WESTERN ASSURANCE COMPANY.

For the second year in succession, the old-established Western Assurance Company, of Toronto, publishes a brilliantly satisfactory financial statement. In 1916, as in 1915, the Western enjoyed an experience, both in its fire and marine branches, which can only be considered highly favorable. The feature of last year's operations is the increase in the profit yielded by the fire department; the not unsatisfactory result of 1915 being improved upon by about 75 per cent. in 1916. There was again an immense increase in the volume of marine business transacted, and while profits do not show a proportionate gain, they yet achieve a very handsome total. As a result of these satisfactory transactions in both departments, the total credit on the year's operations is the largest in the Company's history, and the Western's resources are again most substantially increased—results upon which all concerned can be heartily congratulated. They are the more notable through having been obtained at a time when, in the words of the President, "nearly all of our brightest young men of military age have left to serve their King and country," the Western being handicapped in this connection to a much greater extent than any purely Canadian insurance company, through the importance of its London office and the extent of its British and other European connections.

AN IMPROVED FIRE EXPERIENCE.

Net premiums in the fire department last year at $2,338,452 show an expansion of $275,000 over those of the previous year. This growth is due, it is explained in the annual report, to the taking-over during the year, of the business of three small Canadian fire companies, which business is running off satisfactorily. Net losses for the year are $1,242,530. While actually $70,000 larger than in 1915, the increased premium income results in a lower loss ratio than in the preceding year, the 1916 figure of 53.1 per cent., a quite satisfactory ratio, comparing with 56.7 per cent. in 1915. After payment of expenses and taxes, the latter, of course, further increased through the imposition of special war taxes, there remains a balance of $148,546 to be carried to profit and loss account from this department compared with $85,366 in 1915. It is noted that the business outside of North America was again more profitable than that written on this continent—a fact not surprising to those who have any acquaintance with fire insurance conditions in Europe.

FURTHER INCREASE IN MARINE BUSINESS.

Following a rise of some $740,000 in 1915, marine premiums increased during 1916 a further $786,000 to $2,583,725. More business was in fact offered the Company than could be handled, owing to the urgent demand in connection with war risks and the rise in values of tonnage. After payment of losses of $1,824,220 and expenses, this department yielded a profit for the year of $305,922, an increase of practically $25,000 upon the 1915 figures.

Total profits for the year amount to $573,411, which, as already noted, is the largest amount shown by the Company in any one year, and compare with $462,222 in 1915. From this, the following amounts have been written off:—$2,208 for bad debts and writing down insurance maps; $13,209 for depreciation in securities and $30,000 added to the special reserve (making it $50,000) to cover income taxes and to meet doubtful debts arising as a result of the war. Assets, which have been written down to market value as at December 31st last, amount to $5,056,593, an increase of over $600,000 upon 1915. Unearned premium liability on the Canadian Government standard is $2,011,086, the surplus to policyholders being $1,920,877, a growth for the year of $100,000.

The rapid progress made by the Western during these last two years must be particularly gratifying to Mr. W. B. Meikle, the vice-president and general manager to whose business statesmanship the fact that the Western has been able to take successful advantage of enlarged opportunities is due. The results of the regime of conservatism and economy enforced by Mr. Meikle are being realised, and while naturally progress cannot continue indefinitely at the present rate—the marine business will doubtless show a decline in volume at the conclusion of the war—there is every indication that the Western will continue going steadily forward. Whatever the ups and downs of its business, the Western has always steadily maintained as its primary duty the prompt and fair settlement of policyholders' claims. That since its establishment the Company has paid over $66,000,000 in claims is some indication of its faithfulness in the pursuit of this duty.

AMERICAN LIFE COMPANIES' BOND HOLDINGS.

Some interesting facts in regard to the bond holdings of the American life companies are disclosed in a report to the Association of Life Insurance Presidents. At the end of 1914, the life companies held 10.86 per cent. of the total railroad bonds issued in the United States, and 3.81 per cent. of the railroad stocks. Compared with ten years previously, the close of 1904, the proportion of railroad bonds is about the same, but stock holdings show a great falling-off, the proportion held at the close of 1904 being 7.21 per cent. While in the ten years holdings of railroad bonds increased half a billion dollars, railroad stock holdings in the same period actually decreased $12,500,000. The companies' holdings of municipal bonds show an enormous increase during the period, having advanced from $163,000,000 in 1904 to $534,600,000 in 1914, a growth of 227½ per cent. Life companies took more than one-fifth of the total increase in these bonds during the decade. Holdings of public utility bonds during the same period increased $75,000,000, but did not hold their own in proportion to growth in assets.

BUYING WAR LOANS THROUGH INSURANCE.

On the flotation of the recent British War Loan, several of the life companies got out special schemes whereby it was possible to take up amounts of the War Loan by means of life insurance. A typical scheme in this connection is an offer to advance the full amount required to purchase War Loan Stock if a non-profit life policy for five, ten or fifteen years were effected to cover the repayment of the advance. On the policy maturing at the end of the selected term or at previous death, the proceeds release the stock.

Mr. George Wegenast, managing director of the Mutual Life of Canada, is at present in California.