

## Report, 1889.

# Citizens Insurance Company of Canada.

Report of Directors presented to the Shareholders at their Special General Meeting, 29th March, 1890.

The Directors beg to submit their report of the operations of the Company for the year ending 31st December, 1889, together with the Report of the Auditors, Messrs. Philip S. Ross and William Hodgson.

The full figures of the Income and Expenditure Accounts of the various Branches, as well as the full Statements of Assets and Liabilities, will be found appended hereto. The balance at the credit of Profit and Loss Account for the year amounts to \$40,502.77, the Fire Branch having contributed largely to this favorable result. The Directors have been careful to include in the present Accounts a full estimate for all outstanding losses; the inadequate provision made for this item in past Accounts has entailed upon the current year's operations losses to the amount of \$6,609.57, all of which represented claims which occurred in previous years, and should have been charged in the last account. In ascertaining, therefore, the actual result of the business of 1889, this sum should be added to the amount at the credit of Profit and Loss Account of the year.

The handsome Surplus of the year has, however, been more than offset by the amounts written off the Assets of the Company for depreciation in Securities, bad and doubtful debts, and other items, which, in the judgment of the Directors, could not be regarded as legitimate and realizable Assets. The items so written off amount to \$45,221.63, all of which were included as available Assets in the last Annual Account, and the effect of this necessary elimination and reduction has been to reduce the available Assets of the Company from \$596,269.57 (in 1888) to \$573,637.54 in 1889; and while the Directors regret the necessity, in the face of a good year's business, of meeting the Shareholders with decreased Assets, they believe you will readily appreciate the reasons which have contributed to this reduction, and will be fully satisfied with the knowledge that the Securities detailed on the other side are correct, and that they are actually realizable for the value applied to each item.

In the preparation of the statement of Liabilities, the Directors have this year introduced for the first time the principle of applying the full Re-Insurance Reserve defined by the Dominion Government. The effect of this modification has been largely to increase the amount of the Company's liability under this particular item, and correspondingly to reduce the amount of the surplus of Assets over Liabilities. But the Directors believe the course now adopted to be the only safe and prudent one, and have no doubt it will receive your thorough approval.

The Funds now available for the protection of the Company's Policy-holders, are as follows, viz :—

Re-Insurance and Reserve Fund.....	\$ 459,139.76
Surplus of Assets over all Liabilities.....	37,134.20
Unpaid Capital.....	765,478.46
Total available Funds.....	\$1,261,752.42

The Directors have devoted much attention during the past year to the re-arrangement of the mode of conducting the Company's business, with particular reference to the establishment and management of Agencies, supervision of Disbursements, the scrutiny of Risks and Losses, due accounting by Agents and Employees and the Collection of Overdrafts and Balances. And although much yet remains to be done, they believe their efforts have not been unsuccessful, and will receive your approval. The former General Manager resigned in December last, and, after careful enquiry, the Directors have appointed Mr. E. P. Heaton General Manager of the Company, and they have every reason to believe that he will prove an efficient and zealous officer.

Your Directors do not deem it advisable, in the interest of the Company, to declare any Dividend for the current year.

The Directors retiring are, Messrs. Andrew Allan, Chas. D. Proctor and Arthur Prevost, all of whom are eligible for re-election.

J. J. C. ABBOTT, President.

## SUMMARY OF ACCOUNTS, YEAR 1889.

### FIRE BRANCH.

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Assets and Liabilities.

**FIRE AND ACCIDENT BRANCHES.**

ASSETS.		LIABILITIES.	
Montreal Harbour Bonds.....	\$ 57,295 00	Losses in course of adjustment.....	\$ 21,446 03
Parkhill Bonds.....	3,165 00	Due upon Head Office: property.....	45,653 41
Three Rivers Bonds.....	39,220 00	Reserve Re-insurance, Government Standard.....	169,613 65
C. P. R. Land Grant Bonds.....	9,855 00	<b>Surplus of Assets over all Liabilities</b>	<b>73,283 54</b>
Windsor Bonds.....	12,787 50		
London West Bonds.....	5,725 00		
City of Winnipeg School Bonds.....	16,200 00		
Real Estate.....	100,600 00		
Bills Receivable.....	1,733 47		
Sundry Debtors.....	4,096 48		
Premiums in course of Collection and Agent's Balances.....	19,092 28		
Furniture, Plans and Plant.....	6,167 06		
Accrued Interest and Rents.....	3,561 35		
Cash in Bank and Office.....	30,498 48		
	<b>\$309,996 62</b>		<b>\$309,996 62</b>

**LIFE BRANCH.**

ASSETS.		LIABILITIES.	
Montreal Harbour Bonds.....	\$ 16,525 00	Death Claims in course of proof.....	\$ 10,000 00
Montreal City Stock.....	21,240 00	Other Liabilities.....	264 15
Montreal Corporation Bonds.....	9,000 00	Reserve Fund, Government Standard.....	289,526 11
Toronto City Bonds.....	10,946 46		
Canada Central Railway Bonds.....	10,161 60		
Montreal Loan and Mortgage Company's Stock.....	9,000 00		
West Tilbury Township Bonds.....	2,479 84		
Sandwich Township Bonds.....	1,904 00		
Parkhill Bonds.....	1,055 00		
Windsor Bonds.....	1,707 52		
R. C. School Bonds.....	2,400 00		
Quebec Provincial Bonds.....	32,700 00		
Three Rivers Bonds.....	6,360 00		
Dundas Cotton Mills Company's Bonds, 1st mortgage.....	10,000 00		
Dominion Telegraph Company Bonds.....	9,733 33		
Montreal Cotton Company's Bonds, 1st mortgage....	16,120 00		
London Loan Company Bonds.....	5,000 00		
C. P. R. Land Grant Bonds.....	5,450 00		
City of Victoria, B. C., Bonds.....	20,850 00		
Intercolonial Coal Company's Stock.....	4,962 50		
Montreal Investment Trust Stock.....	6,000 00		
Loans on Policies.....	8,770 20		
Outstanding and Deferred Premiums, less 10 per cent. (net),.....	25,158 29		
Accrued Interest and other assets.....	7,233 24		
Cash in Bank and Office.....	18,883 94		
<b>Deficit of Assets.....</b>	<b>36,149 34</b>		
	<b>\$299,790 26</b>		<b>\$299,790 26</b>

**CAPITAL ACCOUNT.**

Shareholder's Capital.....	\$ 875,925 00	Life Department, Deficiency of Assets.....	\$ 36,149 34
Balance of Fire and Accident Assets.....	73,283 54	Capital paid up.....	157,580 74
		<b>Balance being Surplus Security.....</b>	<b>755,478 46</b>
	<b>\$949,208 54</b>		<b>\$949,208 54</b>

**AUDITORS' REPORT.**

To the President and Directors of the *Citizens Insurance Company of Canada.*

GENTLEMEN,—We, the undersigned, have audited the business of the past year (1889), and have verified the Cash disbursements from the Vouchers presented to us. We have also verified the postings from the subsidiary Books to the General Books, and have scrutinized the Securities in the Company's possession, and the Certificates of the Dominion Government, etc., for those in their possession.

We have tried, as far as possible, to verify the sources of revenue, and report the whole to be in accordance with the various records of the Company, and of the statements to be submitted to you.

(Signed,)

WM. HODGSON, }  
PHILIP S. ROSS, } *Auditors.*

MONTREAL, 20th March, 1890.