

COMMERCIAL UNION ASSURANCE COMPANY LIMITED.

The report submitted to the shareholders at the fifty-sixth annual general meeting of the Commercial Union plainly indicated that last year was one of magnificent success for this great undertaking. The marvelous progress and prosperity recorded regularly for some years appears to have no limit. The general manager (Mr. E. Roger Owen) pointed out that the results revealed in the statement for 1917 were not attained by the labours of one year: they were the fruit of the strenuous work of many years, coupled with some foresight and with a good deal of anxious responsibility.

The wisdom of adhering to the policy set in operation by the present management many years ago is evidenced by the company's present extraordinary successful position.

The statement for 1917, notwithstanding war conditions, with all its attendant difficulties in carrying on the business, shows considerable expansion, and good results in every department. The total net premiums (including that of subsidiary offices) amounted to \$52,216,915 which with consideration for annuities granted and an interest income of \$4,855,825 (after deduction of tax) brought the years receipts up to \$57,500,000 as compared with \$51,629,470 the preceding year. Notwithstanding the substantial sums written off investments, and off the costs of businesses acquired, the assets are increased from \$151,600,000 to \$159,009,930 an increase of \$7,409,930—of which amount no less than \$34,400,000 was represented in the War Loan issues, at the date of the annual general meeting.

Fire Department

As measured by the Annual turnover of the Commercial Union the fire branch continues as a predominating factor in the Company's operations, and the administrative ability, which has been so marked a feature in the past history of this department was never more strongly in evidence than in the year under review. Following a premium income of \$20,129,710 in 1916, the net premiums for 1917 amounted to \$22,729,830, an advance of over \$2,600,000, following increases of \$1,350,250 for 1916 and \$1,093,060 for 1915, over the immediately preceding years. Claims paid and outstanding for 1917 absorbed \$10,993,725, figuring a very favourable loss ratio of 48.36 per cent of premium income, compared with 51.7 per cent in 1916 and 48.7 per cent in 1915. Expenses including commissions, foreign state charges, and fire brigade contributions, totalled \$7,822,176 or only 34.4 per cent of the premiums which shows a gratifying decrease from 35.8 per cent in 1916, and 36.6 per cent reported for 1915, notwithstanding the increase in Colonial and foreign taxes, and after providing 40 per cent of the increase in the premiums to meet the consequent increased liabilities, a net trading profit is recorded of \$2,865,000. These figures constitute a record for the company.

The Amounts transferred to the profit and loss account from the fire, marine and accident accounts totalled \$4,000,000 an amount substantially in excess of similar transfers in any previous year. The Chairman (Mr. Warrington Laing) in his reference to the Profit and Loss account drew attention to the unusually large drafts on the funds of the trading departments and especially the

large sum of \$2,305,170, for income tax, and excess profits duty paid, outstanding or provided. This large sum by no means represents the total amount paid by the Commercial Union to the British Exchequer on account of taxation. There is in addition the income tax in respect of the income from the company's investments, either taxed at source or subsequently paid and this amounted to \$1,189,305 bringing the grand total up to \$3,494,475. The incidence of taxation is a very difficult one, and the Chairman expressed the hope that soon after the war the promised commission for considering the subject will take effect and that the solution of the present unsatisfactory position may be evolved, as it is manifestly unfair that one section of the community should be liable not only to double income tax within the Empire, but in some cases to have the same income taxed three times over.

Funds of the Company.

The following is a statement of the funds of the Company as at December 31, 1917:—

Capital paid up.....	\$ 1,475,000
Investment Reserve and Contingency fund guarantee and Pension fund,	
Profit & Loss account.....	8,811,385
Life and Annuity funds.....	73,045,450
Fire Fund.....	23,559,260
Marine Fund.....	6,956,385
Accident Fund.....	12,639,150
Re-insurance and other funds.....	2,976,620
Leasehold, Redemption and Sinking Fund account.....	1,874,055
	\$ 131,337,305

Canadian Branch.

The Commercial Union occupies a commanding position in the Canadian field, where it has been operating for past 55 years, with a strong organization. Canadian fire premiums of the Commercial Union last year totalled \$1,035,610 a slight increase as compared with the previous year, with a favourable loss ratio. For many years the Commercial Union has enjoyed considerable prosperity in Canada under the management of two very prominent and able underwriters, Mr. James McGregor Manager for the Dominion and Mr. W. S. Jopling Assistant Manager.

PRESENTATION TO MESSRS. J. B. LAIDLAW AND J. A. ROBERTSON.

A pleasant feature in connection with the Annual Meeting of the C. F. U. A., held at Hamilton last week, was the presentation of a handsome sterling silver tea and coffee service, and a gold cigarette case, to Mr. J. B. Laidlaw, manager of the Norwich Union, Toronto. The substantial presentation made to Mr. J. A. Robertson, Toronto secretary of the C. F. U. A., took the form of an Honorarium. In each case the presentation was made by the retiring president of the C. F. U. A. on behalf of that body in recognition of the valuable services rendered by both gentlemen in connection with the Ontario Insurance investigation.

Fire insurance seems to be the only branch of the business that has trouble in increasing its rates, even though the war has increased its hazards more than nearly every other line.