

withstanding the distrust which has prevailed respecting securities of this description generally, there is no cause for apprehension concerning the mortgage loans of this Company. The whole number of loans is 7474, averaging \$1,469 for each loan. It is found that small loans are safer and more profitable than larger ones.

The Real Estate account has not been largely increased during the year, notwithstanding the practice has been to resort to foreclosure in most cases where interest has been delinquent for any great length of time. The value of the Real Estate is stated at the amount originally loaned upon it, not including interest, or anything that may have been expended for taxes or repairs. Recent appraisals justify such valuation. We have, however, included in the Liabilities \$75,000, to provide against any depreciation that may possibly occur.

Of the total Assets, \$25,120,804.24, only \$427,249 consists of Real Estate. This is but a small fraction of the assets—less than two per cent.—a much smaller percentage than companies generally hold. From the Real Estate sold by the Company it has realized the amount loaned upon it, with about four per cent. interest, after paying all expenses, taxes and repairs. It is not probable that that now owned will result less favorable.

It will be observed that the Company's interest income was \$1,617,764.91, which is nearly 6½ per cent. upon its entire Assets at the commencement of the year, and that the receipts for interest were \$150,386.11 more than the total amount paid for Death Claims and all expenses. Such a result is rarely accomplished by any life insurance company, and is most conclusive as to the productiveness of the Ætina's assets.

The surplus has been considerably increased since our last annual report. After providing for all Liabilities, including the reserve by the highest standard required by any State law, viz.: Actuary's Table of Mortality, and 4 per cent. interest, it is \$3,333,309 as regards policy-holders, which has warranted us in increasing the divi-

dends to them for the year 1879, considerably more than in previous years.

For the information of those who wish to know how the moneys of the Company have been used, we will state that the item expended for "Commissions, Agency, and all other Expenses, \$363,355.36," is composed of the following:

Commissions paid to Agents upon first and renewal premiums,	\$212,135.43
Salaries of President, Secretary, Actuary, and Superintendent of Agencies, . .	19,000.00
Salaries of Clerks, Bookkeepers, and all other Employees in the Office, 25 in number,	33,944.00
Agency Supplies and Outfits,	7,750.57
Traveling Expenses, . . .	3,242.21
Rents,	8,062.71
Office Furniture,	118.92
Stationery,	1,495.81
Printing,	1,639.97
Advertising,	6,359.62
Postage,	10,890.35
Expressage,	970.43
Telegraphing,	317.36
Exchange,	5,598.58
Stamp Tax,	174.39
Incidental Expenses, . . .	610.21
Legal Expenses,	3,505.63
Paid to the State Departments for valuation of policies, .	2,539.17
Dividends to Stockholders,*	45,000.00

Total Expense account, \$363,355.36
*\$9,000 of which was from Participating Department.

The expenses of the Ætina have always been small, generally much less than those of other companies. For the year 1878, they were less than ever before, being but a fraction over eight per cent. of the income.

Inasmuch as it is questionable whether vitality gains should be used in payment of dividends to the insured, the dividend-paying ability of a life company rests upon the favorable rate of interest received upon its investments, and economy in management. In these respects the ÆTNA has few if any equals.

Notwithstanding the very disastrous times through which the country has passed, the

Ætina has steadily increased in strength and ability to meet its maturing obligations with regularity and promptness, and is today stronger than ever before.

We hope the time has arrived when the good life insurance companies will be appreciated for what they are. Their soundness has been demonstrated over and over again. We trust that our Agents will not fail to make the claims of the Ætina known and understood. It is believed that if our policy-holders are made acquainted with the condition of the Company, they will exert in its behalf a favorable influence, which, if followed up by the personal solicitation and efforts of our agents, will result in a largely increased business.

Yours truly,

T. O. ENDERS,
President.

Investments in Real Estate.

GREAT losses have been experienced during the last few years by shrinkages in the value of real estate. Some men, supposed to be worth millions, have become bankrupt from this single cause; and many families enjoying large incomes have been reduced to comparative penury.

One of our policy-holders in Pennsylvania, a shrewd Quaker, in Chester county, who thinks little of veneering, and much of solid material, has been troubled about the Ætina. He feared that it had imitated many other corporations, and been tempted to large investments in real estate. In his discomfiture of mind, he wrote to our agent in Philadelphia as follows:

"I have been thinking, if you have much money invested in city property, if it is like such property in Philadelphia, I would not give much for it. The taxes are so high, and it is so difficult a matter to rent it, that property of this sort is very undesirable and unprofitable. It would be a terrible thing for us, if our Company should fail, after paying so much to it."

The agent relieved the anxious mind of the good Quaker by the following letter:

"I am glad to say that the amount of real estate held by the Company is less than two per cent. of its assets, and this is productive real estate. Judging from the past the Company will meet no loss thereon, but be able to sell it from time to time, and