

Western Assurance Company

The Annual Meeting of Shareholders was held at the Company's Offices, Toronto, on Friday, 19th February, 1904. The President, the Hon. Geo. A. Cox, occupied the chair, and the following Annual Report of the Directors, with accompanying Financial Statement, was read by the Secretary:

FIFTY-THIRD ANNUAL REPORT.

The Directors have pleasure in presenting to the Shareholders their report on the business of the year ending 31st December last.

The following synopsis of the accounts submitted herewith summarizes the results of the year's transactions:

The balance of Revenue Account being the Underwriting profit and interest received on investments is	\$305,912 60
This has been apportioned as follows:	
Written off Investments to bring these to market value at 31st December	\$18,264 26
Written off Office Furniture Account 10,000 00	
Applied to the payment of two half-yearly dividends at the rate of 6 per cent. per annum	119,147 35
Added to Reserve Fund	158,500 99
	\$305,912 60

The premium income of \$3,582,625.60 is \$131,670.28 greater than that of the preceding year, and the losses incurred are \$3,273.38 less than in 1902. The receipts from interest show a gain for the year of \$10,681.71.

The total profit on the year's underwriting is \$210,150.75, being \$50,071.41 more than that realized in 1902, and \$107,629.92 in excess of that for 1901. Apportioning the expenses of the year to the Fire and Marine branches, respectively, according to the cost of the business of each, a profit is shown in the Fire Branch of \$222,978.84, and a loss in the Marine Branch of \$12,828.09.

As intimated in the last Annual Report, the property adjoining the Company's Head Office on Wellington street has been purchased. The building has been refitted, and the greater part of it is now occupied for the Company's Offices.

GEO. A. COX,
President

TORONTO, February 10, 1904.

SUMMARY OF FINANCIAL STATEMENT.

Fire and Marine Premiums	\$3,582,625 60
Interest Receipts	95,761 85
Total Income	\$3,678,387 45
Fire and Marine Losses	\$2,163,965 17
Agents' Commission and all other Expenses	1,218,509 68
Total Expenditure	3,372,474 85
Profit for the Year	\$ 305,912 60
Total Assets	\$3,546,357 25
Capital	\$2,000,000 00
Reserve Fund	\$1,289,850 00
Security to Policyholders	\$3,289,850 00

The President, in moving the adoption of the Report, said:

The Report just read, the adoption of which I beg to move, is, I think I may safely say, one of the most favourable Annual Statements that it has been my duty to present to the Shareholders since I have had the honour of occupying this chair. The net earnings of the year, you

will note, were \$305,912.60, which is upwards of fifteen per cent. upon the capital. Compared with the preceding year there has been a moderate growth—some \$131,000—in Premium Income, a gain of about \$10,000 in interest earnings and a gratifying decrease in the ratio of losses to premiums. The manner in which the year's profits are appropriated is set forth in the Report, and I need not enlarge upon it beyond saying that, taking into account the heavy fall in the value of securities generally during the past year, the amount which we have written off to bring our stocks and bonds to market value at 31st December, which is less than one per cent. upon the total amount of these securities held by the Company, may be taken as satisfactory evidence as to the character of our investments. With regard to the \$10,000 written off the item of Office Furniture (which, I may inform those who are not familiar with the method of conducting our business, embraces a valuable equipment of insurance maps and plans, both at the Head Office and at our Branches and Agencies), this amount does not represent any reduction in the actual value; for, as a matter of fact, there has been considerable expenditure of an exceptional nature during the year in fitting up the buildings now occupied for our Head Offices. This outlay, however, has been included in the expenses account of the year, and, in adoption to this, \$10,000 has been, as set forth in the Report, taken from the year's profits to reduce this asset on our books.

The business of the Marine Branch shows a small adverse balance. This is attributed partly to the running off of the risks at some unprofitable agencies that have been closed since the beginning of the year, and partly to the exceptionally heavy losses on the lakes in the closing months of the season of navigation.

The Fire business in Canada and the United States, as well as the British and Foreign business transacted through the London Branch Office, all show a very satisfactory profit.

I am pleased to take this opportunity to express the appreciation of the Directors of the work done by the Officers and Agents of the Company, as well as our indebtedness to the Chairman and Directors on the London Advisory Board for the deep interest they have shown in the Company's progress, and in this connection, it is gratifying to note the success which is attending the establishment of agencies of the Company beyond the limits of the American continent. Glancing over the field of our operations, I may point out that we have now been doing business in Canada for upwards of fifty years, and it is, I think, generally admitted that in its home field the "Western" stands as high in the estimation of the insuring public as any company operating in the Dominion. The records in the Government Returns of Canadian business published by the Dominion Insurance Department shows that during the period embraced by these reports—some thirty-four years—the loss ratio of the "Western" has been upwards of ten per cent. below the combined experience of all the companies doing business in this country. In the United States, to which field it extended its Fire Agencies some thirty years ago, the business of the Company has steadily grown until it now produces an annual volume of premiums aggregating upwards of two million dollars. The profits realized on this business during the past two years—more particularly in 1903—have been sufficient to counterbalance the adverse experience of some preceding years. While the income derived from the more recently established agencies abroad is still comparatively small, the business from these sources has fully realized the expectations which we entertained at the time we undertook to extend our operations to those more distant fields, and there seems every reason to believe that under the efficient and energetic direction of our London Manager, whose duties embrace the supervision of these agencies, we may look forward with confidence to the "Western's" attaining abroad in due time a position equal to that enjoyed by it on this continent.