

increase the postage account materially, and would require a very great additional amount of correspondence and labor at head office, which would increase the working expenses. This the Directors have been anxious to keep as low as was consistent with proficiency. They have acted on the principle of appointing one Agent for small divisions, and two for large ones, and have to report 53 agents at present, many of whom have lately been appointed, and have therefore just commenced their labors.

Our great success has been mainly due to the activity and intelligence of the Agents, which we believe will compare favorably with those of older Companies, whose Agents have had many years experience in the Insurance business.

The Board have had no little difficulty in trying to harmonise the varied views and opinions of the community, from which the Association receives patronage; but having undertaken a work of so much interest to the great agricultural population of Canada, they consider that they have reason to congratulate the members on the success so far, and they look forward to the pleasing prospect of a largely increased business in 1878.

The Directors had no fund at their disposal to cover organization expenses, which is no small item. They have, therefore, had to pay it for the present out of the past nine months earnings, which is included in the disbursements for the year 1877. They, however, have considered that it would be unjust for the present members to pay the whole of it, and have therefore determined to spread these expenses over a period of four years, charging 25 per cent. of it to the working expenses of each year of the four mentioned.

Our gross working expenses will, therefore, be $20\frac{1}{2}$ per cent. on our receipts of the year. After deducting 25 per cent. of organization expenses, our net working expenses will stand as 18 per cent. on receipts. Comparing our net working expenses with other Companies doing the same class of business, for 1876, it is found as follows, as per the Government Report for that year:—

Dom. Grange Mutual F.I. Assoc'n (for 1877) . . .	18	per cent.
Agricultural Mutual, of London	$30\frac{1}{2}$	"
Isolated Risk Insurance Co.	$43\frac{9}{10}$	"
Canada Agricultural (ceased business)	$49\frac{1}{6}$	"
Ottawa Agricultural	$60\frac{9}{10}$	"

The total amount at risk on the 31st December was \$1,146,957, less \$9,225, not in force till the present year; and less cancelled, \$7,653—net amount at risk being \$1,130,082.

With a view of giving the members the fullest details practicable, to enable them to judge of the affairs of this Association, we beg to inform the members that the losses of this Company in 1877 were 26 per cent. on the cash receipts of the year; and that a comparison may be made, we give the losses of the above Companies, compiled from the same Report of the Government of Canada, for 1875:—

Name of Company.	Rate per cent. of Losses on Receipts.
Ottawa Agricultural Insurance Co.	$31\frac{53}{100}$ per cent.
Canada Agricultural Insurance Co.	$48\frac{19}{100}$ "