COMMERCIAL UNION ASSURANCE COMPANY, LIMITED.

The pathway of prosperity, along which the Commercial Union Assurance Company has been accustomed to travel, and the supreme underwriting skill by which every department of its huge business has been directed during its long career, was never more strongly evidenced than by the results chronicled for the year 1918, which has been a period of marvellous progress, not only in magnitude of total income, which amounted to the enormous sum of $64,653,015, (including interest), but also a profit margin of rare excellence.

The chairman (Sir Jeremiah Colman, Bart.,) in the course of his remarks to the shareholders, said:—"We have to-day to present to you a report which is a record and which I think we must regard as little short of phenomenal." Referring to the purchase of the Edinburgh Life which the Commercial Union acquired last year, he said:—"Our purchase of companies, which was at one time criticised, now always passes as a matter of satisfaction, because experience has shown to you, that the directors have been prudent in their purchases, and that these have resulted in great gains to the Company. The Edinburgh Life is one of the oldest and one of the most respected offices in Scotland. I am quite cetrain that the advantages of this purchase, direct and indirect will prove very substantial."

Fire Department.

As measured by the annual turnover of the Commercial Union, the fire department is a predominant factor in the Company's operations, and it has now further distinguished itself during 1918, by recording a net premium income of $26,312,385, as compared with $22,729,830 in 1917, indicating the large growth of no less than $3,582,555.

Against this enormous turnover claims paid and outstanding absorbed $11,129,610, figuring a low ratio of 42.3 per cent. to premiums as compared with 48.4 per cent. in 1917, 51.7 in 1916 and 48.7 per cent. in 1915. Expenses, including commissions, foreign state charges, and contributions to fire brigades totalled $9,189,210, a ratio of 34.9 per cent. as compared with a ratio of 34.4 per cent. in 1917. The slight increase in expense ratio, is more than accounted for by the increased demand for foreign state charges, which amounted to $843,515, as compared with $434,050 in 1917. Notwithstanding this increase in taxes after providing 40 per cent. of the increase in premiums to meet the consequent increased liabilities, there emerged the marvelous underwriting profit of $4,560,545, as compared with $2,865,000 in 1917. The additional fire reserve was further increased by the transfer of a sum amounting to $3,307,405, and now stands at $16,024,730. The total fire funds amount to $26,549,685—a sum in excess of a full year's premium turnover.

The Accident Department of the Commercial Union shows great expansion for 1918, the net premiums received were $23,044,800, an increase of $3,611,335, as compared with 1917. The claim ratio is equivalent to the satisfactory percentage of 52.3 per cent. Working expenses, including commissions, totalled $7,416,290, constituting the low expense ratio of 32.2 per cent. The large amount of $2,162,095 was transferred to the Accident insurance fund, which now stands at $14,801,245 and the sum of $1,500,000 was carried to profit and loss.

The results recorded in the Marine Department were highly satisfactory, the imposing sum of $1,394,830 was added to the marine insurance fund, which after the transfer of $500,000 to profit and loss and $700,000 to uncalled capital reduction fund, stood at the close of the year at $7,151,215. As will be noticed in the statement published on another page, the total funds of the Company at the close of the year stood at $142,592,009, a substantial growth of $11,254,704. The total assets of the Commercial Union have now reached the gigantic sum of almost $175,000,000, indicating a growth of over $15,000,000 for 1918. Referring to the investments of the Company, the chairman said:—"I think it may interest you to know, as evidencing the patriotic help, which insurance companies have been able to give to the Government in the days of their difficult finance, that the Commercial Union has in War Loans no less a sum than $46,785,000."

Canadian Branch.

Without any special effort after business, the Commercial Unon, owing to its great prestige, and skilful management, has for many years occupied an enviable position throughout the Dominion. Its agents are loyal and worthy representatives of such a great institution. In this connection the chairman, in referring to the fire accounts at the annual meeting, said:—"We must have the very best representatives, and it would be the worst possible policy to endeavour to reduce the expenses at the cost of having inferior agents." This strong organization has been under the sole direction of the assistant manager, Mr. W. S. Jopling, since the illness and death of the late manager, Mr. James McGregor, covering a period of over two and a half years. Mr. Jopling is an underwriter of great experience and popularity, and has been in the service of the Commercial Union during his whole business career of forty years. The Company's net fire premiums in Canada totalled nearly $1,100,000 last year, with a favourable loss ratio. Its experience in the latter respect is probably unexcelled by any company writing such a large volume of business in the Dominion, and covering a series of years.