

# BRITISH AMERICA ASSURANCE COMPANY

## Sixty-Ninth Annual Report

The Annual Meeting of the Shareholders was held at the Company's Office, Toronto, on Monday, February 23rd, 1903.

The President, Hon. Geo. A. Cox, occupied the chair; and Mr. P. H. Sims, who was appointed to act as Secretary, read the following:

### ANNUAL REPORT

In presenting the Sixty-Ninth Annual Financial Statement of the Company, the Directors have pleasure in calling attention to the following most prominent features shown in the year's accounts:—

The Balance of Income over Expenditure is.....	\$173,713 63
There has been written off securities to bring them to actual Market Value at December 31st.....	\$ 7,894 42
And written off the Company's Premises and Furniture.....	15,000 00
Two Half-yearly Dividends have been provided for at the rate of 6 per cent, per Annum, being.....	69,000 00
	\$2,894 42

The Balance, being the amount by which the Reserved Fund is increased, is.....

\$90,519 81

Compared with the business of the preceding year, the Premium Income shows an increase of \$104,791.00, while losses show an increase of \$18,171.00.

The estimated Liability on Policies Current at the close of the year is \$662,312.77, an amount ample, according to the Company's past experience, to run off existing risks.

### Financial Statement for Year Ending December 31st, 1902

#### REVENUE ACCOUNT

Fire losses, including losses under adjustment at December 31st, 1902.....	\$945,817 29
Marine losses, including losses under adjustment at December 31st, 1902.....	338,299 50
Commissions and other charges.....	527,164 72
Government and local taxes.....	51,236 49
Balance.....	173,713 63
	\$2,206,331 61

Fire premiums.....	\$2,056,194 44
Marine premiums.....	454,363 52
	\$2,510,557 96
Less reinsurance.....	346,368 91
	\$2,164,189 05
Interest and rest account.....	42,130 56
	\$2,206,331 61

#### PROFIT AND LOSS ACCOUNT

Dividend No. 117.....	\$ 20,000 00
Dividend No. 118.....	30,000 00
Written off securities.....	7,894 42
Written off company's premises and office furniture.....	15,000 00
Reserve at December 31st, 1902.....	702,821 17
	\$785,715 59

Reserve at December 31st, 1901.....	\$612,001 96
Balance of revenue account.....	173,713 63
	\$785,715 59

#### ASSETS AND LIABILITIES

Government and State Bonds.....	\$261,075 00
Municipal bonds.....	559,876 21
Railway bonds.....	136,335 00
Loan and Savings Co.'s bonds and stocks.....	96,095 50
Toronto Electric Light Co.'s bonds.....	29,000 00
Other stocks and bonds.....	79,000 00
Mortgages.....	10,000 00
Real estate (company's building).....	140,000 00
Office furniture, business maps, etc.....	33,774 73
Agents' balances and other accounts.....	392,021 18
Cash on hand and on deposit.....	115,191 30
Bills receivable.....	7,001 01
Interest due and accrued.....	13,850 21
	\$1,864,730 13

Capital stock.....	\$1,000,000 00
Losses under adjustment—	
Fire.....	\$109,555 13
Marine.....	22,323 83
	131,908 96
Dividend No. 118, payable January 5th, 1903.....	30,000 00
Reserve fund.....	702,821 17
	\$1,864,730 13

#### REINSURANCE RESERVE

Reserve to cover estimated liability on outstanding risks.....	\$662,312 77
--	--------------

J. J. KENNY, Vice-President.

P. H. SIMS, Secretary.

We hereby certify that the books of the Company have been audited and the vouchers and securities relating thereto have been examined for the year ending December 31st, 1902, and the same are carefully kept, correct and properly set forth in the above statements.

Toronto, February 14th, 1903.

JOHN M. MARTIN, F. C. A. } Auditors.  
R. M. WALTON

In moving the adoption of the Report, which was seconded by the Vice-President, the President said:—

In presenting our Annual Report at the Shareholders' Meeting a year ago, I spoke of the more encouraging outlook in our business at that time as compared with the conditions that had prevailed during the preceding two or three years, and I ventured to give expression to the hope we then entertained that the advances in fire insurance rates which were being adopted by companies generally, as a result of the adverse experience on this Continent during the preceding three years, would place the business on a footing that would yield a fair margin of profit to underwriters. The figure mentioned in the report that you have just heard read bore evidence that these expectations have, as far as at least as the business of this Company for the past year is concerned, been realized. The Report sets forth the results of the year's transactions so clearly, that I need not enlarge upon it to any extent; but I may point out that while the year's earnings, which include some \$4,000 derived from interest on investments, may be regarded as satisfactory, the profit upon underwriting is a moderate one, being equal to about seven per cent. on the business transacted. This profit, I may say, has been realized entirely upon the business of the last six or eight months; the serious conflagrations at Waterbury, Conn., and Paterson, N. J., in February last, to which I referred at our last meeting—having made the loss ratio unduly heavy for the earlier months of the year. These heavy losses, affecting, as they did, most of the fire insurance Companies doing business on this Continent, and following closely upon similar disasters in the previous two years at Ottawa, Montreal and Jacksonville, Pa., emphasized the necessity for an advance in rates, and brought about a general movement on the part of the Companies to secure this. The conditions of all branches of trade, and of manufacturing industries, both in Canada and the United States have fortunately been prosperous of late, and insurers have, speaking generally, recognized the fact that rates of premium which would afford a fair return upon insurance capital, are a legitimate charge upon their business.

In regard to the items written off in Profit and Loss Account, I am sure I think, be regarded as the most satisfactory feature in the Report, from a Policyholder's point of view, as well as from that of a Shareholder, even though this increase is to a certain extent brought about by keeping the dividend down to 6 per cent.—the rate paid in 1901. The profits on the business of the past year might have warranted a return to a somewhat higher rate, but the Directors feel that the strengthening of the Company's Reserves must be regarded as of primary importance.

I take this opportunity of expressing the appreciation of the Directors of the manner in which the Officers and Agents of the Company have performed their respective duties during the past year, and of saying that I feel that the general outlook is sufficiently encouraging to warrant our anticipating at least equally favorable results from the business, on the lines on which it is now running, to those shown in the report under consideration, the adoption of which I have much pleasure in moving.

The following gentlemen were re-elected to serve as Directors during the ensuing year:—Hon. Geo. A. Cox, J. J. Kenny, Augustus Myers, Thomas Long, John Hoskin, K. C., L. D., Hon. S. C. Wood, Robert Jeffrey, Lieut.-Col. H. M. Pellatt, E. W. Cox.

At a meeting of the Board, held subsequently, the Hon. Geo. A. Cox was re-elected President, and Mr. J. J. Kenny, Vice-President.