

## NORTHERN ASSURANCE COMPANY.

Established in the Scottish city of Aberdeen some eighty years ago, the Northern Assurance Company, Limited, forms a striking example of business success achieved through the continued pursuit of a policy of prudent conservatism. Upon solid financial foundations, a vast business, world-wide in character, has been built up and is being steadily extended, circumstances, even last year, making it necessary to enlarge the Company's organisation in South America. The Company, of course, offers its policyholders an unassailable security for the fulfilment of every contract, and is everywhere held in the highest esteem for its methods of business. Under these circumstances, its continued progress, both in the extent of operations and in financial strength, even under such difficult circumstances as those of 1915, is in the nature of things, since the Northern is in the position of being able continuously to cultivate to the fullest extent its widely-distributed connections. In common with other British insurance institutions, the Northern found itself severely handicapped last year through dislocation of staff. Of the 262 members of the staff of military age, practically all, at the date of the annual meeting, were serving with the Colours, or had enlisted, and unfortunately seven have been killed and three are missing.

### THE RECORD OF 1914.

The Northern last year shared in the favorable fire experience which is generally reported by the great British insurance companies. The premium income showed a moderate expansion of \$17,455 to \$6,609,145, the inevitable reduction in business on the Continent of Europe having been more than made good by an increase in home business. Losses amounted only to \$3,395,300, a decrease of over \$400,000 from those of 1914, giving the satisfactory ratio to net premiums of 51.4 per cent., compared with 58.1 per cent. in the preceding year, and a general average of 57.1 per cent. from the beginning of the Company's business. Expenses absorbed \$2,494,140, giving the same ratio to premiums of 37.8 per cent. as in the previous year.

The very fine security enjoyed by the policyholders of the Northern is shown in a statement of the funds available for their protection. The reserve for unexpired risks is maintained in the high ratio of 50 per cent. of the 1915 premium income, equal to \$3,297,890, and in addition a conflagration reserve of \$6,000,000 is held. So that the fire funds of the Northern, including the balance of profit and loss account carried forward of \$605,175, amount altogether to \$10,293,065, giving the high proportion of about 150 per cent. of the fire premium income last year, apart altogether from the paid-up and subscribed capital. It is evident that the Northern is exceedingly well-equipped to meet any possible contingency that may arise and that the heaviest conflagration losses likely to be encountered can be met with equanimity. The total assets of the Company are now in excess of \$42,000,000 after the investments held have been written down to existing market values.

### THE NORTHERN IN CANADA.

While transacting in other fields many varieties of insurance, the accident business having shown particularly rapid growth in recent years, in Canada, where the Company has been established

since 1867, the Northern confines its activities to fire insurance only. For fully thirty years now, its affairs in Canada have been in the charge of Mr. Robert W. Tyre of Montreal, a veteran underwriter held in high esteem by his *confreres*, under whose management the Northern's traditional policy of conservative underwriting and liberal treatment of policyholders is fully continued. The Northern's Canadian business is steadily increasing in importance. Last year's net premiums received in Canada totalled \$770,010, an increase of \$34,000 upon the preceding year. A favorable loss experience was secured, net losses incurred being only \$402,790, a ratio to premiums of 52.31. Both the Northern and its Canadian management are worthy of the utmost confidence on the part of the insuring public.

### SCRAPS OF PAPER.

It was obvious that the President of the Indomitable Life was a very busy man! At the moment I sat down beside his desk he was engaged in signing a large number of policies that lay before him.

"Your present employment must be a very pleasant one," I said.

"Yes and no," he answered, smilingly.

"Why the negative? Are you afraid that too many of the policies you are signing will find a resting place in Death Claim Envelopes within a short time?"

"Not a bit! Possible mortality is the least of our worries. All provided for."

"Then why?"

"I never sign a policy without a very serious thought that insists upon coming into my mind. I mean, as to the length of time the policy will be kept on the books."

"Just what I said! You are afraid of Death Claims."

His smile was a little weary as he answered quietly:—

"The Indomitable writes a large amount of new insurance every year; so large that if it were all paid for and continued in force, the Company would in a very few years be of tremendous importance, quite irrespective of how many policyholders might die. But, the 'not takens,' the 'lapses'—"

"Do you know," he continued, "When I am asked to decide upon an application, I can tell, in large measure, whether the policy is to be taken in good faith and will probably be continued until death or maturity. This knowledge is almost intuitive and any experienced insurance official will confirm what I say."

"Then why not take that kind only?"

"For a hundred reasons—mostly foolish reasons. Unfortunately, they may all be boiled down to one fundamental reason—*competition*. If we had real co-operation between the companies and got together as common sense business men should do, we would all be better off, and my signature would not so often be appended to a mere 'scrap of paper.'"

ALPHA