

tions of trust, whilst under their periodical revisions they have withdrawn from 320 cases as not being entitled to a continuance of the Company's confidence, thus affording good evidence of the value of the Company's system as a protection to employers against losses which they might otherwise have sustained.

Bonus to Insured.—The apportionment of rebate or bonus on the premiums of those Officers of Institutions, whose term of existence on the books and other requirements have been fulfilled will be repeated the ensuing year. The number to participate will be this year considerably increased, and the Directors hope that their action in the matter will render the Company's popularity more extended, and be the means of each member so interesting himself in its welfare, that the permanence of the bonus system may be maintained.

Dividend to Stockholders.—The return of 8 per cent. on the paid-up capital during the past year is as on previous occasions, less than the interest earned on the investments of the Company. The general funds of the Company are therefore not encroached upon for this purpose.

Readjustment of Capital.—The Directors have for some time past had under their consideration the placing of the capital and resources of the Company on a more satisfactory basis. Notice has been given of an application to Parliament to this effect, and the Directors now ask the sanction of the shareholders to this proposed amendment of the Company's charter.

In conclusion, the Directors believe that they need only point to the steady onward progress of the Company and to the prompt settlement of all equitable claims, which have ensured for the Company the confidence of all the governments as well as of banking, railway and commercial interests in the Dominion, in evidence of its acknowledged usefulness, and the high estimation in which it held by all classes of the community, and they trust that in carrying out the same principles in the future which have characterized its operations in the past, such estimation and confidence will in no degree be diminished.

The Directors desire to record their appreciation of the valuable services rendered by the several local boards and the agents of the Company during the past year.

The whole of the Directors retire but are eligible for re-election.

Statements of receipts and expenditures and profit and loss as certified by the Company's auditors are on the table for the inspection of the shareholders.

A. T. GALT, President.

EDWARD RAWLINGS, Manager.

The President, in moving the adoption of the report, referred to the successful progress of the Company. The shareholders would see that whilst the business on the books was somewhat less than last year, the losses paid were more, and at the close of the books a large amount was put in the estimates for claims outstanding and under consideration, some of which the Company would probably be liable for, whilst others he thought not.

Notwithstanding these adverse features, the Company had been able to pay all its expenses, give the usual dividend of eight per cent. to its stockholders, and allot the bonus to the insured as promised, without encroaching on the reserves, which were slightly increased over last year. He quite concurred in the belief expressed in the report that in the interests of all concerned, the Directors should be careful that all claims made are properly investigated, and substantiated before the Company's funds were applied in payment of them.

The Company was not litigiously inclined—quite the reverse—they at all times wished to expedite and facilitate the payment of just and reasonable claims, and in no case did they base

their defence of a claim on *technical* grounds, as he regretted had been wrongly alleged by parties outside; the best evidence they could give of this was that the proportion of claims contested to claims paid was under four per cent.—and that the only two claims which had so far been carried before the courts had been decided upon their merits against the claimants, as stated in the report.

It was to be regretted that there was necessity for legal measures at all, but it was a matter of almost impossibility, with a business now so extensive as that of this Company, to avoid occasionally being subject to them; in fact, some claimants had actually accompanied their first application for indemnity with and intimation of immediate suit if not paid at once! He thought, however, the Company should certainly not pay an unjust or unestablished claim, simply for the reason of avoiding the publicity of a suit. The reputation of the Company for the honorable and liberal treatment of all claims coming before them was, he thought, satisfactorily established, and he believed that the public, as well as the shareholders, felt full confidence in the good faith, as well as the discrimination of the Executive of this Company in this respect.

The usual vote of thanks to the Directors and to the Managers and Staff were tendered and responded to.

The President thanked the meeting on behalf of the Directors, that to the experienced management of Mr. Rawlings was mainly due the past success and present very satisfactory position of the Company.

Mr. Rawlings expressed his gratification at the vote of the meeting, and the kind and flattering words of the President. The Company had gone through seven years with what might be considered a progressively successful experience, notwithstanding the commercial disturbances and numerous defalcations which had occurred therein. The associations between himself and the Directors had, he was gratified to say, always been of the most cordial nature; and it was in no small degree owing to this united element in the executive that the Company's affairs were in the satisfactory condition they are to-day, both in relations to the shareholders and the public. He hoped, and fully anticipated, that in the ensuing years the progress of the Company would be in all respects as favorable as in the past, and he could only say that he should leave no energy unapplied to effect it. He fully endorsed the vote of thanks to the staff, of whom he could only speak in the most praiseworthy terms as to their assiduity in the performance of their respective duties.

The usual vote of thanks to the Chairman closed the meeting.

The Scrutineers reported the following gentlemen elected Directors for the ensuing year:—President, Sir A. T. Galt, K. C. M. G.; Vice-President, Mr. John Rankin, Directors, Messrs. Thomas Cramp, Montreal; Hon. Jas. Ferrier, Senator, do; D. L. MacDougall, do; R. J. Reckie, do; Jas. Rose, do; Jas G. Ross, Quebec; John L. Blaikie, Toronto; A. R. McMaster, do; Donald McInnes, Hamilton; Manager, Edward Rawlings.

GORE DISTRICT MUTUAL FIRE INSURANCE COMPANY.

The forty-first annual meeting of this Company was held in Galt, on Monday the 26th day of January. The President, Mr. James Young, occupied the chair, and Mr. R. S. Strong, Managing Director read the following

Report.

The directors at the expiration of their term of office beg to submit the following statement of the transactions of the Company during the year 1879.

There have been issued 1987 new policies (not including renewals) and the total number in force is 4,589, insuring \$4,019,780.

The income from all sources was \$51,162.42 and the expenditure for losses paid expense of management, agents commission, etc., \$46,666.25. From this it will be seen, that taking into consideration our surplus of last year as well as this, a slight reduction in the rate of assessment might have been made—but your directors—carrying out the system of prudent management which they laid down for their guidance two years ago, have not thought it advisable to do so: but rather to create the reserve fund which the statute permits, feeling assured that this action on their part will meet with your approval, as it has done with that of our customers generally.

Reference to the statement of assets and liabilities will show that our surplus has increased very satisfactorily. The fact that we have been able to pay our losses and all other expenses, and, after giving you your insurance at a saving of 20 per cent. as compared with stock companies, and setting aside 50 per cent. of all cash premiums as a reinsurance fund, still have a cash surplus of \$11,006.67, should be sufficient to refute the statements of those who make it their business to decry Mutual Companies, and at the same time to confirm the opinions of those, who maintain that mutuality is the true principle of insurance, and that it only requires to be carried out with wisdom and integrity to be proved such.

The deposit with the Government has been increased to \$6,000, and on July 1st will be still further increased.

In consequence of the cancellation and expiration of old policies and the refusal to renew others at former rates, the total volume of business is about the same as last year, but the number of new policies issued during the year just closed is 335 in excess of those issued in 1878, and the amount insured under them is \$428,915 larger than the amount written in that year. Your directors point with pleasure to this feature in the Company's business, as an evidence that the "Gore" not only maintains its good name with the public, but that its popularity is increasing.

During the year just closed, the Ontario Government appointed an Inspector of Insurance, whose duty is to examine into the condition of the various companies doing business in the Province, and report the same to the Lieutenant-Governor. We anticipate good results from this action; already some weak companies have been prohibited from doing business, and we think it will have the effect of preventing similar ones from starting. This will prove beneficial to solvent, loss-paying companies, as without doubt, the plausible statements of the agents of the companies—established largely in the interests of a few officials—have had the effect in many cases of making parties dissatisfied with the rates which sound principles of underwriting render it absolutely necessary to impose.

We beg your careful consideration of each item of our expenditure, confidently believing that you will be satisfied therewith.

The law costs have been reduced to a minimum; the sum of \$21.19 only having been expended on that item.

The two unadjusted losses reported last year were both settled amicably; the claimant in each case accepting the sum first offered by the Company.

We are pleased to be able to tell you that all the losses of the year just expired, with one exception, involving a small sum only, have been satisfactorily adjusted.

The Inspector's report and the statement of receipts and expenditure in detail, and of assets and liabilities certified by your auditors are appended.