

NORTHERN ASSURANCE COMPANY

Managed with characteristic Scottish shrewdness and conservatism right from its establishment eighty years ago, the Northern Assurance Company, Ltd., of Aberdeen and London, long since achieved a leading place among the great British insurance offices transacting a world-wide business, and is now in the fine position of being able to maintain that place without special effort. Solid and enduring financial foundations were carefully laid from the start, and thanks to the Company's present great financial strength, it can meet the ordinary inevitable fluctuations of the fire insurance business with equanimity and nothing less than a first-class conflagration would be likely to disturb it from the even tenor of its way of expanding business and progressive financial strength.

It may be noted also that the staff of the Northern have made a splendid response at the present time to the call of King and Country. Practically one-third of the staff have taken service in the Forces—a proportion which speaks for itself of the high sense of patriotism and duty held by the Northern's staff. The Company is keeping open their places and continuing their salaries, while those left behind have cheerfully and unselfishly taken up extra work.

THE RECORD OF 1914.

After deriving for seven years the fullest advantage from the favourable experience, broadly speaking, which has attended world-wide insurance operations since the San Francisco disaster, the Northern last year shared in the relatively unfavorable experience which is reported generally by the British fire insurance companies. There was again a considerable expansion in the volume of business undertaken, the net premium income increasing by \$291,505 to \$6,591,690. The losses amounted to \$3,829,695, a ratio of 58.1 per cent to premiums. It was pointed out at the recent annual meeting that the unfavorable experience was world-wide in character, and that fire loss settlements, especially in connection with buildings, have steadily tended to become more and more expensive during the past two decades, the cost of material and labour having risen greatly during that time. Expenses absorbed \$2,479,500, practically the same proportion of 37.5 per cent. of net premiums as in the previous year, a showing which, in view of the large increase in premium income last year, is particularly satisfactory as evidence of economy of management.

A STRONG POSITION.

The financial position of the Northern Assurance Company is indeed one of very great strength. Not only is the fire premium reserve maintained at the high ratio of 50 per cent., giving a fund at the close of last year of \$3,295,845, but in addition there is maintained a conflagration reserve of \$6,000,000. So that the fire funds of the Northern, including the balance of profit and loss account carried forward of \$1,293,165 amount altogether to \$10,589,010 or the fine proportion of 160 per cent to the fire premium income of last year, apart altogether from the paid-up and subscribed capital. No better security than this could possibly be wished for, and these very large reserves enable the Company to view the future with comparative equanimity.

Enormous conflagrations, while uncertain in their

happening, are almost inevitable over a prolonged period and it is only a company like the Northern taking ample care to guard against these conflagrations, that can afford to go steadily on its way without worrying about possibilities.

THE NORTHERN IN CANADA.

The Northern Assurance Company has been operating in the Canadian field since 1867. Its Canadian Manager, Mr. Robert W. Tyre of Montreal, has now been in office nearly thirty years, and is one of the oldest fire underwriters in the Dominion. Under his management the Company's traditional reputation for prompt and liberal settlement of claims is fully maintained, and there is a natural sequence of a steadily increasing business. Last year the Northern's fire premiums in Canada amounted to \$736,047, an increase of nearly \$18,000 upon the premium income of 1913. Losses incurred amounted to \$500,856. In the Canadian field as elsewhere, the fine position and excellent reputation held by the Northern should continue to ensure for it a steadily progressive business.

BRITISH FIRE COMPANIES' EXPERIENCE IN 1914.

A review of the British fire companies' experience during 1914, now published by the London Times, shows that the percentage of surplus of the total premium income over losses and expenses of twenty-one companies was only 5½ per cent., which, as the Times remarks, cannot be considered an adequate return in view of the immense capital employed and the risks involved. A year ago the premium income of these offices reached the sum of £27,245,533, the largest total ever recorded; this year the figures are reduced by £290,053 to £26,955,480, a decrease of little more than 1 per cent—trifling when the difficulties of the year are taken into account. As regards volume of premium income the Royal again easily holds first place, with an income of well over £4,000,000; the Commercial Union stands out among its friends with an increase of nearly £177,000, thereby raising its premium income to more than £3,500,000, while the Liverpool & London & Globe takes third place with an income of nearly £3,100,000.

As regards prospects for the current year, the Times remarks that there is yet no sufficient basis to indicate what results the whole twelve months are likely to yield. Where premium income fell off during the first five months of the war, a large decrease must, however, be expected to be shown this year; and both policyholders and shareholders may again congratulate the managements on the prudent policy followed in the past good years of limiting dividend distributions and building up large reserve funds against the need of anxious times.

The Royal Bank of Canada will move into its new quarters in the twenty-storey premises on the northeast corner of King and Yonge streets, Toronto, known as the Royal Bank building, on Monday next, July 12. The company, finding larger quarters imperative for their business, have leased the ground floor and a portion of the twelfth floor. The main entrance of the institution is on King street. The offices and rotunda of the bank are handsomely decorated. The groundwork in connection with the counters and railings is finished to harmonize with the color scheme of the interior marble.