

COMMERCIAL UNION ASSURANCE COMPANY LIMITED

The results chronicled for the year 1919 indicate a record of expansion, in all departments for the Commercial Union. That it has been possible to exceed the magnificent records of 1918, is a result calling for hearty congratulation. Known as a great composite office, operating in fire, life, marine and accident, the total income of the Commercial Union for the year under review amounted to nearly \$76,000,000 as against \$64,653,015 in 1918.

In the course of his remarks when presiding at the annual meeting the chairman said: "It is difficult to imagine a more satisfactory balance sheet. No doubt we could have declared a bigger dividend, but shareholders must remember that very much of the honey on their bread, has been gathered from the flowers of the past. A conservative policy has reigned at this board and I am sure that it will always continue to reign."

Fire Department

The net premiums received during 1919 amounted to \$30,164,130 showing an increase over the 1918 figures of \$3,851,740, following an increase over 1917 of \$3,582,555. In the last two years, therefore, the fire premium income has been raised \$7,434,295.

Against this enormous turnover, claims paid and outstanding absorbed \$12,913,315, representing only 42.8 per cent. of the net premium receipts, as compared with 42.3 per cent in 1918, which latter was about the lowest ratio recorded in the Company's history. Expenses, including commissions, foreign state charges, and contributions to fire brigades totalled \$11,518,805 representing a percentage of 38.2 per cent as compared with 34.9 per cent in 1918. The major portion of this increase is attributable to higher cost of administration, quite in accordance with the general experience of other Companies. The unexpired risk reserve was maintained on a 40 per cent. basis by the addition thereto of \$1,540,695. The fire fund now stands at the large amount of \$29,769,835 indicating a growth of no less than \$3,220,148. The fire fund now represents over 98 per cent. of the years premium income. The total assets of the Commercial Union have been increased during the year to the enormous total of over \$209,000,000.

The accident department of the Commercial Union shows great expansion for 1919. Net premiums amounted to \$26,810,795, an increase of \$3,765,995 as compared with 1918. The claim ratio is equivalent to 50.8 per cent. Working Expenses, including Commissions absorbed \$9,204,695, constituting an expense ratio of 34.3 per cent. of the premiums. The accident assurance fund has been increased from \$14,801,245 to \$16,194,390, re-

presenting 60.4 per cent. of the years premiums.

The results recorded in the marine department, are very striking, and constitute a record for this department, this is all the more satisfactory, in view of the fact that many offices have to record a decline in premium income in 1919, the Commercial Union marine department shows a net premium increase of nearly \$175,000. The total premiums amounting to \$1,279,625, the loss ratio being 32.7 per cent. as compared with 39.9 per cent. in 1918. The marine fund which now stands at \$6,141,800 is equivalent to 143.5 per cent of the years premiums, and after making generous provision for future contingencies, the large amount of \$1,750,000 has been transferred to profit and loss.

The Commercial Union is a conspicuously energetic and powerful undertaking, and the results for the year 1919 are such as to cause it to stand out prominently in a long and successful career.

Canadian Branch

The Commercial Union has been operating in Canada for the past 57 years, where it is held in high esteem for its consistently admirable service to, and liberal treatment of policyholders. It also enjoys a high prestige on account of its great financial position.

The results chronicled for the year under review were probably the best recorded in the Canadian experience of the Commercial Union. Mr. W. S. Jopling who has been connected with the Commercial Union for over forty years, was last year officially appointed Canadian Manager, he is known as an underwriter of great experience and popularity. The Company's net fire premiums in Canada for 1919 totalled \$1,188,574, an increase of approximately \$100,000, as compared with 1918. Accompanying this substantial expansion was a loss ratio of 33.77 per cent. While the year 1919 was favourable for all fire companies, the above results are more favourable than those recorded for the large majority of companies operating in Canada.

Hail Insurance: Results Uncertain

Hail insurance results in the past have been very irregular, for a season one or two companies profits may be most satisfactory; in some instances on large premium income, and then a bad year or two wipes out the profits. The adverse experience of some companies has been known to cause their withdrawal from the business of hail insurance.

The stronger companies engaged in this line of insurance, who write freely, are much more likely to continue in the business. A year or two heavy losses are borne with equanimity, and are usually offset by a years favourable experience.

Companies not equipped to stand financial losses, might be as well engaged in less risky lines of insurance.