

VICTORIA-MONTREAL FIRE INSURANCE COY.

A Two-Years' Record Unparalleled in History of Fire Insurance.

In our issue of 30th November last, there were some comments on the position of the Victoria-Montreal Fire Insurance Company. After stating the respective amounts of the income, disbursements, and obligations, remarks were made as follows:

"Under all circumstances connected with the affairs of the company, the directors have a somewhat difficult problem to solve, and it would seem that if a substantial amount cannot be paid in immediately by the shareholders, which would enable the company to meet all outstanding liabilities, and leave sufficient cash on hand to pay for losses as they arise, the sooner the only course open to them be adopted, the better for all concerned."

Since writing above, the situation of the company has developed. At the time that the troubles of the company became embarrassing, we had grave doubts whether the stockholders would be willing to furnish sufficient funds for discharging the obligations and providing enough capital to inspire public confidence in the company. Our doubts have proved to be justified. The first course above alluded to of finding the needful cash to relieve the situation having proved impracticable, the alternative one of going into liquidation is to be adopted.

On the 5th instant there was a meeting in this city of the shareholders of this ill-starred company, at which 120 were present, or represented by proxy.

The Honourable W. Pugsley, the president, presented a report, and read and submitted a report of the auditors, Messrs. Riddell & Common, also a report of the Superintendent of Insurance, Mr. W. Fitzgerald. The directors state in their report that "the financial position of the company is such that it must wind up its business unless it can immediately obtain a large addition to its cash assets, by the shareholders paying up all their unpaid subscribed stock without delay." They recommend this course but think it "better to collect such an amount as will, with the deposit with the Receiver-General, wipe out the liabilities of the Company and to go out of business." The directors prefer not to go into a detailed explanation of the causes of the Company's collapse. They "watched over the affairs of the company as best they could, devoting a large amount of time to the performance of their duties." The president, living at a great distance, has sacrificed not only time but "large sums in travelling expenses." They call attention to the total losses being \$161,857 since the company commenced business in the Spring of 1899, which the directors speak of as "an appalling amount for a young company with a small capital to face."

The directors say, "much stronger companies would be brought into financial stress by the misfortunes we have had to encounter." After allusions

to the managers, the report of the directors, of which above is a synopsis, is "submitted by order of the Board."

The Auditors' Report consists of a general summary with a set of detailed schedules. Statement A details the entries to Profit and Loss account, and Defalcation Account, showing excess of expenses losses, &c., over revenue of \$85,921.05, according to the books at 31st December last, without making any provision for re-insurance of current risks. A second schedule shows the assets at 31st December. Amongst these is the sum of \$41,045.70 due as "Agents' Balances," on which we place little value. A further schedule shows the liabilities of the company apart from the amount required to re-insure outstanding risks. There are a number of liabilities so far undisclosed, and the company is receiving statements from the shareholders which may lessen the assets from calls to be made on the stock.

The Auditors' statement gives the Liabilities of the Company to the public on Dec. 31st., 1900, according to details presented as	\$92,389.05
To meet these there are apparent Assets as per statement amounting to \$138,241,355. Assuming that the only available assets would be cash	\$856.81
And securities deposited with the Dominion Government.	50,555.26
	51,412.07

The total deficiency is \$40,976.98

To this sum of \$40,976.98 would have to be added the amount required to re-insure unexpired risks, and any liabilities so far undisclosed, to provide for the whole of which deficiency, the liability of the shareholders whose stock is only partially paid-up would, we understand, be available."

The Auditors' detailed statements give the following items as "Debts, 1900:"

Cancellations	\$33,219.81
Re-insurance	23,018.25
Losses paid	78,708.89
Losses unsettled	69,889.51
Fire Commission Account	44,039.29
Inspection, adjustment, travelling, advertising, salaries, fees, rent, office supplies, &c., &c.	23,181.35

Total \$272,057.10
Less.—Credits 1900.

Premiums	\$172,669.43
Interest Account	373.71
	173,043.14
	\$99,013.96

Less.—Balance at Credit.
Profit and Loss, 31st December, 1899. 29,628.98

Apparent net loss on operations from inception of the Company, without providing for cost of re-insurance and outstanding risks	69,384.98
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