

COMMERCIAL UNION ASSURANCE COMPANY, LIMITED.

There is possibly no more striking record of brilliant insurance administration than the history of the Commercial Union Assurance Company. Established only some 54 years ago, and therefore in point of age, comparatively a junior among the famous British insurance organisations, the Company's rise to its present pre-eminent position reads like a romance. The vast scale of the Commercial Union's present-day operations may be gauged from the fact that last year, it received in net premiums a sum in excess of forty-two millions of dollars. In the achievement of this great turnover, every leading branch of insurance enterprise, with the single exception of industrial life insurance, was laid under contribution, and the Company transacted business through many well-established subsidiary and controlled corporations on both sides of the Atlantic as well as in its own name. It is evident that only tireless energy, illuminated by a statesmanlike breadth of view and guided by the shrewdest judgment, could have achieved the present position occupied by the Company. In this connection, a remark by the Chairman (Mr. Charles D. Seligman) at the recent annual meeting is enlightening. "It has been our endeavor," he said, referring to the policy of the Company during 1915, "as it has also been that of others, who similarly hold positions of responsibility towards the community in general, to keep the machinery running smoothly, so that when the war ends it will be easy for this country (Great Britain) to resume its close connection with the world's commerce and finance, a connection it has not given up and will never give up, although it has to a certain extent relaxed its hold upon them for something which for the moment leaves us as a nation but little time to think of anything else."

NATIONAL SERVICES.

This breadth of view which marks the Company's policy and which has, in part at least, been responsible for its success, is evident also in its attitude towards national obligations at the present time. It was mentioned at the annual meeting that long before the British Government appealed for American bonds, the Company had quietly and unostentatiously been selling large blocks of bonds in New York whenever a suitable opportunity presented itself, in an effort to help improve the adverse exchange situation. The Company was also able to meet the Government's appeal with a very large amount of American bonds which the Government accepted *en bloc*. Most of the money realised by these sales and most of the money that has come to the Company in other ways during the year has been lent to the Government in one form or another, and at the annual meeting it was mentioned that over \$15,000,000 or 20 per cent. of the Company's investments which go by the generic name of Stock Exchange securities, is invested in British, Colonial and Allied war loans, while as opportunity offers, this amount will be increased. Actually, holdings of British Government securities have been increased five-fold during 1915. Not only has the Company thus rendered very substantial financial aid to the Allied cause at the present time, but its staff has made a remarkable record in its response to the call to the Colours. At the

present time 1004 of the Commercial Union's staff are actually serving with the Colours, 424 are attested but not yet called and 355 offered themselves but were rejected, a total of 1,883 or over 76 per cent. of the pre-war staff, which, of course, included many beyond military age. All these were voluntary enlistments, and the Company is making adequate additions to their military pay and keeping open positions for those who wish and are able to come back. Unfortunately, 34 have been killed, 76 are wounded or missing and six are prisoners. The whole record is one upon which all connected with the Commercial Union may well be proud.

THE FIRE BRANCH.

While, as already indicated, practically all branches of insurance are now transacted by the Commercial Union, the fire insurance branch has been predominant throughout its whole career. From the time of the establishment of the Company in 1861 to the end of 1915, this department has received in premiums an amount of over 325 millions of dollars, and the average loss rate for the whole of the period works out at only 56.4 per cent. In view of the enormous conflagration losses which have been from time to time incurred, this record may be considered a remarkable accomplishment in consistently successful fire underwriting. Much of this success is undoubtedly due to Mr. E. Roger Owen, the general manager, whose name has been so long identified with the Commercial Union, and whose distinguished services to the Company for many years were admirably acknowledged at the recent annual meeting. Assets exceeding \$142,000,000 impart a sense of security compatible with the vast business transacted by the Company in every quarter of the globe.

Last year the Commercial Union received in fire premiums the immense sum of \$18,779,460, an advance of \$1,093,060 upon the total reported for 1914 in spite of the falling-off in premiums from the Continent of Europe. The present increase compares with \$884,725 and \$608,150 in the two preceding years. Against this net premium income, claims paid and outstanding required only \$9,140,115, or fully \$650,000 less than in 1914 and giving the very favorable loss ratio to premiums of 48.7 per cent. compared with 55.4 per cent. in 1914. Expenses absorbed \$6,882,535, a rise of about \$700,000 over 1914, and a ratio to premiums of 36.6 per cent. Increased foreign taxes and the allowances to members of the staff on military service naturally help to swell the expense ratio.

The fire department's funds are as usual maintained in an exceedingly strong position. There is a reserve for unexpired risks—40 per cent. of the premium income for the year—of \$7,511,785, and an additional reserve—increased last year by \$1,316,310—of \$12,133,130, which with the balance on profit and loss account of \$1,621,200, makes the total funds available for the protection of fire policyholders, \$21,266,115, a proportion of over 113 per cent. of last year's premium income, apart altogether from the large paid-up and subscribed capital.

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