

LONDON & LANCASHIRE FIRE INSURANCE COMPANY.

The fifty-seventh annual statement of the London & Lancashire Fire Insurance Company reveals a very satisfactory record. The net fire premiums amounted to \$12,186,115 as compared with \$10,567,800 in 1917, a growth of \$1,618,315. With this expansion is recorded the very low loss ratio percentage of 39.4 per cent, to premium income, following a loss ratio of 43.42 per cent in 1917, and 48.09 per cent for 1916, such results are a strong indication of the quality of the business on the books of this prominent and distinguished institution. It would be superfluous to attempt to eulogize its management. After increasing the fire funds from \$6,227,500 to \$6,875,000 and making full provision for commissions, management and general expenses, and taxes, there is a surplus to underwriting of \$2,573,242 as compared with \$2,174,515 in 1917.

In the accident department net premiums amounted to \$4,522,582, a substantial growth of \$360,014 over 1917. The net losses paid and outstanding together with expenses totalled \$3,835,748 (including foreign and Colonial taxes of \$42,728), after providing for increased reserve on unexpired risks amounting to \$140,000, the sum of \$676,357 was transferred to profit and loss account. The London & Lancashire Fire now transacts one of the largest, if not the largest marine business of any company, having now the advantage of the dual efforts of "the Marine" of London, and the "Standard" of Liverpool. Referring to this branch, the chairman said at the annual meeting: "In 1918 the fates were propitious and both the premium income and the profit were accentuated by the plethora of war risks. That war business accounts for part of our prosperity in 1918 but this of course was a passing and special factor. The net marine premiums amounted to \$14,553,602 the losses and expenses totalled \$7,826,600 and after providing for the reserve for unexpired risks and increasing the additional reserve by \$250,000 the sum of \$2,181,845 was transferred to profit and loss account.

The financial strength of the London & Lancashire Fire was never greater than it is to-day at any previous time in its long history of successful trading, and each succeeding year will likely see this mighty undertaking rising to still higher ranges of eminence and success. Its total funds now amount to \$26,263,310 (altogether apart from the large subscribed capital of which \$1,567,737 is paid up). Its total assets have advanced to \$53,577,274.

The Company in Canada.

The London & Lancashire Fire has been operating in Canada for some forty years, where its high reputation is well known. During 1918 the company's Canadian net fire premiums amounted to \$890,344, a growth of nearly \$100,000 over 1917. The very favourable loss ratio of 48.31 per

cent was experienced, following a loss ratio of 44.62 per cent in 1917. The average loss ratio since 1912, inclusive, has been well under 50 per cent.

Accident business is transacted in Canada through the London & Lancashire Guarantee & Accident Company, controlled by the London & Lancashire Fire. Its head office is in Toronto under the experienced management of Mr. A. Maclean, organized in 1908; the company has become an important factor in the Canadian field.

Mr. Alfred Wright, Toronto, manager and chief agent of the London & Lancashire Fire is one of the oldest members of the Canadian fire underwriters association, as he is also one of the most respected. In Montreal, the interests of both the London & Lancashire Fire, and the London Guarantee & Accident have been well conserved for some years under the successful management of Mr. Colin E. Sword.

DID EXPLOSION CAUSE FIRE OR VICE VERSA?

The explosion in the Douglas Starch Works at Cedar Rapids, Iowa, which killed a score of people and started a fire which caused nearly \$3,000,000 damage will revive the old controversy of liability under the insurance policies for explosion losses. There have been several similar explosions in starch works at Waukegan and Cedar Rapids, and the owners have always tried to claim that the explosion was due to a fire instead of the fire being due to explosion. In case it can be shown that the fire did not start until after the explosion the companies are not liable under their policies, except for special policies covering against explosion. The plant was only partially sprinkled, the 36 per cent which was equipped being of mill construction, while the unsprinkled portion was of fire-proof construction. One sprinkler equipment was wrecked by the explosion, thus destroying the protection.

The compensation loss will be very heavy as nearly a score of people were killed and more than 100 injured. It is understood that this risk was written in the Employers Mutual Casualty of Des Moines with a policy limiting the loss in any one accident to \$10,000. Under the Iowa law the liability for death is \$4,000.

PERSONALS.

Mr. J. A. Macdonald, son of Mr. J. R. Macdonald, joint manager of the Mount Royal Assurance Co., has left for London, England, to assume his duties in an important position with the Sterling Fire offices in that city. Mr. Macdonald received his appointment on the recent occasion of the visit to Montreal of Mr. A. Rendtorf, managing director of the Sterling offices.