

LONDON AND SCOTTISH ASSURANCE CORPORATION, LIMITED

The Fifty-Seventh Annual Statement of the London and Scottish Assurance Corporation, indicates a year of such active development, and prosperity that it may well be considered the best in the long history of the Corporation. This is particularly gratifying, as the report is the first issued under the altered title of the Company, from that of the old London & Lancashire Life. The London and Scottish Assurance Corporation has now become familiarly known throughout the world wherever it transacts business, under its new title, and on the whole the Corporation stands to gain by the change that has been made. During the year under review the corporation decided to increase its capital (subscribed) to \$3,000,000. This has been successfully carried out, the new issue being promptly over-subscribed.

Since it was resolved no longer to remain a purely life office some ten years ago, events have marched rapidly with the London and Scottish, and considerable development has taken place in the various branches of insurance which the Company operates. The old-established life department with which the corporation was originally solely concerned is still a predominant factor in the Company's operations, and the volume of business written in 1919 exceed anything previously done in its history. During the year 2,753 policies were issued for sums assured, amounting to \$7,501,450, as against \$4,780,830 in 1918. The new premium income was \$378,583, as compared with \$283,743 in the preceding year. The total net income of the life department (after deduction of Income Tax) and including interest, etc., was \$3,220,177, a growth of \$250,955. The claims by death with bonus additions, amounted to \$1,157,949. Additional to death claims, endowment policies, with bonus additions totalled \$742,079. After payment of all outgoings, and providing for depreciation in securities, the Life and Annuity Fund was increased from \$20,513,184 to \$21,152,012.—a substantial increase of \$638,828. The Corporation has increased its holdings in British Government Securities from \$5,293,380 to \$7,486,965.

The combined net premium income of the other departments, including fire, accident, Marine, etc., amounted to \$3,144,431, indicating a substantial increase with satisfactory results in each department. The total funds, and assets of the corporation, have been increased during the year by \$3,371,860, to \$28,858,210.

The Canadian Branch

The London & Scottish has been operating in Canada for past 57 years, and is therefore one of the best known insurance offices in the Dominion, in addition to which the Canadian branch has the distinction of being the most important branch operated by the Company in any part of the world. Life policies new and taken up in Canada last year were \$2,073,307, an increase of \$667,576, as compared with 1918. A pleasing feature in connection with the Canadian business is the new high record attained in net premium income (life) which in 1919 amounted to \$536,342. The Company's Assets in Canada were increased during the year to \$7,621,400.

The Scottish Metropolitan Assurance Co. Ltd., transacting both fire and casualty insurance is now well established in Canada. This institution is well organized and equipped to carry on successfully in both branches. Mr. Alex. Bissett is manager for Canada of both the London & Scottish, and the Scottish Metropolitan. He entered the service of the former Company some 36 years ago, and in point of service, may be considered one of its oldest officials.

Adverse Experience in Automobile Underwriting

As showing the trend of automobile insurance in other countries outside of Canada, the annual statement of the Motor Union Insurance Company, Ltd. of London, England, recently issued, furnishes some interesting information. It is well known that this Company has been one of the most successful in the business of automobile insurance, and its affairs in this connection are under very able management.

For the year 1919 premiums had increased by over one hundred per cent. to \$2,334,000 as compared with \$1,139,390 in 1918 (\$5 = £1. stg.). It was stated by the chairman at the annual meeting, that this very large increase was due to the fact that motoring had again become general directly the armistice was signed, but instead of a profit to transfer to the profit and loss account, there was a loss of approximately \$240,000. The chairman said, that the loss had been fully anticipated by the directors, because it was quite obvious that pre-war premiums were absolutely inadequate to meet the additional cost of repairs and the general additional expenses of post-war conditions. Since January 1 the premiums had been raised by 20 per cent. and in April they were raised by a further 30 per cent., and on this latter basis it was hoped that the accounts next year would show a fair and reasonable profit on that business.