

THE EQUITY FIRE INSURANCE CO.

HEAD OFFICE, 24 KING STREET WEST, TORONTO
 TWELFTH ANNUAL MEETING, FEB. 17th, 1910

DIRECTORS' REPORT.

Your Directors, in presenting the Twelfth Annual Statement to the Shareholders, would call attention to the increase of Premium Income, the gross amount for the year being \$328,703.12, which, with interest earnings and payments on Capital Stock, makes a total gross income of \$392,493.46.

The call on the Capital Stock has resulted in receipts of practically \$60,000, and the balance remaining should be paid into the Company without further delay.

It is pleasing to note that of the \$127,234.08 balance of income, no less an amount than \$62,813.74 is due to surplus on underwriting account.

The sum of \$63,612.98 has been placed to Reserve, and the total security to Policyholders now stands at \$488,412.98.

We would call attention to the moderate amount of fire losses for the year, namely, \$86,315.07.

We would further point out that every adjusted loss on the 31st of December was paid, and that the net amount of unadjusted losses amounted to only \$4,621.34.

The expenses in several items show a reduction, and a strong effort will be made to still further reduce controllable expenditure.

Your Directors obtained in May last from the Dominion Parliament, a special bill incorporating the Equity Fire Insurance Company of Canada, the objects of which have already been explained. A Special General Meeting of shareholders was held on June 21st last, at which the action of the Board for the proposed transfer of the present Company to the Equity Fire Insurance Company of Canada was duly approved, but the response to the call upon the shareholders and the sale of new stock has not been sufficient as yet to meet the requirements, and thus enable us to make the change.

Your Directors, having in mind the intimate relations existing between the Equity Metropolitan and Independent Fire Insurance Companies, and with a view to greater economy and efficiency, approved of the Company completing a closer working alliance between the Companies, under one management. This has been in operation since the beginning of the year.

The Auditors have maintained a continuous audit of the books of the Company, and have given excellent service in their department.

All of which is respectfully submitted.

THOS. CRAWFORD, President.

WM. GREENWOOD BROWN, Manager and Secretary.

REVENUE STATEMENT FOR YEAR ENDING DECEMBER 31st, 1909.

Expenditure.	Income.
Cancellations and Reinsurance.. . . . \$ 77,390.02	Premium Earnings.. . . . \$328,073.12
General Expense, Commission, etc.. . . . 99,189.93	Interest Earnings.. . . . 4,880.34
Cancellation of U. S. Business.. . . . 2,364.36	Payments on Capital Stock.. . . . 59,540.00
Fire Losses and Adjustment Expense.. . . . 86,315.07	
Balance of Income.. . . . 127,234.08	
\$392,493.46	\$392,493.46
Assets.	Liabilities.
Capital uncalled.. . . . \$212,400.00	Capital subscribed.. . . . \$124,800.00
Capital in course of collection.. . . . 25,420.00	Losses unpaid.. . . . 4,621.34
Cash in Bank and on hand.. . . . 19,502.03	Re-insurance and amounts due other com- panies.. . . . 29,859.46
Municipal and Corporation Bonds and Bills Receivable.. . . . 214,542.67	Accumulated Reserve Fund.. . . . 63,612.98
Office furniture, insurance plans and sundry other assets.. . . . 14,363.82	
Net Premiums in course of collection.. . . . 36,665.26	
\$522,893.78	\$522,893.78

CONTINGENT LIABILITY.

Reserve on unearned Premiums per Government Standard, \$215,708.37.

IMPROVEMENT IN FINANCIAL POSITION DURING 1909.

Payments on Capital Stock.. . . . \$ 59,540.00
Interest earnings.. . . . 4,880.34
Surplus on underwriting account.. . . . 62,813.74
\$127,234.08

SECURITY TO POLICYHOLDERS.

Uncalled Capital.. . . . \$212,400.00
Cash in Bank and on Hand.. . . . 19,502.03
Net premiums in Course of Collection.. . . . 36,665.26
Bonds, Debentures and Bills Receivable.. . . . 214,542.67
Sundry Assets.. . . . 5,521.79
\$488,412.98

This is to certify that we have maintained a continuing audit of the books, verified the vouchers and examined the securities of The Equity Fire Insurance Company for the year ending December 31st, 1909, and find they have been correctly kept, and are truly set forth in the above statements.

(Signed) **EDMOND GUNN, C.A.,**

CHARLES ARNOLDI, Auditors.

Toronto, February 3rd, 1910.

DIRECTORS ELECTED:

Hon. Thomas Crawford, Toronto, President; Chas. C. VanNorman, Toronto, First Vice-President; Alf Taylor, Galt, Second Vice-President; J. M. Queen, St. John, N.B., Third Vice-President; His Honor George Morgan, Toronto, D. Hibner, Berlin, David Carlyle, Toronto, W. Vandusen, Toronto, W. R. Tudhope, Toronto.