

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF THE Citizens Insurance Company.

At the Annual Meeting, held on Monday, 20th February, 1882.

The following Statement shews at a glance the comparative figures of the business done by the Company in the last two years:—

REVENUE.		1880.	1881.	INCREASE. 1881.
Fire Branch....		\$106,463 21	\$138,548 22	\$32,085 21
Guarantee do . . .		14,669 53	14,886 12	216 59
Accident do . . .		4,506 00	10,150 34	5,644 34
		\$125,638 74	\$163,584 88	\$37,946 14

It will thus be seen that there is a fair increase in every department of the business, especially in view of the continued reduction in rates, and the persistent increase of competition in each one of the branches.

Unfortunately, the losses, as shewn in the subjoined statement, have increased in even a greater ratio than the receipts.

LOSSES.		1880.	1881.	INCREASE 1881.
Fire Branch....		\$43,104 50	\$95,787 19	\$52,682 69
Guarantee do . . .		1,654 74	12,374 01	10,719 27
Accident do . . .		376 00	625 59	249 16
		\$45,135 67	108,786 79	\$63,651 12

This increase of losses is to be regretted. Both the Guarantee and Fire Branches show an undue proportion. The extensive conflagrations in Quebec and Joliette absorbed \$25,914, and the increase of fires is also to be seen from the fact that the claims filed in this department were 107 in 1880, as against 200 in 1881.

Other companies suffered in at least an equal proportion to this Company.

The working expenses for the year have been.....	\$ 47,106 86
As against in 1880.....	36,789 49

Increase \$ 9,317 37

But this is only in proportion to the increased business done, the ratio being 28¾ per cent. for this year, as against 29¼ per cent. for the last year.

The reserves to meet the premiums on unexpired Policies in all Branches are... ..	\$194,093 27
As against in 1880.....	176,198 07

An increased liability of..... \$ 17,895 20

The Life Branch shows a surplus of	\$ 20,613 43
As against last year.....	16,678 72

A gain in assets of..... \$ 3,934 71

The Accident Branch continues to show satisfactory results, and will probably be even better in the future. The receipts from it have more than doubled in the past year.

The Directors, during the year, had several times under consideration the advisability of altogether disposing of the Guarantee Branch of the Company's business. It has not been very profitable, and a new competing Company having appeared on the scene, they thought it would probably be even less profitable in the future than in the past.

They, therefore, embraced an opportunity of sale on fair terms, which, they believe, will be a benefit to the Company.

The accounts of the Company on the table have been carefully audited, and a certificate to that effect is submitted herewith.

The Directors who go out of office at this time are Messrs. ANDREW ALLAN, HENRY LYMAN, and ROBERT ANDERSON, all of whom are eligible for re-election.

HUGH ALLAN, President.