

CANADA PERMANENT LOAN AND SAVINGS CO.

ANNUAL MEETING.

The Thirty-Seventh Annual General Meeting of Shareholders of this Company was held on Wednesday, the 24th ult., in the Company's Building, Toronto Street. The President, J. Herbert Mason, Esq., in the chair.

The Report of the Directors for the year 1891 is as follows: In presenting for the consideration of the shareholders the audited statements of the affairs of the Company made up to 31st December last, the Directors of the Canada Permanent Loan and Savings Company have much satisfaction in noticing the increased volume of business therein exhibited, and also in recording the maintenance of the marked prosperity the institution has so long enjoyed.

The receipts of interest and principal on account of mortgage loans and securities were larger than in any former year, amounting to \$2,414,369. The total sum lent was \$1,612,053. The funds of the Company were kept well employed in the earlier part of the year, at a fair average rate, but the unusually large receipts from mortgagors later on arising partly from the bountiful harvest, led to an accumulation of money towards the close of the year, and also to a tendency to reduced rates of interest. Considerably more money was offered the Company for investment than the Board felt warranted in taking. The amount accepted was \$1,025,972, and the amount repaid depositors and debenture holders was \$807,391. The total assets were increased from \$11,868,967 to \$12,091,772.

After providing for interest on borrowed capital, amounting to \$310,546, for cost of management, and for losses and anticipated deficiencies, the net earnings for the year enabled the Directors to declare the usual half-yearly dividends of six per cent. each on the enlarged stock capital, as well as to pay the Shareholders Income Tax thereon, amounting together to \$316,991, and also to add \$10,000 to the reserve fund and \$2,096 to the contingent fund. The aggregate of these funds is now \$1,562,252.

Encouraging reports of increasing prosperity continue to be received from Manitoba, where, as in Ontario, the late harvest was abundant.

In consequence of the depression in the market value of Ontario farming lands, referred to in preceding reports, which has extended to other kinds of property, the past year was in some respects a trying one, requiring more than usual vigilance on the part of the Company's officers. But the Directors are pleased to be able to state that the maturing obligations of mortgagors were fairly met, and that the amount of property in default and undispensed of is smaller than for several years past.

All which is respectfully submitted, J. HERBERT MASON, President.

FINANCIAL STATEMENT.

PROFIT AND LOSS.

Table with 2 columns: Description and Amount. Includes Interest on Deposits, Dividends on Capital Stock, Cost of Management, Reserve Fund, and Contingent Fund.

ABSTRACT OF ASSETS AND LIABILITIES.

Table with 2 columns: Description and Amount. Divided into Liabilities to the Public, Liabilities to Shareholders, and Assets.

GEO. H. SMITH, Secretary.

We, the undersigned, beg to report that we have made the usual thorough examination of the books of the Canada Permanent Loan and Savings Company for the year ending 31st December, 1891, and hereby certify that the above statements are strictly correct, and in accordance with the same.

J. E. BERKELEY SMITH, HENRY BARBER, Auditors.

The report of the Directors was unanimously adopted, as also were votes of thanks to the President, Directors, officers and agents of the Company. The retiring Directors, Messrs. Edward Hooper, A. M. Smith, Ralph K. Burgess and William G. Gooderham were unanimously re-elected.

At a subsequent meeting of the Board, Messrs. J. Herbert Mason and Edward Hooper were respectively re-elected to the offices of President and Vice-President.

WESTERN ASSURANCE COMPANY.

FORTY-FIRST ANNUAL MEETING OF SHAREHOLDERS.

Report of the Directors and Financial Statement—Unusually Heavy Fire Losses of the Past Year—Favourable Position of the Company—Increase of the Capital Stock.

The 41st Annual Meeting of the Shareholders of the above Company was held at its offices in this city at noon, February 25th. Mr. A. M. Smith, President, occupied the chair, and Mr. J. J. Kenny, Managing Director, was appointed to act as Secretary to the meeting. The Secretary read the following

ANNUAL REPORT.

The Directors beg to submit herewith their Annual Report showing the transactions of the Company for the past year, together with a statement of its Assets and Liabilities on 31st December last.

The Premium Income, it will be observed, was \$1,754,262.25, after deducting the amount paid for reinsurance; and the receipts for interest on investments were \$13,732.78.

Although no serious conflagrations have occurred during the year, fire losses, both in Canada and the United States, have been unusually numerous and severe, bringing the ratio of losses to premiums considerably above the average of ordinary years.

In the Marine branch the volume of business has been somewhat less than in 1890, but the year's transactions have resulted more satisfactorily. While the profit balance of \$40,120.67 is much less than that shown in the preceding Annual Balance Sheet, your Directors feel that, in view of the unfavourable results of the fire business for the year 1891 to Companies generally, there is cause for congratulation in the fact that the excess of income over expenditure, with the balance at the credit of Profit and Loss Account, enabled them to pay two half-yearly dividends at the rate of ten per cent. per annum upon the paid-up capital without drawing upon the Company's ample Reserve Fund of \$900,000.

The amount estimated as necessary to reinsure, or run off all existing risks, is \$578,634.19. Deducting this from the total surplus fund of the Company, a net surplus of \$325,527.17 is shown over capital and all other liabilities. One important result from the generally adverse experiences in fire underwriting for the year 1891 has been the withdrawal of a number of Companies from the business. The risks of these retiring Companies have been assumed by other and stronger Companies, so that in no case have the policy-holders been sufferers; while the terms on which the business has been taken over have, in most instances, been such as will permit the winding up of the Companies without loss to stockholders. The natural effect of these withdrawals will be the concentration of the business among a smaller number of offices, and concerted action, where necessary, to place it upon a more satisfactory basis. These movements, with a return to a normal loss ratio, which may be reasonably looked for, must eventually result favourably to the Company remaining in the field.

STATEMENT OF BUSINESS FOR THE YEAR ENDING DECEMBER 31ST, 1891.

Table with 2 columns: Description and Amount. Includes Revenue Account (Fire Premiums, Marine Premiums, Loss Re-Assurances) and Profit and Loss Account (Dividend No. 60, Dividend No. 61, Sundry Accounts).

Table with 2 columns: Description and Amount. Includes Liabilities (Capital Stock, Losses under Adjustment, Dividend payable, Reserve Fund) and Assets (United States and State Bonds, Dominion of Canada Stock, Loan Company and Bank Stocks).

Table with 2 columns: Description and Amount. Includes Assets (United States and State Bonds, Dominion of Canada Stock, Loan Company and Bank Stocks, Debentures, Cash on Hand, Bills Receivable, Mortgages, Re-Assurances, Interest due and Accrued, Agents' Balances).

A. M. SMITH, President. J. J. KENNY, Managing Director. Western Assurance Offices, Toronto, February 16th, 1892.

AUDITORS' REPORT.

GENTLEMEN,—We hereby certify that we have audited the books of the Company for the year ending 31st December, 1891, 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. E. CATHRON, JOHN M. MARTIN, F.C.A., Auditors. Toronto, February 16th, 1892.

In moving the adoption of the Report the President said:—The Annual Report of the Directors which has just been read, with its accompanying statements of the accounts of the Company, presenting as they do a clear synopsis of the past year's business and its results, render unnecessary any lengthened remarks or explanations from me. Compared with the figures of the preceding year, you will have noticed a moderate and satisfactory gain in the net premium income, a considerable increase in the amount of losses incurred, and a marked reduction from the handsome profit balance which we were able to show as the result of our operations for the year 1890; and yet, notwithstanding this diminution in the profits on the business transacted last year, those of us who have watched from month to month the fiery record of 1891, and have noted the inroads which in many instances it has made into the surplus funds which Companies have accumulated in more prosperous years, cannot but feel that we are exceptionally fortunate in making so favourable a showing as is presented to you to-day. To Fire Insurance Companies the past year has proved a veritable "Waterloo," and in addition to winding up a number of smaller American Companies, we, as Canadians, must regret that it has resulted in the retirement of two of our own companies, which have reinsured their risks with offices whose wider experience leads them to look beyond the records of such an exceptional year as the past one has proved.

The effect of this reduction in the number of competitors for business—judging from our own receipts thus far for the present year—is already being felt in the increased volume of premiums of the remaining Companies; and while in a business such as ours, subject to a large extent to elements beyond human control, it is impossible to forecast the probable results of any one year, we may safely rely upon the law of average asserting itself, and may fairly assume that by conducting our business on lines laid down by past experience, and adhering to a policy of just and liberal treatment of our insurers, we shall in the future, as we have heretofore, earn fair profits for our Shareholders upon their capital.

A full consideration of the present conditions and prospects of the business, which I have briefly outlined, has led the Directors to consider the question of increasing the capital stock of the Company, and believing that such action will be advantageous at the present time in strengthening in proportion to the growth of its business the financial position of a home institution which already stands high in public confidence, they have taken advantage of the present gathering of its Shareholders to call a special meeting at the close of this regular meeting to approve, as required by the Act of Incorporation, of an additional issue of stock.

I cannot close without bearing testimony to the zeal and watchful care manifested by our Managing Director in conducting the business of the Company, and the efficient manner in which the other officers have fulfilled their respective duties during an unusually trying year, and expressing our appreciation of the active and loyal services of the Managers of our various Branch Offices and the agents of the Company generally throughout its wide field of operations.

Mr. George A. Cox, Vice-President of the Company, said:—In seconding the adoption of the report last year (when, after paying a ten per cent. dividend, we carried \$75,000 to the Reserve Fund), I pointed out the necessity of providing in favourable years for less fortunate ones, such as the experience of all Companies leads them to look for when fire losses exceed what may be regarded as an average ratio. The past year has been one to impress this lesson upon all Companies. The experience of the "Western," however, I am glad to be able to add, has been more fortunate than a majority of Companies operating in the same field. In Canada our loss ratio is (as it has been for several years past) below the average of all Companies doing business here, while in the United States we compare favourably with the Home and Foreign Companies, which make returns to the New York Insurance Department. In the matter of expense in conducting business, our figures show that we are as low, if not lower, than most of the Companies doing similar lines of business.

I quite concur in the President's expressions of regret at the winding up of some of our Canadian companies. It is a remarkable fact, however, that when an unsuccessful fire insurance company decides to give up business, its risks and its agents are readily assumed by some foreign corporation, and its stockholders, who get something beyond the market price for their stock, retire from the fire underwriting field, leaving the business to be carried on by the purchasing company through the same agents and usually under the same general manager as previously conducted it, but as Canadian institutions they cease to exist. I admit the necessity of foreign capital in fire insurance, but I believe there is also a field in this country for home companies, and I point with much satisfaction to the "Western" as evidence that a Canadian company, under proper direction and management, can hold its own against all comers. Looking at its record for the five years preceding that embraced in this report, you find that during that term our total income was \$8,175,293, that we paid losses amounting to \$5,189,218; that our shareholders received in dividends \$246,000, and that we have added to our Reserve Fund \$240,000—not a bad showing for five years, and the general history of the Company for many years back shows equally favourable results.

I am glad that the shareholders will have an opportunity of expressing an opinion upon the proposal to issue an additional \$200,000 of capital, divided pro rata amongst the present shareholders. It is a most opportune time, while some of our Canadian companies are retiring from the field, for the shareholders of the "Western" to strengthen the position of our own Company and to express their confidence that a well-managed Canadian fire company affords safe and profitable investment to its shareholders.

At the last annual meeting, when we had an exceptionally favourable showing, I congratulated our Managing Director and his faithful and competent staff upon the results of the year, and I feel that there is even more reason for doing so upon the report now submitted, when the "Western" makes such a comparatively favourable showing at the close of a year that has been so disastrous to many companies. I have pleasure, Mr. Chairman, in seconding the adoption of the report.

On motion of Mr. G. R. R. Cockburn, M.P., seconded by Mr. David McGee, 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. John Stark and J. K. Nevill 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 Banty, A. T. Fulton, George McMurrich, H. N. Baird, W. R. Brook and J. J. Kenny.

At the close of the annual meeting the question of increasing the capital stock of the Company to \$1,200,000 was submitted to a special meeting of the shareholders and unanimously approved, the new stock (\$200,000) to be issued at 25 per cent. premium and allotted to shareholders in the proportion of one share to every five held by them on the 15th of March next.

At a meeting of the Board of Directors held subsequently, Mr. A. M. Smith was re-elected President, and Mr. George A. Cox, Vice-President for the ensuing year.

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