

# CITIZENS INSURANCE COMPANY OF CANADA.

REPORT OF THE DIRECTORS, PRESENTED TO THE SHAREHOLDERS,

*At the Annual Meeting, March, 1886.*

The Directors have the honor to submit their report for the year 1885, which, it will be observed, affords encouraging evidence of the continued progress of the Company.

### FIRE AND ACCIDENT BRANCHES.

Amount received in Premiums, 1885 .....	\$330,938 83
Amount " " 1884 .....	292,004 91
Amount " " 1883 .....	231,819 77
Amount paid for Losses, including claims in process of adjustment, 1885 .....	184,871 04
Amount " " " " 1884 .....	167,151 10
Amount " " " " 1883 .....	143,602 93

Thus, while the gross receipts in 1885 were \$38,933.92 in excess of those of 1884, the losses were but \$17,719.94 greater, which must be admitted to be a satisfactory result.

It must be noted in this connection, however, that the Company was subjected to an extraordinary proportion of loss for the month of December, which is shown by the fact that, while the average for the preceding eleven months was \$12,244.00, the losses of December reached the large sum of \$36,000.00, which is not attributable to bad selection of risks, which in fact, were exceptionally good, but largely to the defective management of the Fire Department of this city.

### LIFE DEPARTMENT.

The amount received in premiums for the year is \$54,802.46, being \$4,802.81 in excess of those of 1884.

The losses in this branch, owing to purely accidental causes, were considerably larger than the expectation, being about twice the amount of the previous year. Such *exceptional* mortality, therefore, affords no proof of bad selection, and a repetition is not to be expected to be of annual recurrence.

### NEW TABLES.

Great attention has been given during the year to the preparation of new and improved tables and schemes of life and accident insurance, which it is hoped will prove attractive to those who desire to avail themselves of these most wise forms of safe investment.

### ANNUAL PROFITS—ALL BRANCHES.

Upon reference to the subjoined statement it will be seen that, after paying accrued profits to life policyholders, and dividends to shareholders, the balance remaining is \$28,466.52.

### ASSETS.

The annexed statement shows that the surplus in the *Fire and Accident Branches* has been increased during the past year by the sum of \$24,210.76, and in the *Life Branch* by \$13,933.18.

### INSURANCE RESERVE.

In the Directors' report of 1884, this fund was referred to as a "Contingent Liability."

It may be further explained, however, that it is a fund created by law for the protection of the shareholders of a company, but has little significance as regards policyholders, who have abundant security in the assets of the company.

While, therefore, the law properly requires the scrupulous maintenance of this reserve fund by a large percentage of premiums received on all its business, both domestic and foreign, on the part of Canadian companies, foreign corporations are exempted, so far as relates to their business outside of the Dominion of Canada. It is difficult to see how this discrimination by our own Government to the prejudice of home companies can be justified.

The Auditors report is on the table.

The retiring Directors are Andrew Allan, Robert Anderson and Henry Lyman, all of whom are eligible for re-election.

HENRY LYMAN,

*President.*

Report 1885-

1885—Accounts.

FIRE AND ACCIDENT BRANCHES.

REVENUE.		EXPENDITURE.	
Premiums—Fire and Accident.....	\$330,938 83	Losses paid—Fire and Accident .....	\$164,399 71
Interest and Rents.....	10,757 83	Losses outstanding awaiting adjustment.....	29,471 33
Other Receipts.....	18,220 30	Re-Insurances, Return Premiums and Commission to Agents .....	105,912 21
		Expenses, including Interest, Rent, Taxes, Salaries and Fees, Printing and Plant, Dividends and Law Costs.	42,853 21
		Balance to credit of Profit and Loss Account.....	26,280 50
	\$359,916 96		\$359,916 96

LIFE BRANCH.

REVENUE.		EXPENDITURE.	
Premiums received in Cash.....	\$54,802 46	Death and Endowment Claims paid .....	\$27,653 20
Interest and other Revenue .....	11,771 82	Outstanding Claims in course of proof.....	7,500 00
		Re-Insurance Premiums paid.....	1,814 94
		Expenses, including Agents Commissions, Medical Fees, Salaries, Taxes, Rents, &c. ....	22,398 80
		Balance to credit of Profit and Loss Account.....	7,207 34
	\$66,574 28		\$66,574 28
Profits of the year—Fire and Accident Branches.....	\$26,280 50	Paid Profits to participating Life Policy-Holders, Surrender Values, &c.....	\$5,021 32
“ “ “ Life Branch .....	7,207 34	Net Profits of the year after payment of dividends to Stock-holders .....	28,466 52
	\$33,487 84		\$33,487 84

## Assets and Liabilities.

### FIRE AND ACCIDENT BRANCHES.

ASSETS.		LIABILITIES.	
Parkhill Bonds.....	\$ 3,060 00	Losses in course of adjustment.....	\$20,471 33
Montreal Harbour Bonds.....	58,160 00	Contested of previous years.....	4,000 00
Windsor Bonds.....	11,275 00		\$24,471 33
Merchants' Bank Stock at 115.....	27,830 00	Due upon Head Office property and all other Liabilities.....	46,578 42
Real Estate.....	85,000 00	<b>Surplus of Assets over Liabilities...197,571 71</b>	
Other Stock and Properties.....	3,388 35		
Bills Receivable.....	482 14		
Sundry Debtors—Re-Insurances due from other Companies and amounts secured by Life Policies.....	25,484 13		
Cash in Banks.....	17,141 95		
Premiums in course of collection.....	22,462 89		
Agents' Balances.....	4,478 21		
Furniture, Plans and Plant.....	6,500 00		
Accrued Interest and Rents.....	3,358 79		
	<b>\$268,621 46</b>		<b>\$268,621 46</b>

### LIFE BRANCH.

ASSETS.		LIABILITIES.	
Montreal Harbour Bonds.....	\$17,200 00	Death Claims advised, but not proved.....	\$7,500 00
Toronto City Bonds.....	11,470 10	All other liabilities.....	5,528 68
Montreal City Stock.....	21,300 00	<b>Surplus of Assets over Liabilities...200,862 30</b>	
Canada Central Railway Bonds.....	6,424 00		
Montreal Corporation Bonds.....	48,035 00		
Montreal Loan & Mortgage Company's Stock.....	7,050 00		
West Tilbury Township Bonds.....	6,355 34		
Sandwich Township Bonds.....	3,608 00		
Parkhill Bonds.....	1,020 00		
Windsor Debentures.....	4,573 08		
Merchants' Bank Stock at 115.....	10,810 00		
Loans on Policies.....	9,109 53		
Accrued Interest and other Assets.....	9,583 70		
Outstanding and Deferred Premiums, less 10 per cent..	19,199 58		
Dominion Telegraph Bonds.....	10,122 65		
Dundas Cotton Company's Debentures, 1st Mortgage..	10,250 00		
Montreal Cotton Company's ".....	15,500 00		
R. C. School Bonds.....	2,280 00		
	<b>\$213,890 98</b>		<b>\$213,890 98</b>

### RESERVE FUND AND CAPITAL ACCOUNT.

Shareholders' Capital, 11,880 Shares (Subscribed) of \$100 reduced to \$85 each.....	\$1,009,800 00	Fire and Accident Reserve Fund.....	\$118,680 91
Balance of Fire and Accident Assets.....	197,571 71	Life Reserve Fund (Government computation).....	196,743 00
Balance of Life Assets.....	200,862 30	Capital paid up, reduced to.....	74,100 00
	<b>\$1,408,234 01</b>	<b>Balance, being Surplus Security.....1,018,710 10</b>	
			<b>\$1,408,234 01</b>

### AUDITORS' REPORT.

(COPY.)

MONTREAL, February 23rd, 1886.

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

GENTLEMEN,

We beg to report that we have carefully examined the Books, Vouchers, etc., of the Company for the year ending 31st December, 1885, comparing the vouchers with the books, checking each entry, verifying the investments, etc., and we have much pleasure in certifying to the correctness of the same.

(Signed,)

W. H. CLARE, }  
M. S. FOLEY, } *Auditors.*

January 1st, 1886.

**SUMMARY OF THE FINANCIAL POSITION**  
OF THE  
**CITIZENS**  
**INSURANCE COMPANY OF CANADA.**  
(INCORPORATED 1864.)

HEAD OFFICE: CITIZENS INSURANCE BUILDING,  
179-181 ST. JAMES STREET, MONTREAL.

DIRECTORS:

HENRY LYMAN, ESQ., *President.*  
ROBERT ANDERSON, ESQ.  
J. B. ROLLAND, ESQ.

ANDREW ALLAN, ESQ., *Vice-President.*  
ARTHUR PREVOST, ESQ.  
CHAS. D. PROCTOR, ESQ.

H. MONTAGU ALLAN, ESQ.

GERALD E. HART, *General Manager.*

ARCH. MCGOUN, SR., *Sec.-Treas.*

CAPITAL SUBSCRIBED	-	-	-	-	\$1,009,800 00
DEPOSITED WITH DOMINION GOVERNMENT	-				122,000 00

ASSETS--ALL BRANCHES.

Cash in Bank.....					\$ 17,141 95
Montreal, Toronto and other Municipal Debentures and Harbour Bonds (Market values on 31st December last).....					209,333 17
Bank and other Dividend-paying Stocks (Market values on 31st December last), Loans secured by Life Policies .....					76,099 53
Real Estate.....					88,388 35
Furniture, Plans and Plant.....					6,500 00
Bills Receivable and Sundry Debtors.....					25,966 27
Accrued Interest, Rents and other Assets.....					12,942 49
Agents' Balances, including Deferred Life Premiums.....					46,140 68
				-----	\$482,512.44

LIABILITIES--ALL BRANCHES.

Losses under Adjustment.....					\$31,971 33
Due upon Head Office Property and all other Liabilities .....					52,107 10
				-----	84,078 43
Balance of Subscribed Capital at call.....					\$398,434 01
					935,700 00
Security to Policy-Holders .....					<u>\$1,334,134.01</u>
Gross Income for the Year ending 31st December, 1885....	\$				426,491.24
Reserve Funds .....					<u>315,423.91</u>
Total Losses paid to 1st January, 1886 .....	\$				<u>2,503,227.14</u>

*N.B.—The Stock of this Company is held by many of the wealthiest Citizens of Montreal. A better guarantee to Policy-holders could not be offered.*