FIFTY-EIGHTH ANNUAL REPORT

The London Mutual Fire Insurance Co. of Canada

DIRECTORS' REPORT

To the Shareholders and Members of the London Mutual Fire Insurance Co. of Canada.

Your Directors herewith submit the Fifty-eighth 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 at December 31st, 1917.

The operation of the Company for the year 1917 resulted in a profit of $40,656.06 after providing for all bad and doubtful debts and outstanding liabilities. Of this amount $15,000 has been set aside as a reserve for possible future losses on investments, and the balance, $25,656.06, has been added to the surplus.

The net premium income for the year was $399,923.15, an increase of $36,239.26, while both the loss and expense ratios have been satisfactory.

The reinsurance reserve, full Government Standard, stood at $279,095.52, an increase of $6,763.07; the Cash Surplus $141,559.57, an increase of $25,656.06, and the Capital Stock paid up at $19,250.00, an increase of $1,750.00. The total Cash Security for Policyholders was $502,417.97, an increase of $31,301.14, in addition to which there is the unassessed portion of premium notes, which amounts to $250,999.09, an increase of $3,507.16, making the total Security to Policyholders $753,417.06, an increase of $34,808.30, and a total Surplus to Policyholders of $411,808.66, an increase of $30,913.22.

The retiring Directors are A. H. C. Carson, R. Home Smith and A. C. McMaster, all of whom are eligible for re-election.

Your Directors desire to thank the Agents of the Company for their support, and they also wish to express their appreciation of the work of the field and office staffs during the past year.

All of which is respectfully submitted,

A. H. C. CARSON, *President.*

Toronto, 23rd of February, 1918.

FINANCIAL STATEMENT as at DECEMBER 31st, 1917

ASSETS

Bonds, Debentures and Shares with Accrued Interest		$238,844.96	
Mortgages Receivable with Accrued Interest		14,893.78	
Call Loan		700.00	
Rents Accrued		420.00	
Due by Reinsurers		685.08	
Agents' Balances		54,828.52	
Cash on hand and on deposit		58,529.49	
			$368,901.83
Office Furniture and Goad's Plans	$27,218.92		
Less Reserve for Depreciation	17,218.92		
		$ 10,000.00	
Real Estate and Buildings	$166,576.22		
Less Reserve for Depreciation	4,849.14		
	$161,727.08		
Less Mortgage Payable and Accrued Interest	38,210.94		
		123,516.14	
			133,516.14
Unassessed Portion of Premium Notes			250,999.09
			$753,417.06

LIABILITIES

Unadjusted Fire Losses	$27,810.56	
Government Taxes Accruing	5,566.94	
Due for Reinsurance	9,480.11	
Sundry Accounts Payable	1,155.27	
Provision for Agents' Bonuses	3,500.00	
		$ 47,512.88
Reserves:		
For Investments	$ 15,000.00	
For Reinsurance, Full Government Standard	279,095.52	
		294,095.52
Capital Stock Paid Up	$ 19,250.00	
Surplus Account	141,559.57	
Unassessed Portion of Premium Notes	250,999.09	
Surplus to Policyholders		411,808.66
		$753,417.06

INCOME AND EXPENDITURE ACCOUNT YEAR ENDING DECEMBER 31, 1917

To Losses	$345,547.12		
Less Salvage and Reinsurance Recovered	135,790.53		
			$209,756.59
To Commissions, Agency and Management Expense, etc.			163,262.91
To Increase in Reinsurance Reserve			6,763.07
To Securities Written Down			2,858.50
To Appropriations, Reserves:			
Real Estate and Buildings		$1,147.63	
Office Furniture and Goad's Plans		3,622.15	
			4,769.78
Balance, Net Profit, Transferred to Surplus Account			40,656.06
			$428,066.91

By Gross Premiums		$698,948.53	
Less Cancellations and Rebates	$ 87,687.30		
Reinsurance Premiums	211,338.08		
		299,025.38	
			$399,923.15
By Transfer Fees			133.96
By Income from—			
Sale of Securities		$ 280.46	
Interest, Dividends and Rents		7,479.34	
			7,759.80
By Proportion of Profit due on Canada Hail Shares			20,250.00
			$428,066.91

CERTIFICATE

We have audited the books of the London Mutual Fire Insurance Company for the year ending December 31, 1917. We find the books to be in order and all the information asked for has been cheerfully given.

Our examination has included the Cash and Bank Books, Premium Registers, Agents' and Branch Balances and the securities held by the Company.

We certify that the above Balance Sheet is in accord with the books, and in our opinion is a full and fair statement of the position of the Company on that date.

EDWARDS, MORGAN & CO.,

Toronto, February 16, 1918. Chartered Accountants.