THE LONDON MUTUAL FIRE INSURANCE COMPANY OF CANADA.

The Annual Meeting of Shareholders and Memebers was held at the Head Office on Monday, 24th February, A.D. 1902.

The President addressed those present at length on the operations of the Company for the past year, after which the Report and Financial Statement were adopted.

The retiring Directors, Messrs. D. Brown, D. Kemp and H. Waddington, were re-elected, the first-mentioned to represent the policyholders and the last two the shareholders.

At a subsequent meeting of the Board, Hon. John Dryden was elected President, Geo. Gillies, Esq., Vice-President, and H. Waddington, Managing Director for the year 1902.

DIRECTORS' REPORT.

To the Shareholders and Members of the London Mutual Fire Insurance Company of Canada:

The Directors have pleasure in submitting herewith the Forty-second Annual Report and Balance Sheet of the Company.

During the year ending 31st December, 1901, we renewed and issued 22,332 policies, covering property to the extent of $26,372,135.40, and the gross amount at risk on the Company's books on the date named was $60,427,743.04, the increase since the close of the preceding year being $7,208,018.15.

In order that the Company's standing may bear the closest scrutiny, we have shown in the balance sheet the amount of re insurance reserve according to both Ontario and Dominion Government standards. In the past unscrupulous rival agents have sought to set off our surplus as shown in the Dominion Blue Book as against the Ontario reports of purely mutual companies, and, in order that a fair comparison may be made we have adopted the plan set out. Notwithstanding the very high standard required by the Dominion Insurance Department, we are able to show a surplus of $57,869.80 over all liabilities, excluding capital stock, an increase over last year of $26,967.71.

It affords us pleasure to state that the extension of the Company's business into other Provinces has been profitable to the Company, and we confidently look forward to an increasing income from the agencies established.

The Inspectors' Report, dealing with the losses in detail, is appended, and submitted for your consideration.

We have to report that the office and field staffs have performed their duties in a very efficient and entirely satisfactory manner.

Of the Directors, three, viz., Mr. Sheriff Brown and Messrs. D. Kemp and H. Waddington, now retire, all being eligible for re-election.

Respectfully submitted. JOHN DRYDEN, President.

FIRE INSPECTORS' REPORT.

To the President and Board of Directors of the London Mutual Fire Insurance Company of Canada:

Gentlemen,—

Your Inspectors have inspected and reported on 703 claims which have been passed by the Board, up to the 31st day of December, 1901, amounting to $147,800.88, after deducting re insurance received. The actual amount of the above claims which occurred in 1901, was $132,044.80, the balance being $15,756.08 of 1900 losses passed in 1901. Of the number passed, we find:

122	From unknown causes.
188	From chimneys, stoves, furnaces and sparks.
143	From lightning to buildings and their contents.
119	From lightning to animals in the fields.
23	From incendiarism.
33	From other buildings burning.
19	From lamps and lanterns.
5	From defective electric wiring.
2	From factory drying rooms.
24	From careless use of matches.
4	From steam threshers.
2	From heated journals.
2	From pipe smoking.
1	From running fire.
1	From spontaneous combustion.
2	From sparks from railway engines.
1	From turpentine igniting.
1	From oily waste.
3	From mice and matches.
2	From foundry cupola.
3	From gas jets.
1	From tramp.
1	From picker in mill.
1	From a cigar.
703	

In amount, over one-third of the losses are from unknown causes, about one-quarter from defective chimneys and stove pipes, and one-eighth from lightning.

The agents are chiefly to blame for the large percentage of losses from defective chimneys and pipes, and we would impress upon them the absolute necessity of making a careful inspection when renewing risks.

Considering the very large loss ratio shown by the majority of insurance companies operating in Canada during the year 1901, we think the shareholders and members may be congratulated on the showing made.

All of which is respectfully submitted.

D. WEISMILLER,
J. KILLER.
Inspectors.

INCOME.

Bank Balance, 31st Dec., 1900		$ 26,787 03
Agents' Balances, 31st Dec., 1900		9,005 64
		$ 35,792 67
Net Premium Income for year ending 31st Dec., 1901	$ 261,407 63	
Interest, Rent etc.	4,410 28	
		$ 265,817 91
Total		$ 301,610 58

ASSETS.

Amount available of Premium Notes		$ 295,768 04
Due on Assessment 39	$ 1,994 24	
" " 40	28,434 08	
" " 41	15,757 78	
Agents' Balances	19,602 07	
Occounts Receivable	1,015 82	
Bills Receivable	728 50	
		$ 67,532 49
Office premises	$ 16,000 00	
Office Furniture and Goad's Plans	3,737 00	
		$ 19,737 00
Debentures	$ 57,535 00	
Cash in Banks	61,711 83	
Accrued Interest	368 54	
Cash on Hand	147 63	
		$ 119,763 00
Total		$ 502,800 53

OUTGO.

Net Losses for year ending 31st Dec., 1901		$ 139,548 46
Agents' Commission	$ 43,447 28	
Salaries and Fees	15,704 83	
Inspectors' Salaries and all Adjustment Expenses	6,004 69	
Goad's Plans	2,152 25	
Postage, Printing, Taxes, Advertising, etc.	13,291 54	
		$ 80,600 59
BALANCE.		
Special Deposit, Bank of Commerce	$ 10,125 75	
Special Deposit, Bank of Toronto	30,564 15	
Current Account, Bank of Toronto	21,021 93	
Cash on Hand	147 63	
Agents' Balances	19,602 07	
		$ 81,461 53
Total		$ 301,610 58

LIABILITIES.

Capital Stock paid up			$ 10,000 00
Losses Adjusted but Not Due, less Re-insurance		$ 9,704 13	
Accounts Payable		3,293 68	
			$ 12,997 81
	ONTARIO STANDARD.	DOMINION STANDARD.	
Re-insurance Reserve	$ 155,758 00	$ 431,932 92	
Net Surplus Over all Liabilities	324,044 72	47,869 80	
			$ 479,802 72
Total			$ 502,800 53

I certify that the above is a correct statement of the affairs of the Company as at 31st December, 1901.

JOHN OVERELL, Auditor.