

FIFTY-SEVENTH ANNUAL REPORT

The London Mutual Fire Insurance Co. of Canada

DIRECTORS' REPORT

To the Shareholders and Members of the London Mutual Fire Insurance Co., of Canada.

Your Directors herewith submit the Fifty-seventh Annual Statement and Balance Sheet, duly certified by the Auditor, showing the receipts and expenditures for the year, as well as the Assets and Liabilities of the Company as at December 31st, 1916.

The operations of the Company for the year 1916 resulted in a profit of \$10,694.30, after providing for all bad and doubtful debts and outstanding liabilities.

The re-insurance reserve, full Government Standard, stood at \$272,332.45, the Cash Surplus \$115,903.51, and the Capital Stock paid up at \$17,500. The Total Cash Security for Policyholders was \$471,116.83, in addition to which there is the Unassessed Portion of Premium Notes which amounts to \$247,491.93, making the total Security to Policyholders \$718,608.76, and a total Surplus to Policyholders of \$380,895.44.

The sum of \$28,792.25 has been written off the value of the Company's Securities in order that they might conform with the standard fixed by the Dominion Government. The securities held by the Company are now valued on a most conservative basis and your Directors hope that future years will show an appreciation in this item in the balance sheet.

The retiring Directors are G. H. Williams, W. T. Kernahan and W. G. Willoughby, all of whom are eligible for re-election.

Your Directors desire to thank the Agents of the Company for their support, and they also wish to express their appreciation of the work of the field and office staffs during the past year.

All of which is respectfully submitted.

A. H. C. CARSON, President.

Toronto, 24th February, 1917.

FINANCIAL STATEMENT as at 31st DECEMBER, 1916

EXPENDITURE	
To Claims Paid and Outstanding	\$341,317.32
Less Reinsurance Recoverable and Salvage	58,434.00
	<u>\$282,883.32</u>
To Expenses, Commissions, etc.	166,817.38
To Profit on Business of year 1916	10,694.30
	<u>\$460,395.00</u>

INCOME	
By Gross Premiums	\$670,380.37
Less Cancellations and Rebates	\$90,512.15
Less Re-insurance Premiums	216,184.33
	<u>306,696.48</u>
By Transfer Fees	\$363,683.89
By Profit on Sale of Securities	183.50
By Bad Debts Recovered	1,007.39
By Amount released from Reinsurance Reserve	4,003.30
	<u>81,728.79</u>
By Interest and Dividends on Investments	9,788.13
	<u>\$460,395.00</u>

ASSETS	
Cash on hand and on deposit	\$ 52,004.48
Bonds, Debentures and Stocks, Book Value (Based on Government Standard of Values as at January 1st, 1916)	\$238,190.94
Less amount written off to conform with Government Standard as at January 1st, 1917	28,792.25
	<u>209,398.69</u>
Mortgages Receivable	17,277.50
Call Loan	1,200.00
Agents' Balances	56,428.59
Due on Reinsurance	2,942.17
Interests and Rents Accrued	2,490.69
	<u>\$341,742.12</u>
Real Estate and Buildings	\$166,576.22
Less Reserve for Depreciation	3,701.51
	<u>\$162,874.71</u>
Less Mortgage Payable	45,000.00
	<u>\$117,874.71</u>
Office Furniture and Good's Plans	\$25,096.77
Less Reserve for Depreciation	13,596.77
	<u>11,500.00</u>
Unassessed Portion of Premium Notes	129,374.71
	<u>247,491.93</u>
	<u>\$718,608.76</u>

LIABILITIES	
Reserve for Unadjusted Losses	\$13,945.48
Due for Re-insurance	41,461.21
Government Taxes Accruing	5,048.00
Sundry Accounts	1,073.06
Provision for Agents' Bonuses	3,000.00
Interest Accrued on Mortgage on Building	853.12
	<u>\$ 65,380.87</u>
Re-insurance Reserve, Full Government Standard	272,332.45
	<u>\$337,713.32</u>
Capital Stock Paid Up	\$ 17,500.00
Surplus Account	115,903.51
Unassessed Portion of Premium Notes	247,491.93
	<u>380,895.44</u>
Surplus to Policyholders	380,895.44

Having audited the books of account of The London Mutual Fire Insurance Company of Canada for the year ending December 31st, 1916, examined the vouchers in connection therewith, and verified the securities, cash and bank balances, I certify that, in my opinion, the above Balance Sheet is a true statement of the Company's affairs as shown by the books at that date.

All my requirements as Auditor have been complied with.

J. P. LANGLEY, F.C.A., Auditor.
Toronto, 19th February, 1917.

\$718,608.76