

WESTERN ASSURANCE CO.

FORTIETH ANNUAL MEETING OF SHAREHOLDERS.

Report of Directors—Continued Prosperity—Large Profits and Liberal Dividends—Considerable Addition to the Reserves—Good Management and Excellent Results.

The fortieth annual meeting of shareholders of the above company was held at its offices in this city at noon on Friday, 20th inst.

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:—

In presenting the Annual Report of the business of the year ending December 31, 1890, the Directors are pleased to be able to submit to the Shareholders such gratifying evidence of the continued prosperity of the Company as is embraced in the accompanying accounts.

It will be seen from the Revenue Account that there is a profit balance on the transactions of the year of \$155,125.19.

A satisfactory increase is shown in the receipts from Fire premiums, while in the Marine branch certain lines of business, which have not resulted profitably in the past, have been discontinued, and the premium income somewhat reduced.

Two half-yearly dividends at the rate of ten per cent. per annum amounting to \$50,000, have been declared, and the sum of \$26,225.21 has been written off investments to bring them to their market value at the close of the year, when, owing to the disturbed conditions existing in monetary circles, almost all classes of securities were more or less depreciated. After providing for these deductions from the year's earnings, \$75,000 has been carried to the Reserve, making that fund \$900,000, and £10,186.39 remains at the credit of Profit and Loss Account. The total surplus of the Company—which these two latter amounts constitute—is, therefore, \$916,186.39, and deducting from this the amount estimated as necessary to reinsure or run off all existing risks say \$546,506.64, a net surplus remains over Capital and all liabilities of \$369,679.75.

STATEMENT OF BUSINESS FOR THE YEAR ENDING DECEMBER, 31, 1890.

Revenue Account.	
Fire premiums.....	\$1,332,582 70
Marine premiums.....	716,032 40
Less re-assurances	\$2,048,615 19
	385,123 30
Interest account.....	\$1,600,434 89
	43,307 18
	\$1,703,834 07
Fire losses, including an appropriation for all losses reported to December 31, 1890.....	\$ 665,071 26
Marine losses, including an appropriation for all losses reported to December 31, 1890.....	368,274 07
General expenses, agents' commission, etc.....	515,383 55
Balance to profit and loss	155,125 19
	\$1,703,834 07

Profit and Loss Account.	
Balance from last year	\$ 12,236 41
Profit for the year	166,125 19
	\$ 167,411 60
Dividend paid July, 1890.....	\$ 25,000 00
Dividend payable January 8, 1891.....	20,000 00

Written off securities.....	28,225 21
Carried to reserve fund.....	75,000 00
Balance	16,186 39
	\$167,411 60

Assets.	
United States and State Bonds.....	\$ 459,825 00
Dominion of Canada Stock.....	211,417 50
Loan Company and Bank Stocks.....	161,577 60
Company's building.....	65,000 00
Municipal Debentures.....	80,359 23
Cash on hand and on deposit.....	277,260 51
Bills receivable.....	34,508 27
Mortgages.....	18,458 00
Reinsurance losses.....	43,642 36
Interest due and accrued.....	4,989 50
Agents' balances and sundry accounts....	210,918 82
	\$1,555,665 19

Liabilities.	
Capital stock paid up.....	\$ 500,000 00
Losses under adjustment.....	114,478 80
Dividend payable January 8, 1891.....	25,000 00
Reserve Fund.....	\$900,000 00
Balance profit and loss.....	16,186 39
	\$1,555,665 19

A. M. SMITH,
President.
J. J. KENNY,
Managing Director.

WESTERN ASSURANCE OFFICES,
TORONTO, February 9, 1891.

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 December 31, 1890, 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. CATHERN,
JOHN M. MARTIN, F.C.A., } Auditors.
TORONTO, February 9, 1891.

In moving the adoption of the report the President said:

The Annual Report and accompanying accounts which you have just heard read, present, I think, so clearly the result of the business of the past year, and so satisfactorily the condition of affairs at the close of the year, that it is scarcely necessary for me in moving the adoption of the report to do more than congratulate you upon the happy auspices under which we meet at this, the fortieth annual gathering of the Shareholders of the Company. There is one item in the accounts, however, to which it may be well to refer particularly. I allude to the amount written off securities in order to enable us to place them in the Balance Sheet, as has always been our custom, at their market value on 31st December. You are aware that just at that time the prices of stocks and bonds generally were much depressed, and the fact that our securities were affected to such a comparatively slight extent is perhaps the best evidence that could be offered as to the character of our investments. Moreover, I think we are safe in regarding this as merely a temporary depreciation, and that the former values will be, as indeed some have already been, regained.

I may be permitted to say also that, interested as I have been in this Company since its organization—for forty years as a stockholder, for twenty-five years as a director, and for the past eight years as its president—it is with a feeling of pride, which I think is pardonable, that I regard the position which the Western occupies to-day among the financial institutions of this country and among the insurance companies of this continent. Organized, as it was, at a time when the popular belief existed that indemnity for losses by fire—or in fact from death or any

other calamity which might be covered by an insurance policy—could be obtained only from the other side of the Atlantic, it had secured at the end of its first ten years' struggle for existence against this popular delusion an annual premium income of only some \$60,000. The twentieth annual report shows that it had increased this five-fold, and at the close of its thirtieth year its income exceeded one million dollars per annum; and having thoroughly established its prestige at home it had extended its field of operations beyond the limits of Canada. It is now entering upon its fifth decade with an income of nearly a million and three-quarters, derived from all the provinces of the Dominion and from the United States, as well as from some of the British West India Islands; with cash assets of upwards of a million and a half; with a profit balance on its last year's transactions of over \$150,000; with a corps of tried officers and agents loyal to the Company and its interest; and, if I may say it without egotism, with an experience Board of Directors, several of whom may claim to be veterans, and not likely to be frightened by "fire," even though it may come (as it sometimes does through conflagrations) in "volleys" rather trying to the nerves. I think I may say—looking at what has been accomplished from small beginnings and looking at our present position—that by continuing the policy which has guided us in the past, of fair and liberal dealings with our insurers and just recognition of the services of our agents, upon whose judgment we have so largely to depend in the selection of business—we may confidently look for at least an equal measure of success for the Western in the future to that which it has enjoyed in the past, and, as a consequence, to its being in a position to continue to make satisfactory returns to its shareholders upon their invested capital.

Permit me to say before closing my remarks—that under a kind Providence—I feel that we are indebted in no small degree to the wisdom and untiring energy of our Managing Director and his able staff of assistants for the high position that our Company now occupies in the estimation of the insuring public.

Mr. George A. Cox, Vice-President of the Company, in seconding the adoption of the report said:

The satisfactory nature of the report now submitted to your approval, and the full explanations of the President, in moving its adoption, leave but little for me to say. There is, however, one important item in the statement to which reference has not been made, and that is the very substantial addition of no less than seventy-five thousand dollars to the Reserve Fund. With net earnings for the year equal to thirty-one per cent. of our paid-up capital, it was not unreasonable that the question should arise: Are you only going to pay a ten per cent. dividend, less than one-third of your net earnings? But I am sure the shareholders and the public will appreciate the prudence and recognize the necessity of providing in good years like this for less fortunate ones, when we are called upon to meet exceptional losses by conflagrations such as have occurred, and in all probability will occur again.

It is very satisfactory to know that after fully providing for our Reinsurance Fund, which takes \$546,506 64, we have a net surplus over and above our capital, and all liabilities to the public equal to about seventy-five per cent. of our paid-up capital.

The splendid position of the Western on its fortieth anniversary fully justifies the President in feeling proud of the Company and