the premium income is drawn, did not produce any considerable profit, for reasons which are well known and apply broadly to all companies operating in that field. However, the management have hopeful anticipations in regard to the future of business in that country and the results achieved in the other fields of the Company's world-wide operations were such as to make the results of the year decidedly satisfactory.

The Year's Business.

During 1913, the total net premium income from all departments was advanced by the substantial amount of $740,560, so that it reached $10,744,410. It was in 1912 that the Ocean first reported a premium income of over $10,000,000, this being the first occasion on which this figure had been reached by any British company transacting casualty business exclusively. It is matter for satisfaction that not only has the record of 1912 been repeated, but that the premium income has made a further considerable step forward. During the last three years, since the arrangement with the Commercial Union, the advance in premium income has been no less than $2,445,575—a sturdy growth indeed, but only, it may well be believed, the precursor of even larger figures in future years.

The excellent quality of the business acquired may be judged from the claim record. Claims paid and provided for absorb $5,703,010 being 53.1 per cent. of the premium income. This compares with 50.5 per cent. in 1912, but it may be noted that the increased percentage is accounted for by the fact that the amount of provision for claims outstanding has been provided for on an even more liberal basis than before. The experience in regard to expenses was likewise favorable. The total expenditure on this account was $3,906,190 equal to 36.3 per cent. of premium income against 36.6 per cent. in the previous year. While the percentage decrease is not large, on so extensive a business as that transacted by the Ocean, this apparently small decrease represents actually a considerable annual saving. Interest receipts came to $432,355, and, after the unearned premium reserve had been increased from $3,636,240 to $3,857,910, there remained a clear profit from underwriting and investment of $1,345,895, the corresponding return a year ago having been $1,171,945.

A Strong Position.

As a result of the year's operations, the funds of the Corporation (apart from the provision for outstanding claims, $3,555,000, and paid-up capital) were augmented from $8,615,840 to $9,795,750. The figures of the balance sheet make an excellent showing. Total assets are $14,829,525, an increase of nearly 1½ millions upon last year's total of $13,431,270. The investments are in the highest class of securities, and at the annual meeting it was mentioned that the special provision of $200,000 made for their depreciation has since been more than recovered, so that the $15,000,000 mark in assets has virtually now been passed.

The Ocean has been operating in the Canadian field nearly twenty years, and under the direction of Mr. Charles H. Neely, of Toronto, general manager for Canada and Newfoundland, its interests are being steadily extended on conservative lines. Bearing in mind the Ocean's great strength and favorable position to take care of future developments, it is to be expected that its Canadian business will continue to show marked progress.

CANADIAN FUNDS IN FOREIGN CENTRES.

The subject of the balances of the Canadian banks in New York and London is discussed by a correspondent of a New York financial journal, who says in part:—"Some parties think the Canadian Pacific Railroad cash reserve has been accumulated with the view of taking advantage of possible bargains to result from the difficulties of other railway companies in the Dominion. Expenditures for that purpose would likely be called for in London and probably some funds would be kept on the other side of the Atlantic for the purpose—if those surmises are founded on fact. However, it is to be noted that sterling exchange at New York has been ruling at high levels for quite a while. There would be strong temptation to sell sterling bills in New York and put the funds into call loans on this side. Considering that the funds could be transferred so advantageously, perhaps it would be safe to say that the Bank of Montreal has been selling London bills on balance.

Command of Cash Resources.

With this increase in call loans at New York and London the Canadian banks' command over the cash resources of the two big centres again rises to formidable figures. There is, first the call loans abroad, and London, $27,617,926; then their holdings of bonds and other securities with an international market, lodged at New York and London, must be fully $70,000,000 (total securities held on February 28, were $103,739,000).

So the aggregate command over the resources of the international centres must be in the neighborhood of $240,000,000. There is no possibility of this huge sum being called to Canada in the shape of gold, but it nevertheless constitutes a most valuable safeguard against serious financial disturbance at home in Canada."

The City of Montreal will shortly issue through the Bank of Montreal, a new $7,300,000 40 year 4½ p.c. loan at a net price of 97.40.