

**CITIZENS INSURANCE COMPANY OF CANADA.**

*Report of Directors presented to the Shareholders at their Annual General Meeting, 2nd March, 1891.*

The annual meeting of the Citizens Insurance Company was held on Monday, 2nd of March, at the company's offices 181 St. James street.

The chair was occupied by the Hon. J. J. C. Abbott, senator, and amongst others present were: Messrs. Andrew Allan, Alph. Desjardins, Chris. D. Proctor, J. O. Gravel, Robert Anderson, L. E. Desjardins, M. D. Henry Lyman, Adolphe Roy, R. W. Simpson, F. W. Evans, Charles Morton, E. K. Greene, M. S. Foley, William Smith, Malcolm Gibbs, Toronto, Arthur L. Eastmure, Toronto, etc., etc.

The notice calling the meeting was read by Mr. Wm. Smith, secretary-treasurer of the company, who also acted as secretary of the meeting.

The directors have the pleasure to submit their report of the operations of the company for the year ending 31st December, 1890, together with the report of the auditors, Messrs. Philip S. Ross and William Hodgson.

The usual statement of income and expenditure, and of assets and liabilities, will be found annexed hereto, and it is a matter of the greatest satisfaction to the directors to present statements which record such a favorable year's operations. The surplus of the year, after providing a liberal estimate for all outstanding losses, amounts to \$61,599.60, a result which has not been attained in any previous year of the company's history.

A brief résumé of the progress of the company is found in the following table.—

Increase in premium income (not including earned premiums on Glasgow and London business).....	\$32,650 90
" " Interest from investments.....	2,747 82
" " Assets.....	178,595 85
" " Liabilities.....	132,439 32
" " Net surplus over all liabilities.....	45,956 53

The preceding statement refers only to the fire and accident branches, the life branch having ceased to exist on the 31st March, 1890.

**LIFE BRANCH.**—In accordance with the decision of the last annual meeting, the directors discontinued this branch on the 31st day of March last, and reinsured with the "Sun Life Assurance Company," of Montreal, the whole of the policies remaining in force at that time. The liability of the company under life assurance policies has now entirely ceased, the only remaining liability being for general expenses yet to be incurred in connection with the winding up of the branch.

The policies of the Sun are being rapidly substituted for the policies of the Citizens, and your directors expect to finally liquidate the branch before the close of the present year.

The result of the re-insurance of the Life business is that the deficiency of \$36,149 31 existing in respect of the life department on December 31st, 1889, has been reduced to \$34,288 81, thus, with the gain in the fire and accident departments, increasing the net surplus over all liabilities by \$47,817.06.

**GLASGOW & LONDON INSURANCE COMPANY.**—During the year your directors have acquired by purchase the entire Canadian business and connection of the "Glasgow and London Insurance Company of Great Britain." You will observe in the accompanying statements, the method employed in bringing the transaction into our revenue account. Your directors have thought it advisable to limit the amount credited to our premium account for the year to the actual sum earned by the company; that is to say, we have only taken credit for the difference between the amount received for premiums from the Glasgow and London, and the liability (or re-insurance reserve) at December 31st, the difference amounting to \$52,009.76. On the other hand, we have charged all losses paid and outstanding, together with all expenses incurred in connection with the control of a transaction of this magnitude. Your directors

consider the shareholders are to be congratulated in acquiring such an important connection, the result of which cannot but be of the utmost importance in developing our business in the most profitable sections of the Dominion.

**REDUCTION OF CAPITAL.**—In conformity with the instructions received from the shareholders at their last annual meeting, the Board have taken steps towards procuring legislative authority for the reduction of the unpaid capital of the company, by giving notice of the introduction before Parliament of a bill to that effect. It is probable that the permission, if granted, will be accompanied by conditions for strengthening the position of the company, to which it will be necessary to conform.

**INTEREST DIVIDEND.**—An interest dividend at the rate of five per cent. is declared, and will be payable on and after March 15th, 1891.

**RETIRING DIRECTORS.**—The retiring directors are, the Hon. J. J. C. Abbott, Messrs. Alph. Desjardins and H. Montagu Allan, all of whom are eligible for re-election.

J. J. C. ABBOTT, President

**REVENUE ACCOUNT, 1890.***Fire Department.*

<b>Income—</b>	
Gross premiums .....	\$314,421 95
Return premiums.....	\$21,955 69
Re-insurance.....	27,899 16      49,854 85
	\$264,567 13
Add earned premiums, Glasgow and London business.....	52,009 76
Total net premiums.....	\$316,576 89
Interest and rents.....	12,616 03
Total income .....	\$329,192 92
<b>Expenditure—</b>	
Losses paid and outstanding, including all losses paid and outstanding on Glasgow and London business.....	\$161,221 37
Commissions, brokerage, salaries, directors' fees, and all other expenses .....	\$5,634 33
Balance to credit of profit and loss account.....	52,337 22
	\$329,192 92

*Accident Department.*

Premium after deduction of return premiums and re-insurance .....	\$40,100 63
	\$40,100 63
Losses paid and outstanding.....	12,692 55
Commissions, salaries, taxes, and all expenses ....	19,145 70
Balance to credit of profit and loss account.....	8,262 38
	\$40,100 63

*Life Department.*

Net premiums received to the 31st March, 1890....	\$18,859 73
Interest.....	6,532 50
	\$25,392 23
Endowment and death claims .....	8,317 00
Surrender values, bonuses, etc .....	2,568 13
Commissions, medical fees, salaries, taxes, and all other expenses incurred in connection with the liquidation of the branch.....	12,187 38
Balance to credit of profit and loss account.....	2,319 72
	\$25,392 23

*Profit and Loss Account.*

Balance at credit of fire branch.....	\$52,337 22
Balance at credit of accident branch .....	8,262 38
Balance at credit of life branch .....	2,319 72
Net surplus of the year, after providing estimate for all outstanding losses .....	\$62,919 32