

ROYAL INSURANCE COMPANY LIMITED.

Year by year the Royal Insurance Company moves majestically onward, achieving new fame, greater power, a wider circle of influence. Directed by a management that has always happily combined ability and discretion, the Royal long since attained the goal of all fire offices—a position where its great wealth and ample resources make it practically invulnerable. The record of this great Company includes successful encounters with exceptional experiences—disasters of the first magnitude—that have well proved its strength. It is only necessary again to recall the incidence of the San Francisco disaster to provide conclusive evidence of this fact. Following that disaster, the Royal paid out in losses no less a sum than \$6,250,000. In the four following years, it restored the ratio of its reserve to the level at which it stood prior to that disaster while it also wiped out the draft upon floating funds which the payment of losses entailed. Since then, in 1911 and again last year, the position of the Company has been yet further strengthened. With total assets at the present time of nearly \$103,000,000 and a premium income of over \$31,000,000, all indications point to continued success and prosperity, a natural extension of the vast operations and a steady increase in wealth and resources year by year.

A FAVORABLE EXPERIENCE.

The following is a comparison of the Company's fire business for 1912 with that of 1911:—

	1912.	1911.
Premiums after deduction of re-insurances.	\$19,991,336.75	\$19,240,264.20
Net Losses.	10,132,172.55	10,240,225.97
Ratio of Losses to Premiums	50.7	53.2
Fire Fund at end of year.	16,060,000.00	14,600,000.00

Again last year a new high record in the amount of premiums received was achieved, and that, as the Chairman pointed out at the recent annual meeting, without any forcing or strain. The advance of some \$750,000 represents a purely natural development, and brings the Company to a point where its fire premium income is practically \$20,000,000 a year. The loss experience of the year was favorable, the claims of \$10,132,172, equal to 50.7 per cent. of the premiums being actually as well as relatively lighter than the satisfactory experience of 1911, and much below the Company's average during its entire career. It is interesting to note that since its organisation, during the 67½ years from June, 1845, to December, 1912, the Royal has paid out in fire losses an enormous sum aggregating almost \$240,000,000.

IMMENSE RESOURCES.

After meeting all losses and expenses of the year, the Royal returns a fire underwriting surplus for 1912 of \$2,551,070. Of this surplus, \$1,460,000 is transferred to the Fire Fund, raising that fund to \$16,060,000. Besides this Fire Fund, there is available to meet the obligations of the Royal's fire department, a reserve fund of \$7,786,667 and a profit and loss balance of \$5,132,834, making with the Fire

Fund of \$16,060,000, a total of \$28,970,501, equal to 145 p.c. of the premiums of 1912. It is a position of very great strength.

As usual, we show in the following table the Royal's net premiums, net losses and loss ratio since the opening of the present century. It will be readily seen that since 1901 the fire premiums of the Company have increased by nearly 64 per cent., while the normal experience has been such as to allow the building up of reserves of such substantial character as to permit conflagrations to be met with equanimity.

	Net Fire Premiums.	Net Loss.	Loss Ratio.
1901.	\$12,213,000	\$7,225,000	59
1902.	13,448,000	7,038,000	52.3
1903.	13,862,000	6,749,000	48.8
1904.	14,578,000	8,443,000	58 *
1905.	14,863,000	6,700,000	45
1906.	16,699,000	13,145,000	78.8†
1907.	17,860,000	8,559,000	47.9
1908.	17,975,000	9,439,000	52.5
1909.	18,436,000	9,026,000	48.9
1910.	18,956,000	9,369,000	49.4
1911.	19,240,000	10,240,000	53.2
1912.	19,991,000	10,132,000	50.7

*Baltimore and Toronto conflagrations.

†San Francisco conflagration.

THE LIFE DEPARTMENT.

It is truly said of the Royal's life department, that "judged by its performance, the aim of the Royal in regard to its life department has been to maintain such an impregnable position that the assured might come to rely almost as confidently upon its bonus results as upon the due payment of the original assurance." For no less than 45 years the Company has paid the same rate of profits on its participating contracts. Last year, the Royal issued new life policies for \$8,759,985. Total premiums for the year, after deducting reassurances, amounted to \$3,837,357, and interest, less income tax to \$1,806,527. Claims including bonus additions absorbed \$3,459,523. The life fund, which at the beginning of the year stood at \$48,018,015 was increased at its close to \$49,514,489.

THE ROYAL IN CANADA.

The Royal entered the Canadian field so long ago as 1851 and occupies in the insurance activities of the Dominion that prominent position which is commensurate with its ample resources and great strength. Its Canadian manager, Mr. William Mackay, and assistant manager, Mr. J. H. Labelle, are well-known throughout the Dominion, and under their able direction a large and increasing fire business is transacted in all parts of the country. The Royal's life department, of which Mr. R. A. Mannings, of Montreal, is secretary, also shows steady expansion in its Canadian business. The magnificent position occupied by the Royal and the skill of the Canadian management are sound guarantees that with the expansion of the underwriting field throughout the Dominion, the Royal's Canadian interests will grow year by year, becoming an increasingly important factor in the progress of this great Company, on whose future development he would be a bold man who would set limitations.