

have great pleasure in doing. If any gentleman has any enquiries to make we shall be glad to give him all the information in our possession.

Mr. Ostell, in reply to Mr. Jonathan Hodgson, stated that about one sixth of the last two calls remain unpaid. A considerable portion of this he expected they would get.

Mr. McCarthy.—Regarding the Marine Insurance department, how does that stand with respect to losses or benefits to the Company?

Mr. Ostell.—You are aware, gentlemen, that changes were made in the management of the marine department which became necessary in the interests of the company, and the new manager who took charge from the 1st. of February last year brings forward a statement by which he carries the whole of the outstanding \$34,000, and shows \$17,000 to the credit of his management. (Hear, hear).

In reply to other questions the President remarked that they had reduced their business in the United States, and that the item of Bills receivable was for Marine Premiums.

Mr. Wood (Toronto) said that through the kindness of the directors he had been able to look over the details of the accounts. The income, speaking in round numbers, was \$857,000, less cancellation \$190,000; the Marine income, less cancellation, \$125,000; making the gross a little over \$800,000. The losses during the year had simply been enormous, so far as fire insurance business in Canada was concerned; outside St. John they had not been so unfortunate. With respect to the management of the business for the past year he was satisfied that the company had been placed in a very much improved condition by reducing the large lines of insurance. The business in Montreal he thought should be largely increased through the resident shareholders, and not through brokers, to whom they had to pay large commissions. These commissions were sufficient to almost support the head office. The great trouble with the business of the company in the United States, especially New York, was the enormous expenses that were incurred, and the point to which they must look to for profit was the reduction of expenses there.

Mr. John Ostell—At the present moment the New York business shows a profit less the question of reinsurance.

Mr. T. R. Wood said that so far as the marine business was concerned, personally he was alarmed. He was always afraid of a disaster happening in the Gulf. They might insure 12 vessels at one time, and the whole of them might be in the Gulf together and meet with some misfortune. At the same time he was willing to allow matters to remain as at present in the marine department. He was convinced they had now got the Canadian business in hand; the next thing for them to do was to get the American business well under control. They had much better do half the amount of business and make money than meet with any losses.

Mr. Hodgson—I understand from what Mr. Wood says that he would not recommend carrying on the marine department.

Mr. Wood replied to the effect that personally he felt afraid of the character of the business, but still recommended its continuance as at present, but would not favor incurring additional expenses.

Mr. Dumesnil asked a question with reference to the paid-up stock, to which

The President replied that the stock of the shareholders had been reduced, and the last calls made contributions toward meeting the losses; the amount collected was \$500,000, or thereabouts.

Mr. McNamee—The one-sixth means the \$100,000 that is yet collectable?

The President—Yes.

The motion to adopt the directors report was put to the meeting, and carried unanimously.

On motion of Mr. F. E. Gilman a resolution

was adopted, authorizing the directors to call a special meeting of stockholders to authorize them (the directors) to forfeit, in accordance with the terms of the charter, all shares of stock upon which one or more calls are unpaid, so soon after the passing of such by-law as the directors in their discretion may deem advisable.

Mr. Thomas R. Wood proposed the thanks of shareholders to the president and directors for their arduous labor during the past year, and that the sum of \$3,000 be paid to the president, Mr. John Ostell, for his services. Carried.

After the meeting the directors assembled, the scrutineers, Messrs. Wm. O'Brien and A. Desforbes, reported the election of the retiring members as mentioned in the directors' report.

At a subsequent meeting of the Board of Directors, Mr. Andrew Robertson was elected President, and Hon. J. Rosaire Thibault, Vice President.

#### PHENIX MUTUAL FIRE INSURANCE CO.

The first annual meeting of this Company was held in its offices in Toronto, on Wednesday the 27th inst. The following is the First Annual Report for the year ending 31st Dec., 1877:

##### Report.

The Directors of this Company beg to submit their first annual report, confidently hoping that it will give satisfaction to every one interested in the welfare of the Company. Your Directors were full persuaded at the time of the Company's inauguration that the Mutual principle of insurance was sound in theory, and only required to be managed by practical business men, with economy and prudence, to make it just what the public required, both safe and cheap. To attain this object your Directors have laboured during the nine months of the existence of the Company, with very pleasing evidence of success. The more pleasing because this success has been attained during times of unusual depression and commercial distrust.

Your Directors have also had to encounter a deep rooted prejudice against mutual insurance companies; a prejudice well founded as regarded mismanagement, but utterly groundless when applied to principle. The failure of two or three so-called mutual companies is clearly traceable to a departure from the purely mutual principle, viz.: doing a cash business without a cash capital, and is therefore chargeable with other recent failures of greater magnitude to the stock rather than to the mutual principle.

As lavish expenditure has been a fruitful cause of disaster in such enterprises, your Directors have paid marked attention to the importance of economy in the management. Their success in this respect will be seen by comparing the amount of business transacted with the sum total of head office expenses.

Your Directors would also point to the amount of Insurance declined and cancelled, as an evidence of their caution in scrutinizing the applications. Notwithstanding their caution, they have to report losses during the year amounting to \$7,560 96, every claim of which has been settled without litigation, and every bill paid promptly at maturity, with a surplus to re-insure every policy in force and leave a respectable balance to the credit of the Company. Even according to the severe Government analysis, which reduces the premium notes by discounts varying from 50 to 85 per cent., in order to provide for re-insurance, probable bad debts, proportion of commissions, and every other conceivable contingency, your Company has at its credit in cash value a balance of \$10,922 57, being more than \$1,200 per month over and above all probable demands. And your directors have no doubt but the steady gain of the past nine months will be more than equalled in the future. So that with an early

return to even comparative commercial prosperity, the prospects of the Company are pleasingly encouraging.

While your Directors congratulate you upon the success of the Company, they have also the painful duty of recording their loss and yours, by the death of your Vice-President, the late Mr. Moses Staunton. The interest which he took in the prosperity of the Company, together with the manifest integrity and pleasing urbanity commanded the respect and won the esteem of the officers of the Company and members of the Board.

The following figures give the result of the Company's operations, and the state of its finances on the 31st Dec., 1877:

998 policies in force covering \$990,569 insurance divided thus:

779 in General Branch	"	\$725,169
170 in Toronto Branch	"	208,800
49 in Water Works Br'ch	"	56,600
Cancelled and expired		\$53,242
Declined	\$28,860, with premium notes for	1,631 37

##### Receipts.

First payments	\$15,312 14
Assessments	300 19
Carpenters Risks	35 25
Transfer Fees	13 01
Interest	25 94
	\$15,686 53

##### Expenditure.

Fire claims paid	\$ 2,388 83
Salaries and Directors fees	2,762 12
Printing, Stationery & Advertising	486 47
Rent, Taxes, and Offices Expenditure	200 80
Travelling expenses	113 55
Postage account	101 36
Re-insurance	46 50
Agents Commissions	2,056 46
Balances on hand	\$ 134 80
In Bank	2,151 01
Short date notes and agents balances	5,244 63
	7,530 44
	\$15,686 53

##### Assets.

Bal. of premium notes	\$23,803 84
Cash in Bank	2 151 01
Cash in hand	134 80
Short date Notes & Agents Balances	5,244 63
	\$31,334 28

##### Liabilities.

Bills payable for Fire claims not due, more than \$2000 of this since paid	5,172 13
Balance to credit of Co	26,162 15
	\$31,334 28

From the above figures it will be seen that the Company have on hand, and in Agents hands, a cash balance of \$7,530.44, and at the credit of the Company there stands a balance of \$26,162.15 to cover \$990,567 of insurance, being \$2.64 to the \$100, or in other words giving to the policyholders a security of \$1.00 for every \$37.87, which your directors hope will be considered very gratifying, particularly as more than a fourth of the risks are held in Toronto and other water works cities and towns where premiums are very low, and your Directors would also note that hitherto they have not had to borrow one cent. All of which is respectfully submitted.

All the Directors now retire, but are eligible for re-election

JOHN J. WITHROW,  
President.

JOHN BRANDON,  
Managing Director.

##### AUDITORS REPORT.

We beg to certify that the statement of Receipts and Disbursements, and the several vouchers thereof for the year ending 31st Dec.