

# CITIZENS INSURANCE COMPANY OF CANADA.

REPORT OF THE DIRECTORS, PRESENTED TO THE SHAREHOLDERS,

*At the Annual Meeting, March, 1886.*

The Directors have the honor to submit their report for the year 1885, which, it will be observed, affords encouraging evidence of the continued progress of the Company.

### FIRE AND ACCIDENT BRANCHES.

|   |              |
|---|--------------|
| Amount received in Premiums, 1885 .....                                       | \$330,938 83 |
| Amount " " 1884 .....   | 292,004 91   |
| Amount " " 1883 .....   | 231,819 77   |
| Amount paid for Losses, including claims in process of adjustment, 1885 ..... | 184,871 04   |
| Amount " " " " 1884 .....   | 167,151 10   |
| Amount " " " " 1883 .....   | 143,602 93   |

Thus, while the gross receipts in 1885 were \$38,933.92 in excess of those of 1884, the losses were but \$17,719.94 greater, which must be admitted to be a satisfactory result.

It must be noted in this connection, however, that the Company was subjected to an extraordinary proportion of loss for the month of December, which is shown by the fact that, while the average for the preceding eleven months was \$12,244.00, the losses of December reached the large sum of \$36,000.00, which is not attributable to bad selection of risks, which in fact, were exceptionally good, but largely to the defective management of the Fire Department of this city.

### LIFE DEPARTMENT.

The amount received in premiums for the year is \$54,802.46, being \$4,802.81 in excess of those of 1884.

The losses in this branch, owing to purely accidental causes, were considerably larger than the expectation, being about twice the amount of the previous year. Such *exceptional* mortality, therefore, affords no proof of bad selection, and a repetition is not to be expected to be of annual recurrence.

### NEW TABLES.

Great attention has been given during the year to the preparation of new and improved tables and schemes of life and accident insurance, which it is hoped will prove attractive to those who desire to avail themselves of these most wise forms of safe investment.

### ANNUAL PROFITS—ALL BRANCHES.

Upon reference to the subjoined statement it will be seen that, after paying accrued profits to life policyholders, and dividends to shareholders, the balance remaining is \$28,466.52.

### ASSETS.

The annexed statement shows that the surplus in the *Fire and Accident Branches* has been increased during the past year by the sum of \$24,210.76, and in the *Life Branch* by \$13,933.18.

### INSURANCE RESERVE.

In the Directors' report of 1884, this fund was referred to as a "Contingent Liability."

It may be further explained, however, that it is a fund created by law for the protection of the shareholders of a company, but has little significance as regards policyholders, who have abundant security in the assets of the company.

While, therefore, the law properly requires the scrupulous maintenance of this reserve fund by a large percentage of premiums received on all its business, both domestic and foreign, on the part of Canadian companies, foreign corporations are exempted, so far as relates to their business outside of the Dominion of Canada. It is difficult to see how this discrimination by our own Government to the prejudice of home companies can be justified.

The Auditors report is on the table.

The retiring Directors are Andrew Allan, Robert Anderson and Henry Lyman, all of whom are eligible for re-election.

HENRY LYMAN,

*President.*

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