

1878-3



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PROCEEDINGS

—OF THE—

FIRST ANNUAL MEETING

—OF THE—

DOMINION GRANGE

Mutual Fire Insurance Association,

Held in the City of Toronto, on

THURSDAY, JANUARY 17, 1878,

TOGETHER WITH THE

REPORT OF THE BOARD OF DIRECTORS.

HEAD OFFICE--SARAWAK, ONT.

POST OFFICE BOX C, OWEN SOUND.

OWEN SOUND:

JNO. RUTHERFORD, GENERAL BOOK AND JOB PRINTER.

1878.

1878.

OFFICERS
—OF THE—
DOMINION GRANGE MUTUAL
FIRE INSURANCE ASSOCIATION.

President:

S. W. HILL.

Vice-President:

A. GIFFORD.

Treasurer:

J. P. BULL.

Manager and Secretary:

R. J. DOYLE.

Board of Directors:

S. W. HILL, *Ridgeville.*

A. GIFFORD, *Meaford.*

J. P. BULL, *Downsview.*

W. P. PAGE, *Fonthill.*

S. PARSONS, *Baltimore.*

JAS. DALY, *Newburg.*

E. H. HILBORN, *Uxbridge.*

C. DRURY, *Crown Hill.*

A. J. HUGHES, *Sharon.*

BENJ. PAYNE, *Deleware.*

R. J. DOYLE, *Owen Sound.*

Finance Committee:

A. GIFFORD.

A. J. HUGHES.

CHAS. DRURY.

R. J. DOYLE.



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FIRST ANNUAL REPORT
—OF THE—
DOMINION GRANGE MUTUAL
FIRE INSURANCE ASSOCIATION.

The First Annual Meeting of the Dominion Grange Mutual Fire Insurance Association was held, according to public notice, in Albert Hall, No. 191, Yonge Street, in the City of Toronto, at 2 o'clock p.m., on Thursday, the 17th of January, A.D. 1878, the following members being present, viz.: S. W. Hill, A. Gifford, J. P. Bull, James Daly, A. J. Hughes, John Ireland, R. J. Doyle, W. P. Page, J. T. Gould, W. Cole, Wm. Bell, Wm. Goulding, Jno. Beasley, Wm. Gibson, Jno. Duncan, E. H. Hilborn, W. H. Orvis, Benj. Payne, John Field, Hy. Palmer, Isaac Austin, Thos. Carlow, Jesse Trull, Jabel Robinson, Slem Parsons, S. Beale, J. W. Smithson, Geo. Mitchell, D. Ewing, Thos. Blezzard, John Jackson, John Armstrong, Andrew Orvis, G. B. Miller, John D. Hart and D. W. Page.

The President, S. W. Hill, having taken the chair, it was—

Moved by Thomas B. Carlow, seconded by Jesse Trull, That no member of the Grange be admitted to this meeting, who is an agent or Director of any other Fire Insurance Company, unless such agent or Director is insured in this Association.

After discussion, this was lost on a division.

PRESIDENT'S ADDRESS.

To the Officers and Members of the Dominion Grange Mutual Fire Insurance Company:—

GENTLEMEN,—

It affords me great pleasure as the presiding officer of your Company, to address you, at this your first annual meeting, and recite you somewhat to the prosperous conditions of the Company, and the happy results that seem to be awaiting it in the future—a proof conclusive that any class whose interests are identical, can effect much for good by co-operation. The farmers of Canada have long felt the necessity of an Insurance Company, established upon a reliable basis, and one that would meet their several requirements. So great has the necessity been for a cheaper mode of Insuring isolated property, that the farmers in several Counties in Ontario have established County Insurance Companies, which are working successfully.

Since some of the old Insurance Companies have gone out of active business, and others are past being resuscitated, public confidence has become very much shaken in the stability of some of those remaining. Therefore we are convinced that by having the strong arm of the Dominion Grange to buoy us up, and the reliable features our Company offers, we are satisfied no Insurance Company has been established offering better security to those who become insured. The subject was agitated in previous meetings of the Dominion Grange; but it

never took shape until the Session of 1876, when a committee of three were appointed, and upon recommendations contained in their report, a committee of five were appointed by the Master of said Grange, namely: R. J. Doyle, Owen Sound; B. Paine, Delaware; J. T. Gould, Foley; J. W. Ferguson, Birr; Henry Ivy, Jarvis; who were to act as Provisional Directors. With permission I insert a portion of said report:

"Your Committee appointed to consider the subject of Insurance, and to convey to you the result of their deliberations, beg to report:—

"1st. That while in a few sections of the Dominion there are in existence local Mutual Fire Insurance Associations, which have reduced the cost of Assurance very materially, the great mass of the farming community are paying too much for their protection from loss by fire.

"2nd. That in the opinion of your Committee, the time has arrived when immediate steps should be taken to establish a Mutual Fire Assurance Association, solely for the benefit of our patrons, on a sound and healthy basis, which will provide, if possible, security at its true value, and be an institution which will tend to strengthen the bond of brotherhood, and stimulate our neighbors to seek admission to our Order.

"3rd. Your Committee are strongly of opinion that a few important changes should be made in the general system of Mutual Insurance, as now in operation in Ontario, to adapt it to the requirements of our brotherhood, some of which we desire to draw your attention to, namely:—Losses payable on adjustment of claim, without the usual three months delay. Estimated assessments deposited in advance, thus saving the immense labor and cost of collecting a large number of small sums, at the same time enabling the Society to pay losses promptly, without the delay of collecting from the members. Conditions of Policies entirely free from usual technicalities, which may to some extent be necessary in protecting a Company when doing business with all classes of society, but which would be entirely unnecessary in an Association such as ours. With this end in view, the members of your Committee are convinced that to secure the establishment of such a Company in the shortest possible time, it is desirable for our Worthy Master to appoint a standing Committee of five, who shall be considered Provisional Directors, and whose duty it shall be to prepare Constitution and By-Laws, forms of application, policies and their conditions, and classify insurable property; and to take such other steps necessary for organization, (which should be approved by the Executive Committee) after which they shall call the members together for the election of permanent Directors, as provided by the general Act of Incorporation.

(Signed)

"R. J. DOYLE,

"J. K. DECATUR,

"WM. AULD."

The Committee of five thus appointed, met from time to time and prepared a scheme, which was approved of by the Executive Committee of the Dominion Grange. A meeting was called for the 28th of March last, and permanent organization was effected by electing officers and Directors of said Company. Since its permanent organization, the energetic labors of Officers and Directors have brought it to a commendable position, and we are now prepared to place before you as a record of our labor, a Company with a risk of \$1,130,082, and a

cash deposit of several thousand dollars at interest. Much praise is due our Managing Director, R. J. Doyle, for his untiring efforts in promoting the great work, some of which was a herculean task, and could only be surmounted by indomitable will. He will give you a voluminous report of his labors; also facts concerning the Company, and I will leave to him the task of reporting the finances, as well as many of its advantages over other Companies.

As we have been thus prospered under the auspices of the Dominion Grange, I would suggest the propriety of keeping it not only, under the jurisdiction of the Dominion Grange, but working it with that institution as far as practicable, which would be an incentive in cementing the bond of brotherhood, and inspiring every member with confidence in its utility who adopts it for protection. If thus kept, and with honest and well directed labor, it will require no prophet to herald its success; nor any one to write it the best and most reliable Insurance Company in the Dominion.

Moved by E. H. Hilborn, seconded by G. B. Miller, That the Address and Report of the President of this Association, as just read, be adopted—*carried*.

DIRECTORS' REPORT.

The Managing Director, R. J. Doyle, Esq., then read the report of the Directors, as follows:—

To the Members of the Dominion Grange Mutual Fire Insurance Association:

In presenting you with the first Annual Report of this Association, the Directors have to congratulate the members with the great success of the undertaking.

They have had many unforeseen difficulties to encounter, all of which have been overcome, and they can now with pleasure present to you the Report of the transactions of this Company for the first nine months, which shows a larger amount of business than your Directors expected during 1877.

LOSSES.

The Association has sustained three losses, all of which were paid promptly, (and there is no doubt but all have been caused by the incendiary's torch,) a detailed statement of which is attached. (See Appendix No. 1.)

POLICIES.

There were 929 applications received during the year. Of these, 903 were accepted, and Policies issued, and in course of preparation. 20 applications were declined by the Board; 6 deferred, waiting further information. Three Policies have been cancelled during the year.

The average amount covered by each Policy is \$1,256.00, a very high one indeed, compared with that of other Companies doing the same class of business—shewing conclusively the superior quality of the Risks held by this Association. Appended you will find a full Financial Statement, which has been audited by the Auditors of the Association, which the Directors flatter themselves will be found satisfactory to the members, and they feel assured that no "Mutual" in Ontario has sur-

passed this Association during the first nine months of its operations. One thing is certain, no Farm Mutual Insurance Company in Canada offers as great security to its members as the Dominion Grange Mutual Insurance Association.

We have to report now on hand—

On Deposit, bearing interest at 6 per cent. \$3,047 77
And short date Notes for deposits 1,154 29

Making a cash capital of \$4,202 06
Besides our Reserve Contingent fund, or undertaking capital, which was on the 31st of December \$25,363 43

Our members can therefore rest assured of the Association's ability to pay, should any of them suffer loss.

INCENDIARISM, AND ITS REMEDY

Your Directors are of opinion that their successors should lose no time in attempting to check the Incendiary, who is still on the march; and would recommend that a standing reward be offered for evidence to convict persons guilty of this crime, and they are of opinion that every community in which an incendiary fire occurs, should take immediate steps for a thorough investigation, with a view to bringing the guilty to justice.

This Association has adopted the plan of insuring all buildings for an amount not exceeding two-thirds the value, requiring the insured to retain one-third interest in buildings, which is the usual course adopted by other Companies, at the same time the full loss and damage on ordinary contents of the buildings (not exceeding the amount insured) is paid by this Association, which is more liberal than some other Companies; the only exception being when the ordinary contents are insured by a tenant who has no interest in the buildings, when they pay three-fourths of the loss and damage (not in any case exceeding the amount insured) as they hold that all should have some interest in taking care of property.

The Board desire to draw the attention of the members especially to the great necessity of care in the *use of matches*, in the *disposal of ashes*, in *keeping Chimneys clean*, and *Stovepipes sound and well secured*, and fire-boards lined with metal.

The Directors sent out Circulars to the members with a view of ascertaining their opinion as to the propriety of the immediate removal of the head office to some more central locality, and have to report 532 answers, 441 of them being opposed to removal, and 91 in favor of removal. A large number have not replied, namely: 318, which would lead the Board to suppose that they are not anxious for removal.

The Directors have learned that in some sections of the country it is the opinion of some of the patrons of Husbandry that the Secretary, or some other person, should be appointed to act as Agent for each subordinate Grange; and while they are anxious to comply with the wishes of the patrons of Husbandry, so far as they can do so consistently with the interests of the Insurance Association, they are not yet convinced that such a course would prove beneficial. They have reason to fear that the work of preparing those legal documents (in which large interests are at stake) would not be so accurately performed as under the present system. They know as a matter of fact that the proposed course would require a much larger outlay for printed forms,

increase the postage account materially, and would require a very great additional amount of correspondence and labor at head office, which would increase the working expenses. This the Directors have been anxious to keep as low as was consistent with proficiency. They have acted on the principle of appointing one Agent for small divisions, and two for large ones, and have to report 53 agents at present, many of whom have lately been appointed, and have therefore just commenced their labors.

Our great success has been mainly due to the activity and intelligence of the Agents, which we believe will compare favorably with those of older Companies, whose Agents have had many years experience in the Insurance business.

The Board have had no little difficulty in trying to harmonise the varied views and opinions of the community, from which the Association receives patronage; but having undertaken a work of so much interest to the great agricultural population of Canada, they consider that they have reason to congratulate the members on the success so far, and they look forward to the pleasing prospect of a largely increased business in 1878.

The Directors had no fund at their disposal to cover organization expenses, which is no small item. They have, therefore, had to pay it for the present out of the past nine months earnings, which is included in the disbursements for the year 1877. They, however, have considered that it would be unjust for the present members to pay the whole of it, and have therefore determined to spread these expenses over a period of four years, charging 25 per cent. of it to the working expenses of each year of the four mentioned.

Our gross working expenses will, therefore, be $20\frac{1}{2}$ per cent. on our receipts of the year. After deducting 25 per cent. of organization expenses, our net working expenses will stand as 18 per cent. on receipts. Comparing our net working expenses with other Companies doing the same class of business, for 1876, it is found as follows, as per the Government Report for that year:—

Dom. Grange Mutual F.I. Assoc'n (for 1877)	18	per cent.
Agricultural Mutual, of London	$30\frac{1}{2}$	"
Isolated Risk Insurance Co.	$43\frac{9}{10}$	"
Canada Agricultural (ceased business)	$49\frac{1}{6}$	"
Ottawa Agricultural	$60\frac{9}{10}$	"

The total amount at risk on the 31st December was \$1,146,957, less \$9,225, not in force till the present year; and less cancelled, \$7,653—net amount at risk being \$1,130,082.

With a view of giving the members the fullest details practicable, to enable them to judge of the affairs of this Association, we beg to inform the members that the losses of this Company in 1877 were 26 per cent. on the cash receipts of the year; and that a comparison may be made, we give the losses of the above Companies, compiled from the same Report of the Government of Canada, for 1875:—

Name of Company.	Rate per cent. of Losses on Receipts.
Ottawa Agricultural Insurance Co.	$31\frac{53}{100}$ per cent.
Canada Agricultural Insurance Co.	$48\frac{19}{100}$ "

Name of Company.	Rate per cent. of Losses on Receipts.
Isolated Risk Insurance Co.....	55 $\frac{62}{100}$ per cent.
Agricultural Mutual	98 $\frac{49}{100}$ "
Dominion Grange Mutual Fire Insurance As- sociation (for 1877)	26 "

For the year 1876 it stood as follows:—

Name of Company.	Rate per cent. of Losses on Receipts.
Ottawa Agricultural	22 $\frac{14}{100}$ per cent.
Canada Agricultural	98 $\frac{96}{100}$ "
Isolated Risk	71 $\frac{45}{100}$ "
Agricultural Mutual	79 $\frac{76}{100}$ "
Dominion Grange Mutual Fire Insurance As- sociation (for 1877)	26 "

The whole Board of Directors now retire from office, and are eligible for re-election. Their names are as follows:—S. W. Hill, J. P. Bull, William Cole, James Daly, A. Gifford, C. Drury, W. P. Page, A. J. Hughes, J. T. Gould, John Ireland, R. J. Doyle.

Moved by E. H. Hilborn, seconded by B. Payne, That the Report just read by the Manager of this Insurance Association be adopted by this meeting, that it be engrossed in the minutes, and a sufficient number of copies be printed in pamphlet form to provide each member of the Association with one copy, and a few additional copies for distribution to the Granges.

Moved by B. Payne, seconded by E. H. Hilborn, That the number of Directors be reduced to seven—*lost*.

Moved by J. Robinson, seconded by R. J. Doyle, That those entitled to vote do now come forward and deposit their ballot at the Secretary's table—*carried*.

Moved by J. Robinson, seconded by Jno. Duncan, That the nomination be re-opened—*carried*.

Moved by J. P. Bull, seconded by Jesse Trull, That the eleven candidates receiving the highest number of votes be declared elected—*carried*.

Moved by J. P. Bull, seconded by Jno. Ireland, That the election of Directors for the ensuing year be now proceeded with—*carried*.

The ballot taken resulted in the following persons being elected as Directors for 1878, viz.:—S. W. Hill, A. Gifford, W. P. Page, R. J. Doyle, Shem Parsons, Jas. Daly, E. H. Hilborn, Chas. Drury, A. J. Hughes, Benj. Payne, and J. P. Bull.

Moved by Shem Parsons, seconded by J. Robinson, That the vote for the Directors, as just now taken, be accepted—*carried*.

Moved by J. Robinson, seconded by Shem Parsons, That the insurance scheme be so amended that instead of the present agency, as already established, blank forms be sent to the Secretary, (or some other person elected for that purpose by subordinate Granges) who, on the advice of a full committee of three members of the Order in good standing, shall make out all applications, to be forwarded to the Head Office of the Insurance Co., together with the fee—the Division Grange to regulate the fee for making out applications—*lost*.

The Board of Directors met at the American Hotel, Toronto, on the 17th of Jan'y., 1878, at 8 p.m., when the following officers were elected for the year 1878:

President—S. W. HILL, Esq.

Vice-President—A. GIFFORD, Esq.

Treasurer—J. P. BULL, Esq.

Manager and Secretary—R. J. DOYLE, Esq.

Finance Committee—Messrs. A. J. HUGHES, A. GIFFORD, CHARLES DRURY, and R. J. DOYLE.

APPENDIX No. 1.

ABSTRACT STATEMENT OF LOSSES BY FIRE.

Date of Loss.	Name.	Township.	County.	Amount paid.	Cause of fire.
1877. Sept. 28	Jzs. Birr.....	Sydenham	Grey	\$1050 00	Incendiary or tramps
Oct. 24	Jno. Graham..	Eldon	Victoria	466 38	Incendiary
Nov. 16	Andrew Coffee.	Nelson	Halton	353 60	Incendiary

The following table shows the Policies Assessable for each Loss and the Working Expenses—the rate of assessment being on the amount of the undertaking:—

Assessment.	Rate per cent.	Description.
1st Assessment Fire Claim.	$4\frac{1}{10}$	On Policies from No. 1 to 741, not including the following Policies, not in force: Nos. 21, 145, 146, 285, 387, 425, 519, 525, 611, 697, 698, 699, 711, 738, 739 and 740.
2nd Assessment Fire Claim.	$1\frac{65}{100}$	On Policies from No. 1 to 797, with Nos. 824, 825 and 826, not including the following, not in force: Nos. 21, 145, 146, 285, 387, 519, 525, 611, 743, 744, 745, 771, 775, 789, 792, 793 and 794.
3rd Assessment. Fire Claim.	$1\frac{1}{4}$	On Policies from No. 1 to 846, with No. 874, but not including the following, not in force: Nos. 21, 145, 146, 387, 525, 611, 743, 798, 799, 828, 830, 831, 836, 838, 842, 844 and 845.
4th Assessment. Workg. Expenses	$5\frac{2}{10}$	On Policies from No. 1 to 929, less the following, not in force until 1878: Nos. 387, 828, 838, 861, 893, 897 and 908.

**Receipts and Expenditure of the Dominion Grange Mutual Fire Insurance Association,
for the year ending Dec. 31st, 1877.**

RECEIPTS.	EXPENDITURE.
Loan from the Dominion Grange.....	Dominion Grange, repayment of Loan.....
\$200 00	\$200 00
Cash Deposits on Undertaking	Fire Claims
7161 79	1869 98
Interest on Deposit in Molsons Bank, O. Sound.	Re-Insurance
11 92	57 25
Interest on Deposit by Treasurer in the Canada Permanent Building and Savings Society ...	Expenses—
52 37	Directors' Fees.....
Transfer Fee	\$296 90
1 00	Salaries (including Policy writing).
Premium on Carpenter's Risk.....	1102 25
2 85	Settling Claims.....
Balance due Molsons Bank, Owen Sound.....	36 40
57 57	Legal Expenses.....
	20 00
	Printing.....
	320 25
	Stationery
	78 10
	Advertising.....
	23 00
	Postage
	184 11
	Rent
	36 00
	Telegraphing.....
	10 27
	Sundry petty expenses
	20 39
	2127 67
	Discount on Drafts
	6 83
	Office Furniture (including Safe)
	157 50
	Organization expenses.....
	20 50
	Treasurer, Receipts and Interest
	3047 77
\$7487 50	\$7487 50

We have examined the Books, Vouchers, Bank Books, and securities of the Dominion Grange Mutual Fire Insurance Association, and certify that the above is a correct Abstract of the Receipts and Expenditure, for the year 1877.

DANIEL WRIGHT, }
THOS. W. DYAS, } AUDITORS.

*Statement of the Assets and Liabilities of the Dominion Grange Mutual
Fire Insurance Association, to Dec. 31st, 1877.*

ASSETS.

Reserve Capital, being amt. of Undertaking, less Deposit ..	\$25363 43
Short date Notes for Deposit	1154 29
Cash invested by Treasurer	2995 40
Interest on Cash Investments	52 37
Furniture—Safe, &c.	157 50
Books and Blank Forms in Agents' hands, and at Head Ofc.	105 00

LIABILITIES.

Molsons Bank	\$57 57
Balance Assets over all Liabilities, to Dec.31,'77	29770 42

\$29827 99 \$29827 99

We have examined the Books, Vouchers, Bank Books and securities of the Dominion Grange Mutual Fire Insurance Association, and certify that the above is a correct Abstract of the Assets and Liabilities, for the year 1877.

DANIEL WRIGHT, }
THOS. W. DYAS, } AUDITORS.

*J. P. BULL, Treasurer of the Dominion Grange Mutual Fire Insurance
Association, in Account therewith.*

1877.	DR.	
July 12 To Cash from Manager		\$1195 40
Aug. 1 " " "		500 00
Oct. 25 " " "		500 00
Dec. 3 " " "		800 00
		<hr/> \$2995 40
Dec. 31 To interest to date		52 37
		<hr/> \$3047 77

CR.

Nil.

J. P. BULL.

Jany. 15th, 1878.

We have examined the above statement, and compared it with the Vouchers, Books, &c., and find it correct.

DANIEL WRIGHT, }
THOS. W. DYAS, } AUDITORS.

The following table shows the condition of all the stock Fire Companies at the close of 1876, as regards their surplus or impairment, and their reserve of subscribed capital:—

Company.	Impairment of Paid up Capital	Company.	Impairment of Paid up Capital
Canada Agricultural ..	\$151,751 79	Ottawa Agricultural ...	\$41,069 71
Canada Fire	24,554 97	Provincial	74,903 58
Citizens	56,159 35	Quebec	40,509 77
Isolated Risk	40,642 09	Royal Canadian	65,778 18
National	49,411 25	Stadacona	138,508 75

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The following is the result of the Vote taken by Postal Card, as to the advisability of moving the Head Office to a more central locality, showing the number of votes from each County, for and against the removal:—

County.	For.	Against.	County.	For.	Against.
Bruce	1	13	Brought up .	45	224
Durham	9	12	Norfolk	1	31
Elgin	2	9	Ontario.....	3	25
Essex	0	5	Perth	0	12
Grey	2	80	Peterboro.....	0	27
Huron	0	22	Peel	1	8
Halton	3	12	Prince Edward....	0	3
Hastings	0	4	Simcoe	13	37
Kent.....	2	9	Victoria	1	11
Lambton	1	0	Wentworth	4	12
Lincoln.....	0	14	Wellington.....	1	11
Middlesex	14	24	Welland	8	9
Northumberland...	11	20	York	14	31
Carried up.....	45	224	TOTAL.....	91	441

8 97

4 6 8 2 0 4

23 3 0 11
13 1 8
7 5 9
0 0 1
0 0 0
0 0 0