footing up a total of \$68,358.47 for claims paid; of this sum \$13,346.84 were for losses that had not been reported at the close of last report, and \$55,071.63 for losses that occurred during the year. The tabular statement attached gives the particulars of each loss, so far as could be ascertained upon inspection, and it is to be regretted that the number attributable to incendiarism is very large. There can be no room for doubt that the crime of incendiarism is on the increase. The experience of all insurance companies shows this, and it is a question whether the Legislature should not take steps to provide a remedy by simplifying and cheapening the mode of instituting enquiries into the origin of every doubtful fire.

Financial Statement—Notwithstanding the heavy losses, the directors are happy to say that they are more than counter-balanced by the receipts, as will be seen by the appended accounts. The available assets have been increased by \$9,801.58. The majority of insurance companies have a far different and adverse result to report of their experience of 1877; some have altogether gone under, and others have been so crippled in their resources that only years of careful management will restore them to their original position.

Policies—The number of policies issued during the year amounted to 13,749, of these 9,629 were on the cash system, and 4,120 on the premium note system; an increase of 322 over the issue of 1875. The total number of policies now in force being 40,167, and with the exception of, perhaps, 150 (on the Quebec side of the Ottawa River), all in the Province of Ontario.

Selection of Risks—As from the first establishment of the company, the directors have given their greatest care to the selection of risks, and have confined their business to a particular class, and not been led away for the sake of high premiums to take risks of a more dangerous character. By pursuing this course the company has attained its high position of stability.

Rates-The question of rates has engaged the serious attention of your board, and the advisability of making an advance has more than once occurred during the last three years. Owing to the increase in amount of losses, the present cash rates have left scarcely any margin, so were it not from the strictest economy being practised in the management of the company, and the prudence evinced by the board in always leaving a year's back premiums to be collected, it would have been next to impossible to have made the two ends meet. It is not unreasonable to expect, then, that should the losses of 1878 continue in the same proportion as in the last cycle of three years, a slight advance in the rates, as far, at least, as the cash system is con-cerned, must take place; and this, perhaps, would be a matter of prudence, for as the amount of business increases, the permanent deposit with the government should be enlarged for the better security of the policy-holders. directors are confident that a slight increase in rates, for these causes, would be cheerfully met by the members, who have practically shown their confidence in the old "Agricultural Mutual" for now going on to a quarter of a century.

Inspection—The affairs of the company underwent, as usual, a close inspection during the year, by the Government Superintendent of Insurance, Professor Cherriman, who expressed himself satisfied with the position of the company. Your board consider it one of the greatest advantages to the members of the company, to have their affairs investigated by a disinterested and capable official, and this is one of the main reasons why your board prefer working under a Dominion license, instead of a Provincial one, as under the latter no official inspector is employed, although it is feared the services of such a person in many cases is sadly required.

In Conclusion-Your board claim that every promise made by the promoters 20 years ago has been faithfully carried out, and to-day you have a company firmly established on a sound basis, possessing the confidence of the public, and doing double the amount of business of any other company in the Province. New companies have been organized—some on theoretical and fanciful grounds, but your company has steadily gone on increasing in strength, and is conducted more economically than any other company in the Dominion-perhaps in the world-the total annual expenses not averaging more than 61 cents on each \$100 insured, as will be seen from the carefully prepared table appended hereto, showing the operations of the company for 18 years.

Retiring Directors—Three directors now retire by rotation; they are Messrs. Richard Biddulph, James Armstrong and Moses Springer, M.P.P. They are eligible for re-election.

All of which is respectfully submitted.

Secretary.

D. C. MACDONALD,

CROWELL WILLSON,
President.

800.0121,0		
CASH ACCOUNT1877.		
Receipts.		
Balance from last report\$		90
Received from agents	53,459	55
Received from assessment		
No. 14 \$ 119 48		
Received from assessment		
No. 15 14,911 54		
Received from assessment		
No. 16 19,709 19		
	34,740	21
Interest	2,014	49
Transfer fees	181	32
Extra premiums	157	39
Bills receivable	191	49
Premium note cancellations (earned	•	
premiums before assessments)	187	78

D '.	8:	151,333	13
Disbursements.	_		
Losses	\$	68,358	47
Bank agency for paying losses		165	45
Salaries-Fire inspector,		_	
salary and expenses\$ 2,427	77		
Salaries-Officials, audi-	••		
tors and clerks 5,931	12		
Salaries-Agency inspec-			
tion	05		
Salaries-Directors' fees. 1,563			
Writing policies 663			
		10,669	04
PostagesAnnual reports \$ 368	02	20,009	94
Policies 92			
Notices assess-	V4		
ment No. 16 128	-0		
	-		
Gen'l postages 571	30		
		1,161	
Printing		1,273	
Advertising		303	
Stationery	• •	301	35
Sending out annual re-			
ports—mailing, etc \$ 110	56		

Sending out notices as- sessment No. 16—mail-	
ing, etc	
Law expenses (including \$400 ad-	156
vanced on a suit in appeal)	458
Reinsurance	463
Returned premiums	260
Cash paid agents	481
spection and certificate	132
Rent	525
Office furniture	44

--Telegrams,

offices.\$48 oo

&c.... 12 26

Petty Expenses—Cleaning

38

00

60 26

Incidentals Dominion stock			103	28
" deposit Cash in treasurer's hands (stamps, &c.) Cash in Federal Bank " Molsons Bank	25,000 784 15,573	00 35 41		
Wolsons Dank.	56	2 5	66,414	01
		9	151.322	72

Examined and compared with books and vouchers and found correct as above set forth.

J. Hamilton,
J. D. R. McLean,
Auditors.

London, Ont., January 19th, 1878.

CAPITAL ACCOUNT.

Assets. Amount available of premium notes Premiums due by agents secured by short dated due bills from members	137,339	89
and bonds	43,184	01
Due on assessment No.15.\$ 2,173 35		
Due on assessment No.16. 15,957 53		
	18,130	88
Bills receivable	6,329	34
Mortgage on old premises	3,857	62
Office furniture	607	8:
Dominion stock\$25,000 00	•	-
" deposit 25,000 00		
	50,000	00
Cash in Federal Bank 15,573 41	-	
" Molsons Bank 56 25		
" Treasurer's hands 784 35	_	

Liabilities.	47	275,803 58	5
Bills payable	. \$	25,000 00)
Total capital account credit	. \$	250,863 58	3

16,414 01

Policies Issued.
Policies in force, January 1, 187740,049
Policies issued in 1877, cash system. 9 629

Policies issued in 1877, premium note.4,120 —— 13,749 —— 53,708

London, Ont., February 19th, 1878.

The retiring directors were re-elected, and after a number of complimentary resolutions were passed, a subsequent meeting of the new board was held, when Mr. Crowell Willson was re elected president, with Mr. Daniel Black vice-president.

UNION LOAN AND SAVINGS COMPANY.

The annual meeting of stockholders of this Company was held at its office, Union Block, Toronto street, on Friday, the 15th day of March, 1878. Amongst those present were: Messrs Francis Richardson, President; Arthur Lepper, Vice-President; James Fleming, Dr. W. B. Geikie, R. H. Trotter, Ald. McGee, and John Eastwood, Directors; W. Mortimer Clark, Solicitor; Messrs George Smith, John Morison, A. T. Crombie, Robt. Gilmor, John Heaslip, C. McCaffry, A. Crumpton, John N. Lake, Dr. Carlyle, J. P. Clark, Geo. Gamble, A. T. Gamble, Dr. Hugh Robertson, Cubitt Sparkhall, James Crocker, John H. Davis, James C. Cleghorn, Herbert Mortimer, Thos. Henning, Edward Cooper, John Elliott, &c. Mr. Francis Richardson in the chair. The Secretary, Mr. Maclean,