

REPORT AND PROCEEDINGS

OF THE

THIRD ANNUAL MEETING

OF THE

PROVINCIAL MUTUAL AND GENERAL

INSURANCE COMPANY.

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INCORPORATED BY ACT OF PARLIAMENT.

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OFFICE:

TORONTO STREET, TORONTO.

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TORONTO:

H. ROWSELL, PRINTER, KING STREET.

1852.

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 309

LECTURE 1

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## THIRD GENERAL ANNUAL MEETING

OF THE

### PROVINCIAL MUTUAL AND GENERAL INSURANCE COMPANY,

HELD AT THE OFFICE OF THE COMPANY, ON TORONTO-STREET, CITY OF  
TORONTO, PURSUANT TO THE ACT OF INCORPORATION.

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*Office of the Company, August 3rd, 1852.*

Pursuant to public notice duly given, and under the authority of the by-laws of the company, made in accordance with the act of incorporation, the general annual meeting of the members of the company was held this day, at the office of the company, in Toronto street, City of Toronto.

The president of the company, A. M. CLARKE, Esq., having taken the chair, he opened the meeting by stating its object, and read the proceedings of the last general annual meeting.

The president then read the report of the board of directors of the proceedings and business of the company during the past year, ending 30th June last; also the auditors' report and general statement of the accounts in both branches, which, with the detailed statement, were then submitted to the meeting; on which, after various questions were put and answered by the president, the following resolution was adopted:—

Moved by Mr. WHITMARSH, seconded by Mr. D. MACDONELL—

That the report of the president and directors now read and submitted be adopted and printed for circulation under the direction of the board of directors, together with the general statements of accounts and auditors' report.

The following resolution was then adopted:—

Moved by Mr. McMURRICH, seconded by Mr. JOHN DUGGAN—

That the ballot for election of four members to complete the board of directors be now proceeded with, and that the same be closed at 5 o'clock. That Messrs. MEREDITH, MILLER, and DUGGAN, be the scrutineers.

The meeting then adjourned for the ballot.

At 5 o'clock the ballot having closed, the scrutineers declared the following gentlemen to have the largest number of votes—namely:—

JOHN G. BOWES, Esq., re-elected,.....	1740	votes.
DALRYMPLE CRAWFORD, Esq.,.....	1468	“
DUNCAN MACDONELL,.....	1384	“
WM. MATTHIE,.....	1160	“

(Signed,)

A. M. CLARKE,  
*President.*

# REPORT

OF THE

## PRESIDENT AND DIRECTORS

OF THE PROCEEDINGS AND BUSINESS

OF THE

PROVINCIAL MUTUAL AND GENERAL INSURANCE COMPANY,

FOR THE YEAR ENDING JUNE 30, 1852.

The president and directors beg to submit to the members of the company, at this, their general annual meeting, held pursuant to the act of incorporation and by-law of the company, the following report of its business and proceedings during the past year.

The Mutual Branch of the company, which may well be denominated the Farmer's Branch, being confined to isolated and the less hazardous descriptions of property, has steadily increased and continues to do so, notwithstanding the larger amount of cash payment now required above that demanded at the commencement. The number of policies in existence in this branch on the 30th June this year was 3874, the yearly issue of policies from the commencement being as follows:—

1st year ending 30th June 1850,	1239 policies.
2nd " " " 1851,	1290 "
3rd " " " 1852,	1415 "

making, after deducting those cancelled and expired, a total in existence on the 30th June, 1852, as above stated, of 3874 policies, covering property to the amount of £888034, the average amount on each policy being £229.

The losses in this branch during the year have amounted to £1782 16s. 8d., and the expense of management to £785 14s. 7d.

The assets are as follows:—

Premium notes,.....	£11034 11 2
Of amount paid for moiety office premises,	766 8 4
Cash fund,.....	831 3 9
	£12632 3 3

The losses and expenses having exceeded the cash fund, the directors have been compelled to resort to an assessment of ten per cent. on the premium notes held by the company on 5th June last, a measure they were most anxious to avoid, and to prevent a recurrence to which an increased cash payment is now required on insurances effected for two and three years.

The board of directors have not decided on these measures without a careful examination, not only of the business transacted by this company since its commencement, but also of the proceedings of other similar institutions; and after full consideration of the whole subject, have arrived at the conviction that it is impossible for any mutual insurance company whatever to carry on business at lower rates than those now adopted by this company, with security to the assured.

Any person acquainted with the country and turning his attention to the matter, must have observed how very much fires have increased in the last few years, and particularly in country places. By many this increase of conflagration has been attributed to incendiarism; by others, to the facility given to insurance, tending thereby to foster habits of recklessness or carelessness, consequent on a feeling of security against pecuniary loss. How far these reasons may be correct it is not easy to determine; but, though there is probably much truth in them, yet it is not fair to attribute altogether to crime what may be to a great extent the effect of accident. There is indeed one matter connected with our social and domestic habits bearing so immediately on the subject of insurance as to require far more attention than has hitherto been paid to it, namely—the use of “lucifer matches.” So cheaply are they furnished, so convenient for use and carriage, that not only are they continually found scattered about in dwellings, but also a large proportion of those moving about in their daily vocations carry about their persons the means by which at any moment, all around them may be set in a blaze; while at the same time so absolutely wanting are all precautions against fire by such means, that it may be considered a matter of surprise that fires have not been even more frequent.

Whatever may have been the cause, however, that fires have increased lately to a very serious extent in the country cannot be questioned; and, notwithstanding all the care taken in the selection of risks by this company, the losses have been such as to disappoint the expectations of the directors, that the cash payments

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hitherto required would be sufficient, and to compel them with a due regard to the interests of the assured, who, in this branch are members of the company, to raise the rate of payment to the sums now required, and to call in the assessment stated.

This assessment being made previous to the last rise in the cash payments, will place all the members on a more equal footing as to charges. Even with the increased rate of payment the mutual branch of this company will be found far cheaper for the risks it is expressly intended to cover than any joint stock company, as the following example will shew :—

On an isolated frame dwelling, and ordinary farm buildings, with produce therein, say £500, in the mutual branch of this company, the premiums will be, for three years,

Cash payment,.....	£4	0	0
Premium note,.....	5	0	0
		<hr/>	
Total amount of liability,.....	£9	0	0

being at the rate of £3 per annum on the £500 insured ; but if no assessment be required, then not more than £1 6s. 8d. per annum.

No joint stock company would take this risk, including barns and stables, at less than one per cent. per annum, or on the £500, £5 per annum, being an absolute payment of £15 for three years ; thus shewing a saving in favour of the mutual rates of £11 in case of no assessment on the note, and of £6, even should the whole amount of the premium note be called for.

A general statement of the affairs of this branch, together with detailed accounts and auditors' report, is submitted to the meeting ; also are laid before the members, the consecutive weekly abstracts, shewing the progress of the company, and the condition of its finances from the commencement.

In the proprietary branch, the increase of business has been great indeed ; the number of the policies issued in the year being—  
 in the fire department 174 yielding in premiums £6668 2s. 5d. ;  
 and in the marine 1042 policies, the premiums received on which amounted to £11694 2s. 2d.

Last year the number of policies issued were as follows :—

In the fire department	752,	covering property to amount of	£273628
In the marine “	178,	“ “ “ “	105199

The number of policies existing on the 30th June, 1852 (those cancelled or expired being deducted) were—

In the fire department 1604, covering property to amount of £515318  
 In the marine “ 278, “ “ “ “ 117211

During this year the amount of stock subscribed has been increased from £55960, on the 30th June, 1851, to £82180, on 30th June, 1852, on which there is paid up the sum of £5190, exclusive of accumulated cash fund, after paying all proved claims and expenses of £4552 2s. 2d.

This branch of the company has been so successful as to enable the board of directors to declare a dividend on the paid up capital, at the rate of eight per cent. per annum for the half year ending 31st December, and at the rate of ten per cent. for the half year ending 30th June.

The capital stock is all invested, chiefly in local and provincial debentures, the remainder being a moiety of the value of the office premises. Such portions of the cash fund as could prudently be invested have also been secured on debentures, rather than allow any large sums to remain unproductive. The proved claims for losses during the year have been :

In the Fire department,.....	£4332	7	9
“ Marine “ .....	7552	8	6
Expenses of management,.....	2640	17	9

The directors beg here to remark, with reference to the Marine losses, that the past year has been marked by gales of wind of unusual severity ; the damage to shipping and loss of life in the Gulf and along the Atlantic coast being reported by the various agents of Lloyds, to whom the board applied for information, as far exceeding that of any one year for nearly twenty years past.

General and detailed statements of accounts for this branch, with auditors' report and weekly abstracts, are also herewith submitted.

With regard to the Marine business, the president and directors have to report that, before recommencing the inland branch of that department this spring, or extending the agencies for the issue of policies at the distant ports of the Lower Provinces, they took a careful review of the whole business—its probable risk and profit—and having ascertained how far other companies transacting marine business had been successful, having enquired into their mode of transacting it, and carefully considered what means the directors of this company possessed of superintending and controlling it at distant places, decided on continuing this department in all its branches—

inland, coastwise, and Atlantic—appointing, at the same time a chain of protective agents along the coast to watch over the interests of the company in all cases when requisite.

In thus extending the marine business, the first and chief care has been to obtain efficient agents—leaving the increase of business to the natural results of time, and the prudent exertions of the gentlemen who have been appointed agents.

The wide circle to which the operations of the company have extended, and the rapidity with which its business has increased, involve the necessity of enlarged capital; it is therefore the intention of the board of directors to apply to the Legislature at the approaching session of parliament for an extension of the proprietary capital stock, as well as for such other amendments to the act of incorporation as may be considered requisite.

The directors are happy to meet the members of the company in their new house, into which they have only just been able to move the office, the increased accommodation of which had become necessary for the transaction of the business of the company.

In conclusion, the president and directors beg to congratulate the members of the company on the success which has attended its operations from the commencement. This success is necessarily attributable in a very large degree to the agents, without whose zealous cooperation little could have been done; among these gentlemen there are two, however, to whom the directors believe the thanks of the company are particularly due—namely, E. H. Whitmarsh, Esquire, of Merrickville, agent for the Johnstown and Eastern District, and John Cochrane, Esquire, agent for Quebec—who have conducted the business entrusted to their management with a degree of energy, prudence and promptitude, equally successful to the company and creditable to themselves.

George Crawford, Esquire, of Brockville, who was elected a director at the last general annual meeting of the company, having retired from the direction in January last, in consequence of his inability to attend the meetings of the board, the Hon. J. H. Cameron was appointed in his place for the remainder of the year; but to continue a director requires the confirmation of an election by the members generally. There are therefore, with the three retiring members, (Messrs. Bowes, Gooderham and Howard,) four vacancies in the board to be now filled up.

The retiring members are eligible for re-election.

(Signed) A. M. CLARKE, *President.*

## AUDITORS' REPORT.

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The undersigned, appointed by the directors of the Provincial Mutual and General Insurance Company to audit the accounts, beg to present their report.

The auditors have been enabled to complete their investigation in time for the annual meeting, but they would respectfully urge upon the board that a frequent audit is rendered quite necessary by the amount of business now done with the company, and that this would prove more satisfactory to the directors and convenient to the auditors, if made quarterly. The first step taken was to compare the proposals and examine the premium notes appertaining to the mutual branch, checking with the cash entries, and then tracing each particular entry through the journal to its final disposition in the ledger. The same prudence was observed in the examination of the proprietary branch. The balances in the ledger were then compared with those transferred to the abstract book, and finally the vouchers were looked into, all of which were found correct, and the payment duly authorized. In the course of their labours, the auditors had the opportunity of testing the value of the new method of journalising which has been adopted in the office, and they were struck with the efficacy of the plan and its tendency at once to save much labour in writing, and to check each week's transactions, thus preventing errors from running through the ledger until discovered by an examination of the books.

In conclusion, the auditors would desire to record their high sense of the very neat, correct, and efficient manner in which the books are kept, and of the attention to business observable in every department of the office.

All of which is respectfully submitted.

(Signed,)

ROBT. BEEKMAN,  
J. W. BRENT,

} *Auditors.*

*Toronto, August 2nd, 1852.*

MUTUAL BRANCH.

For the year ending June 30, 1852.

GENERAL ABSTRACT.

EVIDENCES

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**GENERAL ABSTRACT.** For the year ending June 30, 1852. **PROPRIETARY BRANCH.**

	£	s.	D.	£	s.	D.	\$	s.	D.	£	s.	D.		
<i>Profit and Loss</i> .....														
<i>Stock paid up:</i>				2068	13	4								
1st instalment .....	4089	0	0				Expense account as per schedule A.	856	14	9				
2nd do .....	1101	0	0				Agents' commission .....	1247	18	5				
				5190	0	0	Salaries and board attendance .....	536	4	7		2640	17	9
<i>Premiums Received:</i>							<i>Losses paid:</i>							
On Fire policies .....	£	6842	15	6			Fire department, as per schedule B.	4332	7	9				
Less amount returned .....		170	18	1			Expenses on same .....	55	13	8		4388	1	5
On Marine policies ..	11995	17	10				Marine departm't, as per schedule C	7552	8	6				
Less amount returned ..	301	15	8				Expenses on same .....	578	1	0		8130	9	6
<i>Interest:</i>							<i>Mutual branch: Loan</i> .....							
Received on debentures ..	£320	3	3	18365	19	7	J. Weatherley: Balance of account .....							
Do on losses paid .....							J. Duggan: do .....							
prior to maturity .....	23	0	7				<i>Capital stock invested:</i>							
Less amount paid on ..							Do cost of land for new office .....	217	14	3				
bills discounted .....				343	3	10	Do paid on building do .....	548	14	2				
							Debentures .....	4423	11	7				
<i>Dividends unpaid:</i>							<i>Cash fund:</i>							
First .....				310	12	3	Balance in Treas hands ..	25	8	9				
Second .....							Do in agents' do .....	3279	17	0				
Third .....							Debentures .....	3305	5	9				
							Note for Marine premiums .....	2831	6	0				
<i>Bank of Upper Canada:</i>								32	10	0				
Balance overdrawn .....				90	7	1								
<i>Accommodation note:</i>														
Discounted at Bank of Upper Canada				98	16	3								
George Greig & Co, Boston:				1360	0	0								
Interest on draft remitted to meet an														
acceptance due in Boston .....				3	9	3								
				27424	12	3								

(Signed) ROBERT BEEKMAN, } Auditors.  
 J. W. BRENT, }  
 E. E. (Signed) EDWARD G. O'BRIEN, Secretary & Treasurer.

Toronto, August 2, 1852. Toronto, June 30, 1862.