RAILWAY PASSENGERS ASSURANCE COMPANY

Great changes have taken place since the Railway Passengers Assurance Company first started on its useful career nearly three quarters of a century ago; and the title of the Company no longer indicates the scope and variety of its operations. Competition has become desperately keen, and the Companies with many departments—the modern insurance "stores" have to be reckoned with. The Railway Passengers, no doubt, must feel the full force of this competition, but the old Company, keeps well up to date, in the facilities it offers in its special domain, which include Accident, Health, Employers and Public Liability, Motor Car, Elevator, Teams, Plate Glass, Burglary, and Fidelity Bonding.. The Company has built up a great reputation for prompt and equitable dealings with its clients, and it may well be assumed that a continuance of public favour is assured to it.

The business transacted by the Railway Passengers has expanded considerably, and is retaining its old characteristic of excellent results. For the year ended 31st December, 1919, the net premiums amounted to $3,438,640, as compared with $2,908,455 in 1918 and $2,384,385 in 1917. These figures indicate a growth in premium income during the past two years of $1,054,255. The interest from investments for the year under review amounted to $203,005. The business showed the excellent profits of 13.43 per cent. The Employers Liability and General Funds of the Company were substantially increased during the year. The Assets were increased during the year from $5,757,715 to $6,457,145, a growth of $700,000, Insurance Funds total $2,460,535 indicating an increase of $689,870 as compared with 1918. The balance to Profit and Loss is $2,603,255.

The Railway Passengers, under the conservative management of Mr. F. H. Russell has been operating in Canada for the past 18 years. Its business has been carefully selected, and the wise policy continued of looking more to quality of the risk rather than undue expansion of income. This policy has been well justified by results. The popularity of the Company and its high prestige is well maintained throughout the Dominion as is evidenced by the satisfactory growth in its business recorded each year.

Marine Outlook Cloudy and Unsettled

The general slump in the marine insurance market was thus commented upon by F. W. Pascoe Rutter, general manager of the London & Lancashire Fire, at the recent annual meeting in London of the Standard Marine, of which he is chairman:

"The war brought about a transitory prosperity, marine companies made unlooked-for profits, but this precipitated competition, and with 110 British companies now transacting direct marine business —as compared with 47 in 1914—it is perfectly logical that we should now be encountering reduced rates and weaker conditions. Simultaneously, the last 4 or 5 months have witnessed a series of important losses, happening in many cases to deteriorated hulls or to the inferior type of vessel hurriedly constructed during the war. Another adverse feature—part of the 'flotsam and jetsam' of the war—is the heavy incidence of loss due to theft and pilferage, which, with other abnormal conditions, must have an influence for some time to come. For the present the barometer of marine insurance business has gone back and one may accept as reasonable the forecast cloudy and unsettled; visibility indifferent.' "

Rate of Interest Earned by United States Life Companies

An interesting tabulation showing the rate of interest earned on mean invested funds of forty-four of the oldest life insurance companies in the United States is published by the Spectator, New York, for the year ended 31st Dec., 1919. It shows that the rate of interest earned by them was 4.85 per cent. While this is slightly lower than for the four years immediately preceding, it is nevertheless higher than in any year prior to the World War, and is higher than the general average for the twenty-year period from 1900 to 1919, inclusive which is 4.80 per cent.

The enormous investments by life insurance companies in Liberty Bonds, none of which yield as much as the average rate earned for the year, may be cited as one factor in the downward tendency of the general rate of interest earned. Then the default in interest payments on bonds of foreign countries in which a few of the large companies had investments, together with the subsequent elimination of such foreign business entirely from the books of those companies, had some effect on the combined rate. Lastly, the heavy writing of new business by most of the companies, particularly during the last three months of 1919, caused an accumulation of uninvested funds at the end of the year of which there was little or no time or opportunity to make satisfactory investments yielding a suitable rate of interest.