

The Equity Fire Insurance Company

The Fifth Annual Meeting of the above Company was held yesterday at the Company's Head Office, 24 King street west, Toronto, with a good attendance.

DIRECTORS' REPORT

Your Directors beg to present herewith the Fifth Annual Statement, representing the Company's financial standing for the year ending December 31, 1902, as attested by the Auditors.

Your attention is called to the satisfactory increase of premium income from \$126,960.93 in 1901 to \$175,281.74 in 1902, the next excess of income over expenditure being \$25,406.79, out of which a dividend of 6 per cent. has been declared upon the paid-up capital. Your Directors felt also that results justified a 2 per cent. cash bonus to the Shareholders.

With the dividend and bonus paid, there remains the very handsome sum of \$21,406.79 out of the year's business to add to Reserve, which now stands at \$55,250.18. Upon the excellent

results attained, all interested, we think, may well be congratulated.

Several changes were necessitated by the retirement of Mr. Campbell. In pursuance of the powers vested in them, your Board filled the vacancies by the election of Mr. Thomas Crawford, M.P.P., as President, Mr. C. C. VanNorman as Vice-President and Mr. W. Vandusen as a member of the Board.

The term for which the Auditors and Directors were elected now expires. They are eligible for re-election.

All of which is respectfully submitted.

THOMAS CRAWFORD, President.

REVENUE ACCOUNT FOR YEAR ENDING 31st DECEMBER, 1902.

To Premium income.....	\$172,295 72
To Interest.....	2,986 02
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	\$175,281 74

By reinsurance and cancellations.....	\$ 46,933 01
By commission.....	23,639 00
By general expenses.....	22,888 11
By fire losses and adjustment.....	56,392 83
By balance to profit and loss.....	25,406 79
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	\$175,281 74

PROFIT AND LOSS ACCOUNT.

To net revenue, Dec. 31, 1901.....	\$ 33,843 39
To net revenue balance, 1902.....	25,406 79
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	\$59,250 18

By dividend No. 3 (6 p. c.).....	\$ 3,000 00
By Cash bonus (2 p. c.).....	1,000 00
By accumulated reserve fund.....	55,250 18
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	\$59,250 18

BALANCE SHEET.

To capital stock, liable to call.....	\$450,000 00
To mortgages and debentures.....	73,261 92
To plans, furniture and supplies.....	4,864 63
To premiums outstanding.....	13,875 57
To cash in bank and on hand.....	24,027 80
To sundry accounts.....	1,904 37
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	\$567,914 29

By capital stock subscribed.....	\$500,000 00
By dividend No. 3 (paid in January).....	3,000 00
By cash bonus (2 p. c.).....	1,000 00
By fire losses unpaid.....	2,801 45
By sundry accounts.....	5,862 66
By accumulated reserve.....	55,250 18
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	\$567,914 29

This is to certify that we have maintained a continuing audit of the books, and examined all vouchers and securities of The Equity Fire Insurance Company for the year ending 31st December, 1902, and find they have been correctly kept and are truly set forth in the above statements.

Toronto, Jan, 31st, 1903. C. E. ARNOLD, } Auditors.
FRED ROPER, }

The President in rising to move the adoption of the Report said:—From the Report just read it will be observed that the Company has enjoyed another prosperous year. It is pleasant to note also that prosperity was more general in the Canadian insurance field for 1902 than for some time previously. This, no doubt, will strengthen confidence in the business. The Shareholders, Agents and all interested in the Company have reason, in the Report before you, to take pride in its progress and management. 20 per cent. of Surplus earnings upon the net business of the year does not leave room for averse criticism. Our ratio of increase has been quite satisfactory, though we have not secured the large volume of business which might have been secured, our policy being to increase moderately and carefully. The value of this, we trust, the future will further disclose.

To realize, however, what this Company has accomplished, let it be remembered that it started in business in 1898 with \$42,500, passed through a conflagration in 1900, and stood at December 31, 1902, with \$105,250.18 over and above the \$450,000 unpaid Subscribed Capital. Besides this, we have paid to Shareholders in that period \$7,750.00 in Dividends and Bonus. It will be seen, therefore, that there has been produced out of the earnings of the Company roundly \$63,000, or an average of \$12,600 per annum. Out of this \$63,000 we paid off Organization expenses, 15 1/2 per cent. dividends, and had at the end of the year just closed \$55,250.18 of an Accumulated Reserve.

To protect the Capital as well as the Policyholders, it is absolutely necessary to maintain a strong reserve against the time excessive fire losses. This is the first essential. While we are undoubtedly in the position at the present time of transferring every liability of the Company without a dollar of costs to the

Shareholders, we aim to make our reserve come up to the high standard set by the Insurance Department.

We have, as you are aware, paid a Dividend of 6 per cent., which may be regarded as a good return upon Capital. The Directors thought, however, the favourable results of the year justified an additional 2 per cent. to the Shareholders.

As for the Policyholders, we close the year with security to them as follows:—

Capital paid-up.....	\$ 50,000 00
Uncalled Subscribed Capital.....	450,000 00
Accumulated Reserve Fund.....	55,250 18

Total.....\$555,250 18

I trust the Company is now so well established in the confidence of the public that with continued watchfulness in the selection of risks and in the exercise of judicious economy, the future business will not only continue to be characterized by eminent satisfaction to assurers, but will permit the most gratifying returns to Shareholders.

We expect the business of 1903 to show a substantial increase. The influence of the Shareholders can and should contribute very materially to this end. Increased burden and responsibility is laid upon the Management and Staff, the Directors and Auditors. We look to the loyalty of the Agents. Their support is indispensable. They, and all those contributing to the excellent showing in the Report placed before you to-day certainly deserve credit.

I have much pleasure in moving the adoption of the Report.

The Board of Directors for the ensuing year are:—

Thos. Crawford, Esq., M.P.P., Toronto, President; C. C. VanNorman, Esq., Toronto, Vice-President; Stephen Noxon, Esq., Ingersoll; His Honor Judge Morgan, Toronto; Wm. Hendrie, Jr., Esq., Hamilton; David Carlisle, Esq., J. P., Toronto; W. H. Bigger, Esq., K.C., Montreal; H. E. Irwin, Esq., K. C. Toronto; Alex. McLaren, M.P., Stratford; C. H. Elliot, London; W. Van Isen, Esq., Toronto.

W. GREENWOOD BROWN,

Toronto, February 4, 1903.

General Manager and Secretary.