

LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY, LIMITED.

Among the world's mammoth insurance organisations, the Liverpool and London and Globe Insurance Company, Limited, holds a leading position as well by reason of its magnificent financial standing as by the extent of its operations. Transacting a widely-spread and diversified business in most of the well defined branches of insurance enterprise, the Liverpool and London and Globe is able to continue its development even under circumstances of the most unfavorable character. Last year the Company added over \$600,000 to its huge premium income—a fact that strikingly demonstrates the driving-power of the business and the energy and efficiency of its management. But this forward momentum through good and bad times alike would not be possible were not the foundations of the Company's financial strength thoroughly sound. In fact it has been the policy of the Company for many years, under Mr. A. G. Dent's experienced management, that growth in financial strength shall accompany each increase in the extent of the business conducted. In this way, each advance becomes in turn the foundation for further forward movement. Additionally, the Company enjoys a magnificent reputation throughout the world—a reputation that is being continuously enhanced as opportunities arise for display of the great strength of its resources. Occupying now a position of great eminence and continuously moving forward, apparently no limit can be set to its future achievements.

It is fitting also to note the splendid record of patriotic service which in the past year has been rendered by the Company and its staff throughout the world. At the recent annual meeting, the chairman mentioned that it had always been the policy of the Company to encourage the staff to join the Territorial Forces, and in consequence, on the outbreak of war, there was a large and immediate depletion of the staff. Following upon that, enlistment was facilitated in every possible way, and now over 30 per cent. of the home male staff are serving with the colours, while the Canadian and Australasian branches of the Company have also sent their quota to the Expeditionary Forces. Some of the Liverpool and London and Globe's officials have fallen on the field of honour, one has been mentioned in despatches, and several have been wounded. For those who return the Company is keeping their positions open, and, except where any are receiving special Army pay in excess of their salaries, they are paying their salaries in full. The facts speak for themselves of the fine character of patriotic service freely given.

FIRE DEPARTMENT'S YEAR.

For the third time, the fire department of the Liverpool and London and Globe reports a premium income in excess of \$15,000,000. Following advances in five successive annual accounts, the actual figures on this occasion—\$15,493,605—indicate the relatively unimportant diminution of \$189,335 as compared with the record of the preceding twelve months. In view of the conditions of the year, this return is by no means unsatisfactory, and it may be noted that even at the reduced level the total of premiums was \$1,300,000 above the premium income of 1911—three years previously. Deriving from this Continent

bountiful support, and taking the lead in the matter of volume of premium income among British Fire Companies operating in the United States, the Liverpool and London and Globe benefits largely when American business is good, and is naturally affected to a corresponding extent when, as during the closing months of last year, the reverse is the case. Owing principally to the unfavourable experience in the United States, and in a lesser degree to a shrinkage in premiums, accompanied by heavier claim payments, occasioned by a severe Australian drought, the provision for losses in 1914, at \$9,443,715 following \$8,424,945 in 1913, shows a substantial increase, the ratio to premium income rising from 53.7 per cent. in 1913 to 60.9 per cent., which proportion is over five points higher than in any other year of the last decade, with the exception of 1906, the year of the San Francisco earthquake. The facts illustrate the uniformly favorable character of the results achieved by an able management.

Expenses of management, commission, contributions to fire brigades and foreign State taxes together took \$5,709,800 or \$248,450 more than in the year before, more than 25 per cent. of this increase, it may be noted, being under the head of taxation. The ratio of expenses to premiums is 36.9 per cent. compared with 34.8 per cent. in 1913, when there was a large advance in premium revenue. After adjustment of the 40 per cent. reserve for risks unexpired, there emerges an underwriting profit of \$415,825 which, together with \$444,880, the amount of the net interest receipts, is carried to profit and loss.

A STRONG POSITION.

The Company's funds available to meet fire losses continue to be maintained at a high level. In addition to the specific fire reserve funds of \$11,197,440, there is also maintained a general reserve of \$5,000,000, which with the balance on profit and loss account of \$5,134,220 (as at December 31) makes total funds available of \$21,331,660, an amount equal to nearly 138 per cent. of the net premium income for last year, and apart altogether from the large paid up and subscribed capital. The total assets are over \$70,000,000.

ACCIDENT DEPARTMENT.

In recent years, the Liverpool and London and Globe's accident department has made remarkable progress. This branch of the Company's business dates only from 1907. But in 1913 it reached an annual premium income of \$5,000,000, and last year this income was increased to \$5,593,725. A requirement of \$2,812,785 for the total claims paid and outstanding indicates that in the acquirement of this business, quality has not been sacrificed to quantity, the ratio to premiums working out at no more than 50.3 per cent. A further percentage of 41.3 for management expenses and commission (together amounting to \$2,312,725) leaves a satisfactory profit margin on the transactions after providing, on a 40 per cent. basis, for the increase in unexpired risk.

THE COMPANY IN CANADA.

The Liverpool and London and Globe has now been transacting business in Canada sixty-four years, having entered the Dominion in 1851, and holds a prominent position in Canadian under-