

LONDON MUTUAL FIRE

To the Members of the London Mutual Fire Insurance Co. of Canada:

Your Board of Directors in their last annual report congratulated the members on the success of the Company during the year 1898, and now in the 40th annual report have to renew their congratulations on the business of 1899. A new era of improvement in the long history of the Company has sprung up, owing greatly, of course, to the faithful management of your affairs; the public has recognized this fact, as the issue of new policies and renewals for the year aggregated 19,142, writing \$21,477,095. This, of course, is phenomenal, taking into consideration the strong opposition that has arisen in the matter of insurance, by the establishment of several non-tariff companies. Appended hereto is the Financial Statement of the Company, which shows the very large increase in the assets of the Company, now amounting to \$406,153.97.

Expenses of Management.—Notwithstanding the heavy increase of business, the expense of management has been comparatively small. We have an efficient staff who take the interest of the Company to heart, and are always prompt in attention to their duties.

Legislature.—As has been stated from year to year in our reports, application was frequently made to the Legislature of the Province for relief in the statutory conditions of policies, and to define more clearly the relative position between the assured and its members so that mistakes might not arise. Amongst other things that we have asked for in conjunction with other companies is the registration of fires, but this has never been granted. In fact, in place of relief being afforded to mutual companies the Legislature saw fit to increase the registration fee from \$100 to \$150. This registration amounts to just nothing, for no inspection has ever been made of our books by the Inspector of Insurance. This is no benefit whatever to the public or affords any security to our members. Then this year a bill to increase the revenue of the Province was passed, which has entailed a cost to us of \$614.81, in addition to the \$150 fee mentioned. We consider this decidedly unfair for members of a mutual company, as it prohibits us from reducing our rates of insurance even under favorable circumstances.

Legal Expenses.—These appear to be rather large, but are owing in a great degree to the case of a defaulting agent. This is being remedied, inasmuch as your Board has entered into a contract with a leading Guarantee Company, so that all our agents are now obliged to carry guarantee bonds for the satisfactory performance of their duties, a step which no doubt will meet with your approval.

Re insurance.—Your Board have entered into an engagement with a strong English company to re-insure our surplus lines, which will enable us to write policies for larger amounts than formerly.

Inspectors' Report.—This report shows clearly the cause of every fire as nearly as could be ascertained, but we regret very much the number of fires from unknown causes, the majority of which it is feared must be attributed to incendiaries. Yet, on the whole, your directors have reason to be proud of the results of last year's business. The financial report appended hereto will no doubt be gratifying to the members, showing the results that have been attained.

Agents of the company on the whole have given great satisfaction. We flatter ourselves that our present staff are men well adapted to the business and sincere in the interests of the Company.

Three directors now retire. They are Richard Gibson, Robert McEwen and Charles C. Hodgins, all of whom are eligible for re-election.

All of which is respectfully submitted,

D. C. MACDONALD,

Manager.

T. E. ROBSON,

Auditor.

Mr. D. McMillan, accountant of the company, submitted the financial statement. The assets and liabilities are as follows:

ASSETS.

Amount available of premium notes.	\$254,750 38
Amount due on Assessment No. 37.	1,221 95
Amount due on Assessment No. 38.	28,399 37
Amount due on Assessment No. 39.	18,394 62
Balance due from agents in course of collection.	
Office furniture, safe, etc.	9,343 15
Bills receivable.	2,000 00
City of St. Thomas debentures, par value, \$22,600, market value.	940 03
Town of Tilsonburg debentures, par value, 6,500, market value.	\$24,577 50
Ontario Loan & Debenture Co., market value.	7,263 75
Huron & Erie Loan and Savings Co., market value.	13,260 00
	58,361 25

Accrued Real interest on debentures.	402 67
Real estate, including office building.	16,000 00
Cash in Molsons Bank.	27,541 63
Cash in treasurer's hands.	720 36
Total.	\$418,075 31

LIABILITIES.

Losses adjusted but not due.	11,921 34
Net surplus of assets.	\$406,153 97

Audited, compared with the books and found correct as above set forth.

London, 7th February, 1900.

JOHN OVERELL, Auditor.

INSPECTOR'S REPORT.

The report of Inspectors Leitch and Weismiller was as follows:—
To the President and Board of Directors of the London Mutual Fire Insurance Company of Canada:—

GENTLEMEN,—Your inspectors beg leave to report that during the past year they have inspected and reported on 647 claims against the company. Fifteen of the claims, amounting to \$753.21, were rejected by the Board, leaving 632 adjusted (after deductions made in them) at \$125,551.66, up to the 31st day of December, 1899. The actual amount of the above claims which occurred in the year 1899 was \$122,387.33. Of the amount passed we find:—

88 From unknown causes.	\$45,139 09
151 From defective chimneys, stoves, pipes and furnaces.	32,376 11
137 From lightning to buildings and contents.	16,800 52
148 From lightning to animals in the fields.	2,952 26
33 From lamps, lanterns and oil stoves.	9,299 98
26 From other buildings burning.	4,903 79
10 From incendiary causes.	3,609 00
6 From steam threshers.	3,497 00
12 From careless handling of matches.	3,374 50
2 From electric wiring.	2,500 00
1 From oil explosion.	452 48
2 From feed boilers in farm buildings.	205 00
2 From tramps.	98 00
2 From ash boxes.	94 20
2 From engines.	84 90
2 From rubbish burning.	41 00
1 From patterns smouldering.	35 00
1 From rags in tailor shop.	30 00
1 From gas-oil stove.	16 48
1 From blacksmith shop.	15 00
2 From gas explosions.	13 40
1 From cupola.	12 76
1 From plumbers' firepot.	1 19
	\$125,551 66

Of the above losses 71 were on general business, amounting to \$34,050.45.

We received from re-insurance, \$3,674.11.

Unknown causes head the list with a large increase. Defective chimneys, stoves and pipes show an increase. Lightning was lighter to buildings and heavier to animals, but much lighter in the total. Lamps and lanterns show an increase, and incendiary and tramps a decrease. The steam threshers losses were less owing to favorable weather during the threshing season. The losses from miscellaneous causes were small. There is no question that a large percentage of the losses classed as unknown could well be accounted for in some other way—if the claimants wished to disclose the true cause. It is regrettable that so many fires occur from bad chimneys and stove pipes, as it can hardly be possible that the assured are ignorant in so many cases of their condition, and we would again call their attention to the statutory conditions governing this.

We find many cases of defective wiring in places lighted and power supplied by electricity—careless and cheap work being responsible for many losses, and they will be on the increase unless closely watched.

As our income was much larger than in former years, the result of the year's operations leaves a handsome surplus.

All of which is respectfully submitted,

Signed, LAUGHLIN LEITCH and D. WEISMILLER, Inspectors.

London, Feb. 6, 1900.

Vice-President Campbell moved the adoption of the reports. He