

REPORT OF THE DIRECTORS

TO THE

SHAREHOLDERS

OF THE

Citizens Insurance Company,

AT THE

ANNUAL MEETING, MONDAY 3D FEBRUARY, 1879.

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**I**N accordance with the understanding come to at the last Annual Meeting the business of the Company has been restricted within narrower bounds than in previous years.

This course, while it diminished to a large extent the risks of the Company, decreased the amount of premiums received. But this is also to a large extent due to the rigid scrutiny with which every department of the Company's business has been examined, and in the cancelling of a number of risks which although paying large premiums were regarded as too hazardous to be retained.

The average rates obtained on fire risks have been considerably diminished in consequence of the sharp competition between the Companies and the system largely introduced by Insurers of doing the business through Brokers, the commission for doing so being paid by the Companies.

The result of this is that the business is to some extent reduced to a system of tendering for rates.

The various Statements on the table most of which are in the hands of the Shareholders show—that in the year 1878, after providing for all losses—paid and those unsettled.—

The Fire department left a surplus of.....	\$15,932 92
“ Guarantee department “ “ .....	3,800 09
And Accident “ “ “ .....	551 48

And the liabilities of the Company have been reduced during the year, \$47,812.64, as shown by the repayment of the loan on Bank Stock and other resources, after allowing full provision for re-insurance fund and all other liabilities.

The business of the Company has been either altogether withdrawn or much restricted in the more distant places, particularly in Nova Scotia, New Brunswick, Prince Edwards Island and Manitoba and in anything like ordinary circumstances, the business of the Company should be fairly remunerative, and there is every prospect of its being so in the near future.

The accounts of the Company have been duly audited and a certificate to that effect is on the table.

The Directors who go out of office at this term are Messrs J. B. Rolland, N. B. Corse and J. L. Cassidy, but they are all qualified for re-election.

HUGH ALLAN,

PRESIDENT.

# STATEMENT OF BUSINESS, 1878.

## FIRE DEPARTMENT.

To Premiums, .....	\$108,273.38		Expenses .....	\$24,060.02
Less ret. Premium and } .....	17,937.64		Losses Paid .....	47,348.13
reinsurance,        } .....	90,335.74		Unadjusted. ....	3,145.02
Interest .....	150.35			50,493.15
	90,486.09		Surplus .....	74,553.17
	90,486.09			15,932.92
	90,486.09			90,486.09

## GUARANTEE DEPARTMENT.

To Premiums Net .....	\$18,707.72		Expenses .....	\$6,618.91
Interest .....	8.82		Claims Paid .....	7,347.54
	18,716.54		Unadjusted .....	950.00
	18,716.54			8,297.54
	18,716.54		Surplus .....	14,916.45
	18,716.54			3,800.09
	18,716.54			18,716.54

## ACCIDENT DEPARTMENT.

To Premiums .....	\$3,782.44		Expenses .....	\$2,062.05
Less reinsurance and ret. premium .....	271.77		Claims .....	897.14
	3,510.67			2,959.19
	3,510.67		Surplus .....	551.48
	3,510.67			3,510.67

# FINANCIAL STATEMENT.

ASSETS.	LIABILITIES.
Merchants' Bank Stock, 242 Shares .....	Fire Losses unsettled .....
\$19,360.00	\$3,545.02
Metropolitan Bank .....	“ “ contested, \$5,157.00 } .....
600.00	2,578.50
Montreal Harbour Bonds, \$54,000 6½% } Market Value, .....	\$6,123 52
“ “ “ 2000 6½% } .....	Guarantee Claims unsettled, .....
deposited with Government, } .....	1,250.00
58,180.00	“ “ cont'd, \$42,420.00 } .....
Subrogation (Mortgage) .....	25,000.00
3,000.00	26,250.00
Real Estate .....	Mortgage .....
85,000.00	45,787.50
Bills Receivable .....	Suspense Account .....
3,234.24	983.39
Office Furniture .....	Reserve for .....
800.00	Fire .....
Agents' Balances, { Fire, .....	Guarantee 7,226.60
Guarantee, .....	Re-insurance } Accident... 1,202.40
3,405.92	52,279.00
2,210.65	Balance being <b><u>EXCESS OF ASSETS,</u></b> .....
5,616.57	<b>55,598.82</b>
Cash in Merchants Bank .....	
11,231.42	
<b>\$187,022.23</b>	<b>\$187,022.23</b>

# LIFE STATEMENT.

Statement for the year ending 31st December, 1878.

ASSETS.	LIABILITIES.
STOCKS AND BONDS, MARKET RATES:	
Corporation 6 $\frac{7}{8}$ ct. bonds deposited with Gov't, \$57,400.00	Amount computed to cover the net reserve on all outstanding Policies taken at H. M. } \$103,048.36
Montreal Corporation 6 $\frac{7}{8}$ ct. Stock..... 15,600.00	4 $\frac{1}{2}$ ct. as required by Gov't. Calculation by SHEPHERD HOMANS, Actuary of N. Y. }
" " 7 $\frac{1}{2}$ ct. Stock..... 3,085.00	Claims in process of adjustment..... 2,000.00
" Harbour 6 $\frac{7}{8}$ ct. Bonds,..... 12,480.00	Total liability ..... .. \$105,048.36
94 Shares Merchants Bank Stock..... 7,520.00	<b><u>EXCESS OF ASSETS</u></b> over all liabilities, <b>7,336.74</b>
Cash in Banks ..... 7,956.78	
Agents' Balances .... 1,213.98	
Prem. Notes, Loans or Liens on Policies in force, 7,129.01	
Total,..... .. \$112,385.10	\$112,385.10

2/10/1879