

PROPOSED CHANGES.

Your Board are of opinion that considerable improvement may be effected in our internal arrangements. It seems now well established, that isolated private dwellings in the outskirts of villages and towns are quite as safe, if not much safer risks, than farm buildings; and there appears to be no reason why the distinction between the Household and Farm Branches should be maintained. The more extensive the business of each Branch, the cheaper the insurance; and for this reason, your Board ask the authority of the meeting to close the Household Branch as soon as convenient, and to transfer its policies to the Farm Branch.

They have also had in view the propriety of opening a new Branch, in imitation of a sister Company at Hamilton, for the insurance of risks within the fire limits of the city of Toronto alone, for which purpose an Act of the Legislature may be needed.

Furthermore, your Board have decided, for several reasons, to restore the practice of allowing agents to collect a fee on insuring, which will save the trouble and cost of keeping many voluminous accounts in the office books; and at the same time, in consequence of a recent judgment of the Court of Common Pleas, which has decided that there is no authority in law to justify Mutual Companies in taking a note for "first payments," although they may take notes for cash premiums in full, your Board contemplate collecting no "first payment" whatever, but, instead thereof, levying the first assessment at the end of six months, the second at the end of eighteen months, and so forth. Of course this change will not affect existing policies, but only those hereafter to be issued.

MUTUAL INSURANCE.

Some few of our members, whose sense of justice induced them to pay cheerfully our Ottawa special assessment, have nevertheless expressed their intention not again to insure in any Mutual Company. Such persons surely labour under a mistake. Had a loss of equal proportionate amount occurred to any proprietary Company, that is, if its whole cash reserve had been swallowed by a single fire, what would have been its chance of recovering itself? Many Proprietary Companies have succumbed to much less serious reverses even within the past year. If, then, a Mutual Company can sustain itself where others would fail, is not that the very best argument for the mutual principle? One of the oldest Mutual Companies in Canada met with heavy losses thirty years ago, yet those who have adhered to it up to the present day, declare that in the long run they have saved money.

Under the Mutual Insurance Law, the Directors are bound to assess all losses and expenses upon premium notes in force at the date of such losses, &c. If the special assessment should fail to produce the necessary funds to cover the Ottawa losses, it will be the duty of the Board to make a further call upon the same parties for the same purpose. No member whose policy dates after the 17th of last August, has been called upon to contribute towards payment of those losses; and no future insurer need be apprehensive of suffering from any past losses of the Company.

SUMMARY OF THE YEAR'S BUSINESS.

The total receipts of the year 1870, were \$95,165.41. The expenditure was \$93,022.77. The number of policies issued was 7095, covering property to the amount of \$4,636,464.50. Policies cancelled and expired during the year, 4338, covering property to the amount of \$3,588,083. Total policies in force on the 1st of January was 18346, covering property to the amount of \$12,415,958; of these 8366 policies were on the Cash System. The total amount of premium notes liable to assessment were \$214,935.52. We have gained since our last Annual Statement an increase of 2474 policies. The Fire and Live Stock Claims for the year amounted in all to \$103,575.03, of which \$63,747.06 were for Ottawa claims of the 17th August last. For other details, see Tabular Statement of the business of the several Branches given elsewhere.

It will be seen, on examination of the Table of Assets and Liabilities, that the Company, notwithstanding the Ottawa losses, still possesses a surplus premium note capital of