

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED

The rate of continued progress and development of the Liverpool and London and Globe Insurance Company Limited, even when handicapped by all the disabilities incident to a world-wide state of war, is indicated in the fact that whereas at the annual meeting three years ago, it was reported that the total income, for the first time, exceeded \$25,000,000, the total income for 1916 was substantially in excess of \$30,000,000. So handsome an increase, during a period almost the whole of which has been marked by hostilities, suggests a high degree of adaptability to circumstances, as well as unremitting energy, and is a glowing tribute to the ability of Mr. A. G. Dent, General Manager. Owing particularly choice fire insurance connections, the Liverpool and London and Globe enjoys, throughout its world-wide field, a magnificent reputation for financial strength and reliability that is only enhanced by the opportunities which arise from time to time for fresh display of the Company's characteristics. The Company's great popularity is undoubtedly due to the prompt, honest and liberal manner in which it has always settled not only small claims but large claims. Possessing immense financial resources, enjoying a reputation for service to policyholders second to none, and administered with both energy and skill, the fine record of safe and profitable expansion made by the Liverpool and London and Globe in past years is, evidently enough, a prelude to even greater achievement.

THE FIRE DEPARTMENT'S YEAR.

Following a rise of \$543,735 in 1915, the premium income of the fire department showed a further expansion last year of nearly \$300,000 to the new high record level of \$16,315,545. Associated with this growth in premium income, was a loss experience which, while not differing widely from that of the previous year, can be considered a favourable one. In actual amount, losses last year absorbed a little over \$90,000 more than in the preceding year—\$8,921,470 against \$8,830,230—but their proportion to premium income was only 54.68 per cent. against 55.06 per cent. in 1915. In consequence of the leading position occupied by the Liverpool and London and Globe in fire underwriting in the United States, experience in that field is reflected in the results reported by the fire department as a whole. A series of conflagrations left their impress upon results derived last year from the United States. Experience elsewhere in the foreign and colonial field, except in Canada, was particularly favorable, while at home losses were again above the average, as a result probably of the exceptional circumstances under which British industries are being conducted.

Expenses of management, commission, contributions to fire brigades and foreign State taxes together absorbed \$5,737,990 or some \$77,000 more than in the preceding year. Taxation, an expense not within the Company's control, shows a constantly upward tendency. The ratio of expenses to premiums was, however, no higher than 35.17 per cent., comparing with 35.30 per cent. in 1915.

A STRONG FINANCIAL POSITION.

The Company's funds continue to be maintained at such levels as to afford policyholders the very finest protection. In addition to the specific fire reserve funds of \$11,526,215, (comprising a 40 per cent. reserve for unexpired risks and an additional reserve of \$5,000,000), there is also maintained a general reserve of \$5,000,000, which, with the balance on profit and loss account of \$3,331,825 (as at December 31) makes total funds of \$18,189,865 available to protect fire policies, an amount equal to about 122 per cent. of the net fire premium income for last year, apart altogether from the large subscribed capital, of which \$1,327,625 has been paid-up. The total assets of the Liverpool and London and Globe aggregate \$74,346,765 and, since its establishment, just over eighty years ago, the Company has paid in claims no less a sum than \$431,806,970.

THE ACCIDENT DEPARTMENT.

The Company's accident branch, transacting the various lines of miscellaneous insurance, made great strides last year. Premiums increased \$1,160,000 to \$6,961,950, against \$5,802,075. In view of the fact that this department of the Company's activities is a comparatively recent innovation, this large increase in turnover indicates much enterprise in the conduct of the business. Claims while not reaching the exceptionally low level of 47.86 per cent. reported for 1915, yet made a favorable showing of 51.15 per cent., while the results of the year were enhanced by a marked reduction in the expense ratio, which was brought down from 40.56 per cent. in 1915 to 37.76 per cent. in 1916.

THE COMPANY IN CANADA.

The Liverpool and London and Globe writes a very large fire insurance business throughout the Dominion in its own name, and carries on operations also through subsidiary and controlled companies. Total Canadian fire premiums last year aggregated almost \$1,600,000. Established in Canada in 1851, the Company enjoys not only the advantages of a very fine organisation from coast to coast, but derives the benefits incident to a reputation won by nearly seventy years' admirable service to Canadian policyholders. Under the control of Mr. J. Gardner Thompson, as Canadian manager, aided in recent years by Mr. Lewis Laing as assistant manager, substantial success has attended the Company's operations. Last year, the Liverpool and London and Globe received Canadian net fire premiums of \$1,320,340, net losses incurred being \$794,902. The Liverpool-Manitoba Assurance Company, which is owned by the Liverpool and London and Globe, received additionally last year net fire premiums of \$233,550, incurring net losses of \$104,090. The Hamilton Fire Insurance Company, control of which was purchased by the Liverpool and London and Globe in 1915, and now carrying on its operations under Dominion license, received net fire premiums last year of \$41,186, net losses incurred being \$21,038. Accident business in Can-

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