

## FIFTY-FIFTH ANNUAL REPORT

# The London Mutual Fire Insurance Co. of Canada

FOR TWELVE MONTHS ENDING 31st DECEMBER, 1914

**DIRECTORS' REPORT, To the Shareholders & Members of the London Mutual Fire Insurance Co. of Canada:**

Your Directors herewith submit the Fifty-fifth 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, 1914.

Your Directors, owing to the rupture of reinsurance arrangements during the past year, felt that the underwriting of the Company should be upon most conservative lines, which accounts for the reduction in the Gross Premium Income from \$770,782.63 to \$675,052.12. The amount recoverable from reinsurance decreased from \$141,772.29 to \$40,680. Your Directors are pleased to be able to report that for the year 1915 new reinsurance arrangements have been made on satisfactory terms with companies having the whole of their assets in Canada.

Your Directors have felt it necessary to recognize in the Balance Sheet the serious depreciation affecting even securities of the highest grade by the great war, and instead of carrying the Bonds, Stocks and Debentures of the Company at their book value, \$344,681.82, have reduced them to \$319,003.30, which is the Government valuation of the same at the end of the year, and have further set aside \$70,000.00 of the Cash Surplus of the Company as a Contingency Reserve. Your Directors expect that after the war the securities of the Company will again represent their book value.

The Reinsurance Reserve has been increased by \$10,077.21, and after writing down the securities the Cash Surplus of the Company (including the Contingency Reserve) is \$201,686.26. The Total Security for the Policyholders of the Company is \$913,751.43.

Your Directors have to report with great regret the death of the Hon. Colin Campbell, Attorney-General of Manitoba, one of your Directors, the vacancy being filled by the election of Mr. R. Home Smith. Mr. Whitehead resigned as a Director and this vacancy is filled by the election of Mr. A. C. McMaster.

The retiring Directors are A. H. C. Carson, R. Home Smith and A. C. McMaster, who are eligible for re-election. Your Directors desire to thank the Agents for the support they have given the Company during a trying year and also express their appreciation of the work of the office and field staff during the year.

All of which is respectfully submitted.

Toronto, February 27th, 1915.

A. H. C. CARSON, President.

**FINANCIAL STATEMENT****EXPENDITURE.**

To Claims Paid and Outstanding	\$431,510.72
Less Reinsurance Recoverable	40,680.93
	\$390,829.79
To amount added to Reinsurance Reserve	10,077.21
Expenses, Commissions, etc.	208,601.00
	<u>\$609,508.00</u>

**INCOME.**

By Gross Premiums	\$675,052.12
Less Cancellations, Rebates and Reinsurance Premiums	133,595.73
	\$541,456.39
By Transfer Fees	274.21
By Interest and Dividends on Investments	15,943.17
By Loss on Business of year 1914	51,834.23
	<u>\$609,508.00</u>

**BALANCE SHEET as at 31st DECEMBER, 1914****ASSETS.**

Bonds, Debentures and Stocks, Book Value	\$344,681.82
Less amount written off to conform to Government standard at January 1st, 1915	25,678.52
	\$319,003.30
Cash on hand and on deposit	31,003.17
Mortgages Receivable	30,995.00
Call Loan	1,200.00
Accounts Receivable	59,305.56
Agents' Balances	26,239.60
Interest Accrued	5,380.35
	\$473,726.98
Office Furniture and Good's Plans	\$24,748.42
Less Reserve for Depreciation	10,934.82
	13,813.60
Real Estate and Building	\$163,133.33
Less Mortgage Payable and Interest	53,423.43
	\$109,709.90
Less Reserve for Depreciation	1,406.25
	108,303.65
Stationery on hand, etc.	122,117.25
Unassessed portion of Premium Notes	3,835.15
	263,875.14
	<u>\$863,554.52</u>

**LIABILITIES.**

Reserve for Unadjusted Losses	\$11,036.23
Due for Reinsurance	7,287.17
Sundry Accounts Payable	6,495.35
Reserve for Government Taxes	7,484.34
	\$32,303.09
Contingency Reserve	50,000.00
Reinsurance Reserve (full Government standard)	348,190.03
Capital Stock, paid up	17,500.00
	\$447,993.12
Cash Surplus over all Liabilities after including Capital Stock and Contingency Reserve as Liabilities	151,686.26
Unassessed portion of Premium Notes	263,875.14
Total Surplus	<u>415,561.40</u>

Having audited the books of account of The London Mutual Fire Insurance Company of Canada for the year ending 31st December, 1914, 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.

\$863,554.52

Security for Policy-holders, including uncalled capital - - - \$913,751.43