

BRITISH AMERICA ASSURANCE CO.

WESTERN ASSURANCE COMPANY.

Proceedings of the Fifty-fourth Annual Meeting.

The fifty-fourth Annual Meeting of the Shareholders of this Company was held in the Company's Offices, Front Street, on Wednesday, the 16th inst., the Governor, Mr. John Morison, being in the chair. The following gentlemen, among others, were present: Messrs. W. J. Macdonell, Geo. Boyd, Hon. Wm. Cayley, J. W. Reid, John Leys, Henry Pellatt, A. Myers, Geo. Henderson, C. D. Warren, J. M. Whiton (New York), Dr. Robinson, Frank Cayley, J. B. McLean, Wm. Adamson, Geo. H. Smith (New York), Robt. Thompson, H. L. Hime, Robt. Beatty, A. Hoskin, Geo. Smith and Alex. Wills.

The Secretary, Mr. G. E. Robins, read the following
ANNUAL REPORT, 1886.

The Directors in submitting their Annual Report have to express their satisfaction with the results. The severe storms which occurred during the past year, both on the ocean and our inland lakes, materially affected our profits in the Marine Department.

The Directors are happy to state that the Fire Branch shows a fair profit, and that a satisfactory business can be anticipated during the ensuing season, as in their opinion Insurance Companies were never more in accord in maintaining rates on sound business principles.

After paying all losses due and providing for all liabilities, the assets have been increased from \$1,133,666.52 to \$1,182,163.64, and the net surplus from \$151,329.29 to \$206,193.86.

All of which is respectfully submitted.

G. E. ROBINS,
Secretary.

J. MORISON,
Governor.

STATEMENT OF ASSETS AND LIABILITIES AT THE 31ST DECEMBER, 1886.

Liabilities.		
Capital Stock		\$500,000 00
Losses under Adjustment (Fire)		44,715 00
Losses under Adjustment (Marine)		33,209 07
Dividend No. 85 (Balance)		3,192 84
Dividend No. 86		17,500 00
Balance		583,546 73
		\$1,182,163 64
Assets.		
United States Bonds		\$419,825 00
Bank and other Dividend paying investments		476,786 40
Real Estate—Company's Building		90,000 00
Mortgage on Real Estate		900 00
Cash in Office		44 61
Cash in Banks		70,734 91
Bills Receivable		26,977 60
Office Furniture		16,672 48
Agents' Balances		80,222 64
		\$1,182,163 64
PROFIT AND LOSS.		
Fire Losses, paid	\$447,898 81	
" unsettled	44,715 00	\$492,613 81
Marine Losses, paid	\$67,976 37	
" unsettled	33,209 07	100,285 41
Commissions and other charges	210,815 37	
Doubtful accounts written off	1,700 28	
Government and Local Taxes	17,529 17	
Rent Account (including taxes)	3,470 33	
Balance	100,011 83	\$956,426 23
Fire Premiums	\$836,679 38	
Less Reinsurance	68,460 50	\$768,218 88
Marine Premiums	\$138,195 28	
Less Reinsurance	6,397 91	131,797 37
Interest	35,866 88	
Rent Account	6,968 97	
Increase in value of Securities	13,574 13	\$956,426 23
SURPLUS FUND.		
Dividend No. 85	\$17,500 00	
Dividend No. 86	17,500 00	
Balance	583,546 73	\$618,546 73
Balance from last statement	\$518,534 90	
Profit and loss	100,011 83	\$618,546 73
REINSURANCE LIABILITY.		
Balance at credit of surplus fund	\$583,516 73	
Reserve to reinsure outstanding risks	377,352 87	\$960,869 60
Net surplus over all liabilities	\$206,193 86	
Actual gain in net surplus for the year	54,864 57	\$261,058 43

To the Governor and Directors of the British America Assurance Company, Toronto.
GENTLEMEN,—We, the undersigned, having examined the Securities and Vouchers, and audited the Books of the British America Assurance Company, Toronto, certify that we have found them correct, and that the annexed balance sheet is a statement of the Company's affairs to 31st December, 1886.

R. R. CATHRON,
HENRY M. PELLATT, } AUDITORS.

The Governor's Remarks.

Although your Directors are all modest men, they believe I ought to say a few words with reference to the position of the Company to-day to what it was when we assumed the management five years ago. At that time you might say we were scattered all over the world, doing business in England, on the Continent of Europe, in India and other foreign countries, under treaties with three English companies. It was not long before we believed that the sooner we withdrew from those countries, the better, because we were not receiving our share of the best class of risks. We therefore retired from those countries, and are now only doing business in the United States and Canada. We also did our business at that time in the United States through what are called General Agents, who had control of the agents under them, the General Agent sending the business to the head office here. We found that for ten years that system had not produced any money to the shareholders. Then we decided to abolish that plan, for we believed the nearer we came to the agent who controlled the business with the assured, the more money we would make, the less complicated would be the system, and it would save a great deal of trouble. We are now in direct communication with the agent, and can cancel any risk either by wire or letter immediately on its arrival here, and find that plan of having direct control over our business a great improvement.

Five years ago we had outstanding unsettled Fire losses of \$151,906.99. On December 31 last we had only \$44,715, or just about our average monthly losses in the Fire Branch. It is true we had another \$33,209.07 unsettled losses from the Marine Department, but the reason that amount is so large outstanding, for the volume of business done, is because they occurred by those severe storms about the end of November, and the losses were not adjusted until about the end of January, when they were paid immediately on receipt of loss papers. Another item we are pleased to draw your attention to is our expense account, for we know that shareholders generally are always anxious to keep that down as low as possible, and we take pleasure in saying that last year's business was done at an expense ratio of only 2 1/2 per cent., while at the time we assumed the management the average cost for years was 3 1/2 per cent. We also lay before you a detailed statement of our assets, and you will find, I think, that they are all of a high order, and are first-class securities. Your Directors believe that although they might receive a little higher interest on some other class of mortgages, they think the wisest course for them to pursue is to adhere strictly to the same class of securities as they now have; so you see our company is now in a nice clean shape, and we believe we will make as much money yearly as any similar company of its size doing business in America.

I now beg to move the adoption of the report.
On motion of the Governor, seconded by Mr. John Leys, the report was adopted.
Moved by Mr. Hoskin, seconded by Mr. Myers, That the thanks of the Shareholders are due and are hereby tendered to the Governor, Deputy-Governor and Directors of this Company for their attention to the interests of the Company during the past year. Carried.

Moved by Dr. Robinson, seconded by Mr. Wills, That Messrs. Hime, Pellatt and Macdonald be appointed Scrutineers for taking the ballot for Directors to serve during the ensuing year, and that the poll be closed as soon as five minutes shall have elapsed without a vote being taken. Carried.

The following is the Scrutineers' Report:
We, the undersigned Scrutineers, appointed at the annual meeting of the British America Assurance Company, on the 16th day of February, 1887, declare the following gentlemen unanimously re-elected Directors: Messrs. John Morison, John Leys, Hon. Wm. Cayley, C. D. Warren, George Boyd, J. Y. Reid, Henry Taylor, G. M. Kinghorn and Geo. H. Smith.
(Signed)

H. L. HIME,
HENRY PELLATT,
W. J. MACDONELL.

The meeting then adjourned.
At a meeting of the Board held subsequently, Mr. John Morison was unanimously re-elected Governor, and Mr. John Leys, Deputy-Governor.

ANNUAL MEETING.

The thirty-sixth annual meeting of the Shareholders of the Western Assurance Company was held at its offices in this city yesterday.
The President, A. M. Smith, Esq., occupied the chair, and the Managing Director having been appointed to act as Secretary, read the following

REPORT OF THE DIRECTORS.

The Directors have pleasure in being able to report to the Shareholders that the business of the Company for the past year has been fairly profitable in all its branches.

A synopsis of the accounts for the year, together with the Profit and Loss Account and statement of Assets and Liabilities on the 31st December last, is submitted herewith.

The revenue account shows a net premium income of \$1,385,034.49, being an increase of \$70,625.15 over that of the preceding year; and after providing for all losses incurred the profit balance on the year's transactions amounts to \$122,325.70.

Two half-yearly dividends at the rate of ten per cent. per annum were declared, and after payment of these, \$75,000 is carried to the Reserve Fund, and \$5,391.50 remains at the credit of Profit and Loss Account.

The total surplus funds of the Company now amount to \$740,391.50. Deducting from this the amount necessary to re-insure or run off all current risks, estimated at \$504,654.85, a net surplus of \$235,736.65 is shown over and above capital and all existing liabilities.

The increase of the capital stock to \$1,000,000, authorized at the special meeting of Shareholders on the 26th of February last, was carried out by the issue of \$200,000 new stock, and the calls made upon this, amounting to fifty per cent., have been fully paid, making the paid-up capital \$500,000.

The Directors have pleasure in acknowledging the efficient services of the officers and agents of the Company, to whose efforts are largely due the satisfactory results of the year's business which they are now enabled to present.

REVENUE ACCOUNT.

Fire premiums	\$1,236,165 76	
Marine premiums	356,760 43	\$1,592,926 19
Less re-assurance		207,841 70
		\$1,385,084 49
Interest account		37,154 79
		\$1,422,239 28
Fire losses, including an appropriation for all losses reported to Dec. 31, 1886		680,684 52
Marine losses, including an appropriation for all losses reported to Dec. 31, 1886		100,708 30
General expenses, agents' commission, and all other charges		428,520 76
Balance to profit and loss		122,325 70
		\$1,422,239 28

PROFIT AND LOSS ACCOUNT.

Dividend paid July, 1886	\$22,045 38	
Dividend payable January, 1887	24,544 15	
		\$46,589 53
Sundry accounts written off		3,062 40
Carried to reserve fund		75,000 00
Balance		5,391 50
		\$130,043 43
Balance from last year		6,013 18
Premium on 143 shares new stock		1,704 55
Profit for the year		122,325 70
		\$130,043 43

LIABILITIES.

Capital stock paid up	\$500,000 00
Losses under adjustment	94,118 75
Dividend payable January, 1887	24,544 15
Reserve Fund	\$735,000 00
Balance profit and loss	5,391 50
	\$1,359,054 40
ASSETS.	
Cash on hand and on deposit	\$188,127 91
Debentures	71,602 18
United States bonds	542,780 00
Dominion of Canada Stock	119,387 25
Mortgages	17,150 00
Bills receivable	49,370 78
Interest due and accrued	4,261 29
Company's building	65,000 00
Re-assurance due from other companies	22,519 79
Bank Stocks	62,500 00
Loan and Investment Company stocks	63,400 00
Agents' balances and sundry accounts	152,955 20
	\$1,359,054 40

A. M. SMITH,
President.
J. J. KENNY,
Managing Director.

WESTERN ASSURANCE OFFICES,
TORONTO, February 12th, 1887.

AUDITORS REPORT.

To the President and Directors of the Western Assurance Company:

GENTLEMEN,—We hereby certify to the correctness of the books of the Company for the year ending 31st December, 1886, which we have audited, having examined the vouchers verifying the same, and the above statements agree therewith.

Toronto, February 12, 1887.

R. R. CATHRON,
JOHN M. MARTIN, } AUDITORS.

In moving the adoption of the report the President said:—Gentlemen, it is with feelings of no ordinary satisfaction, that I rise to move the adoption of the Thirty-sixth Annual Report of the Western Assurance Company, which will be seconded by our Vice-President. Our able and efficient Managing Director has laid before you a full statement of the Company's affairs as they appeared on the books on the 31st December last, which I am sure must be very gratifying to the stockholders. Our business has steadily increased in volume, and has been profitable in all its branches, enabling us to declare two half-yearly dividends at the rate of ten per cent. per annum, and after writing off all known bad and doubtful debts, we have added to our Reserve Fund the handsome sum of \$75,000. In addition, we have, during the year, allotted to you 5,000 shares of new stock at par, which at present market quotations is worth about 160, so that on the whole I think you will agree with me that we make a very satisfactory showing for the past year, and that the results of the business have fully justified the increase in the capital which the Directors recommended in February last. For the present prosperous state of the Company's affairs I feel under a kind Providence we are largely indebted to the watchful care of our Managing Director and his able staff of Superintendents, Inspectors, Agents and other Officers of the Company, both in our own country and the United States, who appear to have vied with each other in their endeavours to forward the Company's interests.

Mr. Wm. Gooderham, Vice-President, seconded the report, which was unanimously adopted, and a vote of thanks passed to the President, Vice-President and Directors for their services and attention to the interests of the Company.

Messrs. Wm. Anderson and E. J. Holmes having been appointed scrutineers, the election of Directors was proceeded with, which resulted in the unanimous re-election of the following gentlemen to serve during the ensuing year:—A. M. Smith, Esq., Wm. Gooderham, Esq., Hon. S. C. Wood, Robt. Beatty, Esq., A. T. Fulton, Esq., Geo. A. Cox, Esq., Geo. McMurrich, Esq., H. N. Baird, Esq., and J. J. Kenny, Esq.

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