been so flagrant that their removal from the company's employ was recommended, and acted upon by your board. In a great number of cases reductions in the amount of insurance was made, and as we intend to continue the same style of inspection it is hoped that after a time all objectionable risks will be weeded from our books, and in this way a reduction in the number of losses may reasonably be looked for. Farm insurance at one time was supposed to be the most profitable that any company could engage in, and the success of the "London Mutual" in the past appeared to dazzle the managers of several of our leading stock companies. They went into the business in a hap-hazard way, and to a certain extent demoralized the business. Having had their wings scorched by experience, the most conservative of these companies have either withdrawn from the business, or made radical changes for the better, which will, no doubt, have a good result. The losses from steam threshers are still heavy, and we fear must be on the increase unless legislative action is taken to enforce more care on the part of those using the machines. "The Mutual Fire Underwriters' Association" have taken the matter in hand, and have petitioned the Legislature at it present sittings, and it is hoped our wise legislators will do something in this respect at least of a practical nature. Of one fact, at all events, we are quite well assured, every assistance will be afforded by J. Howard Hunter, Esq., the Inspector of Insurance. Other matters of importance might be touched upon, but as they will, no doubt, be presented at your meeting to-day, no further reference to them will here be made.

New Offices.—You meet to-day in your new building, ordered to be erected at your annual meeting two years ago, and although, as you see, provided with massive vaults for the protection of the company's securities and every facility for carrying on your business, pronounced by officials of other companies who have visited them as the most complete in the province, have been erected at very small cost, as the financial statement shows.

We cannot close our report, however, without making reference to the removal by death of two gentlemen who were for years intimately connected with the company as members of the board:—John Hodgson, Esq., of Tilsonburg, passed away in the early part of the year, and recently Jas. Armstrong, Esq., of Yarmouth, was called to the Great Beyond. The latter's genial face, which was seen at every annual meeting tor the last quarter of a century, will be seen amongst you no more.

Three directors now retire by rotation. They are James Armstrong, Esq., M.P., of Westminster; T. E Robson, Esq., reeve of London township; Thomas C. Hewitt, Esq., of London, but who are eligible for re-election.

All of which is respectfully submitted.

J. Grant, President. D. C. Macdonald, Secretary.

CASH ACCOUNT.

Receipts.

To balance from 1888	$ 20,721 73
" Received from agents	44,982 39
" Assessments	89,644 46
" Bills payable	40,000 00
" Interest	2,379 10
" Transfer fees	370 86
" Extra premiums	129 81
" Policies cancelled before assessed	168 14
" Steam thresher licences	26 00
" Assessments in advance	505 73
" Mortgages	100 00
" Rent	21 00
	$199,049 22

Disbursements.

By losses	$ 92,387 80
" Bank commission	21 78
" Loss and agency inspection	3,989 95
" Commission to agents	20,325 94
" Salaries, officials, auditors, and clerks	8,549 83
" Directors' fees	1,376 75
" Postage	1,286 19
" Printing, advertising, and stationery	1,393 27
" Solicitor's fees and law expenses	492 65
" Sending annual reports and assessments	244 83
" Re-insurance	515 42
" Returned premiums	324 78
" Rent and taxes	1,190 64
" Rewards and gratuities	45 50
" Discount on moneys, stamps sold, final letters, etc	121 86
" Petty expenses, telegrams, gas, water, care of office, etc	428 86
" Expenses of legislation	166 60
" Government inspection	150 92
" Paid agents in settlement of accounts	2,220 03
" Interest	875 42
" Bills payable	40,000 00
" Office furniture	30 00
" Building account	8,998 37
Cash balance in Molsons Bank	12,713 51
Cash in treasurer's hands, postage stamps	1,198 32
	$199,049 22

Audited, compared with books, and found correct, as above set forth.

J. Hamilton, John Overell, } Auditors.

CAPITAL ACCOUNT.

Assets.

Amount available on premium notes	$275,680 20
Amount due on assessment No. 27	3,023 24
Amount due on assessment No. 28	19,401 02
Balances due by agents, secured by agents' bonds and members' due bills	7,939 09
Bills receivable	1,023 95
Mortgages	100 00
Office furniture	867 66
Municipal debentures deposited with Receiver-General for security of policy-holders: City of Hamilton, par value, $10,920; market value, $12,558. City of St. Thomas, par value, $22,600; market value, $24,860. Town of Tilsonburg, par value, $6,500; market value, $7,475	44,893 00
Accrued interest	976 28
Office building and land	9,998 37
Cash in Molsons Bank, to Cr. Receiver-General	7,000 00
Cash in Molsons Bank, current account	12,713 51
Cash in treasurer's hands (postage stamps)	1,198 32
Gross assets	$384,814 64

Liabilities.

Losses adjusted in 1889, not falling due until 1890	$ 6,387 36
Net surplus assets	$378,427 28

Audited, compared with books, and found correct, as set forth above.

J. Hamilton, John Overell, } Auditors.

INSPECTOR'S REPORT.

The inspector's report was presented as follows:—

Gentlemen,—Your inspectors beg to report that during the past year they have inspected and reported on 348 claims against the company, aggregating in amount $102,033.39. Eleven of the above claims, amounting to $3,855.32, have, for what the board deemed good cause, been rejected, leaving $98,170.07 for adjustment, which, owing to overcharges, has been reduced by the sum of $13,417.80, leaving as adjusted claims for the year ending December 31st, 1889, $84,760.27—thus showing a falling off, as compared with 1888, of $16,686.73.

I find since my appointment as inspector that in order to secure the success of the company everyone connected with it, both officials and agents, must use the utmost diligence in preventing the fire waste. I regret to record so many losses from "unknown causes," and agree with the remarks made by our manager some years ago, that too often they must be regarded as incendiary. The Act providing for investigating before a Justice of the Peace I regard as most salutary, and has already been taken advantage of to the good of the public, and of course of the company. The petition to the Legislature by the Underwriters' Association for the appointment of fire wardens in different sections of the province meets our warmest approval, and we trust will become law.

On account of heavy losses from coal oil lanterns we would recommend our members to exercise greater care while using them; candles in lanterns are far safer about barns. Also that stovepipes should be renewed oftener, many in use being old and full of holes, and that where stovepipes go through roofs in summer kitchens, a space at least six inches from pipe to wood be left, and a metal collar be put on and the pipe well stayed. I made a personal inspection of several agencies, and had to reduce a number of insurances, a great many being over-insured, a practice our board has always cautioned our agents against, and I am glad to say a great many of them are careful. The dangerous tin thimble and closed-up fireplaces are responsible for their share of losses as usual.

The President announced that Messrs. Jas. Armstrong, M.P., T. E. Robson, and T. C. Hewitt were the retiring directors, and were all eligible for re-election.

Messrs. Cameron, Leitch, and Whetter were appointed scrutineers, and the president called for nominations.

Mr. Campbell moved the re-election of Messrs. Armstrong, Robson, and T. C. Hewitt.

After waiting a few minutes the retiring directors were declared re-elected.

Messrs. Hewitt and Robson made short speeches, thanking the members for the renewal of their confidence.

Mr. Robson moved a hearty vote of thanks to the agents for the careful and energetic manner in which they performed their duties during the year 1889.

Messrs. J. A. Leitch, of Brantford, D. S. Butterfield, Norwich, John Burnett, Robson, and several other agents, briefly returned their thanks for the expression of the meeting.

Mr. Leitch spoke feelingly of the death of one of the honorary directors, Dr. W. L. Smith, of Glanford, and suggested that Mr. W. M. Calder, ex-reeve of Glanford, be appointed in his place.

The suggestion was adopted.

Two or three disputed claims were adjusted in an amicable way, after which the meeting adjourned.

CITY MUTUAL FIRE INSURANCE COMPANY.

The third annual meeting of the City Mutual Fire Insurance Company was held last week in the offices, on Richmond street, London, Ont., a large number of members being present.

Mr. James Cowan was appointed chairman, and called upon the manager to read the annual

REPORT.

The board of directors beg leave to submit the third annual report of the business of the company (with financial statements attached thereto), and would remark that, although the loss sheet exhibits a larger total than your directors would desire, yet from the fact that the general fire waste has been, if anything, larger than in any previous year, as the records of all insurance companies show, your company has not suffered beyond the average quota, and, however paradoxical it may appear, your board are pleased to say that the excess of loss has occurred in the safest class of property, the results of pure accidents, beyond the pale of evil-doing—legitimate losses, as opposed to those of a suspicious character, the terror of underwriters, and against which it is impossible, or almost impossible, to provide.

After three years of experience your directors are happy to announce that, notwithstanding the drawbacks incidental to all new companies—heavy loss years of 1888 and 1889—they have been fully able to demonstrate the fact that insurance can be afforded for a reasonable price, and now agencies have been placed at all the principal points in the province where it is advisable to do business.

Your directors hope that by the system they have inaugurated of inspecting risks they can so discriminate in improvement of the hazards that, for the time to come, a very considerable reduction may be looked for.

Your directors, on account of their inability to assume a larger line of risk than their strength warranted, have found that it has operated against them, and many of our heavy insurers have been obliged for this reason to place their risks elsewhere. This difficulty, it is to be hoped, will be shortly overcome, as negotiations are now taking place with two of our best and oldest mutuals on a plan of re-insurance whereby we will be enabled to