

NORTHERN ASSURANCE COMPANY LIMITED

The Northern has long been recognized as one of the most distinguished and successful representatives of British insurance enterprises. These remarks are specially applicable to the Company's operations in the fire department, in which the Northern, in its 84 years work, has earned a high reputation for skilful underwriting, as may be gathered from the fact that the average loss ratio of the experience of the Company from the beginning is only 55.6 per cent.

The accounts for the twelve months, ended 31st Dec. 1919, reveal a net premium income, from all departments, of \$30,654,485, and the outstanding features of the underwriting accounts, are an excellent profit in the fire department, which provided a premium income of \$10,200,025, an increase of \$737,960 as compared with 1918. The loss ratio was only 44.2 per cent., as compared with 43.6 per cent. in 1918, indicating magnificent results in this department for the last two years—an eloquent testimony to the skill with which the business of this great Scottish Company has been conducted throughout. While the fire loss ratio was so favourable, on the other side of the account the rate of expense, at 38.97 per cent., is more than four points higher than is recorded in the preceding year. This higher rate of expense is due to heavier taxation and to an increase in charges of every kind, including cost of administration. The fire underwriting profit of \$1,397,810 follows one of \$1,521,745 recorded for 1918, which latter was the best in the Company's history. Policyholders of the Northern enjoy unexcelled security. It may not be generally known, that the Company adopts the unusual strong reserve basis of 50 per cent. of the unearned premium for unexpired risks, which now amount to \$5,100,015. There is also an additional reserve of \$7,000,000, making the reserve fire funds of the Northern \$12,100,015, not including the balance of profit and loss account. The total assets have advanced from \$75,249,661 to \$79,801,255.

As a result of the Company's progressive policy by the absorption of sound undertakings, the Marine business of the Northern has been extremely profitable. The net premiums for 1919 totalled \$12,841,610, and the losses and expenses for same period \$2,798,340, while the losses and expenses for 1918 and previous years amounted to \$7,597,585, and after making provision for all estimated further losses, the underwriting profit was \$2,416,795, which, together with interest (less tax) of \$620,260 was transferred to profit and loss. The Marine funds of the Company at the end of the year reached the large total of \$14,934,815.

The Accident business of the Northern is be-

coming an important factor in its operations. The net premiums for the year under review were \$3,300,040, a growth of practically \$1,000,000 as compared with 1918. The Employers' Liability and Accident funds have been increased by over \$600,000 to \$2,784,170.

In concluding his review of the Company's operations for the year the Chairman, (Mr. G. A. Duff), said:—

British insurance companies transacting a general business in all departments have earned substantial profits in recent years, but it may be that the immediate future will not disclose results of an equally favourable character, a feature that would only be in accordance with our general experience in the past, an experience which teaches that cycle of good years is often followed by a series of years not so good. That there will be a growing demand for insurance protection of every kind in the years that lie before us one can scarcely doubt. There is much to be done throughout the world to replace destruction, to overtake arrears of construction, and to increase generally speaking, the productivity of the world. But the very success that has attended the operations of the old-established insurance companies in the last year or two has brought many new companies into existence, with the result that competition is very keen. Moreover the ordinary working expenses of insurance companies and the taxes imposed upon them at home and abroad, press more heavily year by year upon the existing margins of profit, and the conditions therefore, call more than ever for prudent and careful underwriting, and the maintenance of adequate rates.

The Northern In Canada.

The Northern has been operating in Canada for well over half a century, and during that long period, its career has been characterized by fair and liberal dealings, with its numerous policyholders throughout the Dominion. Of recent years, the Company's Canadian business has shown marked expansion under the management of Mr. George E. Moberly. Net Cash received for fire premiums in 1919 throughout the Dominion amounted to \$1,050,101, an increase of nearly \$80,000 as compared with the preceding year. This substantial growth in fire premium income was accompanied by probably the lowest loss ratio in the Company's experience in the Canadian field. The loss ratio for the year figured at 42.13 compared with 64.88, in 1918. The liberal policy pursued by the Northern, together with extra facilities lately afforded in the way of increased lines in the fire department and the opening of Casualty and marine departments, have evidently been appreciated by the Company's Agents in this field, as indicated by the remarkable growth