

UNION INSURANCE SOCIETY of CANTON

LIMITED

(A British Company)

ESTABLISHED 1835

Report of the Annual General Meeting of Shareholders Held May 22nd, 1919

The Annual General Meeting of Shareholders of this Society was held May 22nd, 1919. HON. S. H. DODWELL occupied the chair. After the reading of the notice convening the meeting, the Chairman addressed the Shareholders. From which address the following extracts are taken:

Turning to 1918, you will notice that the premium income is greater than that of the previous year, which is satisfactory, especially if you take into consideration the effect of the increased restrictions on exports and imports and the falling of the rates for war risk to a normal figure upon the cessation of hostilities. A congestion of values in individual steamers continued, and the increased employment of inferior vessels brought new complications, frequently calling for material reductions in our retained lines. The percentage of losses on the first year's working shows a gratifying decrease, and we have no reason to believe that the final outturn will compare unfavorably with the preceding year.

The increase in our premium income during recent years has been due largely to war risk business, the hazardous nature of which has been emphasized to an exceptional degree. You will be able to gain some idea of the magnitude and anxiety of our operations when I tell you that we have paid out in actual cash over twenty million dollars on war risk claims alone.

The figures for fire and other classes of insurance now transacted by the Society are, of course, included, but this branch of our business is in its childhood. Its development is proceeding upon satisfactory lines and your management feel justified in awaiting with confidence its gradual growth to robust maturity.

There are very few places of importance where you will not find a representative of the Society or of its affiliated companies, and the organization we have built up should enable us to take full advantage of the opportunities which will be offering. It does not necessarily follow, however, that a prosperous condition of trade generally will react beneficially on the business of marine insurance. The past few years have seen the formation of many new companies, and we have to be prepared not only for a reduced premium income due to what is practically a cessation of war risk business, but for keen competition from new comers and other insurance companies who, although long established, have lately increased their activities to the marine side of the business. The demand for marine insurance facilities should, nevertheless, be large enough for all to trade in friendly rivalry without having recourse to a wild and senseless scramble for premium at unremunerative rates. Whatever the future may bring, the widespread nature of our business forms a safeguard against inequitable disasters, and a continued consolidation of our position enables us to face their possibility with increased equanimity.

You are aware, gentlemen, that the Society compares not unfavorably with the largest institutions of its kind in the world, and it must be a source of pride and satisfaction to you, as it is to us, to feel that this enormous machine has been built up from this small, though all-important, output of the British Empire, and has been controlled from here ever since the island became a British possession. The success of that control is, I think, well illustrated by the figures which have periodically come before you.

BALANCE SHEET 31st DECEMBER, 1918

To Capital Authorized and Subscribed	\$ 3,369,792	By Cash with Bankers on Current and Deposit	
" Capital paid up	\$ 1,347,917	Accounts:	
Reserve Fund:		Silver	\$ 2,230,368
Silver	2,527,344	Gold	\$ 3,397,365
Sterling	975,000	" Investments in Silver Securities	6,569,734
" Building Reserve Fund	100,000	" Investments in Gold Securities:—	
" Reinsurance Fund	5,636,869	British	5,443,011
" Underwriting Suspense Account	657,857	Foreign	1,827,406
" Exchange Fluctuation Account	513,820		7,270,416
" Investment Fluctuation Account	1,213,994	" Sundry Debtors, including Branch and	
" Working Account, 1917 Balance	2,793,230	Agency Balances:	
" Working Account, 1918 Balance	5,256,220	Silver	1,142,523
" Sundry Creditors	3,153,145	Gold	2,774,309
			<u>\$13,442,090</u>
		" Mortgages—Silver	555,764
		" Leasehold Property	234,946
			<u>\$24,175,425</u>
	<u>\$24,175,425</u>		

\$5.00 is taken as the equivalent of £1 sterling.

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