

Western Assurance Company.

The Annual Meeting of Shareholders was held at the Company's Offices, in this city, yesterday. The President, Hon. Geo. A. Cox, occupied the chair.

The following Annual Report of the Directors, with accompanying Financial Statement, was read by the Secretary.

Forty-Ninth Annual Report.

The Directors beg to submit herewith the Annual Statement of the Company's accounts for the year ending 31st December last.

The Revenue Account shows a satisfactory growth in premium income, and after payment of losses and expenses there is a profit balance of \$118,642.60 as a result of the year's transactions. Two half-yearly dividends have been provided for at the rate of ten per cent. per annum, as well as an amount to cover depreciation in securities, and the Reserve Fund has been increased to \$1,100,380.50.

Taking into account the fact that during the year 1899 the fire losses in the United States were exceptionally heavy, the Directors feel that these results must be regarded as eminently satisfactory.

For some time past your Directors have had under consideration the question of extending the agencies of the Company beyond the limits of the North American continent, and shortly before the close of the year arrangements were completed for the establishment of a Branch office in London, England, under what appear to be favorable auspices.

GEO. A. COX, President.

Toronto 26th Feb., 1900.

Summary of Financial Statement.

Total cash income	\$2,533,741 50
Total expenditure including appropriation for losses under adjustment.....	2,414,098 90
Balance	\$ 118,642 60
Dividend declared.....	100,000 00
Total Assets.....	\$2,321,762 85
Total liabilities (including capital).....	1,221,382 35
Reserve fund.....	\$1,100,380 50
Capital paid.....	1,000,000 00
Capital subscribed.....	1,000,000 00
Security to policy-holder.....	\$3,310,380 50

The President, in moving the adoption of the Report, said:—It cannot fail to be gratifying to the Shareholders as it is to the Directors and officers of the Company, to note the evidence of the appreciation by the insuring public of the security offered by the "Western" to its policy holders which is afforded by the growth in the volume of business transacted—the total income for the year having exceeded for the first time in the history of the Company, two and one-half million dollars. It is still more satisfactory to note that, notwithstanding the exceptionally heavy fire losses which have occurred in some of the chief cities in the United States—where the business proved generally unprofitable to the companies engaged in it—we are able to show as a result of the year's transactions a profit balance of \$118,642. The experience of the year 1899 in Canada was exceptionally favorable, and the diminished fire waste in this country is certainly a matter of congratulation, aside from our interests in the business of fire insurance.

It is to be hoped that the introduction of improved fire protection in our cities and towns, and the adoption of more substantial methods in the construction of buildings, will tend to a further reduction of the burden which the payment of some five million dollars per annum by insurance companies for fire losses in Canada, imposes upon the community, for I need scarcely say that this has to be provided from the premiums collected from the insuring public. I desire to emphasize what I believe to be fact—that it is only by adopting measures that will reduce this serious annual waste that any material reduction in the tax which the public pay in fire insurance premiums can be brought about, for it is only necessary to refer to the Government Reports, showing the income and expenditure of companies licensed to do business in the Dominion, to prove that there has been, during the whole period embraced in these returns, but a very moderate margin of profit to the companies at the rates and under the conditions which have prevailed in this country in the past.

In this connection it may not be out of place to refer to the fact that during the past year a number of new companies have come into the field, offering fire insurance at lower rates than those current with the old established offices. It will be interesting to observe whether these experiments will prove more successful than previous attempts which have been made to afford indemnity against loss by fire on more favorable terms than companies which have been long engaged in the business feel safe in offering. While, as insurers, we may hope these new companies may have discovered the secret of combining cheapness with security, we cannot overlook the fact that the records of the fire insurance business in Canada during the past twenty years show a loss of upwards of two million dollars of capital which was invested in companies organized to transact business at what are termed "cut rates." We may at least feel assured that companies working upon these lines, whose entire cash assets are limited to fifty or sixty thousand dollars, are scarcely in a position to assume any considerable share of the many millions of liability which fire insurance companies are carrying for the protection of merchants and property holders in Canada, and until it has been shown that, with due regard for the safety of stockholders and the security of policyholders, any material reductions can be made in fire insurance rates in this country, your Directors do not feel warranted in advocating any departure from the policy we have been following for many years past.

But to return to the consideration of our business during the year under review, it will, no doubt, be interesting to Shareholders to learn that the Marine Branch, which has been responsible in some former years for rather serious losses, has shown a profit upon the business of 1899, and that the general outlook in this branch appear to be more promising than for some time past.

In our earnings from interest there has been a falling off, such as might naturally be looked for owing to the reduced rates obtainable, particularly upon the class of securities which are held by the Company.

There is one matter to which I wish particularly to refer at this time. It is now within a year of half a century since the Company commenced business in Canada. Some twenty-five years ago it completed its system of agencies throughout the United States, and I think I am warranted in saying that it is now established over the whole of the North American continent, on a favorable footing, with an efficient force of Branch Managers, Special Agents, and Local Agents working in its interests. Under these circumstances your Directors have turned their attention to the consideration of the question of the desirability of following the example of the majority of the successful British fire offices and embracing a larger field of operations than we at present occupy. In view of the efforts which are being made—happily with no small measure of success—to enlarge the trade relations between the Mother Country and her self-governing colonies and to cultivate intercolonial