

come immediately under the supervision of the Auditors and the acknowledgement of whose services should not be overlooked, they allude to their Inspector, Mr. Walton, of whose zeal and ability in carrying out his very arduous duties, they cannot speak too highly.

The amount required to reinsure all outstanding risks is estimated at \$116,250.00, represented by Cash Assets to the amount of \$42,342.92 and a Premium Note capital of \$155,354.75.

The aim of the Board has been to cultivate as much as possible the extension of their Premium Note business, and, thanks to the exertions of many of their energetic Agents, they have been enabled to increase the line of Premium Notes during the year from \$29,941.97 to \$155,354.75.

The Act recently passed regulating Mutual Insurance Companies empowers the Directors to receive in Premium on Cash Policies, in any one year, a sum equivalent to one-half the net amount of Premium Notes on hand at the end of the previous year. This regulation will admit of this Company taking a Cash Premium for the year 1875 of \$77,667.37.

According to the provisions of the new Act all the members of the Board retire annually, but are eligible for re-election. The retiring Directors are—Thomas Stock, M.P.P., Thomas Bain, M.P., William Macklem, William Burrell, John Weir, J. D. Lafferty and J. R. Walker, Esquires.

The Directors, in retiring, have no hesitation in heartily congratulating members on the satisfactory position and prospects of the Company. They are glad to see the clouds of prejudice that existed against "Mutual Insurance" gradually clearing away. Many formerly hostile to the system are now its warmest supporters. They, therefore, leave the business in the hands of their successors with every confidence that the next annual meeting will shew results even still more gratifying than have been presented in this day's Report.

RICHARD P. STREET, Secretary. THOS. STOCK, President.

The Report was adopted, after which the election of Directors was proceeded with, resulting in the election of Thomas Stock, M.P.P., East Flamboro'; John W. Bickle, Esq., Hamilton; Thomas Bain, M.P.; Strabane; Wm. Burrell, Esq., Onondago; Wm. Macklem, Esq., Barton; J. W. Murton, Esq., Hamilton; and Dr. J. R. Walker, Ingersoll.

Subsequent to the Annual Meeting the Board of Directors met and elected Thos. Stock, M.P.P., as President, and John W. Bickle, Esq., as Vice-President.

THE AGRICULTURAL MUTUAL ASSURANCE ASSOCIATION OF CANADA.

The fifteenth annual meeting of the members of the Agricultural Mutual Assurance Association of Canada was held at the offices of the Company, Molson's Bank Buildings, February 17th. The President, Crowell Willson, Esq., occupied the chair.

The Secretary, D. C. Macdonald read the following annual report;—

To the Members of the Agricultural Mutual Assurance Association of Canada.

The Board of Directors beg to lay before you their fifteenth annual report, and in doing so they have much pleasure in pointing out to you the very favorable position occupied by the Association, notwithstanding the still heavy bill of losses there has been to meet. But it must be born in mind the company is each month increasing in strength, and the brunt of the losses becoming proportionately smaller, your Directors are able to lay before you a financial statement which compares favorably with any, even in the "best of years," that has been presented.

ASSETS.	
Amount available of premium notes	\$166,972 27
Premium due by agents, secured by short-dated notes of members..	51,381 41
Due on Assessments	8,336 85
Dominion stock	\$25,000 00
Cash in Molson's Bank	28,166 81
In Treasurer's hands	139 33
	53,306 14
	\$284,996 67

LIABILITIES.	
Losses not due and unadjusted (say)	\$5,600 00

STATEMENT OF POLICIES.	
Number of policies in force....	36,897
Number of policies issued 1874	14,101
Amount at risk	\$34,756 26 00
Average amount of each policy	904 47

LOSSES.—The losses paid have amounted to \$45,047 29. They were 212 in number. Of these 198, amounting to \$39,191 70 occurred during the year, and 14, footing up \$5,855 50 occurred previously, but had either not been notified or were awaiting proof when the books were closed. Eleven losses have been rejected as not being valid claims, and three others were awaiting proof or in the Inspector's hands at the end of the year.

The number of rejected claims are fewer than heretofore, a fact from which your Board, knowing your Inspector's strictness, infer that those persons who meditated a fire have seen the expediency of joining some other companies that don't inspect so closely, or have a reputation to build up for themselves of excessive liberality. This your Company has never attempted; at the same time, they have never allowed a technical shortcoming to overcome an honest loss, so far as they were aware, but on the contrary. Appended is a list of the losses that have been paid and their amount, showing also the cause of the fire, so far as ascertained. They would call attention to the able report of Mr. Cody, their Fire Inspector, with whom they have reason to be much pleased, which opinion is shared in by almost every member of the Company that has had to deal with him.

FINANCIAL STATEMENT.—A full financial statement of the affairs of the Association is appended hereto, to which your attention is called. It compares favorably, as above stated, with any of its predecessors, and exhibits a considerable increase in the amount of premium notes, as also in cash in hand, over the statements of several past years.

POLICIES.—The number of policies in force on the 31st December, 1873, were 36,897. The immense number of 14,101 policies were issued in the year 1874, making the total number of policies in force 38,427—a net increase of 1,530 policies. Every year since the Company commenced operations has shown an increase over the preceding one, and the great increase of last year's business is gratifying to the Directors, as it must be to the members. It shows the farming public is pleased with it. Many new companies have come into existence that have been exceedingly industrious in decrying Mutuals, but in the teeth of all this the Agricultural Mutual keeps still gaining headway, and increasing with the competition it awakens, popularizing, as it has, the system upon which it was established.

PROPERTY INSURED.—The amount at risk—\$34,756 276—appears, at the first glance, as large, but it ought to be taken into consideration that a large part of the "ordinary contents" it insures is only at risk for a portion of the year. This, it must be evident, makes a very considerable difference. To a great extent the policies are what may be styled floating ones, not necessarily in power all the time. This will reduce their real average considerably.

AMOUNTS DUE BY AGENTS.—This item looks somewhat large, but when it is taken into account that for a great proportion of the business

done short dated notes are taken from the members for their insurance, which notes mostly fall due in the winter months. They are being paid in from day to day, and the indebtedness of the agents is reduced accordingly. Measures have recently been taken by the Board that will have the effect of increasing the business on the premium note system, and the item of short-dated notes will necessarily fall off in amount, whilst other assets of the Company will be increased.

FIRE INQUISITOR.—Your Board have, on previous occasions, called attention to the necessity that existed in their opinion to the creation of a judicial officer with inquisitorial powers to examine into suspicious fires. Such is still their opinion. They consider this a fitting time to press the matter on the attention of the Government, now that an act relating to insurance matters generally is before Parliament. It would not add to the public expenditure, for the party, either Company or claimant decided against could be made to pay the costs. In the event of an appeal from his decision, the Company, if the appellant, to pay at once the amount claimed into court, which would deprive it of anything to be gained by a mere dilatory process. If the claimant is the appellant, he to give security for costs, so the Company would be safe in resisting a most likely fraudulent attempt. Thus there would be protection for all, and the inquisition would bring matters speedily to a head.

RATES.—No change has been made in the rates of insurance, and hitherto they have been found high enough for carrying on successfully the business of the Company, but no higher. In their report for 1872, your Directors ventured the opinion that "it was impossible for stock companies to declare dividends by insuring property as low as the mutuals do." In this supposition the Directors apparently have been mistaken, for dividends have been declared by some companies at the end of one year's experience whose risks had to extend over three years, and how such companies could claim the premiums received as earned premiums from which alone dividends can properly be declared it is hard to determine. In the State of New York the matter is being made the subject of interference as regards a company that once did business in Canada; and it would be well, in case an official inspector be appointed by our Government, to make, in the interests of the public, close supervision of all companies, chartered or otherwise, a part of his duties.

ECONOMY IN MANAGEMENT.—Your Directors refer to the strict economy they have practiced in managing the affairs of the Company. The official salaries average less in each policy issued than 39 cents, and a sum not exceeding much more than one-half the charges of other companies, and the total of salaries, inspecting, travelling expenses, directors' fees, and work generally, amount to but 64 cents on each policy issued on the three years.

AGENTS.—The agents, as a body, are a reliable class of men, and much of the success of the Association is owing to their exertions. Mr. A. Macdonald has had charge of the agents, and for the past year has been employed re-allotting the territories, and has generally had control of the agents, a position which he is eminently fitted for, from his long experience and connection with the Company since its formation.

VACANCIES AT THE BOARD.—Two vacancies occurred during the past year. Donald Seaton was carried away, after a short illness, by the hands of death; and John W. VanWormer, in consequence of the melancholy loss of his wife by drowning, was led to retire. Both Mr. Seaton and Mr. VanWormer had long been connected with the Board, and had been sadly missed. The vacancies were filled up by the appointment of Samuel Eccles, Esq., of St. Thomas (an old member of the Board), and