

PROFIT AND LOSS ACCOUNT.

Balance from last year.....	\$ 12,286 41	
Profit for the year.....	155,125 19	
		\$167,411 60
Dividend paid July, 1890.....	\$ 25,000 00	
Dividend payable 8th January, 1891	25,000 00	
Written off securities	26,225 21	
Carried to Reserve Fund.....	75,000 00	
Balance	16,186 39	
		\$167,411 60

Assets.

United States and State bonds...	\$459,525 00	
Dominion of Canada stock	211,417 50	
Loan Company and bank stocks.	151,577 40	
Company's building	65,000 00	
Municipal debentures	80,369 23	
Cash on hand and on deposit....	277,260 51	
Bills receivable.....	34,508 27	
Mortgages.....	16,456 60	
Re-assurance losses	43,612 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 8th January, 1891.....	25,000 00	
Reserve Fund.....	\$500,000 00	
Balance profit and loss	16,186 39	
		\$1,555,665 19

A. M. SMITH, President.

J. J. KENNY, Managing Director.

AUDITORS' REPORT.

To the President and Directors of the Western Assurance Co.—

GENTLEMEN,—We hereby certify that we have audited the books of the company for the year ending 31st December, 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. CATHRON,
JOHN M. MARTIN, F.C.A., } Auditors.

TORONTO, 9th February, 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 40th 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 30 years as a stockholder, for 25 years as a director, and for the past 8 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 thirteenth 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 interests, and, if I may say it without egotism, last but not least, with an experienced board of directors, several of whom, like myself, 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 "rolleys" 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 it; 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 for your approval, and the full explanation of the president in moving its adoption, leaves 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 \$75,000 to the reserve fund. With net earnings for the year equal to 31 per cent. of our paid-up capital, it was not unreasonable that the question should arise: Are you only going to pay a 10 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 re-insurance 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 75 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 proud of his long and honorable connection with it; and I shall also indulge a little in the same way. The best standard by which to judge a company is the relative position it occupies at home, and the Western for many years has stood in the very front rank, its income from fire and marine premiums in Canada exceeding that of any other company doing business here, English, American or Canadian, and, what is still more gratifying, its loss ratio on its Canadian business is considerably below the average of both the home and foreign fire insurance companies making returns to the Dominion Insurance Department.

I may also refer to the relative position of the company on this continent. Of 160 companies reporting to the Canadian and New York Insurance Department, only some 20 exceed the Western in volume of business, and the steadily improving character of the company's United States business, as shown by its diminishing loss ratio, affords good grounds for anticipating that the continued efforts in that direction of its representatives in the United States will make an equally favorable record for it there, to that which it enjoys at home. It is gratifying to know that, notwithstanding some exceptionally trying years, the business of that branch shows a fair profit to the company, and that the year just closed has been one of the most favorable in its experience.

I very heartily concur, Mr. President, in all that you have said as to the obligations we are under to our managing director, who brings to bear upon the business of the company a thorough and ever increasing knowledge of the insurance world and the insurance business in all its details. It is to his intelligent and close supervision of the company's interests, and to his efficient and well-selected staff, that we are largely indebted for the position that we are so proud of to-day. I have much pleasure in seconding the resolution for the adoption of the report.

On motion of Mr. A. Nairn, seconded by Mr. William Ross, a cordial vote of thanks was passed to the president and board of directors, for their services and attention to the interests of the company during the past year.

Messrs. F. J. Stewart and J. K. Niven having been appointed scrutineers, the election of directors for the ensuing year was proceeded with, which resulted in the unanimous re-election of the old board, viz.:—Messrs. A. M. Smith, George A. Cox, Hon. S. C. Wood, Robert Beatty, A. T. Fulton, George McMurich, H. N. Baird, W. R. Brock and J. J. Kenny.