

# British America Assurance Company

## SHAREHOLDERS' MEETING.

The Sixty-eighth Annual Meeting of the Shareholders of the British America Assurance Company was held at its offices, Toronto, on Thursday, the 27th ult. The President, Hon. Geo. A. Cox, occupied the chair, and Mr. P. H. Sims, who was appointed to act as Secretary, read the following

## ANNUAL REPORT.

Your Directors have pleasure in presenting the Sixty-Eighth Annual Report and Financial Statements, duly vouched for by the Auditors of the Company.

There has been a moderate increase in the Premium Income in all branches, the Canadian Fire Business, particularly, showing a considerable increase over that of any previous year, this being mainly due to the advanced rates which have been obtained.

The Balance of Revenue Account, \$99,500.00, has been applied as follows:—\$5,000.00 for two half-yearly dividends, the first at the rate of Seven Per Cent. and the second at the rate of Six Per Cent. per annum, \$4,045.26 written off office furniture and Securities, and the balance, \$30,544.74, added to the Reserve Fund, which now stands at \$512,001.96.

Although considerable progress has been made during the year in the direction of advancing rates throughout Canada and the United States, the results of the business, owing to the increase in fire losses, have not proved satisfactory to companies generally, and measures are now being taken for further advances, which should bring about a material improvement in the condition of the fire insurance business on this continent.

GEORGE A. COX, President.

## SUMMARY OF FINANCIAL STATEMENT.

|                                                                                |                |
|--------------------------------------------------------------------------------|----------------|
| Total cash income.....                                                         | \$2,040,197 10 |
| Total expenditure, including appropriation<br>for losses under adjustment..... | 1,940,607 10   |
|                                                                                | 99,500 00      |
| Dividends declared.....                                                        | 65,000 00      |
| Total assets.....                                                              | \$1,755,849 21 |
| Cash capital.....                                                              | \$1,000,000 00 |
| Reserve fund.....                                                              | 612,001 96     |
| Security to policyholders.....                                                 | \$1,612,001 96 |

The report, on motion of the President, seconded by the Vice-President, was carried unanimously. In moving the adoption of the report the President said:—

The Revenue Account shows that, after deducting losses and expenses from the premiums for the year, there is a balance, or underwriting profit, of \$58,795. This, with the earnings from interest and rents, \$40,795, makes the total balance at the credit of Revenue Account \$99,500. Compared with the preceding year the figures before you show a gain in premiums (after deducting re-insurances) of \$127,150, and a reduction in losses of \$16,124.

This increased income is derived mainly from the fire business and, as stated in the report, is chiefly due to the better rates that have prevailed. In the Marine Branch there has been little change in the volume of business we have done, but while the income from this source represents less than one-fourth of the total premiums received, we are indebted to this Branch for nearly one-half the year's profits.

Taking into consideration the large amount of fire business transacted, the results of the year—although they show a marked improvement on those of the year 1900—cannot be regarded as affording an adequate margin of profit, but those of you who have noted the records from month to month of the serious fires in Canada and the United States, beginning

with the conflagration in the business centre of Montreal in January last, must, I think, regard the accounts presented as more favourable than might have been anticipated. We can at least claim that they will bear comparison in their general results with those shown by other companies operating in the same fields as ourselves, and this is perhaps the best test of the judgment exercised by the officers and agents of the Company in the prosecution of its business. The problem as to what rates will be adequate to meet the losses of any one year is a difficult—I might say an impossible—one for the most experienced underwriters to solve. They can only meet the changed conditions that confront them from time to time by re-adjusting their rates in accordance with the loss records which these changing conditions produce. The adverse experience of companies engaged in the fire business on this continent for the past two years has shown the necessity of increases on many classes of risks, and we have benefited to a considerable extent from the advanced rates which prevailed during the year 1901, and in view of the action taken during the past ten days by all the leading companies doing business in the United States to bring about a more radical advance than has hitherto been attempted I feel that we may safely anticipate that these improved conditions will have even a more marked effect upon the business of the present year.

In reviewing the business of the past year, as well as of the preceding eight years during which I have had the honour of occupying this chair, it is very gratifying to observe the progress which the Company has made in its fire business in Canada, as well as the profits which have accrued upon this, notwithstanding the losses by the conflagrations of the past two years. A company which has been doing business—as the British America has—for upwards of two-thirds of a century, should, we have felt, occupy a prominent position in connection with the business of its home field, and while an income equal to that of some leading British offices, which carry much larger amounts on individual risks, might not be looked for, it should command a liberal share of the business, and be able to show results equal to, if not better than, the average results of its competitors. The progress which the British America has made in this direction under its present management is indicated by the following figures:—In 1892 the total fire premiums of the Company in Canada were \$173,951; in 1901 they amounted to \$351,505. These figures represent the net premiums (after deducting re-insurances), so that during these nine years the income of the Company in this branch has increased upwards of 100 per cent., while the total increase of all companies reporting to the Department is about 40 per cent. It is still more gratifying to find from the annual returns of companies doing business in Canada, published by the Dominion Government, that while for this same period the average loss ratio of all companies reporting to the Canadian Insurance Department is 70.3 per cent., our losses have been but 50 per cent. of the premiums received.

While this has been our experience at home, the progress we have made in other fields in the way of securing advantageous connections has been such as to warrant our looking for equally favourable results from our agencies outside the Dominion, particularly when we bear in mind the improved outlook to which I have referred in the United States, from which territory a large proportion of our income is derived.

In conclusion, I desire to avail myself of this opportunity of expressing our appreciation of the work of the officers of the Company, both at its Head Office and at its Branch Offices, and our obligations to our General and Local Agents for their services in the Company's behalf during the past year.

The following gentlemen were re-elected to serve as Directors during the ensuing year:—Hon. Geo. A. Cox, J. J. Kenny, Augustus Myers, Thomas Long, John Hoskin, K.C., LL.D., Hon. S. C. Wood, Robert Jaffray, Lieut.-Col. H. M. Pellatt and E. W. Cox.

At a meeting of the Board, held subsequently, the Hon. Geo. A. Cox was re-elected President and Mr. J. J. Kenny Vice-President.