

of 1s. 6d. in the 100l., the cash charge in this Company being, exclusive of the premium note, equal to 2s. 2d. per 100l. yearly. Most assuredly, although the buildings are generally of wood in this country, there is not so great a difference in the security of one over the other as to warrant the assertion that the larger payment required here, can not be sufficient.

But 6thly, Even should the present cash payment prove insufficient, from the isolated nature of the risks, and their small average amount, no very rapid decrease in the cash fund can take place. And should that fund be found to diminish faster than in due proportion to the decrease of the liabilities, a small increase in the rates can, at any time be made, sufficient to prevent the necessity of assessment on the notes, and still afford to the Company a rate of premium, far lower than can be obtained by any other means.

As an investment for capital, the Proprietary Branch offers the advantage of the greater security, consequent. 1st, on the principle which limits the amount insured on any one risk to a comparatively small sum, and also limits the number of risks in one locality, while an equivalent profit is secured by the greater extent of business at once thrown into it, by its connexion with the Mutual Branch, as well as the saving of expense made by carrying on the two systems in one office.

And 2ndly, On the safety of the business so obtained through the Mutual Branch, consisting chiefly of isolated or detached country risk; and from which, whenever obtained, insurance companies have invariably derived the securest profits, or in other words *their best business*.

The Directors believe that they may now truly congratulate the members of the Company, on "THE PROVINCIAL, MUTUAL AND GENERAL INSURANCE COMPANY," being fairly started. ENTERPRISE, ENERGY and PRUDENCE combined, cannot fail to secure to it permanent success.

(Signed)

A. M. CLARK,  
*President.*

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## AUDITORS' REPORT.

*Toronto, 6th August, 1850.*

The Auditors appointed by the Board of Directors of the Provincial Mutual and General Insurance Company, to inspect the Books and Accounts of said Institution, respectfully report for the information of the Board and other Shareholders.