

**DIRECTORS.**—During the present year Joseph Beausire, Esq., has been elected a director, and he and the following directors now retire, and are eligible for re-election, viz., James Barrow, Esq., William Cliff, Esq., and David Jardine, Esq.

**ACT OF PARLIAMENT.**—The directors have also the pleasure to report that the company's Bill in Parliament, necessary for giving effect to the resolutions passed by the shareholders at their special meeting on November 25 last, is making satisfactory progress.

**AUDITORS' REPORT.**—We hereby certify that we have carefully examined the books of the Royal Insurance Company, also the bank books and vouchers, and that we have compared the same with the balance-sheets signed by us; and we declare that such balance-sheets represent fully the financial position of the Royal Insurance Company on December 31st last. We have examined all the securities held here, viz., loans on mortgage and on life policies, title deeds, bonds, railway and Government stocks, etc.; also the certificates of deposit of the stocks of the United States and Canada; and the certificates relating to the title deeds of the company's real estate in the United States, and have found them correct and in order; and we further certify that the present aggregate market value thereof is in excess of the amounts in the said balance-sheets.

JAMES M. CALDER, }  
JOHN DEMPSTER, } *Auditors.*

LIVERPOOL, May 13th, 1891.

The Chairman then said:—Gentlemen, I have again very great pleasure in having another year's results of the Royal Insurance Company to report to the shareholders, especially because it has been a year of more than usual importance in the history and progress of the company. We have made one of the largest bonds in our income, and we have successfully carried out a negotiation for acquiring the business of another large company on terms mutually advantageous to both offices. That agreement now only waits the assent of the Crown to a Bill to enable us to complete it, and when that assent is given, the Royal will be placed in its proper position—that is, in the very front rank of the fire insurance institutions of the world. So that not only will the business be greatly increased—and we hope by-and-bye strengthened—but that the Board will have an addition of some ten gentlemen to its numbers—gentlemen who are all well known in Liverpool as able and experienced men of business. We therefore may look upon the Royal as having made a fresh start, with fresh vigor and fresh power, and let us hope that it is to achieve even more success in the future than it has done in the past. The shareholders will notice that there is a very large increase in the fire income—something like a little over \$500,000—and a very satisfactory one in the life income, while the interest received in both departments shows a gratifying increase of \$44,602. Another favorable feature is that the mortality in the life department has been most moderate, and we have accordingly been able to add no less a sum than \$565,000 to the life funds. What seems less satisfactory is that in the fire department, notwithstanding the increase of revenue, the amount of profit realized is not so large as in 1889. This has been caused by one of those curious turns in our business which occur from time to time, and which tend to prove the uncertainties of even the largest business. The shareholders will recognize this when I state, that up to the end of November the accounts had the appearance of ultimately realizing for the year one of the largest profits ever made by the company; but the exceedingly severe weather at the end of 1890 and the beginning of 1891 brought very numerous fires throughout the world, and with them reduced profits. I may tell you, gentlemen, that there have been no conflagrations or great fires, the losses having been in small amounts. But, after all, it is an exceedingly satisfactory ending to have a total fire profit of \$690,000 in one year. It is a result to be proud of; and when added to the \$524,760 of interest, the gross amount to the credit

of the shareholders for the year is no less than \$1,215,025. For the period of the present year, 1891, the progress of the business has continued perfectly satisfactory, but the losses have not yet returned to a normal state, and so far have continued above the average. The severe winter and spring, both in Europe and America, have tended to an increased ratio, but still leave the result a profit for the period, which is satisfactory. It has been customary at our annual meetings to state the differences in the value of the securities between what they stand at on our books and the nominal market value—that is, the ordinary marketable securities. Omitting the buildings belonging to the company, which have been written down from time to time, the amount is less this year than last year, consequent on the heavy fall that has taken place in even the very best securities. But the market value is still something like \$1,825,000 in excess of the book value, and that will no doubt be considered very satisfactory. The dividend now proposed is the same as for last year, viz., 35s. per share. This will absorb \$844,505, and leave an amount of \$370,525 to be added to profit and loss, the balance of which will be raised to \$1,459,620, to be carried forward. The directors in their report have acknowledged the valuable assistance they have obtained from the members of the different local boards throughout the world, and it affords me great pleasure to refer to that paragraph, because the character of the business which has been received through their influence is of the most important description. The shareholders will notice that it is the intention of the directors to increase these boards, and I can only hope that we shall be as fortunate in obtaining gentlemen of equal standing and influence in the future as we have been in the past. I very gladly, too, avail myself of the opportunity of acknowledging the very valuable services rendered to the company by our numerous representatives and agents throughout the world. It is upon the energy, intelligence and devotion to your interests of these gentlemen that much of your success depends, and they well deserve your grateful thanks. It is hardly possible for anyone to realize their value, except by almost daily knowledge of their assiduity in the affairs of the Royal. These are not mere words, gentlemen; they are real facts, that I feel strongly from what I have just said. And now, gentlemen, I have the important paragraph intimating the progress of the Bill through Parliament to notice. I have already referred to it in my opening remarks, and I have only to say in addition that in a very short time the fusion of the Queen with the Royal will be complete. But we shall not only have a large increase to our board and to our business, but we shall have a large increase to our body of shareholders, and thus, I believe, to our power and influence throughout the world. The whole of the beneficial results of that amalgamation will not be seen at the end of the present year, 1891, but by that time the figures of the two companies will, at least, have been combined, and I feel that an amount of power will be displayed which must tend still more to increase the influence and position of the Royal. I beg now to move the adoption of the report—viz., "That the report of the directors be approved and adopted, and that a dividend of 19s. per share from the fire department, and of 4s. per share from the balance of undivided life profits, be payable on or after Thursday, 18th inst., making, with the interim dividend paid in January last, 35s. per share for the year 1890, free of income-tax," which will be seconded by Mr. Maxwell; and if any shareholder has any question to ask respecting it, I shall be very happy to reply.

Mr. M. H. Maxwell: I beg to second the resolution which the chairman has proposed. He having dealt so fully with the several heads, I do not think anything remains for me to add, except to confirm the view which the board holds, that the position of the Royal Insurance is first-rate. We look to the amalgamation which we have formed with the Queen as being likely in the future to prove of great benefit to both companies. The chairman has alluded to the assistance which we have received from various boards and agents, but