ROYAL INSURANCE COMPANY, LIMITED

Directed with both enterprise and discretion, the Royal Insurance Company long since attained that goal of all fire insurance offices—a position where its great wealth and ample resources make it practically invulnerable. Following the last conflagration of world-wide importance, that at San Francisco in 1906, the Royal paid out in losses no less a sum than $6,250,000. But in the four following years, it restored the ratio of its reserve to the level at which it stood prior to the San Francisco disaster while it also wiped out the draft upon floating funds which the payment of losses entailed. Since then, the position of the Company has been yet further strengthened. Upon such sound and stable foundations, an edifice of imposing dimensions has been erected, and is being steadily added to year by year. At the present time the Company's assets total nearly $106,000,000, while its annual premium income approaches $33,000,000. There is every indication also that continued success and prosperity lie before the Company, and that there will be in the future, year by year, a natural extension of its vast operations and a steady increase in wealth and resources.

A Favorable Experience.

The following is a comparison of the Company's fire business for 1913 with that of 1912:—

	1913.	1912.
Premiums after deduction of re-insurances	$20,068,777.95	$19,991,336.75
Net Losses	10,514,623.86	10,132,172.55
Ratio of Losses to Premiums	52.4	50.7
Fire Fund at end of year	16,060,000.00	16,060,000.00

Again last year a new high record in the amount of premiums received was achieved, bringing them to over $20,000,000. The loss experience of the year, while not quite so satisfactory as that of 1912, was still favorable, and there was a welcome decrease in the expense ratio. Claims at $10,514,624 equal 52.4 per cent. of the premiums and are much below the Company's average during its entire career. It is interesting to note that since its organisation, during the 68½ years from June, 1845, to December, 1913, the Royal has paid out in fire losses an enormous sum aggregating $250,000,000.

Great Resources.

The Royal's Fire Fund is maintained at $16,-060,000. Besides this Fire Fund, there is available to meet the obligations of the Royal's fire department, a reserve fund of $7,786,667 and a profit and loss balance of $5,107,836, making with the Fire Fund of $16,060,000, a total of $28,954,503, equal to 145 p.c. of the premiums of 1913. It is a position of magnificent financial strength.

As usual, we show in the following table the Royal's net premiums, net losses and loss ratio since the opening of the present century. It will be readily seen that since 1901 the fire premiums of the Company have increased by over 64 per cent. At the same time, the normal loss experience has been such as to allow the building up of reserves of such substantial character as to permit huge conflagration losses to be met with equanimity.

	Net Fire Premiums.	Net Losses.	Loss Ratio.
1901	$12,213,000	$ 7,225,000	59
1902	13,448,000	7,038,000	52.3
1903	13,862,000	6,749,000	48.8
1904	14,578,000	8,443,000	58 *
1905	14,863,000	6,700,000	45
1906	16,699,000	13,145,000	78.8†
1907	17,860,000	8,559,000	47.9
1908	17,975,000	9,439,000	52.5
1909	18,436,000	9,026,000	48.9
1910	18,956,000	9,369,000	49.4
1911	19,240,000	10,240,000	53.2
1912	19,991,000	10,132,000	50.7
1913	20,069,000	10,515,000	52.4

*Baltimore and Toronto conflagrations.
†San Francisco conflagration.

The Life Department.

For no less than 45 years, the Royal has paid the same ratio of profits on its participating life contracts. A new quinquennium closes with the current year, and it is safe to prophesy that policyholders will not be disappointed in the results to be shown by the actuary's valuation. Last year, the Royal issued new life policies for $9,359,880, this being a record year's life business in the history of the Company. Total premiums for the year, after deducting reassurances, amounted to $3,930,197, and interest, less income tax, to $1,943,388. Claims including bonus additions absorbed $3,308,686. The life fund, which at the beginning of the year stood at $49,514,489, was increased at its close to $51,245,246.

The Royal in Canada.

The Royal entered the Canadian field sixty-three years ago, and occupies a notable position in Canadian underwriting commensurate with its ample resources and great strength. Its Canadian manager, Mr. William Mackay, and assistant manager, Mr. J. H. Labelle, are well-known throughout the Dominion, and under their able direction a large and increasing fire business is transacted in all parts of the country. Last year the Royal received in Canada net fire premiums, $1,291,623 and paid out for losses $767,703. The Royal's life department, of which Mr. R. A. Mannings, of Montreal, is secretary, also shows steady expansion in its Canadian business. Last year new policies were issued in Canada aggregating $1,493,302, the net amount in force at the close of the year being $7,100,648. In view of the magnificent position occupied by the Royal and the skilful Canadian management at its disposal, it is to be anticipated that year by year the Royal's Canadian interests will continue to advance and become an increasingly important factor in the progress of this great Company.