

British America Assurance Company

The Annual Meeting of Shareholders was held at the Company's Offices, Toronto, on Tuesday, February 23, 1904. The President, Hon. Geo. A. Cox, occupied the chair, and Mr. P. H. Sims, Secretary of the Company, read the Annual Report and Financial Statement, as follows:—

SEVENTIETH ANNUAL REPORT.

The Directors beg to present the Seventieth Annual Report to the Shareholders of the Company, and in doing so they have pleasure in calling attention to the following figures, being a summary of the results of the year's transactions as set forth in the accompanying accounts:—

The balance of income over expenditure is.. \$204,672 94
Amount written off securities to bring them
to market value at Dec. 31.. \$16,621 24
Two half-yearly dividends at the
rate of 6 per cent. per annum.. 60,000 00

76,621 24

Balance being the amount added to the Re-
serve Fund .. \$128,051 70

The progress of the Company is shown by a comparison of the following figures from the annual statements of the past three years:—

Years.	Total Income.	Bal. of Rev. Acct. Year's Profits.	Add. to Res. Fund.
1901	\$2,040,197	\$ 99,500	\$ 30,545
1902	2,206,331	173,713	90,819
1903	2,421,383	304,673	128,052

All of which is respectfully submitted.

GEO. A. COX, President.

SUMMARY OF FINANCIAL STATEMENT.

Fire and Marine Premiums \$2,373,336 47
Interest and Rent Receipts.. .. 48,046 59

\$2,421,383 06

Fire and Marine Losses.. .. \$1,389,501 94
Agents' Commissions and all
other expenses.. .. 827,208 18

Total Outgo.. .. **\$2,216,710 12**

Profit for the Year \$204,672 94

Total Assets **\$2,024,096 02**

Capital.. .. \$1,000,000 00

Reserve Fund.. .. 830,872 87

Security to Policyholders.. .. **\$1,820,872 87**

In moving the adoption of the report, which was seconded by the Vice-President, the President said:—

In presenting the Seventieth Annual Report, I may say that I feel more than ordinary satisfaction, and I am sure my fellow Directors share this feeling, in meeting the stockholders with a statement such as we are able to present, showing the result of the transactions of the Company for the past year. The accounts for the year 1903 demonstrate that the expectations expressed at the two preceding annual meetings were fully realized. It was pointed out in those reports that the adverse experience of companies engaged in the fire business on this continent for the years 1899 and 1900 had shown the necessity for an increase of rates on many classes of risks. This increase came into effect in the year 1901, and has been generally maintained, producing for the companies a fair underwriting profit, in which this Company has participated fully up to the average. As evidence of this, the following figures may be quoted: For the year 1900 the loss ratio of the Company on its whole fire business was 61 per cent. of the premium income; in 1901 it was 61 per cent.; in 1902, 54 per cent., and in 1903 52 per cent. In the United States field, from which a large proportion of our income is derived, the loss ratios for the same years were: 1900, 71 per cent.; 1901, 66 per cent.; 1902, 61 per cent., and in 1903, 52 per cent.

The report now under consideration is the most favourable which I have had the honour of presenting during the eleven years which I have held the position of President. The revenue account shows a balance of income

over expenditure of \$204,672.94, of which \$48,046.59 is derived from interest on investments, and the balance, \$156,626.35, from the underwriting. This amount has been apportioned as shown in the statement, namely, \$60,000 to the payment of two half-yearly dividends at the rate of 6 per cent. per annum, \$16,621.24 to reducing the securities held by the Company to their current market values at December 31, and the balance, \$128,051.70, has been added to the Reserve Fund, which is thereby increased to \$830,872.

It is gratifying to note that in Canada, the Company's home field, satisfactory progress has been maintained, the Canadian income for last year having been \$429,868.68, which is the largest in the history of the Company, while the loss ratio for the year was under 50 per cent. upon our Fire Premium Income in the Dominion. It may not be out of place here to refer to the fact that the loss ratio in Canada of the "British America" during the eleven years that it has been under present management has been upwards of 8 per cent. below the average loss ratio on the whole business of this country as shown in the Dominion Government returns.

The Marine Branch shows an adverse balance, notwithstanding the conservative lines on which it has been conducted. This is partially caused by losses incurred on unexpired business of certain unprofitable agencies which were closed at the beginning of the season.

The security which the British America offers to policyholders—a cash capital of \$1,000,000 and a Reserve Fund of \$830,872, in all \$1,830,872, in assets of unquestionable character—is such as should, and I have no doubt will, secure for this, the oldest financial institution in the Province of Ontario, a steadily increasing share of public patronage.

The conflagration in the city of Baltimore, which occurred this month, though not coming within the scope of the report of last year's operations, is a matter of such importance, affecting our own and all other leading companies on this continent, as to call for a reference on this occasion. Considering the large volume of our Fire Premium Income, it might be expected that in so extensive a conflagration as this, in which upwards of \$50,000,000 of insurance is involved, we would suffer a serious loss, but it is a satisfaction to know that our net loss, now ascertained to be under \$210,000, is well within the figure we might reasonably expect in a city of 600,000 population, where we have for many years past been doing a large and profitable business. This amount represents about 10 per cent. of our annual fire income. While we cannot but regret this loss, we should not overlook the fact that the Company has in its past experience passed through several conflagrations in which it sustained losses that represented a relatively greater amount, compared with the annual income and financial resources of the Company at the time of the occurrence of the disasters I refer to. Bearing in mind the improved conditions already referred to, and realizing that the Baltimore conflagration will have the effect of advancing rates in the congested districts of all large cities, and especially in those where the water supply and fire appliances are inadequate to afford ample protection from large fires, it is not, I think, too much to hope that our loss in this conflagration will be made up, if not wholly, to a very considerable extent during the current year's operations.

In closing I must say that, while we feel that we are fortunate in having a thoroughly trained and efficient staff at our head office and branches upon whom the responsibility for the success of the Company's operations primarily rests, we fully recognize the fact that favourable results in a business such as ours are largely dependent upon the work of our local agents. It is due, therefore, to our representatives generally throughout the extended field of the Company's operations that I should give expression—as I do with much pleasure—to our feelings of appreciation of their services in assisting in accomplishing the results shown in the report now before you.

The following gentlemen were re-elected to serve as Directors during the ensuing year:—Hon. Geo. A. Cox, J. J. Kenny, Augustus Myers, Thomas Long, John Hoskin, K. C., LL.D.; Hon. S. C. Wood, Robert Jaffray, Lieut.-Col. H. M. Pellatt, E. W. Cox.

At a meeting of the Board, held subsequently, the Hon. Geo. A. Cox was re-elected President, and Mr. J. J. Kenny, Vice-President.