

year by the application of the experience we have gained from the investigation of the results of the various descriptions of risks. We must, however, be careful not to assume that by any care we can secure an immunity from loss. No care will protect this or any other company from occasional heavy loss from fire. Constant changes are taking place in all classes of risks; new processes of manufacture are introduced, and many of them we find by experience increase the danger of fire; machinery is driven at a much greater rate of speed to meet competition amongst different classes of manufacturers, and I need not tell you that this is not unattended with risk to insurance companies. The higher the rate of speed at which you drive machinery the more subject you are to fire from friction and other causes. These are matters all requiring careful and constant attention; and we must therefore expect in future what we have experienced in the past,—namely, isolated years or sometimes even cycles of years in which we shall experience heavy loss. Nevertheless, the same watchfulness of results that has rendered our business profitable so far, will, it may fairly be hoped, make it equally profitable in the future. The abolition of the duty on fire insurance appears to present a favourable opportunity for the profitable extension of our business. The classes hitherto deterred from insuring by the late excessive impost, consisted principally of the owners of private property, and if they are now induced to avail themselves of the protection afforded by insurance offices, a considerable increase of the most desirable kind of business will be secured, but many people have been so long accustomed to be their own insurers, that it may be believed that the growth of business from this cause would be slow, although sure. I have no doubt that every prudent man in future will insure his property, and in a few years the bulk of the property of the country will be insured, which hitherto certainly it has not been done. But I warn you at first not to expect any very great growth of business from this cause. The progress will be slow, probably, but it will, nevertheless, be sure. Still the abolition of the duty is a boon to the country at large, and one which we hail with great gratitude. We, with the other offices of the country, and all mercantile associations, have struggled hard for the abolition of the duty, and we have no doubt obtained a great advantage—the country at least has obtained a great advantage from the abolition. In the meantime, however, we lose near £4,000 per annum by the loss of the poundage on the duty which has hitherto been allowed by Government to the companies for collecting the duty. Now, gentlemen, I don't think, on the whole, you will consider our affairs unsatisfactory. The general result is before you. The profit, taken altogether, for the year 1868, amounts to £57,282. The dividend and bonus which the Directors recommend will amount to £34,359. The balance, therefore, will be £22,923. Out of this we propose to carry to the reserve fund £12,266, leaving a remainder of £10,657 to be carried to the profit and loss account. The total result, then, will be the following: Reserve fund at the end of 1867, £122,174; upon this interest has accrued during the year 1868 amounting to £5,560, and we propose now to carry to it from the profit of 1868 £12,266. Therefore, the reserve fund, which, on the 31st December, 1867, amounted to £122,174, will, at the end of 1868, amount to £140,000. The profit and loss account, at the end of 1867, we left with a balance of £17,892; and, with the addition of the profit of 1868 of £10,657, will amount, at the end of December, 1868, to £28,549. Therefore, the total amount of the reserve fund and of profit and loss at the end of 1868 amounts to £168,549, against a total at the end of 1867 of £140,000. Therefore we will be better, after paying your dividend and bonus, at the end of 1868 than we were at the end of 1867 by something like £28,550. Well, gentlemen, I trust that will satisfy the shareholders. The results of the life business for the year are, I think, a very fair subject for

congratulation. The amount of new insurances for the twelve months ending the 31st December last, as stated in our report, is £703,172, being an increase of £50,000 on the preceding year. The shareholders will remember that the quinquennial division of the life profits will take place next year; and upon this subject let me remark that, although the life business has been profitable, it must not be forgotten that the great advantage obtained from the careful selection of lives is during the earlier years of their insurance, and that much of that advantage is lost as the lives become older. It becomes, therefore, necessary to obtain, as far as possible, an increase of new lives to keep up the advantage we have enjoyed in the earlier years of the company. It will be seen then how deep an interest the shareholders have in supplementing the efforts of the directors to increase the business of this department; and if we are to look for the same ratio of profit in the future which we have had in the past, you must give your active assistance in obtaining new assurance upon good lives for the company. Assurance companies must always have great difficulties in bearing up against the obstacles presented by an entirely indifferent proprietary, while, on the other hand, there is hardly a limit to the success which might be achieved if the numerous and respectable body of the shareholders would actively exert their influence in obtaining new assurances from their friends and relations. In his report on the investigation of the life business, on the occasion of the last quinquennial division, our late valuable Manager, Mr. Dove, made the following remarks, which bear on this subject:—"The efforts of every one interested in the Royal Insurance Company require not to be relaxed, but renewed and increased. Any approach to so unusual a bonus"—that is the bonus given in the last quinquennial division—"in the future would require the strenuous efforts of every shareholder to keep up at a fair ratio the amount of new business year by year. It would be unwise, I repeat, to anticipate too much as respects the future from the present extraordinary advantage obtained as the consequence of a good selection of lives." This bears upon the importance of all shareholders assisting the directors in obtaining, as far as possible, new business for the company. The entire revenue of the company, gentlemen, is now close upon £800,000, which is a magnificent revenue for any company to obtain. To the exertions of the agents—for I must give a word of praise to them which is well deserved—we are justly indebted for the immense business we have secured. To the care they have exercised in investigating the character of proposers, we are in a great measure indebted for the profitable results of the fire business, and I believe that generally they look zealously after our interests, and there is growing evidence of the care they exercise in selecting their insurers, and in the description of the risks they forward to the office. The Chairman concluded by moving the adoption of the report and statement of accounts, calling upon the Mayor to second the resolution.

His Worship the Mayor of Liverpool said:—"I have great pleasure in seconding the motion. It appears to me that life insurance has not been sufficiently understood, and that its advantages are not rated as they ought and would be on due consideration. There is an argument in favor of life assurance that has not had sufficient attention in a commercial town such as Liverpool, and it is one that will recommend itself with peculiar force to all business men. We all know how difficult it has been for a year or two to realise various descriptions of securities, thoroughly good in themselves, but unduly depressed in value from the peculiar pressure of the times; and what serious losses have been sustained by those who have been compelled to sell. Now, when the head of a family dies, and especially if he be a man of substantial means, a considerable sum of ready money is required. But we do not all keep large balances at our bankers—to keep a large balance

at our bankers has been the exception of late, at least it has been in my case—and executors are therefore frequently compelled to dispose of property at a time when it is greatly below its real value, whereas if they had had the ready money they might have deferred the sale until a period when a reasonable price could be obtained. A life policy, therefore, makes exactly such a provision as will prevent a family being placed in such a position. It will place ready money in the hands of the executors, and will enable them to realise the property at the most convenient and eligible opportunity. How many would have escaped heavy loss could they have obtained a few thousand pounds under a life policy, and many more will feel thankful that the husband or father had prudently placed them in that position. It has been too common to believe that the advantages of life assurance are chiefly confined to men of small means, who have no other way of making a provision for their families, or professional men who have usually a large expenditure in proportion to their income; but it is really not so. Men of wealth constantly make investments in the belief that a few years they will realise handsome profits from them; but if they die in the meantime, and the property has to be sold, the anticipated profit too frequently becomes a serious loss. A life policy, too, exactly meets such a case as this. Life Assurance is indeed an advantage to all classes, and rapid as its extension has been of late years, it is still in its infancy in this country. The idea originated here; but in America the strong practical sense of the people has induced them to avail themselves of the advantages to an extent which makes the business transacted in this country comparatively insignificant. I think in this respect we should follow their example, and it is our duty as shareholders to assist the directors in every possible way to bring the matter, in the way I have indicated, before our friends and neighbours. I have great pleasure in seconding the motion.

Mr. William Orme Carter asked if the whole funds of the company, both in England and abroad, were in every respect satisfactory and intact?

The Chairman—I have great pleasure in answering that question. I believe that our funds are invested in perfect safety both in this country and abroad. The only exception I have to make is in the instance of the amount which you know was stolen in bonds in the United States. The total amount of these bonds is not recovered; but what has been set aside from the funds of the company is sufficient to make good any possible loss from these bonds, and even to leave a small profit. Therefore there cannot be possibly any loss from that source, even if we do not succeed in getting the whole amount of bonds still in the hands of those persons who stole them from us. I think in every respect the shareholders may have perfect confidence that our funds are intact, and would realise the sum at which they stand in the company's books to-morrow.

The resolution was then put and carried unanimously.

The Chairman next moved the second resolution:—

"That this meeting approves of the declaration by the Directors of a dividend of 3s. per share and a bonus of 4s. per share out of the profits of the company to the 31st December, 1868, the same to be payable on and after Monday, the 16th of August instant, free of Income-tax."

Mr. T. D. Horney, in seconding the motion, said the accounts showed that they were not only able to pay this amount, but that a considerable sum beyond that dividend had been fairly earned. The directors, however, said that that should be used in strengthening their reserve, which gave confidence to those who invested their funds in the company.

The Chairman moved the third resolution:—"It being stated that the following directors retire by rotation at this meeting, but were eligible for re-election, viz.:—Jas. Holme, Esq., Thos.