

PHOENIX ASSURANCE COMPANY, LIMITED

The annual general meeting of the above Company was held on 30th April at Phoenix House, King William Street, London, E.C., the Right Hon. Lord George Hamilton, P.C., G.C.S.I., presiding.

Mr. E. A. Boston (Fire Manager) having, in the absence of Sir Gerald H. Ryan (General Manager), read the notice convening the meeting, the report and accounts were taken as read.

Directors' Report.

The directors have the pleasure of submitting their report on the business of the Company for the year ending 31st December, 1918, the 137th year of the Company's existence, together with the accounts duly audited.

The Chairman: The accounts for the year 1918 are associated with a steady progress in business and profit. I will take one by one each branch of our operations and give the detailed figures of the year's business.

Excellent Fire Profits.

Our fire business, which is the main prop of our organisation, gives the lowest loss ratio for many years past, and the highest profit. Expansion was due rather to increased values than to special efforts, as the War usurped and retained the energies of so many of our propagandists. But, whatever may be the course of prices as regards commercial commodities, the cost of building and of the materials involved in building are still so abnormal that it is a question whether insurances do not require to be further increased in order to keep pace with the expense of re-instatement. If this sound maxim be accepted, we may reasonably expect to see a substantial increase in our premium income. The thanks of the shareholders are due to our officers in this important department, at home and abroad, for their very successful efforts. We made successful advance in nearly every region at home, in the United States, Canada, and other parts of the Foreign field. We wish specially to congratulate Mr. Boston and his coadjutors upon the improvement both last year and this year in our United States business. This branch of our work in years past was not working satisfactorily or giving us an adequate return upon our large premium income. By incessant work and supervision the operating machinery there has been improved, and the good return of the past two years is not in my opinion an evanescent gain, but one which I am confident will be continuous.

Ordinary Marine Business Stable.

In Marine Insurance there was to some extent a reaction during the year under review from the special conditions of the preceding years. War risks, which had tended to augment our premiums in 1917 to the highest attained figure, fell off in the early part of the year and ceased altogether towards its close. Our total premiums consequently fell from £2,411,564 to £1,273,360, but the

income from ordinary marine risks remained steady, and this is the item to which we must in the future look for the Company's business. The large profit of £435,266 is now brought into account, but this I should explain, in order to avoid misunderstanding, was the result of the operations of 1917, not 1918, and in accordance with the practice of marine insurance is brought into the 1918 account.

It will be noticed that the marine fund declined from £1,693,444 to £1,190,975, and here again a special word of explanation is needed. The balance carried forward in the marine account always contains a large proportion of the premiums received in the year, which have to be kept in hand to provide for outstanding liabilities. Hence the sum held in reserve at the end of 1917, out of premiums amounting to £2,400,000 was necessarily greater than that required to run off the risks covered by the premiums of £1,200,000 received in 1918. It does not, of course, follow that the Company's operations were less favourable in 1918 than in 1917 simply because the fund was smaller. In normal times such fluctuations are, however, rare; their occurrence last year was due to the material changes introduced by the falling-off of our War business. We contemplate the future of this department without serious concern, for while the market is over-crowded with a host of competitors, attracted by the favourable experience of war business, our long-established connections, and the skill of our expert advisers under Mr. Sandeman Allen, may be counted upon to avoid pitfalls and give us satisfactory results.

Accident Department.

There is not much to add to the plain story told by the accounts of the Accident Department. Both as to premiums and profit 1918 repeated the results of 1917 very closely. This branch of our business is very small compared to what we do in other spheres of insurance, and our directors are giving their special attention to the extension of this branch of the Company's work.

Life Contracts and Unfair Taxation.

It is, perhaps, not too much to say that a turning point was probably reached last year in the fortunes of life assurance business. The havoc in the ranks of our assured caused by the war has now ceased, and the exhaustive effect of depreciation in the value of assets was, for the first time for many years, no longer experienced. Thus two great sources of weakness were stemmed, and life assurance prospects are much brighter in consequence. I suppose no one can confidently say that we may not have to encounter a further fall in prices of securities before our Peace finances are finally re-adjusted, but I hope that the serious attrition of our funds which we have suffered in recent years will never recur. Heavy and unfairly