

FINANCIAL STATEMENT

TO: THE POLICY HOLDERS OF PRINCE EDWARD ISLAND MUTUAL FIRE INSURANCE COMPANY

Your Directors wish to submit the Eighteenth Financial Statement of the Amalgamated Companies for the year ending December 31st, 1958.

If there were no amalgamation this would be Seventy-Five years Prince Edward Island Agricultural Mutual Fire Insurance Company would be in operation and the Sixtieth year the original Prince Edward Island Mutual Fire Insurance Company would be in operation.

If you will examine the Financial Statement as certified by the Auditors you will see that our net premium income was \$762,064.53 for the year ending December 31st, 1958. This is an increase of approximately \$24,000.00 when it is compared with the 1957 income, and again is an all time high.

We have decreased the premium rate on small holding, isolated, rural buildings from \$10.00 per thousand for three years to \$9.00 per thousand for three years.

We have also decreased the rate on new isolated dwellings to \$7.00 per thousand for three years, which premium takes care of the extended coverage.

When our income is higher, necessarily our liabilities by way of insurance is higher.

The fact that the income from the premiums is higher, shows that the citizens of Prince Edward Island have faith in your Company and its management.

Approximately two-thirds of the net income is derived from farming and fishing risks.

The interest income was \$17,169.28 which is the highest income in the history of the Company.

The losses which we incurred amounted to \$787,559.32, which is a decrease of approximately \$26,000.00 from last year.

Last year the losses were approximately 66.2 per cent of the premium income. This year the loss percentage of the premium income is approximately 43.1 per cent so that we have a net excess of receipts over expenditures of \$68,282.77.

This was an exceptional year for the Company because the total amount of losses incurred was less than the average, and the income from premium collections was the highest in the history of the Company, and the same applies to the income from interest collections.

We carry a total of \$45,937,039.00 fire insurance which, as you will see, is an increase of approximately \$2,100,000.00 over the 1957 figures.

Our net premium income from insurance on farming and fishing risks for the year 1958 was \$110,648.83. The balance is income from mercantile risks and income from insurance on dwellings which are not considered farm risks, schools, churches and other miscellaneous risks.

The loss percentage of the premium income on non commercial buildings in 1958 was approximately Fifty-one per cent.

The loss percentage of the premium income on other risks for 1958 is Thirty-five per cent.

The following is an analysis of the losses which we paid for the year 1958:

Rural Dwellings	\$ 24,285.47
Rural Outbuildings	20,021.10
Saw Mills	13,500.00
Urban Stores	11,727.68
Urban Dwellings	8,418.75
Schools	875.53
Combine	550.00
Churches	298.10
Cattle	275.00
Fire Departments	200.00
Potatoes	97.70
Tractor	41.10
Feed Mill	35.00
Hall	30.00
Machinery	5.02
Adjustments	3,048.71
and the balance is miscellaneous.	

The following is an analysis of the causes of losses:

Unknown	\$ 19,015.70
Sparks from stove	11,000.00
Suspected Incendiarism	8,000.00
Faulty Flue	6,261.31
Faulty Shingles	5,623.75
Faulty Wiring	4,650.50
Children Playing with Matches	3,748.00
Lightning	2,932.96
Overheated Bearing in Saw Mill	2,500.00
Faulty Safe	2,185.00
Gasoline Lamp Exploded	2,030.00
Grass Fire	1,460.00
Overheated Stovepipe	1,342.00
Lantern Overturned	1,210.00
Tar Boiled Over on Stove	741.45
Spontaneous Combustion	700.00
Tractor	591.10
Clothes too near Stove	328.25
Overheated Fireplace	200.00
Fire Departments	200.00
Tractor Backfired	175.00
Cigarette Butt	135.75
Oil Furnace Flooded	121.53
Gas Engine Backfired	50.00
Firecrackers	50.00
Waterfront in Stove Exploded	27.30
Fat Caught Fire	17.50
Wind	11.43
Roller	5.02
Adjustments	3,048.71
and the balance is miscellaneous.	

The percentage of the security reserve of the insurance liability has been stable and is approximately 1.1 per cent. This figure has not varied to any extent for some time past.

According to the requirements of the Insurance Act our minimum reserve would be \$140,000.00, therefore you the Policyholders can rest assured that the financial circumstances of the Company are in excellent condition.

This year the expense percentage of the income is 13.4 per cent compared with 14.6 per cent last year.

This year the commission percentage of the premium income is 14.2 per cent compared with 14.7 per cent last year.

The reason for this decrease is that the people are becoming insurance minded all the time and the individual premium is higher.

Again we would like to point out that it has always been, and still is, the aim of your Directors to keep the ratio between the insurance carried and the reserve in a good healthy state and also perform the best services at the lowest possible premium rate.

It has always been the policy of your Directors to keep the expenses at a minimum having regard to the services rendered.

If you will examine the Balance Sheet of the Company you will see that the book value of our Bonds exceeds the actual market value of the Bonds. In the opinion of your Directors this does not cause any consternation, because in the foreseeable future your Directors do not see any reason which would require us to sell these bonds.

After examining the Financial Statement and this Report you will notice that we have had a very successful year.

During the year Mr. George M. Grant announced his retirement as an Agent. His resignation was reluctantly accepted. Mr. Grant had been an Agent for nearly Twenty-Five years.

Mr. James MacKay formerly of Brackley Point Road, but now of Charlottetown, resigned from the Directorate of the Company and was designated by the Company to be the recognized representative of the Policyholders for the district which Mr. Grant worked.

Mr. Eric Lowther of Crapaud was appointed Director to fill the position for the balance or unexpired term of Mr. MacKay.

Mr. W. B. Warren of Kensington, owing to ill health, resigned as Agent for the Company.

The territory which Mr. Warren represented has been divided among three Agents of the Company, namely: Mr. S. B. Birch, Port Hill, Mr. W. V. Craig, Bedeque and Mr. Clifford Simpson, Stanley Bridge.

Your Directors trust that the current year will be a successful year and will again demonstrate the benefit of the co-operative principle which underlies the system of Mutual Insurance.

Respectfully submitted this Twenty-Seventh day of January A. D. 1959.

(Sgd.) JOHN MacINTOSH
(Sgd.) ALBERT LINKLETTER
(Sgd.) T. L. LINKLETTER
Committee on Behalf of Directors.

STATEMENT OF INCOME AND EXPENSES for the year ended December 31st, 1958

INCOME—	
Net Premiums	\$182,064.53
Net Interest	17,169.28
Net Office Rentals	291.32
Profit on disposal of investments	1,899.03
	\$201,444.56
EXPENSES—	
Agents' Commissions	\$ 26,069.34
Losses Incurred	78,559.32
Inspection costs	228.40
Administration Expenses	26,592.40
Depreciation on Building and Office Equipment	1,692.33
	\$133,161.79
SURPLUS FOR THE YEAR	\$ 68,282.77

ASSETS—

Cash on hand and in Bank	\$ 20,090.20
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BALANCE SHEET

ASSETS—

Cash on hand and in Bank	\$ 20,090.20
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IN MEMORIAM



Reginald J. MacDonald

The sad and tragic death occurred in Charlottetown on December 9th, 1958, of Reginald Joseph MacDonald of Charlottetown while employed with Eastern Woodworkers Limited on the construction of the new Royal Bank Building.

The late Mr. MacDonald was born at Morell, P. E. I. on May 5th, 1920, educated there, and later enlisted in the Canadian Active Army in May 1942, going overseas in September 1942, and serving in the United Kingdom and Europe until his discharge in 1946. Following his marriage in 1947 he moved to Charlottetown and took employment as Fireman at the Charlottetown Hospital for a year, and since that time has been engaged in carpentry work here on the Island and in Labrador.

He leaves to mourn his sad loss his wife, the former Eunice MacDonald of Bristol, P. E. I., and six children, namely, Gerald R, Rose Marie 8, Jean 7, Christine 5, John 4 and Peter 2. Also his parents, Mr. and Mrs. Augustine MacDonald of Bristol, together with 5 sisters and 6 brothers.

His largely attended funeral took place from The Hennessey Funeral Home on December 13th, 1958, to The Little Flower Church at Morell where Requiem High Mass was celebrated by Rev. Eric Robin, who also conducted the services at the grave. Interment took place in the Church Cemetery. Pallbearers were Emmett Cameron, Harold Baxter, Gordon Sanderson, Alexander Stewart, Gavin Duffy and Francis Hughes. The Morell Branch of the Canadian Legion and Fellow Employees of Eastern Wood-

IN MEMORIAM

MRS. GEDDIE DOUGLAS

The people of Hillsboro and vicinity were saddened when they learned of the passing in the Hillsboro of Mrs. Geddie Douglas in her seventy-ninth year. She was a daughter of the late Eliza and Mary (Douglas) Pigott. She will be much missed in the community where she lived. She was ever ready to help in times of sickness and need, but it is in the home that the loss will be most keenly felt, she

WREATHS

Pillow, Eunice

Spray, Gerard, Rose Marie, Jean, Christine, John & Peter

Loyal Branch Canadian Legion, Morell

Fellow Workers, Royal Bank

Job

Carpenter's Union Local 1338

Eastern Woodworkers Limited

SPRAYS

William V. MacDonald

Mr. & Mrs. William W. MacDonald

Clarence & Julia Toole

Mabel and Peter

Lillian and Pius

SPIRITUAL BOUQUET

Sr. Mary Agnes, Precious Blood

Monastery

HIGH MASSES

Sisters of St. Martha & Mount

St. Mary's

Sisters of the Charlottetown

Hospital

Rev. Ivan MacCormick, Ottawa

Dr. & Mrs. L. Duffy, Charlotte-

town

Fellow Workers, Royal Bank

Job

Mr. & Mrs. Charles MacDon-

ald, Morell

Mr. & Mrs. James L. MacDon-

ald, Morell

Mr. & Mrs. Alfred MacDonald,

Brantford, Ont.

LOW MASSES

Art & Francis, Ottawa

Rosemarie & Family, U. S. A.

Ronald and Bonnie, Ont.

Edward and Nan, Ont.

Mother and Dad, Bristol

Ruel and Mrs. MacCormick,

Charlottetown

Basil and Audrey, Montreal

Julia and William, Charlotte-

town

Peter and Mabel, Charlotte-

town

Bertha and Mary, Charlotte-

town

Melvin and Josephine, Char-

lottetown

George and Vera, Charlotte-

town

Pius and Lillian, Charlottetown

William V., Charlottetown

Joseph W., Charlottetown

Francis and Florence, Char-

lottetown

Walker and Rita, Charlottetown

Ronald LeClair, Charlottetown

Charles Connolly, Charlottetown

Joe and Clara Prowse, Char-

lottetown

Mr. and Mrs. Francis O'Keefe,

Charlottetown

Mrs. J. A. Griffith, Charlotte-

town

Teresa and Ledwell Vessey,

Charlottetown

Pat and Margaret Sinnott,

Charlottetown

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WREATHS

J. J. and Mac-Perry, Bristol

Lilly and Gerry Barry, Morell

Dot and George Barry, Bristol

Daphnia and Walter McAdam,

Morell

Mr. and Mrs. Lenius Rossiter,

Charlottetown

Mr. and Mrs. Adolphus Vessey,

Charlottetown

Mr. and Mrs. Melvin Peters,

Charlottetown

Mr. and Mrs. Melvin Peters,

Charlottetown

Mr. Harold Phalen, Morell

Mr. and Mrs. N. J. Ferguson,

Halifax, Nova Scotia

Norma and Clement Sinnott,

Charlottetown

Les. Marie and Carole McKay,

Charlottetown

Joseph Molyneux, Charlotte-

town

Harry Walsh, Charlottetown

Mr. and Mrs. Joseph MacDon-

ald and Norma Edward, Char-

lottetown

Mr. and Mrs. Ben Keefe and

family, Morell

Roderick and Mary, Charlotte-

town

CARD OF THANKS

Mrs. Reginald J. MacDonald &

Family wish to express sincere

thanks to the Chaplain, Sisters,

and Nurses of the Charlottetown

Hospital, Dr. C. A. Coady, the

many kind neighbors and friends,

Eastern Woodworkers Ltd., fel-

low employees, Canadian Legion,

Compensation Board, and all

others who called or helped in

any way during our recent sad

bereavement in the loss of a

loving Husband and Daddy.

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WREATHS

Jennie, Eliza, Katie and Freddie

Charlottetown Income Tax Staff

Association

Head of Hillsboro Women's In-

stitute

May, Leslie, Russell and Heather

Eunice, Millie and Margaret

Harvey, Edith and Lorne

Henry, Jennie and Janet

Hilda and Frank, Blanche and

Walter, Mabel and Annie

Reta and Lloyd

Sonja and Clifford

Fannie and Ernie

Mr. John Ferguson and Mrs.

Gertrude Saunders

Mr. and Mrs. Herbert Carr

Isabel and Louis Beatrice and

We will remember thee.

Ernest Cameron

Rose, Ralph, Elsie and Roy Cot-

fin

Mr. and Mrs. Hamilton Douglas

Mount Stewart Branch Canadian

Legion

CUT FLOWERS

Mary Merton and Bruce

POTTED PLANT

Staff of Red Cross

You are not forgotten loved one

Nor will you ever be

As long as life and memory last

We will remember thee.

SAFE INVESTMENTS

- GOVERNMENT OF CANADA 4 1/2%
Sept. 1, 1963 Price 96. To Yield 4.78%
- PROVINCE OF SASKATCHEWAN 5%
March 1, 1979 at 96.7% to Yield 5.25%
- PROVINCE OF NEWFOUNDLAND 5 1