

that of any other Canadian company, and, as the question of security is first considered, this fact is all the more satisfactory. The Excelsior has a larger percentage of assets to liabilities than any other company. The Government blue-book shows, that of twenty-nine companies doing business in Canada in 1890, fifteen wrote up a larger amount of business than the Excelsior did last year, while fourteen did less business. The Chairman was only aware of two Canadian companies which did a larger business at the same stage of their career. A comparison with the average business of twenty-five of the largest American companies is even more gratifying, and shows nearly \$100,000 in favor of the Excelsior.

The company is organized on a particularly strong basis. Its 239 shareholders are distributed in thirty-eight cities and towns of the Province, and comprise many of Ontario's most prominent and influential citizens. The company, by confining its operations to the Province, will secure a lower rate of mortality than that experienced by other companies doing business over a wider territory.

The success of the company has been phenomenal, and its prospects for the future are extremely good. Its progress in respect to growth and financial strength has been such as to warrant the public support. The large amount of business written up is an evidence that the plans and policies of the company are liberal and attractive, and the fact that the lapsed and cancelled policies amounted to only 11 per cent. is a proof of the confidence which the policy-holders have in the future of the company. The Excelsior will strive to merit a continuance of that confidence by dealing in a fair and equitable manner with its patrons, by avoiding excessive estimates, by demanding from its agents a strict avoidance of every form of misrepresentation, and by insisting that they shall always compete for business solely on the plans and merits of the company.

The report of the board was unanimously adopted.

The retiring board was re-elected, and the position of the company throughout the Province has been greatly strengthened by the consent of the following gentlemen having been obtained to act as directors:

Hon. Peter White, Pembroke; Capt. John Gaskin, Kingston; Joseph J. Davies, Toronto; Hon. Senator Gowan, Barrie; S. J. Parker, Owen Sound; and S. A. MacVicar, Sarnia.

The chairman said he had great pleasure in bearing testimony to the faithfulness and efficiency with which the various officers and agents of the company had discharged the duties devolving upon them.

A cordial vote of thanks was tendered the directors for their services during the past year, and for having voluntarily waived all fees up to December 31st.

Before the meeting was brought to a close several of the company's agents and shareholders delivered short addresses, and expressed themselves as having unbounded confidence in the company's future.

At a subsequent meeting of the board Mr. E. F. Clarke, M. P. P., was re-elected president, and Ald. J. Knox Leslie and J. W. Lang, Esq., vice-presidents.

Western Assurance Company.

The annual meeting of the shareholders of this company was held at its offices in Toronto on Thursday, February 25th.

Mr. A. M. Smith, president, occupied the chair, and Mr. J. J. Kenny, managing director, was appointed to act as secretary to the meeting.

The secretary read the following annual

REPORT.

The directors beg to submit herewith their annual report showing the transactions of the company for the past year, together with a statement of its assets and liabilities on 31st December last.

The premium income, it will be observed, was \$1,754,262.25, after deducting the amount paid for re-insurance, and the receipts for interest on investments were \$43,732.78.

Although no serious conflagrations have occurred during the year, fire losses, both in Canada and the United States, have been unusually numerous and severe, bringing the ratio of losses to premiums considerably above the average of ordinary years.

In the marine branch the volume of business has been somewhat less than in 1890, but the year's transactions have resulted more satisfactorily.

While the profit balance of \$40,120.67 is much less than that shown in the preceding annual balance sheet, your directors feel that in view of the unfavorable results of the fire business for the year 1891 to companies generally, there is cause for congratulation in the fact that the excess of income over expenditure, with the balance at the credit of profit and loss account, enabled them to pay two half-yearly dividends at the rate of 10 per cent. per annum upon the paid-up capital without drawing upon the company's ample reserve fund of \$900,000. The amount estimated as necessary to re-insure or run off all existing risks is \$578,654.19. Deducting this from the total surplus funds of the company, a net surplus of \$325,527.17 is shown over capital and all other liabilities.

One important result from the generally adverse experience in fire underwriting for the year 1891 has been the withdrawal of a number of companies from the business. The risks of these retiring companies have been assumed by other and stronger companies, so that in no case have the policy-holders been sufferers; while the terms on which the business has been taken over, have, in most instances, been such as will permit the winding up of the companies without loss to the stockholders. The natural effect of these withdrawals will be the concentration of the business among a smaller number of

offices, and concerted action where necessary, to place it upon a more satisfactory basis. These movements, with a return to a normal loss ratio, which may be reasonably looked for, must eventually result favorably to the companies remaining in the field.

STATEMENT OF BUSINESS FOR THE YEAR ENDING 31st DECEMBER, 1891.

Revenue Account.

| | |
|---|----------------|
| Fire premiums | \$1,414,109 97 |
| Marine premiums | 607,970 31 |
| | <hr/> |
| | \$2,022,080 28 |
| Less re-assurance | 267,818 03 |
| | <hr/> |
| | \$1,754,262 25 |
| Interest account | 43,732 78 |
| | <hr/> |
| | \$1,797,995 03 |
| Fire losses, including an appropriation for all losses reported to Dec. 31st, 1891 .. | 845,655 50 |
| Marine losses, including an appropriation for all losses reported to Dec. 31st, 1891 .. | 340,757 97 |
| General expenses, agents' commission, etc. | 571,460 89 |
| Balance to Profit and Loss | 40,120 67 |
| | <hr/> |
| | \$1,797,995 03 |

Profit and Loss Account.

| | |
|-----------------------------------|--------------|
| Dividend No. 60 | \$ 25,000 00 |
| Dividend No. 61 | 25,000 00 |
| Sundry accounts written off | 2,125 70 |
| Balance | 4,181 36 |
| | <hr/> |
| | \$56,307 06 |
| Balance from last year | 16,186 39 |
| Profit for the year | 40,120 67 |
| | <hr/> |
| | \$56,307 06 |

Liabilities.

| | |
|--|----------------|
| Capital stock, paid up | \$500,000 00 |
| Losses under adjustment | 122,645 73 |
| Dividend payable January 8, 1892 | 25,000 00 |
| Reserve Fund | \$900,000 00 |
| Balance Profit and Loss | 4,181 36 |
| | <hr/> |
| | \$1,551,827 09 |

Assets.

| | |
|--|----------------|
| United States and State bonds | \$451,795 00 |
| Dominion of Canada stocks | 211,417 50 |
| Loan company and bank stocks | 181,181 70 |
| Company's building | 65,000 00 |
| Debentures | 95,490 35 |
| Cash on hand and on deposit | 194,064 05 |
| Bills receivable | 46,601 08 |
| Mortgages | 6,834 88 |
| Re-assurances | 38,392 82 |
| Interest due and accrued | 5,291 13 |
| Agents' balances and sundry accounts | 255,758 58 |
| | <hr/> |
| | \$1,551,827 09 |

A. M. SMITH, President.

J. J. KENNY, Managing Director.

Western Assurance offices, Toronto.

February 16th, 1892.

AUDITORS' REPORT.

To the president and directors of the Western Assurance Company.

GENTLEMEN,—We hereby certify that we have audited the books of the company for the year ending 31st December, 1891, and have examined the vouchers and securities in connection therewith, and find the same carefully kept, correct, and properly set forth in the above statement.

R. R. CATHRON,

JOHN M. MARTIN, F.C.A., } Auditors.

Toronto, February 16th, 1892.

In moving the adoption of the report the president said:—

The annual report of the directors which has just been read, with its accompanying statements of the accounts of the company, presenting as they do a clear synopsis of the past year's business and its results, render unnecessary any lengthened remarks or explanations from me. Compared with the figures of the preceding year, you will have noticed a moderate and satisfactory gain in the net premium income, a considerable increase in the amount of losses incurred, and a marked reduction from the handsome profit balance which we were able to show as the result of our operations for the year 1890; and yet, notwithstanding this diminution in the profits on the business transacted last year, those of us who have watched from month to month the fiery record of 1891, and have noted the inroads which in many instances it has made into the surplus funds which companies have accumulated in more prosperous years, cannot but feel that we are exceptionally fortunate in making so favorable a showing as is presented to you to-day. To fire insurance companies the past year has proved a veritable "Waterloo," and, in addition to winding up a number of smaller American companies, we, as Canadians, must regret that it has resulted in the retirement of two of our own companies, which have re-insured their risks with offices whose wider experience leads them to look beyond the records of such an exceptional year as the past one has proved.

The effect of this reduction in the number of competitors for business, judging from our own receipts thus far for the present year, is already being felt in the increased volume of premiums of the remaining companies; and while, in a business such as ours, subject to a large extent to elements beyond human control, it is impossible to forecast the probable results of any one year,

we may safely rely upon the law of average asserting itself, and may fairly assume that by conducting our business on lines laid down by past experience and adhering to a policy of just and liberal treatment of our insurers, we shall in the future, as we have heretofore, earn fair profits for our shareholders upon their capital.

A full consideration of the present conditions and prospects of the business, which I have briefly outlined, has led the directors to consider the question of increasing the capital stock of the company, and believing that such action will be advantageous at the present time in strengthening, in proportion to the growth of its business, the financial position of a home institution which already stands high in public confidence, they have taken advantage of the present gathering of its shareholders to call a special meeting at the close of this regular meeting to approve, as required by the act of incorporation, of an additional issue of stock.

I cannot close without bearing testimony to the zeal and watchful care manifested by our managing director in conducting the business of the company; and the efficient manner in which the other officers have fulfilled their respective duties during an unusually trying year, and expressing our appreciation of the active and loyal services of the managers of our various branch offices and the agents of the company generally throughout its wide field of operations.

Mr. George A. Cox, vice-president of the company, said:—

In seconding the adoption of the report last year (when after paying a 10 per cent. dividend, we carried \$75,000 to the Reserve Fund.) I pointed out the necessity of providing in favorable years for less fortunate ones, such as the experience of all companies leads them to look for, when fire losses exceed what may be regarded as an average ratio. The past year has been one to impress this lesson upon all companies. The experience of the "Western," however, I am glad to be able to add, has been more fortunate than a majority of companies operating in the same field. In Canada our loss ratio is (as it has been for several years past) below the average of all companies doing business here, while in the United States we compare favorably with the home and foreign companies which make returns to the New York Insurance Department. In the matter of expense in conducting business, our figures show that we are as low, if not lower, than most of the companies doing similar lines of business.

I quite concur in the president's expressions of regret at the winding up of some of our Canadian companies. It is a remarkable fact, however, than when an unsuccessful fire insurance company decides to give up business, its risks and its agents are readily assumed by some foreign corporation, and its stockholders, who get something beyond the market price for their stock, retire from the life underwriting field, leaving the business to be carried on by the purchasing company through the same agents and usually under the same general manager as previously conducted it; but as Canadian institutions they cease to exist. I admit the necessity of foreign capital in fire insurance, but I believe there is also a field in this country for home companies, and I point with much satisfaction to the "Western" as evidence that a Canadian company, under proper direction and management, can hold its own against all comers.

Looking at its record for the five years preceding that embraced in this report, you find that during that term our total income was \$8,175,293; that we paid losses amounting to \$5,189,218; that our shareholders received in dividends \$246,000, and that we have added to our Reserve Fund \$240,000—not a bad showing for five years, and the general history of the company for many years back shows equally favorable results.

I am glad that the shareholders will have an opportunity of expressing an opinion upon the proposal to issue an additional \$200,000 of capital, divided pro rata amongst the present shareholders. It is a most opportune time, while some of our Canadian companies are retiring from the field, for the shareholders of the "Western" to strengthen the position of our own company, and to express their confidence that a well managed Canadian fire company affords safe and profitable investment to its shareholders.

At the last annual meeting, when we had an exceptionally favorable showing, I congratulated our managing director and his faithful and competent staff upon the results of the year, and I feel that there is even more reason for doing so upon the report now submitted, when the "Western" makes such a comparatively favorable showing at the close of a year that has been so disastrous to many companies. I have pleasure, Mr. Chairman, in seconding the adoption of the report.

On motion of Mr. G. R. R. Cockburn, M.P., seconded by Mr. David McGee, a cordial vote of thanks was passed to the board of directors for their services and attention to the interests of the company during the past year.

Messrs. John Stark and J. K. Niven having been appointed scrutineers, the election of directors for the ensuing year was proceeded with, which resulted in the unanimous re-election of the old board, viz:—Messrs. A. M. Smith, George A. Cox, Hon. S. C. Wood, Robert Beaty, A. T. Fulton, George McMurich, H. N. Baird, W. R. Brock and J. J. Kenny.

At the close of the annual meeting the question of increasing the capital stock of the company to \$1,200,000 was submitted to a special meeting of the shareholders and unanimously approved, the new stock (\$200,000) to be issued at 25 per cent. premium and allotted to shareholders in the proportion of one share to every five held by them on 15th March next.

At a meeting of the board of directors held subsequently, Mr. A. M. Smith was re-elected president and Mr. George A. Cox vice-president for the ensuing year.

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