

REPORT AND PROCEEDINGS ²

OF THE

SEVENTH GENERAL ANNUAL MEETING

OF THE

Provincial Insurance Company.

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INCORPORATED BY ACT OF PARLIAMENT.  
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OFFICE, TORONTO STREET, TORONTO.

TORONTO:

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1856.

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SEVENTH GENERAL ANNUAL MEETING
OF THE
PROVINCIAL INSURANCE COMPANY
OF TORONTO,

HELD AT THE MECHANICS' INSTITUTE, TORONTO, PURSUANT TO ADVERTISEMENT,
ACTS OF INCORPORATION, AND BY-LAWS OF THE COMPANY.

On Friday, 15th August, 1856.

The Seventh Annual Meeting of the Stockholders, in accordance with public notice, was held at the Hall of the Mechanics' Institute this day.

It was proposed by Captain Wallace, seconded by Mr. Major, that John Arnold, Esq., take the Chair.

The Chairman, having taken the Chair, called the attention of the Meeting to the object for which it was assembled, and requested the President to read the Annual Report.

The Report was then read by the President, J. S. Howard, Esq., and various financial statements, balance sheet, and accounts of assets and liabilities, together with the Auditors' report thereon, were submitted and read.

Moved by Mr. Whittemore, seconded by Captain Wallace,

That the Report now read by the President be adopted, and together with the statement of the assets and liabilities, be printed in pamphlet form for distribution among the stockholders; and that a list of stockholders, with the number of shares held by them, be also added.

Moved in amendment, by J. G. Bowes, Esq., seconded by Duncan McDonnell, Esq., and carried,

That the list of shareholders be omitted in the publication.

The original resolution was then put as amended, and carried.

Moved by John Major, Esq., seconded by John McGilles, Esq., and Resolved,

That all motions at General Meetings, for the special appropriation of the funds of the Company shall be subject to vote by stock, in the same manner as in the election of Directors, unless the meeting be unanimous.

Moved by James Cotton, Esq., seconded by Captain Wallace, and Resolved,

That the cordial thanks of the Stockholders be given to the President, Vice-President, and Directors, for their zealous and faithful exertions to promote the success of the Company during the past year, and for their cordiality and unanimity in carrying out that object.

That the President be requested to accept the sum of two hundred and fifty pounds in addition to his allowance as a Director, as a small remuneration for the time, fidelity, and assiduity bestowed by him on the interests of the Company.

Moved by Captain Wallace, seconded by Mr. McGilles, and Resolved,

That J. Herbert Mason and James Brown be appointed auditors of the Company for the current year, with power to audit the accounts thereof, as recommended in the Report; and also, as they have expressed an opinion that they have not had sufficient time to examine fully the accounts of the year ending 30th June, 1856, that they be required to do so, and report to a meeting of the Shareholders, to be called for the second Tuesday in October next.

Moved by Mr. Whittemore, seconded by Dr. Clarke, and Resolved,

That Messrs. John Major and Hugh Miller be appointed Scrutineers for the election of Directors, about to be proceeded with, and that a poll be kept open until 6 o'clock P. M., for the election of three Directors in the place of James J. Hayes, Esq., M. D., Geo. Duggan, Jun., Esq., and James S. Howard, Esq., who retire by rotation; and also of A. M. Clarke, Esq., elected by the Board during the year to fill a vacancy; and that at the commencement of the voting this meeting adjourn to 8 o'clock this evening, for the purpose of receiving the report of the Scrutineers.

The Meeting then adjourned, and the Ballot was proceeded with.

At 8 o'clock, P. M., the Meeting having resumed, the report of the Scrutineers was submitted and read.

"We, the undersigned Scrutineers, duly appointed by the Stockholders at the Annual Meeting held this day, declare the following gentlemen duly elected Directors of the Company, in room of those retiring in accordance with the act of incorporation :

A. M. Clark.....	2541	votes.
John Arnold.....	2615	"
J. S. Howard.....	2758	"
George Duggan, Jun.....	2849	"

JOHN MAJOR,
HUGH MILLER, } *Scrutineers.*

The following votes were also recorded :

J. J. Hayes	101	votes.
D. Macdonnell.....	56	"
G. Crawford.....	37	"
E. F. Whittemore.....	16	"
R. Yates.....	10	"

Moved by Mr. Whittemore, seconded by Mr. Yates, and Resolved,

That the Scrutineers be allowed the sum of two pounds ten shillings each for their services, and that the Treasurer do pay the same accordingly.

Mr. Arnold having left the Chair, it was then moved by Mr. Whittemore, seconded by Mr. Major, and Resolved,

That the thanks of this Meeting be given to John Arnold, Esq., for his able conduct in the Chair.

The Meeting then closed.

ANNUAL REPORT
OF THE
DIRECTORS TO THE STOCKHOLDERS
OF THE
PROVINCIAL INSURANCE COMPANY
OF TORONTO.

In view of the action taken by the Stockholders at the last annual meeting, and guided by the Statements submitted to, and the opinions elicited at the adjournment thereof, your Directors in assuming office, immediately entered upon a searching investigation of all the past transactions of the Company, and such reorganisation of management, and changes of policy as those investigations appeared to dictate or induce.

Embarrassed during the early period of the year by extensive arrears in the business of the office,—by pressing and large liabilities,—and by very serious deficiencies in the reported assets, it was not without difficulty that your Directors were enabled to maintain the credit of the Company without further calls upon its Proprietors. These difficulties, however, they are happy to believe, have now been successfully overcome. The establishment of the head office has been largely diminished, and the cost of management proportionately reduced,—the Books and Records have been fully brought up and are now in a reliable and business-like condition,—the adjusted claims have been paid with increased punctuality—the current liabilities of the Company decreased, and its financial position sensibly strengthened. Your Directors are accordingly enabled to lay before you in this report of the past year's transactions, information at once reliable and satisfactory, and

as they desire that you should be fully cognizant of the exact position of the company in detail, they append a very full statement embodying all its operations since its first establishment.

I. OF THE MUTUAL BRANCH.

In this department the Cash receipts had been long inadequate to meet the ordinary expenses and losses, the latter having increased in such an extraordinary ratio, that at length on 31st August last the Board felt compelled to make an assessment to the whole amount unpaid on the premium notes of subsisting policies. The propriety of this assessment has been questioned, but the facts were ample to justify it. Up to 30th June, 1855, the Cash receipts were less than the expenses and claims by the sum of £1421 16s. 8d., and it was found on investigation, that if the losses on subsisting policies should continue for the then next three years, in the same ratio as they had been for the three years previous, they would have amounted to £14,250, irrespective of the working expenses for the same period; whilst the whole premium notes held, amounted only to £13,297 18s. 0d. Under such circumstances that assessment was unavoidable as the only means of protecting the insured. Although bearing hardly in some cases, the call has been met to a considerable extent; yet much still remains to be collected, and in order to reduce the liability in this Branch, the Board have lately announced their readiness to transfer the Policy holders from the Mutual to the Proprietary Branch, on their paying up the full amount of their premium notes, thus maintaining their insurance, with such deduction only as was equitably due to outstanding Mutual risks. Many of the Mutual policy holders have already availed themselves of this privilege, and when its advantages become better understood, your Directors cannot doubt that it will be gladly and generally accepted.

The amount hitherto paid in has been partly applied in payment of the debts and liabilities of this Branch which were

pending on 30th June, 1855,—the sum of £1168 7s. 3d. has been invested in Debentures since 30th June last, and the sum of £2091 12s. 5d. remains at call, to meet pending and prospective losses; a residue of £6239 3s. 11d. yet remains to be collected, and immediate measures will now be taken to enforce the amount and vest it for the better security of the insured.

PROPRIETARY BRANCH.

FIRE.

Up to the 30th June, 1855, the number of Policies issued was 10,423—covering risks to the extent of £7,202,837 1s. 3d., on which the net premiums received were £84,984 8s. 9d.

The charges against these premiums to the same date (inclusive of losses paid—claims pending—expenses and the value of the then subsisting risks) amounted to £94,287 12s. 2d., shewing that on the whole Fire business to that date, a loss had been incurred.

This appeared to be mainly due to the business of the year 1854-55, during which, as compared with the year preceding, the number of policies issued increased 80 per cent,—the risks taken, 90 per cent,—the premiums received, 100 per cent—and the losses sustained, 375 per cent. In that year the losses amounted to £40,939 5s. 6d., and claims amounting to £12,254 17s. 1d. were still pending to 30th June, 1855.

The results of the present year's operations have of course been much depreciated by the unexpired risks of 1854-55, unavoidably assumed by it. Your directors however have declined many renewals of those risks and have established at once a higher standard, and increased premium. By these measures they are now enabled to report a decided improvement in the business, which they have every reason to believe is of a permanent character; for notwithstanding these measures and the closing of the unproductive agencies, the number of policies issued during the year has been 4213 covering risks to the ex-

tent of £3,578,262 12s. 10d., and producing net premiums to the amount of £38,543 3s. 7d. of which (as shewing an increase) £10,805 11s. 9d. was received during the last quarter.

On comparing therefore the Fire business of 1855-56 with that of 1854-55, it will be seen that whilst the premiums have only been diminished $10\frac{1}{2}$ per cent, the losses chargeable to the year have been reduced about 43 per cent, and that which was a positive loss has thus been improved to a positive profit, without any serious diminution in the amount of business transacted.

The claims pending on 30th June last were as follows:—

Payment ordered.....	£7415	7	6
Awaiting Proof	3077	10	0
In Suit	1090	15	0
Total.....	£11,683	12	6

MARINE.

The Policies issued to 30th June, 1855, covered risks to the extent of £9,207,474 3s. 8d., on which the nett premiums received were £219,048 8s. 2d.

The charges against these premiums to the same date, (inclusive of losses paid, claims pending, expenses and the value of then subsisting risks) amounted to £298,420 18s. 11d., shewing that on the whole Marine business to that date a loss had been incurred. This seems to be mainly attributable to the losses in 1854-55, during which year above 440 claims were sent in amounting to £120,513 11s. 5d., the far greater part of which your Directors are happy to state has now been paid.

Such a position of affairs seemed to dictate the most energetic measures of amendment, and as your Directors were satisfied that it was traceable to the Ocean business, and the classes of risks accepted—they early determined upon the closing of all the Ocean marine agencies, excepting those at

Jersey City, Philadelphia, and Halifax, where the business seemed to promise satisfactory results. But even at the agencies thus maintained, your Directors instituted new regulations, reducing the amount to be taken on any single risks as far as practicable,—declining Hull time risks,—and confining the business to Cargo. It was subsequently determined still further to contract the Ocean Marine business, and the only agency now in operation is that at Halifax, Nova Scotia.

The amount of risks taken in the year ending 30th June, 1856, has been £1,850,006 11s. 3d., of which £1,668,700 12s. 3d. are already discharged, leaving but £181,305 19s. 0d. subsisting, which with £3900 Marine subsisting risks from previous years, gives a total Marine liability on 30th June, 1856, of £185,205 19s. 0d., as contrasted with £1,588,546 18s. 3d. on the 30th June, 1855.

The nett premiums received amounted to £41,040 9s. 8d. on which the following is a statement of the claims:—

Paid	£11394	0	0
Ordered but not paid	1198	8	2
Proof complete.....	830	15	1
Awaiting proof, valued at.....	2306	0	7
Rejected and not in suit, valued at.....	597	18	7
Total	£16,327	2	5

Of the above sum £3220 16s. 5d. only was claimed on the business of the last half of the year, although the risks which were chiefly for short terms, have already nearly expired.

The nature of the business and its results may be more clearly defined by the following statement:—

Premiums earned on expired risks	£30577	2	9
Losses as above.....	16327	2	5
Premium in excess of losses	£14,250	0	4

Nor does this sum fully illustrate the profits realised on the Marine business of the year, inasmuch as the unearned premiums, amounting to £10,463 6s. 11d. have, for the sake of security, been set down as only equal to the value of subsisting risks (estimated at £3,704 0s. 0d.) and the expenses of management.

In comparing therefore the Marine business of 1855-56 with that of 1854-55, it will be seen that the reduction in the premiums received, does not amount to half the reduction for the losses sustained—shewing that although the revenue has been diminished, the profits have been much augmented, and the business restored to its remunerative character.

The claims remaining unsettled on the 30th June, 1856, are as follows:—

Payment ordered.....	£5646	5	5
Proof complete.....	4210	18	3
Total.....	£9,857	3	8

To which should be added the value or probable payments to be made on claims awaiting proof.....	£7067	12	1
“ “ in suit.....	4299	1	1
“ “ rejected, not in suit	2173	19	6
		13540	12 8
Making a total of.....	£23,397	16	4

as the estimated value of all outstanding Marine claims on 30th June, 1856.

The results of the Fire and Marine business combined during the last year may thus be summed up—

ON THE RISKS OF THE YEAR.

Nett Fire receipts..	£38,543	3	7
“ Marine.....	41,040	9	8
Total.....	£79,583	13	3

Marine claims paid.....	£11,394	0	0	
Payment ordered	1,198	8	2	
Proof complete	830	15	1	
Awaiting proof	2,306	0	7	
Claims rejected, valued at.....	597	18	7	
Value of £181,305 19s. 0d. subsisting risks..	3,704	10	0	
				<hr/>
Total Marine.....	£20,031	2	5	20,031 12 5
				<hr/> <hr/>

Fire claims paid or pending 30th June 1856	£13,990	12	7	
Value of £2,588,733 subsisting risks.....	12,943	0	0	
Commission	6,993	16	0	
Expenses.....	4,631	12	6	
Salaries	3,216	4	8	
				<hr/>
				41,775 5 9
				<hr/>

Total Disbursements and Liabilities on the risks of year ending 30th June, 1856.....	£61,806	18	2	
Estimated profit on year	17,776	15	1	
				<hr/>
	£79,583	13	3	
				<hr/> <hr/>

In the amounts above stated as paid on account of Commission, Expenses, and Salaries, various sums are included which are properly chargeable against previous years, but which it is impossible to separate. It is believed, that could the proportions thereof be exactly distributed, and the surplus of unearned premiums over the value of unexpired risks be more justly estimated, a profit of about £20,000 on the year's transactions would be exhibited.

Your Directors are entitled to congratulate you and themselves on a result so satisfactory, for, although they do not desire to conceal the fact, that the Company's affairs still require the utmost energy and prudence of Direction to restore them to full success, they regard so evident an amelioration as fair promise of its early restoration to prosperity.

FINANCIAL STATEMENT.

In last year's Report, the assets of the Company were set down at £100,937 19s. 7d., including £35,582 15s. alleged Balances in Agents' hands; but the Directors soon discovered that of this sum not more than £3,000 could be made available, the residue being either locked up at the Agencies under special arrangements, or the amount being in dispute with the Agents. The amount of Premium Notes held was £38,311 4s. 10d., and being all at long dates, could only be made available as they matured and were paid.

These drawbacks were felt severely when the true amount of the liabilities pending on 30th June, 1855, were ascertained. They were reported at the last Annual Meeting as amounting to £16,526 3s. 1d., in Bills payable, and £427 13s. 1d, in dividends unclaimed, and no notice was taken in the liability sheet of the pending claims, either fire or marine, or the value of subsisting risks. These liabilities have been ascertained as follows :—

Marine Claims pending, stated as £9,184 7s. 0d., were since ascertained to be	£35,791	16	8
Fire Claims stated as £9,108 6s. 3d., since ascertained to be	12,254	17	1
Loss since reported on the then ascertained subsisting Marine Risks of £1,588,543 18s. 3d.....	54,290	2	0
Losses reported on £2,691,605 17s 9d, subsisting Fire Risks	20,443	16	1
Bills payable.....	16,526	3	6
Dividends unclaimed	427	13	1
Total.....	£139,734	8	5

To meet this large sum the assets of every kind on 30th June, 1855, including £20,877 7s. 10d. unpaid calls on Stock added to the £100,937 19s. 7d., amounted only to £121,815 7s. 5d., thus showing a deficiency of £17,919 1s. 0d.

Under such circumstances the necessary steps were taken to make use of all the available resources; and these, coupled

with the successful business of the past year, have enabled the Board to meet the heavy demands upon the Company.

The Board now submit the Balance Sheet for the past year, and their Financial Budget for the year just entered on, being a Statement of the Assets and Liabilities—Appended to the latter is a Schedule of Contingent Liabilities, being the estimated amount payable on unascertained or disputed claims, and the value of subsisting risks in both Fire and Marine, the whole admitting of a favourable contrast with the previous year.

There is then every reason to hope that the future business may, with continued care, be as profitable in its results as were the operations of the past year. And as between the Company and the Public, the latter may rest well satisfied with the security which the Company affords them, and its ability to protect the insuring public against any possible losses on the transactions of the Company.

Your Directors submit to you the propriety of the future appointment of the Auditors for the year being made by the Shareholders in Annual Meeting instead of by nomination of the Board. By this step the Auditors will become the Officers of the Stockholders, independent of the Board, and may be authorised to report on all Financial Statements prepared by the Manager, auditing all the accounts quarterly for the information, or guidance and security of the Directors.

With the present aspect of affairs,—the steady improvement in the business,—and great reduction in the liabilities, the Directors indulge the hope that the remaining engagements of the Company may be met without the necessity of any further call upon the Stock, and that time only is needed to place the Finances of the Company in such a position as to render it what it should be, a profitable investment to the Stockholders and a reliable channel of Insurance to the Community.

Signed. J. S. HOWARD, *President.*
EDW. TAYLOR DARTNELL, *Manager.*

PROPRIETARY BRANCH.

RETURN

*Of the Funds and Property of the Provincial Insurance Company
of Toronto, pursuant to the Act 18 Vic., Chap. 213, Sec. 213.*

Capital Subscribed.....	£496,929	0	0
Capital paid up.....	95,835	11	0
Am't Insured during the year ending 30th June, 1856:			
Fire.....	3,578,262	12	10
Marine.....	1,850,006	11	3
Premiums rec'd during the year ending 30th June, 1856:			
Fire.....	38,543	3	7
Marine.....	41,040	9	8
Amount paid for Losses on risks of such year:			
Fire.....	13,990	12	7
Marine.....	11,394	0	0
Amount liable to be paid for losses on the risks of such year:			
Fire—Ordered.....	7,415	7	6
Proved.....	0	0	0
Marine—Ordered.....	1,198	8	2
Proved.....	830	15	1
Amount paid for losses of previous years:			
Fire.....	20,643	1	2
Marine.....	61,201	19	1
Fire—Ordered.....	200	0	0
Proved.....	0	0	0
Marine—Ordered.....	4,447	17	3
Proved.....	3,380	3	2
Funds and Property:			
Balances at Agencies.....	£24,026	18	3
Debentures.....	1,168	7	3
Steamer "Provincial" (cost price)	3,623	19	0
Accounts with other Companies....	1,272	7	0
Miscellaneous Accounts.....	2,789	3	5
Bills Receivable.....	5,677	10	8
Marine Premium Notes.....	6,825	10	1
do. do. at Jersey City	7,120	12	2
Cash in Bank & Treasurer's hands	1,524	13	8
Balance of call on Stock unpaid....	3,500	9	0
Schooner "Metcalf".....	500	0	0
Office premises.....	7,492	6	9
Office furniture.....	259	1	5
Fire Engine.....	350	0	0
Total.....	£66,130	8	2
Less debts and ascertained liabilities, including unpaid losses as above.....	31,886	14	9
	£34,243	14	5

(Signed,)

EDWARD TAYLOR DARTNELL, *Manager.*

30th June, 1856.

MUTUAL BRANCH.

RETURN

For the year ending 30th June, 1856.

Amount of premium notes on hand, 30th June, 1855	13,297 18 0	
Other assets.....	556 10 5	
	<hr/>	£13,854 8 5
RECEIPTS.		
Premiums Received.....	£512 11 1	
Less returned on cancelled Policies	3 1 6	
	<hr/>	509 9 7
Amount rec'd in Premium Notes.....	1283 16 4	
Less amount cancelled.....	1010 18 6	
	<hr/>	272 17 10
Amount transferred from Suspense Acc't	90 4 7	
	<hr/>	872 12 0
		<hr/>
		14,727 0 5
DISBURSEMENTS.		
Expenses of management, including al- lowance to Agents.....	1812 7 2	
Losses by Fire	2690 13 4	
	<hr/>	4,503 0 6
		<hr/>
		£10,223 19 11
ASSETS.		
Cash Fund:		
In Agents' hands.....	49 12 0	
Premium Notes on hand.....	537 10 1	
First assessment remaining unpaid	47 2 6	
Second do. do.	139 9 10	
Third do. do.	6,239 3 11	
Proprietary Branch.....	3,259 19 8	
Costs.	38 12 0	
	<hr/>	10,311 10 0
LIABILITIES.		
Suspense Account:		
Sums paid in by Policy holders and not assessed.....	74 19 8	
Balance due the Treasurer.....	9 0 5	
Amount paid by Thomas Young and particulars not given.....	2 7 6	
Amount paid by H. Stewart, do.	1 2 6	
	<hr/>	87 10 1
		<hr/>
		£10,223 19 11

EDWARD TAYLOR DARTNELL, *Manager.*

Toronto, 30th June, 1856.