

Western Assurance Company.

FORTY-FIFTH ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of the shareholders of the above Company was held at its offices in this city on Thursday, the 20th inst. Mr Geo. A. Cox, President, occupied the chair, and Mr C. C. Foster, having been appointed to act as Secretary to the meeting, read the annual report of the directors.

The report showed that there had been a considerable increase in premium income over that of the preceding year, and that in the fire branch a satisfactory profit had been realized which result was due mainly to the moderate loss ratio on the business of the Company in the United States. In the marine department it was shown that on account of the low water in the lakes and rivers during the past season and from other causes the general experience of companies engaged in that business had been particularly unfavourable. Under these circumstances last season's operations on the lakes had shown a loss which materially affected the total result of the business of the company for the year.

The following is a summary of the

FINANCIAL STATEMENT
Premium income, less reinsurance \$2,332,231 31
Interest income 75,672 36
Total income \$2,407,904 67
Losses \$1,066,264 77
Expenses of management agents commissions, taxes and all other charges 765,091 04
Dividends on stock \$ 180,000 00
Total assets \$2,321,195 72
Total liabilities 1,248,243 56
Reserve Funds \$1,072,952 16
Cash capital 1,000,000 00
Subscribed capital 1,000,000 00
Security to policy holders \$3,072,952 16

The President, in moving the adoption of the report, said:-

In considering the report, shareholders should bear in mind that the year with which it deals has been, in many respects, a remarkable one in our business. It will be remembered by those connected with fire and marine under-writing in this country as a year which brought with it disasters of an exceptional character—heavy losses upon classes of business regarded as the most desirable—and, therefore, as one which was generally disappointing in its results to insurance companies. Under these circumstances, I feel that we may claim that there is more matter for congratulation in the balance-sheet now before you than there has been in many of the annual statements we have had the honour of presenting to shareholders, in which, under more favourable conditions, our revenue account exhibited a much more substantial balance of income over expenditure than is shown as the outcome of our transactions for 1895.

The serious fires in the early part of the year in this city, involving an aggregate loss of some two million dollars, are, no doubt, fresh in the minds of shareholders. The "Western" was called upon to pay to its policy-holders in these disasters \$102,500, about one-half of which, however, was covered by reinsurance in other companies. Closely following these came other fires of exceptional magnitude, to which I need not refer in detail, but I may say that, on the whole, the company never experienced a more unfavourable opening in any year than its fire records show for the first three months of 1895. The ultimate profits shown on our fire business at the end of the year was, therefore, as gratifying to us as it was reassuring to the theories we have entertained based on the doctrine of average. It will be of interest to shareholders to know that we regard the existing arrangement for the joint management and supervision of the United States branches of this company and those of the British America Assurance Company as contributing in no small measure of this favourable result. This arrangement, as will readily be understood, enables the companies to provide for a more thorough inspection of their risks, and a more efficient oversight of their agencies than could be secured, without undue expense, by either company independently; and, as intimated in the report, it is to the profits from our fire agencies in the United States that we have had to look in the past year to make up our losses in our departments. In some previous years, it will be remembered, our experience has been the reverse of this, and these varying results in different fields go to confirm the wisdom of the policy of extending, as widely as possible, with proper provision for local supervision, the operations of companies engaged in the business of fire insurance, and enabling them thus to distribute over a wide area the burden of conflagrations, such as experience has shown us may occur at any time and at any place where large values are concentrated. It is, I may say, the recognition of the vital importance of this principle—and the conduct of the business upon these lines—that enables the British, American and Canadian companies, operating throughout this continent, to offer property-

holders a guarantee of indemnity from loss by such disasters; and I will say further that it is the absence of facility for the application of this essential principle of insurance, namely, a wide distribution of risks of moderate amount, that must be fatal to any scheme for municipalities assuming the fire risks upon the property of their citizens, as it has been suggested they should do by some ardent social reformers, who appear to lose sight of the fact that investors will look for larger returns in the way of interest on municipal bonds, if they are called upon to assume greater risks than are undertaken by the shareholders of an insurance company. In making this reference, I wish it to be understood that I speak as one more largely interested in the debentures of the city of Toronto and the general credit of the city than in the stocks of our fire insurance companies.

Although the fire business has always been our chief source of income, we have, as you are aware, almost since the organization of the company been engaged to a limited extent in marine underwriting. In this branch our operations during recent years have been chiefly confined to the inland lakes and rivers. From this source we have, on the whole, over a series of years, derived a moderate margin of profit, but from various causes the record of the lakes for the past season has been one of continual disaster to shipping, the casualties having been, as far as can be judged from published records, more than double those of any preceding year in the amount of property lost. As a consequence we have to report a very considerable loss on the business of the year in this branch, the losses and expenses having exceeded the premiums by upwards of \$100,000. I have little doubt that as a result of the generally unprofitable nature of last season's business an improvement in rates, which is recognized on all hands as necessary, will be brought about before the opening of navigation. Failing this there would appear to be no course open to us but to discontinue this branch of our business altogether.

I may briefly summarize the past year's experience of the company by saying that the profits on our fire business were practically absorbed by the losses of our marine branch, and that our interest earnings were sufficient to pay (after providing for the amount written off for depreciation in securities) about 7 per cent. upon our capital stock, the addition of 3 per cent. required to make up the usual dividend being taken from the reserve fund accumulated from the surplus of previous year. On account of the larger volume of business on our books we have increased the amount estimated as necessary to run off unexpired policies to \$794,460. The actual liability under this reserve is, of course, dependent upon the number and amount of the policies which may become claims before the expiry of the term for which the premiums have been paid. Similar estimates in previous years, however, have proved to be more than ample, and our reserve for this purpose, I may say, is considerably larger for our volume of business than that set aside to provide for unexpired risks in the statements of any of the British companies which have come under my notice.

At the last annual meeting we reported that the company had re-insured all the risks in Canada of the United Fire Insurance Company of Manchester, England, which company ceased operations in this country on the 15th of January, 1895. The liability under this contract is nearly run off, leaving a profit to the company, in addition to some new connections which promise to be of permanent advantage.

It would, of course, be premature, at this date, to attempt to form an estimate of the probable outcome of the present year, but it is, nevertheless, gratifying to be able to say that our experience thus far in 1896—both as to volume of business and moderate loss ratio—has been very satisfactory, and taking into account the evidence which the report now before us presents of the ability of the company to meet out of the year's premium receipts such exceptional calls upon it as the losses of the past year, I think we may say, without laying ourselves open to the charge of optimism, that the prospects of the present year—in fact, of the future of the company—are very encouraging.

In conclusion, I wish to bear testimony to the ability and zeal which the officers and agents of the company have shown in furthering its interests during the past year.

The Vice-President, Mr. J. J. Kenny, seconded the adoption of the report, which was carried unanimously.

The election of Directors for the ensuing year was then proceeded with, and resulted in the unanimous re-election of the old board, viz.: Messrs. George A. Cox, Hon. S. C. Wood, Robt. Beatty, G. R. R. Cockburn, M. P., Geo. McMurrich, H. N. Baird, W. R. Brock, J. K. Osborne and J. J. Kenny.

At a meeting of the Board of Directors held subsequently Mr. George A. Cox was elected President and Mr. J. J. Kenny Vice President for the ensuing year.

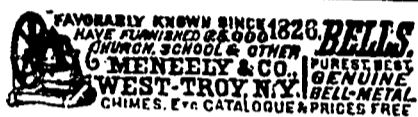
General Greeley's article in March Ladies' Home Journal upon "The Personal Side of Washington" will show that Washington was largely influenced by his environments, but also that he steadily tended toward the higher standards of the present age, especially as regards his habits and ideals.

Miscellaneous.

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MEETINGS OF PRESBYTERY.

- ALGOMA.—At Webbwood, on March 10th.
BRUCE.—At Chesley, on March 10th, at 1.30 p.m.
BAKIE.—At Allacdale, on March 24th, at 10.30 a.m.
BRANDON.—Regular meetings in March, first Tuesday; second Tuesday of July and September of each year. Meets next in Brandon.
CALGARY.—At Calgary, in Knox Church, on first Friday, in March, 1896, at 8 p.m.
GUELPH.—At Berlin, in St. Andrew's Church, on March 17th, at 9 a.m. To meet in conference in the same place, the evening previous, at 7.30 p.m.
HURON.—At Hensall, on March 10th, at 10.30 a.m.
KAMLOOPS.—At Kamloops, on March 4th.
LINDSAY.—At Beaverton, on April 21st, at 11.30 a.m.
LONDON.—At London, in First Presbyterian Church, on March 10th, at 11 a.m.
MONTREAL.—At Montreal, in Knox Church, on March 17d, at 10 a.m.
MATTAND.—At Ripley, in Knox Church, on March 16th, at 7.30 p.m., and at Lucknow, on March 17th, at 1.30 p.m.
ORANGEVILLE.—At Orangeville, on March 10th, at 10.30 a.m.
OWEN SOUND.—At Owen Sound, in Division St. Hall, on Tuesday, March 17th, at 10 a.m.
PORTAGE LA PRAIRIE.—At Gladstone, on March 3rd at 3 p.m.
PARIS.—At Brantford, in First Church, on March 17th, at 10.30 a.m.
PETERBORO.—At Port Hope, in Mill Street Church, on March 17th, at 9.30 a.m.
REGINA.—At Moosomin, on first Wednesday, in March, 1896.
SARNIA.—At Sarnia, in St. Andrew's Church, on March 10th, at 11 a.m.
STRATFORD.—At Stratford, in Knox Church, on March 10th, at 10.30 a.m.
SAUGERN.—At Palmerston, in Knox Church, on Tuesday, March 10th, at 10 a.m.
VICTORIA.—At Victoria, in First Church, on March 3rd, at 9 p.m.
WINDY.—At Oshawa, on April 21st, at 10 a.m.

Miscellaneous.

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