

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF THE Citizens Insurance Company.

At the Annual Meeting, held on Monday, 20th February, 1882.

The following Statement shews at a glance the comparative figures of the business done by the Company in the last two years:—

REVENUE.		1880.	1881.	INCREASE. 1881.
Fire Branch....		\$106,463 21	\$138,548 22	\$32,085 21
Guarantee do . . .		14,669 53	14,886 12	216 59
Accident do		4,506 00	10,150 34	5,644 34
		\$125,638 74	\$163,584 88	\$37,946 14

It will thus be seen that there is a fair increase in every department of the business, especially in view of the continued reduction in rates, and the persistent increase of competition in each one of the branches.

Unfortunately, the losses, as shewn in the subjoined statement, have increased in even a greater ratio than the receipts.

LOSSES.		1880.	1881.	INCREASE 1881.
Fire Branch....		\$43,104 50	\$95,787 19	\$52,682 69
Guarantee do		1,654 74	12,374 01	10,719 27
Accident do		376 00	625 59	249 16
		\$45,135 67	108,786 79	\$63,651 12

This increase of losses is to be regretted. Both the Guarantee and Fire Branches show an undue proportion. The extensive conflagrations in Quebec and Joliette absorbed \$25,914, and the increase of fires is also to be seen from the fact that the claims filed in this department were 107 in 1880, as against 200 in 1881.

Other companies suffered in at least an equal proportion to this Company.

The working expenses for the year have been.....	\$ 47,106 86
As against in 1880.....	36,789 49

Increase \$ 9,317 37

But this is only in proportion to the increased business done, the ratio being 28¾ per cent. for this year, as against 29¼ per cent. for the last year.

The reserves to meet the premiums on unexpired Policies in all Branches are... ..	\$194,093 27
As against in 1880.....	176,198 07

An increased liability of..... \$ 17,895 20

The Life Branch shows a surplus of	\$ 20,613 43
As against last year.....	16,678 72

A gain in assets of..... \$ 3,934 71

The Accident Branch continues to show satisfactory results, and will probably be even better in the future. The receipts from it have more than doubled in the past year.

The Directors, during the year, had several times under consideration the advisability of altogether disposing of the Guarantee Branch of the Company's business. It has not been very profitable, and a new competing Company having appeared on the scene, they thought it would probably be even less profitable in the future than in the past.

They, therefore, embraced an opportunity of sale on fair terms, which, they believe, will be a benefit to the Company.

The accounts of the Company on the table have been carefully audited, and a certificate to that effect is submitted herewith.

The Directors who go out of office at this time are Messrs. ANDREW ALLAN, HENRY LYMAN, and ROBERT ANDERSON, all of whom are eligible for re-election.

HUGH ALLAN, President.

Fire, Guarantee and Accident Branches.

REVENUE.

By Fire, Guarantee and Accident Premiums.....	\$163,584	88
“ Interest and Rents.....	9,265	77
“ Other Receipts.....	1,233	49
“ Balance	14,255	00
		\$188,339 14

EXPENDITURE.

To Losses, including Outstanding Claims, to 31st December.....	\$108,786	79
Re-Insurance and Return Premiums.....	32,445	49
“ Working Expenses, including Commission, Interest and Bonuses to Accident Policy-holders	47,106	86
		\$188,339 14

ASSETS.

Real Estate	\$ 85,000	00
Montreal Harbor Bonds	64,010	00
Merchants Bank Stock, 242 Shares—125½	30,371	00
Provincial Loan Company, 10 Shares	200	00
Bills Receivable	9,289	09
Agents' Balances	17,531	45
Sundry Debtors, and amounts Secured by Life Policies	5,440	09
Furniture and Plans	2,000	00
		\$213,841 63

LIABILITIES.

Losses in course of Adjustment.....	\$16,076	25
“ Contested of previous years.....	3,390	00
		\$19,466 25
Mortgage due 1885	\$45,000	00
Accrued Interest	784	11
		\$ 45,784 11
Due for Re-insurance	543	89
Merchants Bank	11,381	55
Re-insurance Reserve, as required by Government standard.	66,609	03
Balance, being excess of Assets.....	70,056	80
		\$213,841 63

Life Department.

REVENUE.

By Premiums	\$27,096 11	
" Interest	7,113 37	
		\$34,209 48

EXPENDITURE.

To Death Claims, including Outstanding Claims, to 31st December, 1881	\$ 14,686 30	
" Re-Insurance	5,927 86	
" Expenses, including Commission, Taxes, Rent, etc.....	7,506 00	
" Balance.....	6,089 32	
		\$34,209 48

ASSETS.

STOCKS AND BONDS.

Montreal Harbor Bonds.....	\$ 13,440 00	
Corporation Stock.....	21,705 00	
Corporation Bonds.....	59,850 00	
Toronto Bonds.....	11,220 75	
Merchants Bank Stock, 94 shares, 125½.....	11,797 00	
		\$118,012 75
Cash in Banks.....	20,691 95	
Loans on Policies.....	6,153 71	
Sundry Agents.....	664 24	
Suspense Account.....	208 20	
Accrued Interest.....	740 33	
Premiums Outstanding.....	\$ 7,246 63	
Deferred Premiums.....	3,989 86	
		\$ 11,236 49
Less 10% cost of Collection	1,123 64	
		\$ 10,112 85

\$156,584 03

LIABILITIES.

Bonus Account.....	\$ 886 36	
Losses in course of Adjustment.....	7,600 00	
Reserve for Surrender Policies.....	750 00	
Net Reserve on all outstanding Policies taken at H. M. 4½ per cent., as ascertained by Government	\$126,734 24	
Excess of Assets over all Liabilities	20,613 43	
		\$156,584 03