

Expenses to each \$1,000 at risk	\$ 53	8 02	8 53	11 95
Mortality to each \$1,000 at risk	\$ 10 02	11 67	15 12	11 30
Expenses	\$ 640,843	4,076,644	3,649,514	4,590,314
Death Losses incurred	\$ 1,693,450	5,637,942	6,465,346	4,667,472
Net amount at risk....	\$ 68,902,850	48,109,562	427,583,359	338,935,536
Organization.	Mutual Reserve.	Equitable Life.	Mutual Life.	New York Life.

No further comment on the economical management of this association than the above comparison is needed.

SURPLUS.

The net surplus on December 31, 1888, after deducting every real, technical or imaginary liability (including a liability of \$423,773, net present value of all policies in force on December 31, 1888, computed as renewable term insurance for six years, upon actuaries' table of mortality with interest at 4 per cent. not required from post mortem natural premium associations, but the various State insurance departments, but voluntarily assumed a liability by this association) is \$1,532,448.49.

MEDICAL EXAMINATIONS.

An important point to be considered with any kind of insurance companies is the kind of risk assumed. A few figures from the report of the Medical Director, James W. Bowden, speaks volumes in that direction. It showed that of the people that were insured in 1887, numbering 11,636, but 33 died: Of those insured in 1886, numbering 13,906, 76 died. Of those insured in 1885, numbering 14,090, 73 died. Of those insured in 1884, numbering 9,546, 60 died. Of those insured in 1883, numbering 9,723, 70 died. Of those insured in 1882, numbering 5,643, 47 died. Of those insured in 1881, when the association was originated, 11 died out of 1,993.

PERSISTENCY OF MEMBERSHIP.

The association claims that the popularity of its system is manifest in the persistency of the membership. The amount of mortality call No. 40 (the last one on which a just estimate can be based at present), made upon the members, was \$371,018.47. The amount paid on this call was \$362,726.95, leaving only \$8,291.52 unpaid. From this unpaid balance should be deducted \$2,673 for terminations by death during the thirty days' grace given in which to pay the call, estimated upon the mortality for that period at the average age, leaving an actual lapse of \$5,618.47, or about 15 per cent. of the amount called, and 98 1/2 per cent. paid; a like ratio cannot be shown by any association in existence.

FOREIGN BUSINESS.

The popularity of the system of the Mutual Reserve in foreign countries is shown by the English, French and Canadian reports. Nearly ten millions or 25 per cent. of the entire business obtained last year was contributed by Canada, England and France. Mr. J. D. Wells, the General Manager for Canada, as usual leads all the agencies reporting to the company on this continent; his business for the year amounting to between three and four millions of dollars.

CANADIAN DIRECTORS.

Warring Kennedy, Esq., and William Wilson, Esq., of Toronto, were unanimously re-elected to the Advisory Council.

Resolutions were passed expressing entire confidence in the management of President E. B. Harper and his officers; also providing for a special emergency reserve fund, from which all urgent claims will be paid to widows and needy persons immediately on proof of their claims.

It will elicit no surprise when we say that the meeting was a most enthusiastic one, and the association starts upon another year's work with an inspiration that promises a grand report for 1889. Certainly its history is worth studying, and its claims may well have a calm hearing from all whose lives should be insured. And there are some of such in every house in our land.

WESTERN ASSURANCE CO.

ANNUAL MEETING OF THE SHAREHOLDERS.

The thirty-eighth annual meeting of the Shareholders of the Western Assurance Company was held at its offices in this city on Thursday, the 21st instant, the President, A. M. Smith, Esq., being in the chair.

The Managing Director, Mr. J. J. Kenny, read the following

DIRECTORS' REPORT

The Directors beg to submit the annual statement of the Company's accounts for the year ending 31st December last, and have pleasure in being able to report to the Shareholders so favorable a condition of the affairs of the Company as these exhibit.

The total income, it will be observed, was \$1,639,877.56, and after providing for all losses incurred during the year, and expenses of management, two half-yearly dividends at the rate of ten per cent. per annum have been paid upon the capital stock, and \$50,000 added to the reserve fund, while \$7,853.72 remains at the credit of profit and loss account.

The total surplus funds of the Company now amount to \$832,853.72, but out of this the unexpired risks under policies current at the close of the year have to be provided for. The sum estimated as necessary to reinsure or run off these is \$336,095.24, which leaves a net surplus over and above the capital and all liabilities of \$496,758.48.

While congratulating the Shareholders on the gratifying result of the year's transactions, the Directors desire to acknowledge their appreciation of the efficiency and zeal displayed by the officers and agents of the Company in securing and supervising the large volume of business which is summarized in the accompanying accounts.

REVENUE ACCOUNT.

Fire premium.....\$1,286,129 58
Marine premium..... 647,750 43

Less re-insurance.....

Interest account.....

Fire losses, including an appropriation for all losses reported to Dec. 31st, 1888.....

Marine losses, including an appropriation for all losses reported to Dec. 31st, 1888.....

General expenses, agents' commission and all other charges.....

Balance to profit and loss.....

PROFIT AND LOSS ACCOUNT.

Dividend, paid July, 1888, \$25,000 00

Dividend, payable Jan. 8, 1889..... 25,000 00

Carried to reserve fund.....

Balance.....

Balance from last year.....

Profit for the year as above.....

Liabilities.

Capital stock paid up.....

Losses under adjustment.....

Dividend payable January 8th, 1889.....

Reserve fund.....

Balance, profit and loss.....

Assets.

United States bonds.....

Dominion of Canada bonds.....

Loan company and bank stock.....

Company's building.....

Municipal debentures.....

Cash on hand and on deposit.....

Bills receivable.....

Mortgages.....

Re-assurance due from other companies.....

Interest due and accrued.....

Agents' balances and sundry accounts.....

J. J. KENNY,

Managing Director.

WESTERN ASSURANCE OFFICES,

TORONTO, February 14th, 1889.

AUDITORS' REPORT.

To the President and Directors of the Western Assurance Co.:

GENTLEMEN,—We hereby certify that we have audited the books of the Company for the year ending 31st December, 1888, and have examined the vouchers and securities, and find the same carefully kept, correct and properly set forth in the above statements.

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

Toronto, February 14th, 1889.

The President, in moving the adoption of the report, congratulated the Stockholders on the favorable showing which the Company made at the close of the thirty-eighth year of its existence. He referred to the wide field over which the Company's business extended, embracing nearly every State in the Union, as well as some of the West India Islands, while in "this Canada of ours," the "Western" had become almost a household word from Nova Scotia in the East to Manitoba and British Columbia in the West.

The aim of the management during the past year has continued, to be to make quality rather than quantity of business the first consideration, and in carrying out this policy they are working as far as possible upon the lines of the experience gained in the Company's various fields of operation, reducing the amounts carried on certain classes of risks, or cutting off altogether such as have yielded no profit in the past. There would have been no difficulty, had they been less conservative, in showing a large increase in the premium income; but this might perhaps have been at the expense of the profit balance, and it would, moreover, have left a corresponding increased liability on current policies at the end of the year.

In the fire branch the results of the past year show an improvement on those of 1887, and with the maintenance of existing tariffs he thought that they might continue to look for a fair return upon the business transacted. It was scarcely necessary for him to tell the shareholders that at home the "Western" continues to maintain its position in the front rank, both as to the amount of its income and its low loss ratio; and he was happy to say that the efforts during the past few years to place the Company's fire business in the United States on an equally satisfactory footing are meeting with encouraging success.

In its inland and ocean marine business the Company appears to have had a varied experience, for while a good profit is shown in some departments, in others this branch shows a considerable loss. Changes, however, which have been decided upon in the direction of discontinuing altogether certain lines of business will, it is hoped, bring about more uniformly satisfactory results in the future.

The total expense of conducting the business bears, within a small fraction of one per cent., the same ratio to income as last year, and he thought he was safe in saying that it is as low, if not lower, than the average expense ratio of companies doing a similar business.

The assets of the Company, amounting to nearly a million and a half dollars, consist of unquestionable securities, and would readily realize the figures at which they stand on the books.

The only item of the liabilities that might call for any reference was outstanding losses, of which, in such a large business, there must necessarily be a considerable number at all times awaiting further proof and under adjustment; but he might say that by far the larger proportion of those that were outstanding on the 31st December were settled and paid in the early part of January.

He was sure that they would agree with him that in all that constitutes material prosperity, either from a shareholder's or a policy-holder's point of view, the statements presented show that the "Western," during 1888, had made a most gratifying step forward, and, while they had not got far enough into the present year to venture to forecast what 1889 might bring forth, he felt that they might confidently look forward to at least a fair share of any good fortune it may have in store for those engaged in the business of fire and marine underwriting.

William Gooderham, Esq., Vice-President, seconded the adoption of this report, which was carried unanimously, and a vote of thanks was passed to the Directors for their services during the past year.

Messrs. Wm. Anderson and J. K. Nivan were appointed to act as scrutineers, and reported the following gentlemen unanimously re-elected Directors for the ensuing year:—Messrs. A. M. Smith, Wm. Gooderham, Hon. S. C. Wood, Robt. Peaty, A. T. Fulton, Geo. A. Cox, Geo. McMurich, H. N. Baird and J. J. Kenny.

At a meeting of the Board held subsequently, A. M. Smith, Esq., was re-elected President, and Wm. Gooderham, Esq., Vice-President for the ensuing year.