

FIFTH ANNUAL REPORT

BY THE DIRECTORS OF

The Imperial Guarantee and Accident Insurance Company of Canada

For the Twelve Months Ending 31st December, 1909.

The Directors have much pleasure in submitting to the Shareholders their Fifth Annual Report for the twelve months ending 31st December, 1909.

BUSINESS:

The Company issued 11,794 policies for \$26,270,309.00, being an increase over last year of 3,283 policies and an increase of \$1,940,309.00 in business written. The premiums collected amounted to \$197,579.72, which, together with interest earnings of \$9,535.95, and received from other sources \$12,626.09, makes a total income for the year of \$219,741.76. We are pleased to report a reduction of 2.69 per cent. in the ratio of expenses to premium income.

ASSETS.

The Assets now amount to \$306,974.89, and the interest earned on our securities, which are entirely high-grade Bonds, was nearly sufficient to pay the dividend.

RESERVE FOR UNEARNED PREMIUM:

Reference was made in our last Annual Report to the Government Standard of Reserve being in excess of what is required to carry the business. We are pleased to see that this fact has been recognized by the Department of Insurance in the new Insurance Act which proposes to make 80 per cent. of the unearned premium as the Government Standard of Reserve. We have continued the Reserve on the old basis, which is, however, \$14,652.00 in excess of what will be required when the new Act comes in force.

SURPLUS:

The surplus to policyholders is \$213,447.72, in addition to the uncalled subscribed Capital of \$800,000.00 which makes the available security for all contracts \$1,013,447.72.

The Certificate of the Auditors is appended to the Financial Statement as to the audit of the Company's affairs.

E. W. COX,
President.

Statement of Assets and Liabilities as at December 31st, 1909.

ASSETS.

Stocks and Bonds.. . . .	\$200,900.00
Cash in Bank and on hand.. . . .	54,296.31
Outstanding Premiums.. . . .	43,096.62
Office Furniture.. . . .	3,126.57
Accrued Interest.. . . .	316.66
Other Assets.. . . .	5,238.73
	<u>\$306,974.89</u>

LIABILITIES.

Government Reserve for Unearned Premiums.. . . .	\$73,295.99
Reserve for outstanding and unfilled Claims	19,339.18
Accrued Sundry Items.. . . .	892.00
Capital Stock Paid.. . . .	\$200,000.00
Surplus over all Liabilities.. . . .	13,447.72
Surplus on Policyholders' Account	213,447.72
	<u>\$306,974.89</u>

We hereby certify that we have audited the Books and examined the vouchers and securities of the Company up to December 31, 1909, and have found the same to be correct; and also certify that the foregoing Statement is correct and represents the condition of the Company's affairs, as shown by the Books.

CLARKSON & CROSS.

Toronto, 8th January, 1910