SUN INSURANCE OFFICE.

REPORT OF THE DIRECTORS.

The directors present to the members the following report, together with the accounts and balance-sheet of the Sun Insurance Office for the year 1906.

The premiums received, less re-insurances, amount to **$7,358,070**, being an increase of **$761,420**, as compared with those of the preceding year. The losses paid and outstanding amount to **$5,281,975**, being at the rate of 71.78 per cent. on the premiums received. The expenses of management (including commission to agents, and working charges of all kinds) amount to **$2,618,450**, being at the rate of 35.59 per cent. The income from investments during the year has amounted to **$496,685**. After providing for the usual reserve of 40 per cent. of the premiums to cover liabilities under current policies, there is a debit balance of **$350,240**, which has been transferred to the profit and loss acount.

Profit and Loss Account and Dividend.—The balance brought forward from last year amounted to **$2,318,360**. There has been carried to pension fund **$10,000** paid for dividends in respect of the business for the year 1905, **$600,000**, paid for the purchase of the Patriotic Assurance Company, **$490,000**, leaving a credit balance of **$1,218,360**. This, by the operations of the year, has been reduced to **$801,270**. Out of this amount an interim dividend at the rate of **$1.25** per share, absorbing **$300,000**, was paid in January last, and the directors have declared a further dividend of **$1.25** per share, payable on July 12, which will absorb a further sum of **$300,000**, and leave to be carried forward **$201,270**.

The Funds of the Office will then stand as follows :

Capital paid up	$ 600,000
General Reserve	6,750,000
Special Reserve	600,000
Dividend Reserve	600,000
Reserve for risks not yet expired	2,943,230
Investment Reserve	180,910
Pension fund	251,235
Balance at credit of profit and loss account after payment of dividends	201,270
	$12,126,645

San Francisco.—The losses sustained by the office owing to the earthquake at San Francisco, including adjustment expenses and exchange, amounted, approximately, to $1,750,000.

New Departments.—The office has undertaken accident, workmen's compensation (including domestic servants) and burglary insurance as from January 1, 1907.

REVENUE ACCOUNT.

Reserve for unexpired risks brought forward from 1905		$2,638,660
Premiums, less re-insurances		7,358,070
Income from investments (less income-tax)		496,685
Balance carried to profit and loss account		350,240
		$10,843,655

Losses		$5,281,975
Commission	$1,233,975	
General expenses	1,384,475	
		2,618,450
Reserve for unexpired risks at December 31, 1906, being 40 per cent. of premiums		2,943,230
		$10,843,655

PROFIT AND LOSS ACCOUNT.

Balance brought forward from 1905		$2,318,360
Deduct—		
Dividend paid January, 1906	$270,000	
Dividend paid July, 1906	330,000	
		600,000
		$1,718,360
Transfer Fees		470
		$1,718,830

Balance from revenue account	$350,240
Income-tax on profits	21,925
Bad debts	635
Loss on exchange	44,760
Carried to pension fund	10,000
Cost of Patriotic Assurance Company	490,000
Balance carried to balance-sheet	801,270
	$1,718,830

CANADIAN BRANCH

15 Wellington St., Toronto. **H. M. BLACKBURN, Manager.**