SIXTIETH ANNUAL REPORT

The London Mutual Fire Insurance Co. of Canada

DIRECTORS REPORT

Your Directors submit herewith the Sixtieth Annual Statment of the Company's affairs, showing Assets and Liabilities as at December 31st last, and Income and Expenditure accounts for the year 1919.

The affairs of the Company have shown a vigorous and healthy growth during the year, and the profits have been substantial.

The net premium income was $525,184.05, an increase of $126,936.39, while the net losses were $226,495.18, a decrease of $27,718.09, and a ratio of 43.13 per cent. of net premium income. The Cash Assets were increased by $184,257.02 and now stand at $668,121.70. The Bonds and Debentures owned by the Company now amount to $370,473.63, an increase of $152,198.80. All the Securities purchased are of the highest class and with a return to more normal conditions in the money market, are likely to show a considerable appreciation on their present book value.

The Trading Profit for the year, after deducting losses paid and estimated and expenses paid, from premiums written, interest and other income, amounted to $118,608.58, and after adding $59,083.78 to Reinsurance Reserve, $5,931.74 to reserve for Taxes, $8,000.00 to Bonus Reserve $4,785.76 to reserve for building and furniture and fixtures, and appropriating $2,750.00 for dividend, the sum of $43,057.26 was added to surplus, making a cash surplus to Policyholders of $207,375.13, to which must be added the unassessed portion of Premium Notes, amounting to $150,947.35, making a total surplus to Policyholders of $358,322.48.

During the year Reinsurance Contracts have been made with companies of good standing, which enable the Company to write substantial lines on desirable classes of business, thereby increasing the facilities which it offers to Agents, and of which they are largely availing themselves.

The vacancies on the Board of Directors caused by the resignation of Mr. R. Home Smith, and Mr. G. H. Williams, have been filled by the election of Mr. W. H. Hunter, President of the Independent Order of Foresters, and Mr. W. J. Wilcox, a Director of Carson and Williams Bros., Limited.

Your Directors wish to place on record their appreciation of the loyal support which the Company is receiving from its Agents, which is so plainly shown by the results of the past year, and also of the loyal and efficient service rendered by the Field and Office Staffs, which has done much to promote a feeling of good fellowship in our organization, and to foster a spirit of co-operation which is bound to show still more satisfactory figures in future years.

All of which is respectfully submitted.

A. H. C. Carson,
President.

January 23rd, 1920.

FINANCIAL STATEMENT AS AT DECEMBER 31ST, 1919

ASSETS

Bonds and Debentures		$370,473 63	
Mortgages Receivable		11,500 00	
Due by Reinsurers		3,125 00	
Interest Accrued		4,770 57	
Rents Accrued		420 00	
Agents' Balances		62,607 72	
Cash on hand and on deposit		67,563 66	
			$520,460 58
Office Furniture, Goad's Plans and Automobiles (Toronto and Montreal)	$32,760 72		
Less Reserve for Depreciation	22,760 72		
		$10,000 00	
Real Estate and Buildings	$167,166 14		
Less Reserve for Depreciation	6,576 22		
	$160,589 92		
Less Mortgage Payable and Accrued Interest	22,928 80		
		137,661 12	
			147,661 12
Contingent Portion Premium Notes			*150,947 35
			$819,069 05

*In addition to the above there is on hand $95,598 12, being portion of Premium Notes subject to assessment during the next two years.

LIABILITIES

Unadjusted Losses	$ 19,746 27	
Government Taxes Accruing	11,384 18	
Held on Account of Reinsurers	85,588 12	
Sundry Accounts Payable	702 79	
Provisions for Agents' Bonuses	6,000 00	
		$123,421 36
Reserve for Reinsurance, Full Government Standard		334,575 21
Provision for Dividend		2,750 00
Capital Stock Paid Up	$ 19,250 00	
Surplus Account	188,125 13	
Cash Surplus to Policyholders	$207,375 13	
Contingent Portion of Premium Notes	150,947 35	
Total Surplus to Policyholders		358,322 48
		$819,069 05

INCOME

By Gross Premiums		$783,738 49	
Less Cancellations and Rebates	$ 78,728 95		
Less Reinsurance Premiums	179,825 49		
		258,554 44	
			$525,184 05
By Income from—			
Profit on Sale of Securities	$ 2,605 15		
Interest, Dividends and Rents	14,810 83		
Sundry Income	29 47		
			17,445 45
			$542,629 50

EXPENDITURE

To Losses	$327,441 05	
Less Salvage and Reinsurance Recovered	100,945 87	
		$226,495 18
To Commissions, Agency and Management Expense, etc.		206,518 66
To Amount Written Off Office Furniture, Goad's Plans, Automobiles and Real Estate		4,724 62
To Increase in Reinsurance Reserve		59,083 78
To Profit for Year 1919		45,807 26
		$542,629 50

AUDUITORS' CERTIFICATE

We have audited the books of the London Mutual Fire Insurance Company of Canada for the year ending December 31, 1919. We find the books to be in order and all the information asked for has been cheerfully given.

Our examination has included the Cash and Bank Books, Premium Registers, Agents' and Branch Balances and the securities held by the Company.

We certify that the annexed Balance Sheet is in accord with the books and in our opinion is a full and fair statement of the position of the Company on that date.

EDWARDS, MORGAN & CO.,
Chartered Accuntants.

January 23, 1920.