

as they desire that you should be fully cognizant of the exact position of the company in detail, they append a very full statement embodying all its operations since its first establishment.

I. OF THE MUTUAL BRANCH.

In this department the Cash receipts had been long inadequate to meet the ordinary expenses and losses, the latter having increased in such an extraordinary ratio, that at length on 31st August last the Board felt compelled to make an assessment to the whole amount unpaid on the premium notes of subsisting policies. The propriety of this assessment has been questioned, but the facts were ample to justify it. Up to 30th June, 1855, the Cash receipts were less than the expenses and claims by the sum of £1421 16s. 8d., and it was found on investigation, that if the losses on subsisting policies should continue for the then next three years, in the same ratio as they had been for the three years previous, they would have amounted to £14,250, irrespective of the working expenses for the same period; whilst the whole premium notes held, amounted only to £13,297 18s. 0d. Under such circumstances that assessment was unavoidable as the only means of protecting the insured. Although bearing hardly in some cases, the call has been met to a considerable extent; yet much still remains to be collected, and in order to reduce the liability in this Branch, the Board have lately announced their readiness to transfer the Policy holders from the Mutual to the Proprietary Branch, on their paying up the full amount of their premium notes, thus maintaining their insurance, with such deduction only as was equitably due to outstanding Mutual risks. Many of the Mutual policy holders have already availed themselves of this privilege, and when its advantages become better understood, your Directors cannot doubt that it will be gladly and generally accepted.

The amount hitherto paid in has been partly applied in payment of the debts and liabilities of this Branch which were