

THE BRITISH AMERICA ASSURANCE COMPANY

SIXTY FIRST ANNUAL MEET ING OF SHAREHOLDERS.

Report of the Directors Satisfactory Progress of the Past Year - The President Reviews the Condition of Fire Insurance Business - Grave Objections to the Municipal Insurance Project - Election of Officers.

The annual meeting of the Shareholders of the British America Assurance Company was held in the Company's office, in this city, recently.

The President, Mr George A Cox, occupied the chair. Among the Shareholders present were Messrs. S. F. McKinnon, Robert Thompson, Robert Beatty, J. K. Niven, John Hoskin, Q. C., George A. Cox, Augustus Myers, E. G. Fitzgerald, H. M. Pellatt, J. J. Kenny, J. Stewart, John Scott, James M. Hamilton, P. Jackes, A. E. Ames, Dr. Daniel Clark, Dr. J. C. Warbrick, James O'Hara, J. K. Osborne, Robert Bond (Guelph), H. D. Gamble, W. H. Banks and H. O'Hara.

Mr. P. H. Sims, who was appointed to act as Secretary, read the following:

ANNUAL REPORT.

The Directors have pleasure in submitting to the Shareholders their report on the business of the Company for the year ending 31st December, 1894.

From the accompanying statements of account it will be seen that the Company has made satisfactory progress during the year. The total income amounted to \$1,464,654, and the balance of income over expenditure was \$97,690.84. Two half-yearly dividends at the rate of 7 per cent. per annum have been declared, the surplus or reserve fund been increased to \$317,424, and, after making ample provision for a re-insurance reserve to run off all existing risks, the net surplus of the Company has been increased by \$12,264.

The Directors have to regret to have to record the death of Mr. A. M. Smith, who had been a valued member of the Board for the past two years. The vacancy thus caused has been filled by the election of the Hon. S. C. Wood as a Director.

SUMMARY OF FINANCIAL STATEMENT.

Total Cash Income.....	\$1,464,654 54
Total Expenditure including appropriation for losses under adjustment.....	1,366,964 00
Balance.....	\$ 97,690 84
Dividends declared..	\$ 52,500 00
Total Assets.....	\$1,467,482 15
Total Liabilities.....	200,357 16

Surplus to Policy-Holders... \$1,267,124 99

The President, in moving the adoption of the report, said - I desire in the first place to say, on behalf of my fellow Directors as well as for myself, that it affords us more than ordinary satisfaction to be able to meet the Shareholders with a statement of the business of the Company for the past year, and of its condition at the close of 1894, which I think we can say without laying ourselves open to the charge of egotism, bears evidence of the realization of the expectations which we entertained when we assumed the responsibility of the direction of the affairs of the Company at the close of the year 1892. At the Annual Meeting in the February following, when the Shareholders ratified the changes which had been made in the directorate, we expressed our confidence in the future of the Company our belief that, notwithstanding the somewhat discouraging experience of some preceding years, the British America Assurance Company might be placed upon a footing such as its oldtime standing among the financial institutions of this country and as one of the oldest insurance companies on the continent entitled it to occupy, I am free to confess

that had we realized that at that time we were just entering upon a period of almost unprecedented financial stringency and business depression, bringing with it, as such conditions invariably do to fire insurance companies, an abnormal ratio of losses, we might have hesitated in assuming this responsibility. Our task, however, has been rendered less difficult than we might have anticipated under these adverse circumstances, first, by the promptness with which Shareholders accepted the \$250,000 new stock, which at the outset we decided it would be well to strengthen the financial position of the Company by issuing, and secondly, by the hearty manner in which our representatives, both in Canada and the United States, have seconded our efforts to place the business upon a satisfactory basis. To the support of the co-operation we have thus received, and to the great advantage of having in our Vice-President, who has fulfilled the duties of Managing Director, an able and experienced underwriter, I attribute mainly the progress we have made during 1894, and the profit we are able to show as the result of the transactions of a year which, generally speaking, has not been a favorable one in the business and financial world. We have, as the figures of our statement demonstrate, entered upon the present year stronger in every respect than we were a year ago, with a larger business on our books, an increased reserve fund, and after making provision for all losses which occurred up to the 31st of December, and for the increased liability under unexpired policies, a gain in net surplus. I think that we may also claim that by prompt settlement of losses and by affording our agents every possible facility for conducting business, we have placed the Company upon a footing which will command for it a full share of the benefits which must accrue to fire insurance interests, in common with others, from a revival in trade and a return to more prosperous conditions throughout the country.

In relation to the business of the present year, it will be of interest to Shareholders to know how we were affected by the two serious fires which occurred in this city last month, and I am pleased to be in a position to say that for disasters of such magnitude, involving a loss of nearly one and a half million dollars, the net losses sustained by this Company were moderate, being some \$33,400 by both fires. These fires afforded a forcible illustration of the necessity of care on the part of Companies in distributing their risks, even in the most substantially constructed sections of our cities, to avoid the chance of excessive loss in any one conflagration. They can scarcely have failed also to have had the effect of shaking the faith of the advocates of municipal insurance in the scheme having this object in view, which has been discussed in our City Council during the past year. There have been many practical demonstrations on this continent of the necessity of such protection as is afforded by the capital and resources of Fire Insurance Companies, deriving their income, in millions annually, from the extended, and, in some cases, world-wide fields in which they have agencies established, and are thus in a position to distribute the burden of fire losses, and particularly that of serious conflagrations, so widely as not to materially affect any community or any individual by the contributions in the shape of the premiums which they require to enable them to afford protection against loss by such disasters. That we in Canada are not unduly taxed in this respect may be seen by reference to the Dominion Government Insurance Reports. These show that while during the past twenty-five years some Companies have made a fair profit, others have paid out more than they have received, and that on the entire business the Companies reporting to the Insurance Department at Ottawa are realizing so small a margin of profit upon the premiums they are receiving in this country that they have to rely for their dividend to Shareholders, as far as Canadian business is concerned, largely upon the interest on their investments. I would not take up your time discussing this question, were it not that I observe a bill is about to be introduced in our Local Legislature to

authorize municipalities to undertake the insurance of property within their corporate limits. I may say that, in common with many of you, I am much more largely interested as a property-owner than an insurance shareholder, and although I have little doubt as to the fate of the bill referred to, I feel it my duty to avail myself of this opportunity to point out some of the dangers which such an experiment would involve. It would, I feel confident, seriously affect the credit of any municipality which embarked in it, and depreciate the value of its bonds. The holders of debentures of such a city or town would be placed in the position of shareholders in an Insurance Company which had assumed a liability for loss by fire in one locality many times in excess of its available assets. In case of a serious conflagration, a city relying upon its own resources for insurance would present a spectacle which might well be compared to that of a man endeavouring to lift himself out of the mire by his bootstraps. Does anyone for a moment suppose that Chicago, Boston, St. John, New Brunswick, or St. John's, Newfoundland, or, in fact, many of our Ontario towns which have suffered from severe fires, would have been rebuilt under any system of municipal insurance? It would, moreover, fail to afford such security as financial institutions which loan money upon mortgages require, and consequently it would involve the necessity of other insurance being procured by borrowers beyond that charged for by the municipality. But I need not enlarge upon the many objections to which this proposed system of so-called insurance would be open. The single fact that it would place any city undertaking it in daily danger of being rendered hopelessly bankrupt must condemn it in the judgment of all who give the matter serious consideration. I feel, as I have said, interested in this question chiefly as a citizen and as a taxpayer, and my reason for touching upon it here is that, having constantly before us in our business the dangers of conflagration hazard, it seems fitting that a word of warning (even though the possibility of the consummation of this project may be remote) should be given to those who would impose upon us a liability which might involve such disastrous consequences to us, both as individuals and as a community.

The Vice-President seconded the adoption of the report, which was carried, and a vote of thanks passed to the President, Vice-President, and Directors for their services during the past year.

The following gentlemen were elected to serve as Directors for the ensuing year:— Geo. A. Cox, S. F. McKinnon, H. M. Pellatt, J. J. Kenny, Thos. Long, R. Jaffray, Hon. S. C. Wood, John Hoskin, Q. C., LL.D., A. Myers.

At a meeting held subsequently Mr. Geo. A. Cox was elected President and Mr. J. J. Kenny, Vice-President.

A Seed Planter's Sad Experience.

During the early part of spring many people are induced to purchase seeds, and which, on account of poor quality, always bring great disappointment and loss. Probably a few words to our readers at this season of the year might not be amiss. The question is: "How can a planter guard against receiving bad or inferior seeds, as often in appearance, size, etc., the good and bad seeds are alike?" The only answer to our question, that we know of, is. Buy from a good reliable seed merchant, who looks to the planter's interest as well as his own. One seed firm in Toronto make a point of testing all varieties of seeds at their trial grounds before being sent out to their customers: this is the place we would recommend (Wm. Rennie, of Toronto, Can.) There may be others just as good, but we know all about this firm. You will get just what you want every time.

The testimonials regarding St. Leon Water cannot be gainsaid. They are from our most prominent business, scientific, professional and mechanical citizens, who will answer any enquiries regarding this water.