TORONTO, *Sept. 27th*, 1858.

TO THE PRESIDENT AND DIRECTORS OF THE PROVINCIAL INSURANCE COMPANY OF CANADA.

GENTLEMEN,

In submitiing the usual Annual Statements of the affairs of the Provincial Insurance Company, your Auditors beg to observe that they have, during the past year, as heretofore, carefully examined the recorded transactions of the Company, both in the Mutual and Proprietary Branches, and find them correctly set forth in the Balance Sheets and Statement of Receipts and Disbursements and Assets and Liabilities, to which they have subscribed their names.

Respecting the several estimated valuations, which appear in the latter statement, it may be necessary to remark that they are made under the direct supervision of the Board, and being in many cases founded on data beyond the reach of your Auditors, do not come within the scope of their investigations.

Your Auditors have to repeat that the Books of the Company are generally kept in a neat and substantially correct manner; they feel bound, however, to remark that some branches of the Marine Department do not exhibit that simple and methodical arrangement without which the attainment of accuracy is exceedingly difficult, and a satisfactory examination is much retarded.

They would also notice that a change recently introduced in the mode of issuing Renewal Receipts for Fire Policies, has given rise to much additional labour and uncertainty without, as far as your Auditors can discover, conferring any sufficient compensating benefits, and they would res-