

HOW CHINA CONDUCTS ITS BUSINESS

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from France and America. Certain of these shops are in a way departmental stores. Two of them maintain excellent provision departments, and one has an extensive furniture factory which is run in connection with the business.

The nearest approach to the modern departmental store are two large concerns which have been established in Shanghai within the past year. These are large and handsome shops, each five stories in height, with lifts and all modern appliances. They are owned, managed and manned entirely by Chinese, no foreigners whatever being employed in any capacity. They have motor car deliveries to all parts of Shanghai, and are open every day in the year, Sundays included. They deal in all the lines usually found in departmental stores, and handle Chinese as well as foreign goods. These two shops are constantly crowded on every floor, and the yearly turnover in sales must be very large.

Of next importance to these large shops in the retail sale of foreign goods are probably the provision dealers; these are often called compradores or storekeepers. Certain of these dealers do a very large business; they are usually able to undersell the foreign stores by 10 to 15 per cent., and so have among their customers many foreign people.

EMPLOYERS' LIABILITY ASSURANCE CORPORATION LIMITED.

There is no similar undertaking that we know of which within the same space of time, has attained to such gigantic proportions or achieved so brilliant a success as the Employers' Liability Assurance Corporation. That its business continues to expand at an unprecedented rate, was evidenced at the 38th annual meeting held last month in London. The results would also indicate that the large volume of business written is sound in quality, in addition to being remunerative to a most satisfactory degree. The chairman, Lord Claud Hamilton in submitting the report to the shareholders said: "I should be failing in my duty if I did not refer specially to the admirable management in the United States of our manager, Mr. Appleton and his State agents, and in Canada to our manager, Mr. Woodland, and to Mr. Jenkins, our fire manager. These gentlemen have loyally and ably carried out the instructions of the London board."

Simplicity itself is embodied in the clear and concise manner in which the gigantic results attained, are set forth in the accounts. The total premiums for 1918 were \$25,473,509 compared with \$16,983,154 for 1917. This large increase of no less than \$8,493,355 is all the more notable as the increase in premiums for previous year was the largest that had ever taken place in the Corporation's history. It is again satisfactory to note that the increase for 1918 was derived from

every country operated in and in every class of business. The payments under policies amounted to \$10,343,912 figuring a ratio of 40.6 per cent. compared with a ratio of 45.8 per cent. for 1917. After payment of commissions, expenses of management, etc., the insurance fund was increased from \$12,783,498 to \$17,879,624, a growth of \$5,096,126. This fund is equal to 70.2 of the premium income of 1918.

The Employers' Liability may claim to have initiated the policy of confining dividends to interest earnings. The dividends now payable free of income tax are more than covered by net interest receipts of \$722,350. Details of the balance sheet given on another page show total assets have increased from \$21,379,580 to \$30,710,362. Total reserves aggregate \$26,049,711. Investments in the highest class of securities total \$23,385,139 yielding annually a good rate of interest. Cash in hand and on current account amounted to \$966,300 compared with \$705,298 the previous year. Combining the investments and cash gives a total of \$24,351,439 at Dec. 31st, 1918, as compared with \$16,338,060 at Dec. 31st, 1917. There is the very large increase in these two items of no less than \$8,013,379.

The Corporation in Canada.

The Corporation has been operating in Canada for many years, with a strong organization, under exceptionally able management in both fire and casualty insurance, and notwithstanding the inroads in workmen's compensation business by some of the Provincial Governments, the Corporation completed the biggest year's business in its history in Canada, the total premiums amounting to \$2,067,009.

The premiums received are divided amongst the different classes as follows, viz:—Liability and Workmen's Compensation, \$659,797; accident, \$110,571; health, \$60,458; guarantee, \$75,242; burglary, \$876; automobile (excluding fire), \$166,530; automobile (including fire), \$43,409; fire, \$666,399; hail \$283,727.

During the year the Corporation took out licenses for hail, burglary, boiler and plate glass insurance, but has not yet commenced operations in the two latter classes.

The general results of the year's operations were satisfactory and particularly so in the automobile, hail and fire branches, the loss ratio in the latter being 45.52 per cent. The average loss ratio of the Fire Department in Canada, covering the eight years since it was organized, has been unusually favourable under the management of Mr. John Jenkins, Montreal.

A large organization in the various casualty lines including automobile insurance has been built up by the Employers' Liability in Canada. Mr. C. W. I. Woodland, of Toronto, general manager of the Corporation for Canada and Newfoundland, is recognized as an able casualty underwriter.