

CITIZENS INSURANCE COMPANY OF CANADA.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

At the Annual Meeting, February 19th, 1883.

Death of Sir Hugh Allan.

Near the close of the year, the Directors were pained to hear of the sudden death in Scotland, of their most able and esteemed President, SIR HUGH ALLAN.

Without dwelling, however, upon this event, so startling from its suddenness, and so sad in its result socially, suffice it to say, the Board adopted a minute expressive of its deep sorrow, and its high estimate of the character and abilities of the late President.

The vacancy created by the death of Sir Hugh Allan, was filled by the appointment of Alderman Proctor, and the Directors elected myself to the office of President and Mr. Andrew Allan to that of Vice-President.

General Statement of Business.

The following statement will show the business done during the past year, and the progress that has been made in the several branches.

Life Branch.

Number of Policies in force Dec, 1881, 691—insuring.....	\$1,088,304
“ “ “ “ Dec, 1882, 863— “	1,380,998
Being an increase of 172 Policies—and of the sum of.....	292,694

Accident Branch.

Number of Policies 1881, 934—insuring.....	\$1,159,400
“ “ “ “ 1882, 1680— “	2,056,725
Showing an increase of 746 Policies and	897,325

Fire Branch.

Policies in force Dec, 1881.....	\$15,711,643
“ “ “ “ Dec, 1882	17,830,908
Increase	\$ 2,119,265

Canada Fire and Marine Insurance Company.

Early in the year the Canadian Fire business of the Canada Fire and Marine Insurance Company of Hamilton, was offered to your Directors at a rate which, after careful enquiry, they deemed to be advantageous, and the transfer of the same was made on the 13th May last.

	AMOUNT.	PREMIUM.
Policies then current and transferred....	\$10,995,797 00	\$65,969 00
Net amount in force 31st Dec, 1882....	2,748,949 00	16,492 00

This business has been necessarily treated as a separate branch, but eventually the Policies of the Canada Fire and Marine, as they severally mature and are renewed, will be replaced by those of this Company. It is the opinion of the Directors that a fair profit will result from this purchase, as well as an increase of business in the future.

Revenue and Losses.

The following statement will show the amounts of revenue and loss, in the several branches, during the last and previous year:—

	REVENUE 1881.	1882.	INCREASE.
Fire....	\$138,548 00	\$267,950 00	\$129,402 00
Accident	10,150 00	20,432 00	10,282 00
Life....	34,209 00	49,787 00	15,578 00
			\$155,262 00
	LOSSES 1881.	1882.	INCREASE.
Fire....	\$ 95,787 00	\$128,440 00	\$32,653 00
Accident	625 00	3,656 00	3,031 00
Life....	14,686 00	18,000 00	3,314 00
			\$38,998 00

It will be seen from the foregoing that fair progress has been made in all the departments of the Company's business. This is more marked, perhaps, in the Life and Accident branches, while the important Fire branch has more than held its own.

The statement of *Assets and Liabilities* is so far satisfactory, that while the previous statement showed amount of surplus over all liabilities to be \$90,670, by the present exhibit it is placed at \$100,360, or an increase of \$9,690, after providing an increased liability in re-insurance reserves of \$31,197, equal to an improvement on the year's operations of \$40,887.

Act of Parliament.

It being still held to be desirable that the objects aimed at in the Bill which was before the last Parliament, should be secured, the directors have caused the necessary notice to be given, and a bill in accordance with it will be shortly presented by the Hon. Mr. Abbott, member for Argenteuil.

The review of the years operations, although encouraging as to results, showing increased confidence in your Company on the part of the public, affords also clear indications of the policy which should be pursued in the future, and these are in brief, *prudence in underwriting* and *economy in management*.

The retiring Directors are Messrs. J. B. Rolland, Arthur Prevost, and Charles D. Proctor, who are all eligible for re-election.

HENRY LYMAN,
President.

FIRE AND ACCIDENT BRANCHES.

REVENUE.

By Fire and Accident Premiums.....	\$277,480 66	
“ Interest and Rents	11,084 58	
“ Other Receipts.....	9,788 92	
		\$298,354 16

EXPENDITURE.

To Losses of 1882 paid (including \$3,010 Guarantee claims).....	\$121,719 61	
“ Re-Insurance and Return Premiums.....	53,912 71	
“ Expenses, including Commission to Agents, Interest, and Bonuses to Accident Policy-holders	81,561 76	
“ Balance	41,160 08	
		\$298,354 16
By Balance as above	\$41,160 08	
To Losses of 1882, in course of settlement (subject to salvage).....	13,386 13	
		\$27,173 95

Balance, being Surplus on the years operations..... **\$27,173 95**

ASSETS.

Montreal Harbour Bonds.....	62,135 00	
Merchants Bank Stock.....	29,766 00	
Real Estate	85,000 00	
Provincial Loan Company	200 00	
Stock in-course of payment.....	7,949 35	
Bills Receivable.....	2,316 74	
Sundry Debtors, and amounts secured by Life Policies.....	11,135 38	
Agents' Balances and Outstanding Premiums.....	25,810 76	
Cash in Bank.....	6,123 07	
Furniture, Plans and Plant.....	4,000 00	
		\$233,536 30

LIABILITIES.

Losses in course of adjustment (subject to Salvage).....	\$13,386 13	
Contested of previous years.....	5,769 00	
		\$19,155 13
Mortgage due 1885, and accrued interest.....	45,784 11	
Re-Insurance Reserve	83,075 60	
Balance, being Excess of Assets.....	85,521 46	
		\$233,536 30

LIFE BRANCH.

REVENUE.

By Premiums.....	\$42,336	11
“ Interest.....	7,451	24
		\$49,787 35

EXPENDITURE.

To Death Claims, including Claims in course of Adjustment, 31st Dec. 1882.	\$18,000	00
“ Re-Insurance.....	2,259	01
“ Expenses, including Agents' Commission, Taxes, Rent, &c.....	14,344	50
“ Balance	15,183	84
		\$49,787 35

ASSETS.

Montreal Harbor Bonds.....	\$12,980	00
Toronto City Bonds.....	11,170	88
Montreal City Bonds.....	51,505	00
Montreal City Stock.....	20,740	00
Canada Central Railway Bonds.....	6,015	20
Merchants Bank Stock.....	11,562	00
Montreal Loan and Mortgage Co.'s Stock.....	15,975	00
Cash in Bank.....	9,396	17
Loans on Policies.....	9,019	64
Sundry Agents.....	588	93
Suspense Account.....	859	57
Accrued Interest.....	1,048	13
Outstanding Premiums.....	\$ 7,258	86
Deferred “.....	5,112	48
	\$ 12,371	34
Less 10 per cent. cost of Collection.....	1,237	13
	\$ 11,134	21
		\$ 161,994 73

LIABILITIES.

Bonus Account.....	\$ 691	66
Claims in course of adjustment.....	5,000	00
Net Reserve on all Outstanding Policies taken at H. M. 4½ per cent, as required and computed by the Government Insurance Department.....	141,465	10
Balance, being Excess of Assets	14,837	97
		\$ 161,994 73

AUDITORS' REPORT.

[COPY.]

MONTREAL, 14th February, 1883.

To the President and Directors of the Citizens Insurance Company of Canada,

GENTLEMEN,

We beg to report that we have carefully examined the Books and Vouchers, &c., of the Company, for the year ending 31st December, 1882, comparing the Vouchers with the Books, checking each entry and verifying the Investments, &c., and we have much pleasure in certifying to the correctness of the same.

(Signed,)

CHAS. D. PROCTOR, }
W. H. CLARE, } Auditors.

STATEMENT OF BUSINESS FOR THE YEAR ENDING 31st DECEMBER, 1882.

LIFE BRANCH.

691 Policies in force per last Statement (31st December, 1881).....		\$1,088,304	31
317 New Applications received during the year... ..	\$589,000		
34 thereof declined.....	\$74,000		
11 Unpaid	14,500		
45 —		88,500	
272 New Policies accepted and issued.....		500,500	00
8 “ “ paid up in full.....		2,643	00
971		1,591,447	31
108 Policies Cancelled.....		210,448	70
863 In force, assuring.....		1,380,998	61
Less Re-insured.....		47,237	00
Net Liability		\$1,333,761	61

ACCIDENT BRANCH.

934 Policies at date of last Statement (31st December, 1881).....	\$1,159,400	00
2627 Policies taken during the year.....	3,583,820	00
3561	4,743,220	00
1881 Policies Terminated.....	2,686,495	00
1680 In force, Insuring.....	2,056,725	00
Less Re-insured.....	129,500	00
Net Liability.....	\$1,927,225	00

FIRE BRANCH.

	AMOUNT.	PREMIUMS.
Policies in force (gross) on 31st December, 1881.....	\$15,711,643 00	\$146,451 62
Taken during the year—New and Renewed, (exclusive of Canada Fire as below).....	19,848,819 00	191,079 53
Total.....	35,560,462 00	337,531 15
Deduct Terminated.....	15,310,563 00	136,354 26
Gross in force at end of year.....	20,249,899 00	201,176 89
Deduct Re-insured	2,418,991 00	28,289 47
Net in force, 31st December, 1882, (exclusive of Canada Fire and Marine as below)....	17,830,908 00	172,887 42

CANADA FIRE AND MARINE.

Policies in force—Taken over 13th May, 1882.....	\$10,995,797 00	\$65,969 54
Deduct Terminated	8,246,848 00	49,477 16
Net in force at end of year.....	\$2,748,949 00	\$16,492 38