

conferred on them by the amendment to their Act of Incorporation to very materially increase the amount of insurance on first-class risks, the result of which has been to raise the average risk on each policy, which stood last year at \$685.00, to \$769.22.

Rates.—The rates on first and second class brick dwelling houses were reduced early last year to 50 cts. and 70 cts. respectively per \$100. The rate on isolated wooden buildings and contents was reduced to one per cent for a three year's risk, no premium note being required, so that a member knows exactly what he has to pay, and incurs no further liability. The premium note being abolished, and there being consequently no further security to members than that afforded by the rates imposed, prudence requires that those rates should be maintained sufficiently high not only to provide for the ordinary annual average loss, but likewise for the contingency of increased losses in casual years, a contingency which past experience—particularly that of the unusually heavy losses sustained by more than one company in the years 1864 and 1865, reaching in the case of this Company in the year 1865 to nearly double the ordinary average—has shown will most certainly arise. The Directors are satisfied that the rates now imposed will, with prudent management and a careful selection of risks on the part of their Agents, be sufficient to accomplish both these ends.

Much pressure has been brought to bear on the Directors to induce them to make a still further reduction in the rates, the argument being that other companies did so, and have so far succeeded in meeting their losses. This may be true, but it must be borne in mind that, while a company is doing a large business at the low rate of 75 cents on the \$100, the cash accumulating from the premiums being paid in advance, in anticipation of losses that will occur only in the future, will enable it to pay all present claims with ease, it by no means follows, should the business of such a company fall off, that it would be sufficient ultimately to pay all the losses in full. In view of these facts, your Directors are not prepared at present to advise a further reduction, deeming it better, for the interests of the members, as well as for their own credit, to maintain such rates as will provide undoubted protection to the insured, feeling convinced that such a course will tend to still further secure that confidence in the stability of the Company which the public have ever entertained, and which it is the earnest desire of the Directors to perpetuate.

THOS. STOCK, Chairman.
RICHARD P. STREET, Sec. & Treas.

The report, after some conversation, was, on motion of Thos. Bain, Esq., seconded by Archd. Stewart, Esq., adopted.

Messrs. John Weir and William Macklem were re-appointed as Directors, and Messrs. S. S. Peck, Warden of the County of Peterborough, and William Sexton, M.P.P. for South Wentworth, and Barth. Bull, Reeve of York, were nominated as Honorary Directors.

Several of the agents suggested that, from the very high reputation of the Company, if the Directors could see their way to making a further reduction of the rates, the business would be very largely increased.

The President, as well as R. Christie, M.P.P., who is a member of the Board, and the Secretary, all stated that the matter had, during the past year, as stated in the report, occupied their attention, but feeling the responsibility to preserve undoubted safety under the most exceptional circumstances as the first object in view, they felt it would not be wise to try experiments which their past experience showed at least to be open to question.

Votes of thanks were passed to the Directors, Secretary, Inspector, and Agents, after which the meeting adjourned.

At a meeting of the Directors, held immediately

after the annual meeting, Thos. Stock, Esq., was re-elected President, and William Macklem, Esq., Vice-President.

ONTARIO MUTUAL INSURANCE CO.

The first annual meeting of the policy holders in the Ontario Mutual Fire Insurance Company was held in the company's rooms, Richmond Street, London. Ald. S. McBride, President, occupied the chair. The Secretary, James Johnston, Esq., read the annual report and submitted the financial statement as follows:

Annual Report.

Your Directors, in presenting their first report, beg to congratulate the membership at large upon the great and flattering success which has attended the organization of the company. Its promotion was instigated by a local necessity, and time has shown that the founders were correct in their supposition that this necessity was generally extended. The fact that the special class of risks which are patronized by us having mostly provided the dividends which accrue to insurance companies who accept mixed risks, has made our efforts to reduce their cost appreciated. Your Directors, in striking the tariff of rates, deemed it advisable that it should be based upon an average of the rates of respectable and paying companies. And while a premium note is taken for the full amount, it in no wise follows that the whole will be collected. All that is required is a sufficiency for working expenses and losses; the unpaid balance, if any, is pocketed by the member, inasmuch as he does not pay it. Insurance being effected for a period of three years, the expenses in annually issuing policies are reduced at least one half. Steps, under the General Insurance Act, were taken in March, 1867, for organization, and in September following the first batch of policies were issued. In this, as well as in any new undertaking, there have been prejudices to overcome and difficulties to surmount, yet still those assist in the end to make the success greater. Zeal, in an honest purpose, is only made the more determined by opposition. Your Board now feel that the path for their successors is favorably opened.

During the time the company has been in existence, there have been received 1,059 applications for insurance, 33 of which were rejected; 17 have been cancelled, mostly on account of alienation of property, leaving the number in force 1,009, with an average risk of \$514.

The expenses for the first year, compared with the business done, may appear large. They are, however, inseparable from a commencement in business, and should rather be spread over two years—as, for instance, in the case of furniture, books, &c., necessary for starting, which will probably serve for the next year. Even in this we compare favorably with other companies.

Your Directors have unanimously declined receiving any pay for their past services.

Your Directors regret that several letters and policies have miscarried. Every care is taken by the office in posting, yet they go astray. Several duplicate, as well as triplicate policies have been mailed.

Your Directors hoped that they would pass the first year without levying an assessment, but, unfortunately, a large loss occurred which could not be met in any other way. This call made it rather severe on the older members of the company; but still a further hope is expressed, based on months of exemption from losses, that no further assessment will be made on the same notes.

The losses have been six in number, and to the extent of \$2030 50; of these four have been paid, and appear in the account, amounting to \$2020 50; the remainder are only awaiting the vouchers to be settled.

The cash statement and capital account are annexed, which have been duly audited.

Under the general act your directors retire, but

are eligible for re-election. Several Companies have applied to and received from the Legislature a special Act, amending this clause, as well as others, so that two or three Directors only retire annually, leaving (should they not be re-elected) a sufficiency to induct the incomers into their duties and responsibilities. We have deferred any action in the matter this year, preferring to agitate the question in proper quarters for its embodiment in the general Act. All of which is respectfully submitted.

(Signed) SAMUEL MCBRIDE, President.
JAS. JOHNSON, Secretary.

Capital Account.

ASSETS.	
Amount available on Premium	
Notes	\$10,516 82
Due from Agents (mostly secured by due bills).....	837 40
Due on Assessment.....	676 66
Cash in Bank of Commerce...\$336 37	
Cash and stamps in Secretary's hands	104 49
	440 86
Office furniture, etc.....	63 63
	\$12,535 37
LIABILITIES.	
Losses	\$ 10 00
Printing, etc.....	188 15
Law expenses	55 00
Auditors	40 00
Salaries	864 60
	\$1157 75

Examined and compared with the books and vouchers, and found correct,

WM. MCBRIDE, } Auditors.
T. R. WESTCOTT, }

No. of policies issued during the year.....1,028
Less cancelled policies

No. remaining in force

Amount covered by insurance

Average amount of each policy.....

LOSSES.

Philip Cole..... \$5 50
C. Gerhard

Jno. Going..... 10 00
J. D. Dalton

2,000 00
\$2,020 50

Cash Account.

RECEIPTS.

From Agents, in cash premiums.....\$1,687 43
From Assessment

1,820 01
\$3,507 44

DISBURSEMENTS.

Losses

Salaries, on account

Printing and Advertising.....

Stationery

Postages

Discourt

Office Furniture

Rent, \$75; Taxes, \$20 74.....

Fuel, Light, (cleaning, etc.

Incidentals (small sums)

\$3,066 58

Cash in Bank of Commerce...\$336 37

Cash in Secretary's hands, including stamps

104 49

440 86

\$3,507 44

Examined and compared with the books and vouchers and found correct.

WM. MCBRIDE, } Auditors.
T. R. WESTCOTT, }

30th Jan. 1869.