

Extracts from the "Post Magazine," 31st August, 1850.

THE ROYAL INSURANCE COMPANY.—The Annual Report of the ROYAL INSURANCE COMPANY at Liverpool, and a commentary upon it in the "Post Magazine," have become as regularly enjoined as the Queen's speech on the opening of Parliament, and the debate by which it is invariably followed. The Managers of other Offices cannot charge us with partiality in these annual notices; as the success of the Royal Insurance Company has been of so remarkable a nature as almost to give it a separate position from Assurance Societies of recent date. What may be the operations and massive results of the older Companies, such as the Royal Exchange, the Sun, the Globe, &c., &c., we have very imperfect means of knowing; as these Offices being beyond the Registrar's surveillance, are not so communicative in respect of their affairs as the Assurance Companies formed since the passing of the Registration Act in 1845—but the details furnished by the Offices included in the late Parliamentary Return, show that the Royal Insurance Company has transacted an amount of business and realized profits with which the operations of no other Society can be brought into comparison. The Annual Statement for 1848, opened with the following announcement of the result of the Company's operations—

"The statement of account which the Directors will lay before you will show—

An amount to the credit of profit and loss for the past year of.....	£27,804	2s.	4d.
To the credit of reserved fund of.....	65,268	9	4
And to the credit of Re-assurance fund of.....	25,569	3	3
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Making together.....	£108,641	14	11

It will, I doubt, be remembered by many of our readers that the Directors, hardly knowing what to do with such an immense accumulation of profit, determined upon appropriating £89,280 of the balance in hand as an addition to the original paid-up capital; which thus became enlarged to the vast sum of upwards of a million sterling; the effect of the appropriation being, that every Shareholder, who held a thousand pounds in the original stock of the Company, could, at once, turn it into £1,500 cash. This mode of dealing with the fund carried with it the double advantage of giving increased security to the Assurers whilst it afforded to the Shareholder, who might desire an immediate realization of his £500, or other amount, the means of, at once, obtaining the money by disposing of a third of his shares—the remaining two-thirds still representing the amount of his original capital in the Company's stock. We remarked upon the transaction, at the time, that

"It must have been a question of serious deliberation with the Directors what to do with this immense surplus. Its division among the Proprietors would have given to each above 56 per cent. on the amount of his shares—that is to say, a person who had invested £1,000 in the Company, would have been entitled to receive £560 as his share of the profits. Such a mode of appropriation, however, would have been most injudicious. It would have inordinately raised the expectations of the Shareholders in respect of the division of the profits in future years; it would have invited competition by the class of speculative capitalists who are eager to enter into any kind of operation presenting the feature of large immediate gain; and it would have deprived the Company of the large accession of character and power which it has secured for itself, in adding nearly the whole of the immense sum we have named to the capital previously paid up. The result of the operation announced in the Report, is as follows:—that the paid-up capital is at once raised from £178,560 to £267,840; or, in other words—that the sum of £89,280 is taken from the accumulated fund, and added to the permanent capital, from whence it cannot be abstracted for absorption in the shape of bonus or increased dividend to the proprietors. The proprietors too, on their parts, will enjoy the double advantage of having this amount worked at interest for their benefit, while the fund itself is placed in a position of *moral prominence*, if the term may be used, that will give character to their institution, and enlarge to no small extent the business in which they are engaged."

In analyzing the Report read at the recent meeting, and comparing its details with those of former years, we find that the amount received for Fire Premiums in the year 1849 is £34,469 10s. 4d.; being about £2,200 more than the receipts in 1846—rather more than the amount received in 1847—and more than £3,000 above the receipts of 1848. The entire receipts, under this head, from the opening of the Office, in June, 1845, to 31st Dec., 1848, stand as follows:—

June, 1845, to December 31, 1846.....	£54,128	19s.	0d.
Jan. 1, 1847, to December 31, 1847.....	34,187	5	5
Jan. 1, 1848, to December 31, 1848.....	31,346	1	9
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	£119,662	6	2

Forming a grand total of nearly £120,000. The claims against the Company, during the corresponding periods, were—

To December, 1846.....	£16,161	18s.	8d.
" 1847.....	12,726	5	11
" 1848.....	9,777	6	11
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	£38,665	11	0

Let us now see how the remaining balance has been affected by the business of the past year. After payment of all expenses and losses there remains in hand the sum of £27,809 17s. 1d.; more than sufficient to pay a dividend of 15 per cent. on the original Capital. The Directors, however, very prudently, determine only to appropriate the sum of £13,512 for this purpose, being at the rate of 6 per cent. on the accumulated Capital—or 74 per cent. on the original Capital. The remaining £14,297 17s. 1d. being added to the former balance brings the Re-assurance Fund up to £24,371 12s. 6d. applicable to the contingencies of the present year, or to be added to the profit balance at the end of it. The year itself is so far advanced that the Directors are enabled to afford the Shareholders some view as to its probable results. Adopting the scale of receipts for 1849, the half-year's premiums would be £17,234 15s. 2d.; whereas the receipts to the end of June last were £19,747 12s. 3d.

Extracts from the "Reporter," September, 1850.

THE ROYAL INSURANCE COMPANY.—Though strictly speaking, the history of the rise and progress of this great undertaking should have been placed under the kindred heading of "New Companies and Societies," yet upon this occasion we must depart from the plan which we have laid down for our guidance in the compilation of these papers, as we consider that an institution which, on account of its intrinsic merits, its able management, and its adaptation to the commercial wants of great industrial communities, has been enabled, in five years, to raise itself to a commercial and financial position which some of the "elder" assurance companies have never approached, and from which pleasing goal the whole of the new companies are a long way off, pre-eminently deserves to rank and take its place as a compeer with the best of the old, as it, by right, ranks at the head of the whole of the new undertakings of the kind.

From the Report to which we have referred, it appears that the revenue of the fire department last year, ending on the 31st December last, when it was £34,469 10s. 4d. exceeded the income of any year since the commencement of the company. But the business transacted from January to June in the present year exhibited a still greater increase—namely, of £4,000, or 25 per cent. more business than was transacted during the corresponding period of last year.

Of the Life Branch we have even greater success to record. In speaking of the society twelve months ago, we commented upon the fact that the claims from death had been far below the calculated average. It seems that but four deaths have occurred during the five years of the existence of the Company—just 50 per cent. less than the number that the rates were calculated to provide for!

We cannot too much compliment the Directors for accumulating a fund which, we find by calculation, would provide for six times the contingencies they can by any possibility be called upon to meet; or which fund, looking at the experience of the past, would provide for claims on account of the deaths of twenty persons, whilst during the prevalence of the greatest amount of mortality, the Company could not, unless the laws of nature were rolled back, be called upon to pay for claims on account of the death of one person in twenty assured. So much for the means of the Company to meet every demand that may be made upon it.

We thought that the success of 1848 would not be outmatched by the success of 1849. Had the ratio been kept up we should have been satisfied, and our prophecies would have been fulfilled. The men of whom we have been speaking—the merchant princes of the manufacturing hives of industry, skill, and great mechanical ingenuity, are adepts at figures; figures are as much their alphabet, as it is said their "ledger is their bible." After adding £89,280 to the capital, and paying a dividend of 2s. per share, a sum of £10,433 14s. 11d. remained, and was properly carried to the re-assurance fund in order that every *probable* as well as *improbable* contingency might be provided for, whereas at the close of the past year £27,809 17s. 1d. had been carried to the credit of profit and loss, out of which it was judged wise to pay a dividend of *Three Shillings* per share, being 5 per cent. on the accumulated capital, or 74 per cent. on the amount of £2 paid by the shareholders five years ago.

Extracts from the Report for the Year 1849.—15th August, 1850.

1.—FIRE BRANCH.—The steady progress and extension of this department are such as fully to realise the expectations formed of it. The amount of fire premiums for the year 1849, which will be found to be £34,469 10s. 4d., exceeds the sum received under that head in any other year since the Company was established.

The Premiums collected during the first six months of the present year, amounting to £19,747 12s. 3d., exhibit a still more striking advance, as they show a surplus, when compared with the result of the corresponding months of the year 1849, of no less than 25 per cent.

The Directors think they may ground on the experience of the past, a well-founded anticipation, that the further development of this branch of their business will form the congratulatory subjects of future reports.

2.—LIFE BRANCH.—The position of the Life Branch of the Company is such as to give full satisfaction: and the Directors may here likewise lead the proprietors with confidence to look forward to the time when the amount receivable for Life Premiums will form an important item in the revenues of the establishment.

One life only has dropped during the course of the past year, and since its close small claims have become payable on the deaths of two others. The total number of deaths, therefore, in five years, has been but four; whilst if the average age of the lives insured by the Company be taken, and a computation be made, founded on the mortality known to prevail among insured lives, it would appear that the deaths in that period of time should have been no less than ten.

Taking the important test which the *quality* of the lives selected by the Company gives, the *proprietor* may hope that this department will, in future years, become the means of adding an increased permanent value to his property, while the *life assurer* in addition to his consciousness of *perfect security*, may indulge the expectation of an important ultimate benefit to his policy in the shape of a rapidly accruing profit which the continuance of a minimum rate of mortality would insure.

The report for the year 1848 stated that after the adoption of the plan proposed of capitalising £89,280, and paying a dividend of 2s. per share, there would remain but the sum of £10,433 14s. 11d., as a re-assurance fund to meet any possible contingency.

It will be gratifying to the shareholders now to learn that no adverse circumstances having taken place, the statement which will be presented to them will show an amount to the credit of profit and loss of £27,809 17s. 1d., as the result of the business for the year 1849.