

BRITISH AMERICA ASSURANCE COMPANY.

\$534,725 12

831,215 03

At a subsequent meeting of the board of Directors David Blain, Esq., was chosen President and E. H. Duggan, Esq., and Jas. Langstaff, Esq., M.D., Vice-Presidents.

Carry forward.

ROBERT R. CATHRON, } Auditors
R. C. FITZGERALD, }

CANADA.

Net premium	\$51,140 44	Net premiums	6,747 03
Losses	37,911 31	Losses	19,268 85
104 per cent. of the premiums.		104 per cent. of premiums.	3,617 03
Expenses	8,489 86	Expenses	
104 per cent. of the premiums.		24 per cent. of premiums.	
Expenses	4,747 77	Leaving a profit of	
104 per cent. of			

But, gentlemen, the Marine Manager ought to be credited with \$9,892.50 paid in losses last year that occurred in the years from 1878 to 1880. If you remember, I told you that for five years before 1882 our marine business was in a very unsatisfactory state. We had lost \$50,000 in five years, and we then determined to do a smaller business and not so extended, and try to make money out of it. In our judgment we had reason to anticipate a profit; the result is that we show a profit for these three years of \$41,136.78. But for the \$9,893 of old losses that we paid last year, \$8,364 of similar losses that we had to pay in 1883, and nearly \$12,500 of the year before, all of which losses were not provided for by the former management, you will see that we ought to have had a profit in the last three years in our marine business of about \$71,000. Now, gentlemen, we come next to the fire business. In Canada we have a handsome sum to our credit for amount of business done.

CANADIAN.		UNITED STATES.	
Net premiums	\$156,035 19	Net premiums	\$425,155 05
Losses (54 per cent. of premiums) ..	85,225 57	Losses (75 per cent. of premiums) ..	\$393,785 44
Expenses (31 per cent. of premiums) ..	37,124 14	Expenses (34 per cent. of premiums) ..	181,087 06
Leaving \$33,685 48 to our credit, after deducting \$13,638 losses outstanding at the close of the year.			

I am sorry that I am not able to say the same of the United States.

Leaving \$49,716.85 to our debit, which includes \$70,184.32 losses outstanding at the end of the year. This also includes *pro rata* share of home office expenses for conducting that business. Now, I hear you say: "What are you doing to try and stop this loss?" I can simply answer that we believe we have as able men as any other company; that we are doing as well as most foreign, and a great many American, companies in the United States; and that we have given our American business the greatest care and attention. The Secretary says he is prepared to let the facts in connection with every loss be seen by anyone, and that he would take the same risks again if they were offered to us, so that you can see that the loss is one of those things your Board have no control over. In many small places where we would only get about \$50 to \$100 per year, and where we believed the expense of this business and the taxes on it were not justified by the class of business, we retired; and instead of having, as we had two years ago, 940 agents there, we have reduced them to about 500, so that you see our aim is to try to concentrate our business into the larger cities where there is not only business for us to do, but where we can also get a fair share of the best risks of the place. When we started in those smaller places where older companies had been located for years, there was nothing left for us but perhaps special hazards, and our policy is now to try and get our full share of the better class of business. For that reason we are not extending our business or increasing in volume, but what we try to do is to get a good risk where there had been a poor one before, and the Secretary has instructions to come out of any place, State or city, where he sees by experience he is not getting that class of business from the agent that we should receive. We certainly expected a profit from the United States the past year, but though we are disappointed we are not discouraged, because in looking over the business of the best American and English companies we find that our expense ratio and loss ratio are on a par with the best of them. We have also to report a loss of over \$11,000 on European business during the past year, but I am sure you will be glad to hear that we are getting that business greatly reduced. Now, gentlemen, I think I have told you where we have lost and where we have gained this year, and I think if you will take those old matters out, you will find that we