PHOENIX ASSURANCE COMPANY, LIMITED.

In view of the fact that the Phoenix Assurance Company, Limited, of London, England, has been operating in Canada for nearly 120 years, it may reasonably be assumed that the publication of its annual statement each year attracts unusual attention throughout the world. Scarcely less so to the readers of this journal and others, for the Phoenix of London is one of the most familiar and honoured names in insurance history.

The chairman (the Right Hon. Lord George Hamilton) at the annual meeting, referred to the statement for 1918, "as the best report ever yet submitted to the Phoenix shareholders"; no slight distinction for an institution which has been operating for 137 years. The chairman also referred to the regrettable absence of Sir Gerald Ryan (general manager) whose indisposition was due to an accident. He further stated that the present satisfactory results were largely traceable to the exceptional ability and judgment of the general manager. That the Phoenix holds a lofty position among the most important British offices, is indicated by its great financial position, and the large volume of business its transacts, embracing various branches of insurance, throughout the world.

The Fire Department.

The fire business of the Phoenix continues to be a predominant factory in its operations, and the results for 1918, as briefly stated by the chairman, are featured by the lowest loss ratio for many years past, and the highest profits. The net fire premiums totalled $9,970,775, as compared with $8,546,605, a growth of $1,424,170. This expansion, the chairman stated, was due rather to increased values, than to special efforts. Net losses paid amounted to $4,448,290, figuring a ratio of 44.6 per cent. to premiums, as compared with 47.6 per cent in 1917, and 48.9 per cent. in 1916. The expenses and commissions, including contributions to fire brigades, totalled $3,731,715, a proportion to premiums of 37.4 as compared with 38 per cent. in 1917, and 39 per cent. in 1916. In view of the enlarged taxation the decrease in expense ratio is distinctly gratifying. After providing for the unexpired liability reserve, on a 40 per cent. basis, there is a net trading profit of $1,220,770, as compared with $882,030 in 1917. The sum of $319,200 was derived from interest on fire investments, making a total of $1,539,970 transferred to profit and loss from the fire account, as compared with $1,177,180 in 1917, and $944,370 in 1916. The fire funds have been increased by $570,000 to a total of $10,925,000.

The Life Department.

During the year Life Policies were issued for net new assurances of $7,102,090, with net new premiums of $359,980 including $27,235 of single premiums. The total income of the department for the year was $6,076,235, and the outgoings $4,922,915. Death claims absorbed $2,814,465, which included $312,825 due to the war. The mortality was within the expectation. At the close of the year the life assurance funds totalled $55,734,430, as compared with $54,581,110 in 1917.

In referring to the undue hardship which life officers have to bear in regard to the method by which they are assessed for income tax, the chairman said :—

"Heavy and unfairly apportioned taxation is, however, a danger ahead, and I need hardly point out how different is the result of new taxation on life assurance from that on other branches of our business. In our trading departments, so-called, premiums and conditions may in some measure keep pace with newly imposed burdens, but a life policy is a contract of long duration, with fixed premiums for the whole term, calculated on the basis of a minimum net rate of interest, and increased taxation falls specially hard upon this class of business. We have had cause to protest against the hardship involved in the high income tax deducted from the interest on our life funds, and I am happy to see that a Royal Commission has been appointed to report upon the incidence of this tax, upon which two life assurance experts of established reputation have been appointed. I feel justified in anticipating that the peculiar claim for consideration which our life offices have will now receive favourable attention."

In the marine field net premiums amounted to $6,366,800 for 1918, and net losses totalled $2,580,710. After payment of claims and expenses the sum of no less than $2,176,330 was transferred to Profit and Loss account (including interest of $216,330).

While the gross profits of the Phoenix for 1918 amounted to the unprecedented total of $3,279,995, on the other hand taxes, home and foreign, absorbed the large amount of $2,407,200, leaving the net earnings of the Company for the year a little more than one-third of the gross profits. The Company's total assets as at 31st December last, amounted to $97,182,710, a substantial increase over the previous year.

The Canadian Branch.

The Phoenix Assurance Company has long been a household word in insurance circles in Canada, it having been the first British office to establish a branch in the Dominion. It has won public confidence in an eminent degree, mainly due to its invariable adherence to the rule of meeting every honest claim in a generous and liberal spirit.

Its managers in Canada, Messrs. R. M. MacD. Paterson and James B. Paterson, between their connections and themselves, have directed the affairs of the Phoenix in the Dominion for over ninety years. This special record not only speaks for itself, but is probably without a precedent in the business of insurance.

The Company transacts both fire and life insurance throughout the Dominion. Last year net cash received for fire premiums amounted to $1,090,478, an advance of nearly $100,000 over the previous year. Accompanying this satisfactory