

Sun Insurance Office.

REPORT OF THE DIRECTORS.

The directors present to the members the following report, together with the accounts and balance-sheet, of the Sun Insurance Office for the year 1905. The premiums received, less re-insurances, amount to **\$6,596,650** being an increase of **\$65,745** as compared with those of the preceding year. The losses paid and outstanding amount to **\$3,029,650** being at the rate of 45.88 per cent. on the premiums received. The expenses of management (including commission to agents and working charges of all kinds) amount to **\$2,325,115** being at the rate of 35.24 per cent. The income from investments during the year has amounted to **\$486,220**. After providing for the usual reserve of 50 per cent. of the premiums to cover liabilities under current policies, a balance of **\$1,704,500** remains, which has been transferred to the credit of the profit and loss account.

PROFIT AND LOSS ACCOUNT AND DIVIDEND.—The balance brought forward from last year amounted to **\$1,219,705**. There has been carried to pension fund, **\$20,000** paid for dividends in respect of the business of the year 1904, **\$570,000**—leaving a credit balance of **\$629,705** which by the operations of the year as detailed in the account, has been increased to **\$2,318,360**. Out of this amount an interim dividend at the rate of **\$1.12** per share, absorbing **\$270,000**, was paid in January last, and the directors have declared a further dividend of **\$1.37** per share, payable on July 6, which will absorb a further sum of **\$330,000**, and leave **\$1,718,360** to be carried forward.

FUNDS.—The funds of the office will then stand as follows: Capital paid up, **\$600,000**; general reserve, **\$6,750,000**; special reserve **\$600,000**; dividend reserve, **\$600,000**; reserve for risks not yet expired, **\$2,638,660**; investment reserve **\$203,875**; pension fund, **\$232,295**; balance at credit of profit and loss account, after payment of dividends, **\$1,718,360**—**\$13,343,195**.

SAN FRANCISCO.—The losses to the office owing to the earthquake at San Francisco cannot be definitely ascertained for some time, but information received shows that the possible liability of the office cannot materially exceed the balance carried forward in profit and loss after payment of dividends, while the actual loss must fall short of that amount. No special provision is therefore necessary.

REVENUE ACCOUNT.

Reserve unexpired risks brought forward from 1904.....	\$2,612,360	Losses.....	\$3,029,650
Premiums, less re-insurances.....	6,596,650	Commission.....	\$1,093,125
Income from investments (less income-tax).....	486,220	General expenses.....	1,231,995
		Reserve for unexpired risks at December 31, 1905 being 40 per cent. of premiums.....	\$2,638,660
		Balance carried to profit and loss account.....	1,704,500
	\$9,695,230		\$9,695,230

PROFIT AND LOSS ACCOUNT.

Balance brought forward from 1904.....	\$1,219,705	Income-tax on profits.....	\$ 32,395
Deduct—		Bad debts.....	30
Dividend paid January 1905.....	\$2,704,000	Carried to pension fund.....	20,000
Dividend paid July, 1905.....	3,000,000	Balance carried to balance-sheet.....	2,318,360
	\$570,000		
	\$649,705		
Balance from revenue account.....	\$1,704,500		
Profit on exchange.....	15,510		
Transfer fees.....	355		
Conscience money.....	715		
	\$2,370,785		\$2,370,785

BALANCE SHEET, DECEMBER 31, 1905.

LIABILITIES.	ASSETS.
Capital—\$12,000,000 240,000 shares of \$50 each, \$2.50 per share paid N.B.—2,500 of these shares are held by the office but are not included among the in- vestments.	Investments— Mortgages on property within the United Kingdom. \$859,580 Mortgages on property outside the United Kingdom. 50,000 British Government securities. 356,250 Indian and Colonial Government securities. 285,865 Foreign Government securities. 773,640 Railway and other guaranteed pre- ference, and ordinary shares and stocks. 1,717,925 Railway debentures and debenture stocks. 550,465 Other debentures and debenture stocks and municipal bonds. 1,558,930 House property including premises occupied by the Office. 4,389,845 Salvage Corps premises. 106,330 Deposits with colonial banks. 145,250
General reserve. 6,750,000 Special reserve. 600,000 Dividend reserve. 600,000 Investment reserve. 203,875 Reserve for risks not yet expired, being 40 per cent. of the premiums for the year 2,638,660 Pension fund. 232,295 Balance at credit of profit and loss account. 2,318,369	
	\$13,943,195
Outstanding losses. 502,000 Agents' balances. 15,615 Amounts due to other offices for re-insurances B.I.'s payable. 380,660 Reserve for outstanding commission and charges. 52,500 Clerks' deposit fund. 46,830 Dividends warrants uncleared. 90	
	\$12,794,050
	Branch and agency balances. 1,161,055 Due by other offices. 63,830 Outstanding premiums (since received) 208,760 Bills receivable. 41,745 Cash on deposit and at bankers, and in hand 688,195
	\$14,957,610
\$5 taken as equivalent of £1 stg.	
\$14,957,610	\$14,957,610

\$5 taken as equivalent of £1 stg.

CANADIAN BRANCH

15 WELLINGTON ST., Toronto.

H. M. BLACKBURN, Manager.