

Hedley, Wm. Ince, W. H. Howland, A. S. Irving, C. Martin, Henry O'Brien, Donald Mackay, S. F. McKinnon, Elias Rogers, G. M. Rose, R. L. Patterson, W. W. Park, James Scott, Hugh Scott, J. L. Spink, Fred'k Wyld, James Watson, Wm. Wilson, Thos. Walmsley, John J. Withrow, Hon. S. C. Wood, John Waldie, G. W. Yarker, Toronto; V. Cronyn, London; J. Muckleston, Kingston; A. T. Wood, Hamilton.

LONDON MUTUAL FIRE INSURANCE COMPANY.

The thirty-third annual meeting of this company was held at its offices in London, Ont., in February.

The president, Capt. Thomas E. Robson, was moved into the chair. In his opening remarks he expressed regret at the death of the late James Armstrong, M.P., whose face has been very familiar to members of the board during the past twenty years, and who no doubt will be greatly missed.

The thirty-third annual report of the board of directors was then read as follows:

REPORT.

This is the thirty-third annual report of the company, and in presenting the same your board has in the general results of the year's business reason to congratulate the members, as also upon the healthy condition of the company. Notwithstanding the fact that the year has been marked as more than ordinarily prolific in the number and extent of losses by fire, your company came in for its full share, which is not to be wondered at, seeing that we carry a larger sum at risk in Ontario alone, and, with one or two exceptions, more than any other company in the whole Dominion, the amount of our insurance realizing \$44,524,382. The particulars of each loss are to be found in the appendix hereto, and the subject is treated of further on in this report, as also in the report of the fire inspector, to which your earnest attention is called.

Policies.—The volume of business done has fully kept up to the average, 6,799 policies having been issued on the premium note system and 6,138 on the cash system: in all 12,937, as against 12,823 policies in the year before. This result is very gratifying, as a different one was anticipated, from the fact that two small mutual companies formed under the Insurance Act of Ontario, and which companies had their headquarters in London, were obliged under adverse circumstances to wind up their business. This was an opportunity that our opponents were not slow to take advantage of, and by every known false statement endeavored to poison the minds of the public by endeavoring to associate your old-established company with the defunct affairs, but in this, as in every other instance, our enemies have signally failed to remove that confidence your company has enjoyed for now over one-third of a century, a confidence your board will always endeavor to maintain by pursuing an honest and liberal policy with everyone having dealings with the company—a policy that will without doubt not only retain but materially increase the business.

Financial Statement.—Appended hereto will be found a full statement of the accounts of the company for the year ending Dec. 31st, 1892, showing the assets and liabilities and receipts and expenditures. The net surplus of assets are now \$356,666.98, a falling off as compared with last year, owing in part to an increase of business on the cash system, causing a reduction of premium notes, and also from the fact that the losses paid far exceeded those of the previous year.

Official Inspection.—The yearly inspection of the affairs of the company was made by Mr. Fitzgerald, the superintendent of insurance, and everything reported satisfactory.

Special Audit.—In consequence of the death in the early part of the year of W. R. Vining, Esq., treasurer, and other changes having been made in the financial staff of the company, your directors took advantage of the opportunity, both for their own and the members' satisfaction, to have a special audit made by a person totally independent of the company, and they selected G. A. Savage, Esq., a member of the Chartered Accountants, and that gentleman undertook the task, making a thorough examination and reporting that he had found everything correct, the books well kept, and further, that this com-

pany had no connection with any other insurance company whatsoever. This special work, of course, entailed some additional expense, yet your board considered the money wisely spent, as too great care cannot be taken by a board of directors to place the correctness of management beyond even the shadow of a doubt.

General Audit.—The board appointed John Overall, Esq., as the sole auditor of the company, with a view of having more time devoted to the important duties of the office. Mr. Overall makes a monthly report for presentation at each meeting of the board. His certificate of correctness is attached to each account.

Losses.—The losses paid for during the year amounted to \$96,564.88—of this sum \$7,801.47 was for claims unadjusted and awaiting proof at the end of the previous year when the books were closed. The claims under this head for 1892 are very much smaller, the losses being settled up closer, so that but a trifling balance comparatively will be carried over. The report of Mr. L. Leitch, fire inspector, deals fully with the subject, and is well worth perusal; it will therefore be only necessary to point out specially the very destructive loss by lightning, amounting to \$25,266.39, being \$9,047.87 in excess of the previous year, also beyond the average in amount. The loss by the use of steam threshing engines reached \$7,247, a sum of \$4,247 over the year 1891. The loss from defective chimneys, sparks on roofs, etc., entailed an increase of \$6,006.54 over the previous year; the total excess from these three causes amounting to no less than \$19,301.41, a sum which, if placed on the other side of the account, would have shown such a handsome surplus of earnings that the directors could with confidence promise an early reduction in the rates of insurance. The three causes of loss just enumerated may be classed—the first as uncontrollable (lightning), and even this, as our experience shows, may be brought under subjection by the use of well-constructed lightning-rods: while the other two are now placed almost under certain control (threshing engines) by using the "jack," or rope transmitter. Sparks on roofs, etc., are checked from doing damage by using a coat of paint or cement such as exhibited at the Industrial and Western fairs last fall, and which appeared perfectly fire proof. The people are lax in taking these precautions, and it is only when a fire occurs they find out their mistake.

Fire Waste.—The loss to the country annually by the ravages of the "fire fiend" can hardly be realized by any one outside of the business of insurance. Meetings have been held by representatives of companies, urging on the Government, amongst other things, the utility of causing a registration of fires, making it compulsory on everyone having a loss to register with the clerk of the municipality the particulars of his loss. This could be done in the same manner as births, marriages and deaths are now registered, at no more cost; by this means, perhaps, the eyes of the legislators would be opened to the necessity of taking action to at least check the waste. Hitherto nothing has been done, although the Association of Underwriters have time and time again urged the matter of fire registration, the use of steam threshers, the simplification of the acts relating to insurance and the condition of policies or contracts, etc.

Convention of Agents.—In order to become personally acquainted with the agents, your board called a meeting at the office last September, which was well attended. It found there a very intelligent body of men, and a pleasant time was spent, with excellent results.

The underwriters asked for bread and were given a ragged-edged stone in the shape of an act passed last session, entitled "An Act respecting insurance corporations," an act mixing up the business of co-operative and life insurance and fire insurance in such an extraordinary manner that the sting is only found out by fire underwriters when they are called upon to register, which simply means a back-door method of levying a tax on the insuring public.

Economy of Management.—The directors have endeavored in every way to keep down expenses. The result shows that the expenditures, outside of losses, amount to but 8 cents per \$100—a less sum than any other company, stock or mutual, in the Dominion.

Death of James Armstrong, M.P.—The directors, with feelings of the deepest regret, have

to announce the death of James Armstrong, which occurred on the 26th January. He was for many years a director, which position he held until the time of his death. He occupied the president's chair for several terms, until his retirement became necessary on account of Parliamentary duties. His colleagues at the board, the officials and clerks, will miss his wise counsels, genial presence, and withal stern adhesion to duty. All in all, it will be difficult to find anyone to fill his place. His family have our warm and sincere sympathy in their affliction.

Retiring Directors.—Three directors will have to be re-elected, two in the place of John Geary, Esq., and Thomas E. Robson, Esq., whose terms of office expire, but are eligible for re-election; and the vacancy created by the death of Mr. Armstrong has to be filled. All of which is respectfully submitted.

THOS. E. ROBSON, President.
D. C. MACDONALD, Secretary.

FINANCIAL STATEMENT—CAPITAL ACCOUNT.

Assets.	
Amount available on premium notes	\$250,398 74
Amount due on assessment No. 30	3,410 19
" " " No. 31	14,492 78
Balance due by agents, secured by agents' bonds and members' due bills	8,785 28
Bills receivable	1,583 89
Office furniture	1,190 01
Municipal and loan companies' debentures deposited with Receiver-General for security of policy-holders—	
City of Hamilton, par value \$10,920, market value	\$11,140 00
City of St. Thomas, par value \$22,600, market value	25,990 00
Town of Tilsonburg, par value \$6,500, market value	7,475 00
Ontario Loan and Debenture Company, par value \$7,800, market value	7,800 00
Huron and Erie Loan and Savings Company, par value \$7,800, market value	7,800 00
	60,205 00
Accrued interest	505 05
Real estate and office buildings	14,825 81
Due by other companies, re-insurance	1,000 00
Cash in Molsons Bank	2,068 85
Cash in treasurer's hands and postage stamps	593 55
Gross assets	\$359,059 15

Liabilities.	
Losses adjusted in 1892, but not due until 1893	\$ 2,392 17
Net surplus of assets	\$356,666 98

CASH ACCOUNTS.

Receipts, 1892.

Cash balance from 1891	\$ 907 30
Balance in Molson's Bank	4,738 49
Received from agents	46,607 97
Assessments	82,882 94
Bills payable	55,000 00
Interest	3,663 63
Transfer fees	311 42
Extra premium	214 22
Steam thresher licenses	8 00
Assessments in advance	265 71
Rents	336 00
Bills receivable	250 00
Re-insurance	63 56
Conscience money	125 00
Real estate	150 00
Old assessments	184 18
Total	\$195,708 42

Disbursements, 1892.

Losses of 1891 paid in 1892	\$ 7,801 47
Losses of 1892	88,763 41
Bank commission	19 36
Loss and agency inspection	2,617 28
Commission to agents	19,011 70
Salaries of officials, auditors and clerks	8,853 18
Special audit and gratuity to former auditor	255 00