

however, to which it may be well to refer particularly. I allude to the amount written off securities in order to enable us to place them in the balance sheet, as has always been our custom, at their market value on 31st December. You are aware that just at that time the prices of stocks and bonds generally were much depressed, and the fact that our securities were affected to such a comparatively slight extent is perhaps the best evidence that could be offered as to the character of our investments. Moreover, I think we are safe in regarding this as merely a temporary depreciation, and that the former values will be, as indeed some have already been, regained.

I may be permitted to say, also, that interested as I have been in this company since its organization—for 40 years as a stockholder, for 25 years as a director, and for the past eight years as its president—it is with a feeling of pride, which I think is pardonable, that I regard the position which the Western occupies to-day among the financial institutions of this country and among the insurance companies of this continent. Organized, as it was, at a time when the popular belief existed that indemnity for losses by fire—or in fact from death or any other calamity which might be covered by an insurance policy—could be obtained only from the other side of the Atlantic, it had secured at the end of its first ten years' struggle for existence against this popular delusion an annual premium income of only some \$60,000. The twentieth annual report shows that it had increased this five fold and at the close of its thirteenth year its income exceeded one million dollars per annum; and, having thoroughly established its prestige at home, it had extended its field of operations beyond the limits of Canada.

It is now entering upon its fifth decade with an income of nearly a million and three-quarters, derived from all the provinces of the Dominion and from the United States, as well as from some of the British West India Islands; with cash assets of upwards of a million and a half; with a profit balance on its last year's transactions of over \$150,000; with a corps of tried officers and agents, loyal to the company and its interests, and, if I may say it without egotism, last but not least, with an experienced board of directors, several of whom, like myself, may claim to be veterans and not likely to be frightened by "fire," even though it may come (as it sometimes does through conflagrations) in "volleys" rather trying to the nerves. I think I may say, looking at what has been accomplished from small beginnings, and looking at our present position, that by continuing the policy which has guided us in the past, of fair and liberal dealings with our insurers, and just recognition of the services of our agents, upon whose judgment we have so largely to depend in the selection of business, we may confidently look for at least an equal measure of success for the Western in the future to that which it has enjoyed in the past, and as a consequence to its being in a position to continue to make satisfactory returns to its shareholders upon their invested capital.

Permit me to say before closing my remarks that, under a kind Providence, I feel that we are indebted in no small degree to the wisdom and untiring energy of our managing director and his able staff of assistants for the high position that our company now occupies in the estimation of the insuring public.

Mr. George A. Cox, vice-president of the company, in seconding the adoption of the report, said:—

The satisfactory nature of the report now submitted for your approval, and the full explanation of the president in moving its adoption, leaves but little for me to say. There is, however, one important item in the statement to which reference has not been made, and that is the very substantial addition of no less than \$75,000 to the reserve fund. With net earnings for the year equal to 31 per cent. of our paid-up capital, it was not unreasonable that the question should arise, Are you only going to pay a 10 per cent. dividend, less than one-third of your net earnings? But I am sure the shareholders and the public will appreciate the prudence and recognize the necessity of providing in good years like this for less fortunate ones, when we are called upon to meet exceptional losses by conflagrations, such as have occurred, and, in all probability, will occur again. It is very satisfactory to know that after fully providing for our reinsurance fund, which takes \$546,506.64, we

have a net surplus over and above our capital and all liabilities to the public equal to about 75 per cent. of our paid-up capital.

The splendid position of the Western on its fortieth anniversary fully justifies the president in feeling proud of the company, and proud of his long and honorable connection with it; and I shall also indulge a little in the same way. The best standard by which to judge a company is the relative position it occupies at home, and the Western for many years has stood in the very front rank, its income from fire and marine premiums in Canada exceeding that of any other company doing business here, English, American or Canadian, and, what is still more gratifying, its loss ratio or its Canadian business is considerably below the average of both the home and foreign fire insurance companies making return to the Dominion Insurance Department.

I may also refer to the relative position of the company on this continent. Of 160 companies reporting to the Canadian and New York Insurance Department, only some 20 exceed the Western in volume of business; and the steadily improving character of the company's United States business, as shown by its diminishing loss ratio, affords good grounds for anticipating that the continued efforts in that direction of its representatives in the United States will make an equally favorable record for it there, to that which it enjoys at home. It is gratifying to know that, notwithstanding some exceptionally trying years, the business of that branch shows a fair profit to the company, and that the year just closed has been one of the most favorable in its experience.

I very heartily concur, Mr. President, in all that you have said as to the obligations we are under to our managing director, who brings to bear upon the business of the company a thorough and ever increasing knowledge of the insurance world and the insurance business in all its details. It is to his intelligent and close supervision of the company's interests, and to his efficient and well-selected staff, that we are largely indebted for the position that we are so proud of to-day. I have much pleasure in seconding the resolution for the adoption of the report.

On motion of Mr. A. Nairn, seconded by Mr. William Ross, a cordial vote of thanks was passed to the president and board of directors for their services and attention to the interests of the company during the past year.

Messrs. F. J. Stewart and J. K. Niven having been appointed scrutineers, the election of directors for the ensuing year was proceeded with, which resulted in the unanimous re-election of the old board, viz.:—Messrs. A. M. Smith, George A. Cox, Hon. S. C. Wood, Robert Beaty, A. T. Fulton, George McMurrich, H. N. Baird, W. R. Brock and J. J. Kenny.

At a meeting of the board of directors held subsequently, Mr. A. M. Smith was re-elected president and Mr. George A. Cox vice-president for the ensuing year.

#### HAND-IN-HAND INSURANCE COMPANY.—MUTUAL AND STOCK.

The eighteenth general ordinary meeting of the members and shareholders was held at the offices of the company, Queen City Chambers, Church St., Toronto, on Tuesday, 24th day of February, 1891, the president in the chair. The following is the report submitted:

#### REPORT.

The directors beg to submit to the members and shareholders the revenue accounts for the past year and the balance sheet showing liabilities and assets on 31st December, 1890.

The number of policies in force at the close of the year was 725, covering at risk, after deducting the re-insurance, the sum of \$1,631,840.

The total revenue from the fire branch was \$48,603.49, and after deducting all expenses and claims for fire losses the balance to carry forward was \$15,953.64.

The balance now standing at the credit of the revenue account of the Plate Glass Branch is \$7,968.82, which includes the necessary re-insurance reserve, and may, we think, be considered satisfactory.

In view of the foregoing results the usual two per cent. dividend on the capital of the company, being equal to ten per cent. on the paid-up portion thereof, was declared.

The retiring directors this year are: Dr. L. W. Smith and Thos. Flynn.  
All of which is respectfully submitted.  
HUGH SCOTT, Secretary.  
W. H. HOWLAND, President.

#### REVENUE ACCOUNT—FIRE BRANCH—FOR YEAR ENDING DECEMBER 31st, 1890.

Dr.  
To balance carried forward from 1889.....\$ 4,462 94  
Premium income, 1890... 42,635 32  
Interest, 1890 ..... 1,505 25  
\$47,098 26  
\$48,603 49

Cr.  
By salaries, directors' fees, commission, advertising, rent, postage, legal expenses, plant, plans, etc... \$ 6,642 08  
Claims—fire losses..... 14,469 00  
Cancelled policies and rebate ..... \$ 1,497 58  
Re-insurance ..... 10,040 26  
11,537 84  
Balance to balance sheet ..... 15,953 67  
\$48,603 49

#### REVENUE ACCOUNT—PLATE GLASS BRANCH—FOR THE YEAR ENDING DECEMBER 31st, 1890.

Dr.  
To balance carried forward from 1889 ..... \$ 6,031 02  
Premium income and interest, 1890. 4,864 25  
\$10,895 25

Cr.  
By commission, charges, stationery, proportion of advertising, rent, directors' fees, etc. .... \$ 1,210 00  
Claims paid ..... \$1,271 15  
Cancelled policies ..... 445 20  
1,716 35  
Balance to balance sheet ..... 7,968 82  
\$10,895 25

#### BALANCE SHEET FOR THE YEAR ENDING DECEMBER 31st, 1890.

Dr.  
To capital stock subscribed.....\$100,000 00  
Scrip issued prior to 1890.....\$15,798 00  
Revenue Account—fire branch, 1890..... 15,953 67  
31,751 67

Contingent Account..... 6,015 93  
Sundry creditors..... 1,409 20  
Revenue Account—plate glass, 1890 7,968 82  
\$147,145 62

Cr.  
By capital liable to call..\$80,000 00  
Undertakings in force December 31st, 1890.. 11,886 84  
—\$ 91,886 84

First mortgages on real estate, valued at \$91,300..... 29,952 17  
Cash on deposit—Ontario Bank..... 5,736 12  
Freehold Loan and Savings Company..... 11,138 65  
Bank stock—20 Shares Dominion Bank.....  
Bank stock—25 Shares Bank of Commerce... 5,000 00  
British Canadian Loan and Investment Co. stock, 80 shares.....  
Building and Loan Association stock, 20 shares..... 1 500 00  
Sundry debtors, including accrued interest.. 2,931 84  
55,258 78

I hereby certify that I have audited the books and examined the vouchers and securities of the company for the year ending 31st December, 1890, and find the same correct, carefully kept and properly set forth in the above statements.

HENRY WM. EDDIS, F.C.A., Auditor.  
SCOTT & WALMSLEY, Underwriters.  
Toronto, February, 1891.

The retiring directors were unanimously re-elected, and at a subsequent meeting of the board W. H. Howland was elected president and B. Homer Dixon vice-president.