

COMMERCIAL UNION ASSURANCE COMPANY LIMITED.

To appreciate fully the brilliance of the business record made by the Commercial Union Assurance Company Limited, it is necessary to bear in mind the relative youth of that gigantic institution. Established in 1861, the Commercial Union is but half the age or less of many of the leading British insurance companies. Yet in point of dimensions of annual premiums controlled, it has forged ahead clear of all British competitors, outside the realms of industrial insurance. That branch of underwriting, by the way, seems about the only one of the many and diverse forms of modern insurance activity, that is not laid under contribution by the Commercial Union in its world-wide operations, which are transacted not only in its own name but by numerous well-established subsidiary and controlled corporations on both sides of the Atlantic. As its growth matures, the Company goes forward with steadily increasing impetus. Last year, despite the difficulties inherent in a war period, an addition of \$4,300,000 was made to the net premium receipts, or more than double the increment reported in 1915, the turnover being thus increased to the vast sum of \$46,565,345, which with consideration for annuities granted, and an interest income of \$4,636,710, brought the year's receipts up to no less than \$51,629,470. This great income is backed by assets exceeding \$151,600,000, an increase of some ten millions for the year, the whole of which increase has been immediately utilised as sinews of war for the Allies, through investment in British Government securities. Such a record as is here revealed becomes possible only as a result of unremitting energy and enterprise, associated with a remarkable breadth of policy, guided by calm and experienced judgment, and backed by unswerving loyalty on the part of officers and staff.

WAR SERVICES.

At the date of the 1916 balance sheet, the holdings of the Company in British Government securities approximated the great sum of \$21,000,000, and it was mentioned at the annual meeting, that at the time of flotation of the recent British loan, since the close of the year under review, the directors had found it possible to subscribe a further \$25,000,000 for the Commercial Union itself and allied companies. These facts constitute an impressive exhibition of financial power used unstintingly at a time of necessity. Additionally, to assist in the maintenance of sterling exchange, the Company has sold or lent to the British Government practically all securities available for the purpose, the Company itself, long before the British Government appealed for American bonds, having been quietly and unostentatiously selling large blocks in New York whenever a suitable opportunity presented itself. Of the staff, 1,312 are serving with the Colours, over 200 others are waiting to be called up and the following distinctions have been won:—3 Distinguished Service Orders, 1 Distinguished Service Cross, 7 Military Crosses, 2 Distinguished Service Medals, 1 Meritorious Service Medal, and three members of the staff have been mentioned in dispatches. The other side of the shield is seen in the facts that 89 have been killed in action, 163 wounded or reported missing, and 8 are prisoners.

THE FIRE DEPARTMENT'S YEAR.

The manifold activities of the Commercial Union in practically every branch of insurance are headed by the fire department, which continues as a predominating factor in the Company's operations. The immensity of the fire business transacted by the Commercial Union during a period of little more than half a century is shown in the statement that from the time of the establishment of the Company in 1861 to the end of 1916, this department has received in premiums an amount of over 345 millions of dollars. Losses incurred during the same time have been over 193 millions of dollars, the average loss rate for the whole of the period working out at less than 56.1 per cent. The inevitable incidence of conflagration losses from time to time, make this average a great tribute to the unerring generalship displayed for many years by Mr. E. Roger Owen, the Commercial Union's distinguished general manager, whose great services to the Company are well known, and received fitting acknowledgement at the recent annual meeting.

Last year the Commercial Union received in fire premiums the immense sum of \$20,129,710, an advance of \$1,350,250 upon the total of \$18,779,460 reported for 1915, following increases of \$1,093,060 and \$884,725 in the immediately preceding years. Last year's increase, it was stated at the annual meeting, was well spread over the whole field of the Company's operations. Against this net premium income, claims paid and outstanding required \$10,407,355, giving the very favorable loss ratio of 51.7 per cent. of premium income, following the exceptionally low ratio of 48.7 per cent. in 1915, and one of 55.4 per cent. in 1914. Expenses absorbed \$7,204,310, a rise of about \$320,000 over 1915 and a ratio to premiums of 35.8 per cent., which shows a gratifying decrease from the 36.6 per cent. reported for the preceding year, in spite of the increase—probably something more than temporary—in colonial and foreign taxes.

The fire department's funds are as usual maintained in an exceedingly strong position. There is a reserve for unexpired risks—40 per cent. of the premium income for the year—of \$8,051,885, and an additional reserve—increased last year by \$970,300—of \$13,103,430, which with the balance on profit and loss account of \$1,740,905, makes the total funds available for the protection of fire policyholders, \$22,896,220, a proportion of about 114 per cent. of last year's premium income. This is exclusive of the large subscribed capital, of which \$1,475,000 has been paid up.

FUNDS OF THE COMPANY.

The following is a statement of the funds of the Company as at December 31, 1916:—

Capital paid Up.....	\$ 1,475,000
Investment Reserve Fund, Guarantee and Pension Fund, Profit and Loss Account, etc.....	7,925,940
Life and Annuity Funds.....	76,066,950
Fire Fund.....	21,155,315
Marine Fund.....	6,963,495
Accident Fund.....	1,008,810
Employers' Liability Fund.....	2,967,185
General Accident Fund.....	8,760,290
Re-insurance and other Funds.....	2,729,240
Leasehold Redemption and Sinking Fund Account.....	1,701,390
	\$130,753,615

(Continued on page 655.)