

A meeting of the Officers connected with the different Mutual Fire Insurance Companies of the Province, was held in Hamilton last year, for the purpose of drafting a Bill to consolidate the Laws having reference to Mutual Fire Insurance Companies in the Province of Ontario.

A Bill to that effect was brought before the Provincial Parliament of Ontario last session, but not passed; Members considering that many of its clauses departed from the sound principle of Mutual Insurance, as contained in the Act authorizing the establishment of Mutual Fire Insurance Companies, passed by the Parliament of Upper Canada, on the 20th April, 1836.

Mutual Insurance Companies were first organized for the purpose of saving money to parties insured in them, by taking a small sum in cash and a premium note; and paying a yearly assessment on the note, sufficient to meet the losses and working expenses. Without premium notes, which are the capital of the Company, there can be no security for the payment of losses. The 44th clause of the proposed new Bill says, "that any Mutual Fire Insurance Company may issue policies and collect premiums in cash for terms of one, two or three years; and parties so paying in cash shall not be liable to any further charge or assessment whatsoever, except as hereinafter provided." If insurance companies are allowed to carry on business without a paid up capital, or premium notes, there would have been no necessity for the Finance Minister to bring in a Bill compelling wealthy English, Foreign and Provincial Stock Companies to make large deposits with the Dominion Treasury, (say from fifty to one hundred and fifty thousand dollars each,) as security to the insurers. The 69th clause, says, "that it is expedient to provide for the speedy and certain payment of losses incurred, by enabling Mutual Insurance Companies to possess a guarantee capital, which shall be liable for all the losses, debts and expenses of the Company." The premium notes of the insured are considered by the Directors, to be the best guarantee capital for the payment of losses. The 67th clause of the 52nd cap. of the Consolidated Statutes of Upper Canada, gives the Company a lien on buildings insured, to meet the liabilities of insurers; and also on the land on which the same stand: a security not possessed by the holders of policies under the cash principle and guarantee system.

On the 23rd January, 1869, the Legislature passed an Act to incorporate "The Hamilton Mutual Fire Insurance Company," which does away altogether with premium notes and guarantee stock, calculating that losses can be met with the amounts received as premiums. If this principle can be successfully carried out, it will do away with the necessity, in future, of Stock Insurance Companies investing their capital in Dominion Stock.

In looking over the printed statement of losses by different companies, incendiarism appears to be the cause of one-third of the fires which take place. In the opinion of your Directors, however, an over anxiety to do business, at a rate incompatible with safety, seems to be one of the main causes of this unsatisfactory state of affairs. When suspicion of incendiarism exists, payment of the loss is frequently resisted. Law suits are the consequences, with accompanying "bill of costs," which are generally of no service to any but the Legal Profession. The Directors can, with much satisfaction, refer to the cash account of this company, for the last twenty years, without finding an item charged under the head of "law expenses," nor are they aware that they have within that period, paid any loss that was caused by incendiarism.

The attention of the directors has been called by persons wishing to insure, to a statement made by "interested parties," that "insurers are liable for losses incurred before they entered this company." So far as the Home District Mutual is concerned, such is not the fact: "the liability begins the day they become members, and ceases

the day the policy expires." Some parties consider the rates charged by this company, high, as compared with those of other Mutual Insurance Companies. In place of this being an objection, it is an advantage; inasmuch as it gives additional strength to the Company, while it does not increase the actual amount to be paid by the insured.

An assessment of 2½ per cent. on the premium notes, would be sufficient to meet a certain amount of loss; whereas a larger assessment would be necessary were the notes smaller.

Losses are always paid in full, except a small assessment on the premium note, which is made to cover the assured's proportion of losses incurred during the currency of his policy.

All of which is respectfully submitted,

JNO. McMURRICH,
President.

Toronto, June 6th, 1870.

Abstract of Accounts of the Home District Mutual Fire Insurance Company, year ending 1st June, 1870.

RECEIPTS.

To cash received on account of assessment.....	\$5361 88
To do do do premiums.....	485 34
Bills discounted.....	1288 00
Cash balance due Treasurer.....	328 72
	\$7463 94

DISBURSEMENTS.

By Cash—Losses 12th May '69, paid since 1st June, 1869.....	\$2006 50
" Valuation of Losses.....	2 30
" Bills payable retired.....	2008 80
	3066 62

GENERAL EXPENSES.

" Salaries.....	1600 00
" Interest.....	336 19
" Directors' Fees.....	140 00
" Rent, Taxes, Fuel, &c.....	102 44
" Printing and Stationery.....	99 93
" Commission to Agents.....	92 60
" Postage.....	17 36
	2388 52
	\$7463 94

EASTERN TOWNSHIPS BANK.

The Annual Meeting of the Shareholders of the Bank was held at their Banking House, in the town of Sherbrooke, on the 6th of June.

The Directors submitted their Report as follows: The Directors of the Eastern Townships Bank, in submitting to the Stockholders their Annual Statement, have again to congratulate them on the result of the year's business, which shows a very great increase, with larger profits than in any previous year. The increase has extended over almost every item of account, as for example:

	Circulation.	Deposits.	Loans.
May, 1869.....	108,163.00	158,955.76	516,343.05
May, 1870.....	294,544.00	264,450.67	670,333.29

There has been a reduction in the amount of Government Securities held by the bank, but on the other hand there has been an increase in coin, provincial notes and bills, and cheques of other banks, as well as a much larger credit balance with other banks. The profits of the year, after payment of the dividends, and salaries to the 1st Dec. last, shows \$34,271.61, against \$27,023.18, in 1869. The whole business at the date of the closing of the books, viz.: 21st May last, shows an aggregate of \$1,049,389.36, or more than \$300,000 in excess of 1869. With these explanations, therefore, the directors think they are amply justified in offering their congratulations to the stockholders of the bank, and even to the people of the eastern townships generally; that such a result has been obtained in a time so limited as eleven years, the period during which this bank has been in operation.

The sum of \$11,000 has been added to the reserve fund, which, with this addition, now amounts to \$47,000. The directors desire once again to express their entire satisfaction with the zeal and care of the cashier and the other officers of the bank. The following is the statement of profit account for the year ending 21st May, 1870:

Balance of profit 22nd May, 1869.....	\$27023 18
Deduct amount passed to reserve fund.....	\$6,000
Vote to President.....	1,000
	7,000 00
	20,023 43
Add net earnings for past year.....	51,723 43
	71,746 61

Deduct dividends, Nos. 19 and 20, paid in July and January last.....	\$32,000
Salaries to 1st Dec. last.....	5,475
	37,475 00

Balance of profit.....	\$34,271 61
The whole respectfully submitted.	

General Statement Business, 21st of May, 1870.

LIABILITIES.

Capital paid in.....	\$400,000 00
E. T. bank bills in circulation.....	294,544 00
Due to other banks.....	10,123 08
Deposits not bearing interest.....	\$161,901 99
Deposits bearing interest.....	102,548 68
	264,450 67
Reserve fund.....	36,000 00
Profit and loss account.....	10,000 00
Balance of profit for year.....	34,271 61
	80,271 61
	\$1,049,389 36

RESOURCES.

Coin and Provincial notes.....	98,851 26
Bills and cheques on other banks.....	22,218 94
	121,070 20
Due from other banks.....	197,483 87
Government securities.....	43,500 00
Loans.....	670,333 29
Real estate.....	17,000 00
	\$1,049,389 36

The following directors were declared elected, viz.: B. Pomroy, Chas. Brooks, A. A. Adams, J. H. Pope, R. W. Heneker, G. K. Foster, and E. O. Brigham.

QUEEN INSURANCE COMPANY.—The annual meeting of this company was held at Liverpool lately. According to the report of the directors, it appears that in the fire department the premiums of 1869 (less re-insurances) amounted to £140,104, being an absolute increase of £17,974 on the income of the previous year. The losses paid and outstanding are £78,752, as compared with £81,213 of 1868. The directors call attention to a diminished expenditure and increased revenue, while the London business presents an exceptionally satisfactory result. The life branch shows an aggregate of 588 proposals made to the office for insurances to the amount of £250,614; of these only 402 were accepted and issued for £164,446. Notwithstanding the payment of £16,932 during the past year for the last quinquennium bonuses, &c., still the diminished rate of mortality and payments thereon—12 per cent. less than the expectation—leaves the present accumulated life fund £114,638, so that the amount now at the credit of the life reserve is over 50 per cent. of the entire net premiums received, not only on policies actually existing, but on every policy issued since the formation of the company. A dividend of 10 per