

paragement of the other Mutual Companies, many of whom have done remarkably well. The object of your directors is to show that your Company comparing so favorably with other excellent companies cannot fail to command the continuance of your confidence, and the confidence and support of the public at large.

The Government Inspector in his able report says "it is too much the habit of some Mutual Companies to defer making assessments so long as it is possible to do so, and fill up the gap by borrowing money from banks and elsewhere, and thus allow their debts to accumulate." The folly of such a course to every business mind is quite patent. Your directors have ever guarded against such an evil, and their success in this respect will be better understood when they tell you that not one cent has ever been borrowed by the company, while after paying all just and legal claims at maturity, there was at the end of the first year lying in Federal Bank at their credit \$2,000 At the end of the second year 3,000 At the end of the third year 8,000 And this too after giving to the policy holders their insurance at 20 per cent. less than tariff stock companies rates, thus proving the value to the country of well managed mutual insurance companies. A fact that the intelligent inhabitants of Ontario have not been slow to discover. As out of \$85,186,427 worth of property insured in Ontario companies \$76,581,766 are placed in mutual companies, and as \$519,653.66 have been paid to these companies in premiums, presuming that the older mutuals have effected the same saving as this company, no less a sum than \$103,930.73 has during the year been saved to the policy holders. And this too at a time when the Ring Tariff Stock companies are clamouring for higher rates. Relative to which the MONETARY TIMES very judiciously remarks, "we have more faith in the good to be produced by the exercise of good sense on the part of insurance companies than we have in any tariff combinations, because the latter are very short lived and generally end in disagreement and reckless competition—besides combinations are always obnoxious in the eyes of the people."

Your Directors are not ignorant of the difficulties which Mutual Insurance Agents have to contend with, particularly when they are not furnished with government statistics, showing the relative success of Stock and Mutual Companies. A perusal of the following figures may prove instructive.

Amount of Insurance carried in the Dominion on the 31st Dec. 1878, as per Ottawa & Ontario reports, —English Companies.....	\$202,702,743
Canadian Cos. reg'd in Ottawa	171,430,720
American Cos. do. do.	35,766,238
	\$409,899,701
From this deduct London Mutual..	38,138,332
	\$371,761,369
Add Stock Companies registered in Toronto	8,604,661
Am't car'd by all St'k Co's together	\$380,366,030
With this compare Ontario Mutuals registered in Toronto	76,581,766
London Mutual registered in Ottawa	38,138,332
Am't carried by Ontario Mutuals	\$114,720,098
From this you will see that the Mutual Companies of Ontario were at the above date carrying about one fourth of all the fire insurance of the Dominion of Canada.	
Your Directors have adhered to the Conservative policy which has governed the management of your Company in the past, as a proof of this caution it is only necessary to say that they have cancelled and declined \$142,462.00 during the year, thus reducing the assets of the Company \$5,158.33, rather than run any undue risk, and	

their wisdom in this respect has been fully confirmed by the losses which have since occurred from amongst the cancelled and declined risks.

Your Directors, after careful deliberation, came to the conclusion that a scale of rates, adapted to the respective risks, would answer all the purposes of separate branches, without entailing so much labor upon the clerks. Acting upon this conviction, they have adopted separate tariffs for waterworks and non-protected risks, and have consolidated the business of the Company by reinsuring the smaller with the larger. This will give a more extended security to each member, without infringing upon the rights of any.

You will see by the following statement of receipts and expenditure that the cash receipts of the Company during the year amount to \$34,311.39, while the losses and expenses paid amount to \$30,423.49, leaving a balance to be added to former balance \$3,887.90, bringing the amount up to the handsome sum of \$16,521.19. The ratio of losses to receipts is 51-80 per cent. The ratio of expenses to receipts is 36-85 per cent., together, 88-65.

The better to understand the success of the company let us compare these percentages with those of the stock companies as per Ottawa report page 42 from which you will see that the average of the twelve Canadian stock companies then given show for 1878 losses 65.81 expenses 45.06 together 110.87, showing by comparison in favor of the Phoenix Mutual insurance less than 22 22 p.c. Nor was 1878 compared with the preceding an unfavorable one, the losses of all stock companies doing business in Canada during ten years averaged 86.09 independent of expenses, so that in view of these comparisons your directors think you have just cause to be proud of your company. All of which is respectfully submitted.

JOHN BRANDON J. J. WITHROW
Manager and Secretary. President.

STATEMENT OF RECEIPTS AND EXPENDITURE.

Receipts.

Balance from last year.....	\$12,633 29
First payments	17,815 44
Assessments	16,143 53
Carpenter's risks	24 70
Transfer fees	49 00
Interest	278 72
	\$46,944 68

Expenditure.

Fire claims paid	\$17,777 08
Salaries and Directors' fees.....	4,211 96
Stationery, printing, & advertising	505 62
Rent, taxes, and office expenditure..	416 01
Policy writing.....	76 89
Travelling expenses	676 27
Postage account	424 86
Re-insurance	648 12
Agent's commission	3,784 76
Do. do.	1,315 20
Legal expenses	287 62
Office furniture.....	106 70
Auditing	125 00
Expenses settling claims.....	26 45
Accounts written off.....	40 95
Balance on hand and in Federal Bank.....	\$8,008 66
Cash in agents' hands and agents' accounts..	5,159 58
Due bills for cash payments	2,643 56
In Division Court	709 39
	16,521 19
	\$46,944 68

STATEMENT OF ASSETS AND LIABILITIES.

Assets.

Cash on hand and in Federal Bank	\$8,008 66
Cash in agents' hands and agents' accounts	5,159 58

Due Bills for 1st payments	2,643 56
Cash in Division Court.....	709 39
Office Furniture.....	286 51
Assessments due	9,289 00
Balance of undertakings	28,490 18
	\$54,586 88

Liabilities.

Adjusted claims not due	\$6,025 50
Balance down.....	48,561 38
	\$54,586 88

I hereby certify that I have examined the books, accounts and vouchers of the Phoenix Mutual Fire Insurance Company for the year ending 31st December, 1879, and have found the same correct.

The accompanying statement of assets and liabilities, receipts and expenditure have been compared with the books of the Company, and represent the position of its affairs on that date.

A. G. LIGHTBOURN, Auditor.

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

Gentlemen,—I beg leave to move the adoption of the report just read, and in doing so I am sure I am but speaking the language of all who have listened to it when I say that in every respect it is a most gratifying one. Narrating as it does the progressive history of the company's finances up to the close of its third year. A lifetime long enough to shew whether or not the management was sufficiently prompt energetic and enterprising while at the same time conservative enough to do business on carefully matured, and well known business principles. The improving and continued success of the company is a most satisfactory answer to the queries I have suggested shewing as the various reports, that have been presented, do an improvement in every respect of each report of the one it followed. I was struck with the extracts quoted from the Government Inspector's report just presented showing that about nine tenths of the insurance placed in Ontario companies is carried by Ontario mutual insurance companies demonstrating that the people have confidence in such institutions. The inspector's report is also the authority for the comparison instituted as between the various mutual companies doing business in Ontario which shews that the Phoenix has in the three years alone referred to taken front rank among the most successful of them all and can no longer be regarded as an experiment but as an undoubted success. The reference to the Inspectors report gives me the opportunity of saying that the action of the Legislature of Ontario in appointing an Inspector is in my opinion in the best interests of all well managed companies as well as of those seeking insurance as the enforced compliance with well matured governmental rule will certainly tend to strengthen the confidence of the public in mutual companies, as no company unable to satisfy the Inspector with their ability to fulfil their engagements with the public would be allowed to do business. The various clauses of the report will bear careful perusal, and I would suggest that an opportunity to do so be afforded to all our members by having an extra number of the report printed for circulation. I cannot conclude these brief remarks without saying that my position has given me an opportunity of seeing that in the manager and secretary, Mr. Brandon we have a thoroughly first class man, who seems to have a special fitness and adaptedness to this which is after all a special kind of business, and requires for successful management a special kind of training. I believe he is heartily supported by the most efficient staff. The Company's Inspector, Mr. Peck, also the right man in the right place. His reports and statements shew that while keen to