FIFTY-SIXTH ANNUAL REPORT

The London Mutual Fire Insurance Co. of Canada

DIRECTORS' REPORT

To the Shareholders & Members of the London Mutual Fire Insurance Co. of Canada.

Your Directors herewith submit the Fifty-sixth Annual Statement and Balance Sheet, duly certified by the Auditor, showing the receipts and expenditures for the year, as well as the Assets and Liabilities of the Company as of December 31st, 1915.

The Operations of the Company for the year 1915 resulted in a Profit of $23,909.49 after providing for an increase of $5,871.21 in the Re-insurance Reserve as required by the Dominion Government.

The Re-insurance Reserve now stands at $354,061.24, the Cash Surplus at $134,001.46, and the Capital Stock at $17,500. The total Cash Security for Policy Holders is, therefore, $505,562.70, in addition to which there is the unassessed portion of Premium Notes which amounts to $252,544.61, making a total Security to Policy Holders of $758,107.31, the total surplus to Policy Holders being $404,046.07.

Owing to the continuance of the War and the consequent demoralization of business conditions, the Government have wisely thought it right to fix new standards of values, and the Directors have therefore further written down the Company's Securities to conform to the requirements of the Dominion Government. The total amount written off the Company's Securities during the past two years has been over $44,000, but with the return of more normal times there is no doubt that a large portion, if not all, of this depreciation will be recovered.

The Retiring Directors are: F. D. Williams, H. N. Cowan, and S. G. M. Nesbitt, all of whom are eligible for re-election.

Your Directors desire to thank the Agents of the Company for their support, and they also wish to express their appreciation of the work of the field and office staffs during the past year.

All of which is respectfully submitted.

Toronto, February 19th, 1916. **A. H. C. CARSON, President.**

FINANCIAL STATEMENT

EXPENDITURE

To Claims Paid and Outstanding	$320,757.89	
Less Reinsurance Recoverable	47,230.58	
		$273,527.31
To Amount Added to Reinsurance Reserve		5,871.21
To Expenses, Commissions, etc.		190,473.23
To Profit on business of year 1915		23,909.49
		$493,781.24

INCOME

By Gross Premiums	$672,145.26	
Less Cancellations, Rebates and Reinsurance Premiums	193,115.24	
		$479,030.02
By Transfer Fees		236.02
By Interest and Dividends on Investments		14,515.20
		$493,781.24

BALANCE SHEET as at 31st DECEMBER, 1915

ASSETS

Cash on hand and on deposit		$ 50,045.93	
Bonds, Debentures and Stocks, Book Value (Based on Government Standard of Values as at January 1st, 1915)	$312,455.41		
Less amount written off to conform to Government Standard at 1st January, 1916	18,380.52		
		294,074.89	
Mortgages Receivable		21,377.50	
Call Loan		1,200.00	
Agents' Balances		25,073.51	
Due on Re-insurance		2,963.90	
Interest Accrued		5,762.87	
			$400,498.60
Real Estate and Buildings	$166,576.22		
Less Reserve for Depreciation	2,553.88		
	$164,022.34		
Less Mortgage Payable and Accrued Interest	45,793.35		
		$118,228.99	
Office Furniture and Goad's Plans	$25,197.02		
Less Reserve for Depreciation	12,697.02		
		12,500.00	
			130,728.99
Prepaid Taxes, etc.			654.11
Unassessed portion of Premium Notes			252,544.61
			$784,426.31

LIABILITIES

Reserve for Unadjusted Losses	$10,738.65		
Due for Re-insurance	5,795.25		
Sundry Accounts Payable	9,785.10		
		$ 26,319.00	
Re-insurance Reserve, Full Government Standard		354,061.24	
			$380,380.24
Capital Stock paid up		$ 17,500.00	
Surplus Account		134,001.46	
Unassessed portion of Premium Notes		252,544.61	
Surplus to Policyholders			404,046.07
			$784,426.31

Having audited the books of account of The London Mutual Fire Insurance Company of Canada for the year ending 31st December, 1915, examined the vouchers in connection therewith, and verified the securities, cash and bank balances, I certify that, in my opinion, the above Balance Sheet is a true Statement of the Company's affairs as shown by the books at that date.

All my requirements as auditor have been complied with.

J. P. LANGLEY, F.C.A., Auditor.