

CONFEDERATION LIFE ASSOCIATION

The forty-eighth annual statement of the Confederation Life Association indicates considerable development of business written in 1919, due to the pronounced demand for life insurance during that period. The total amount of new insurance written in 1919 amounted to \$31,268,527, including revived policies and bonus additions, as compared with \$18,062,374 in the preceding year, an increase of \$13,206,153. This great expansion was accompanied by a substantial addition of \$20,495,209 to insurance in force which totalled \$112,481,374 at 31st December last. The President, Mr. J. K. Macdonald, in his address to the shareholders, said:—"The possibility of a large increase in regard to new business called for careful consideration as to the wisdom of being content to do with less new business, in view of the large cost which would necessarily be incurred. This consideration was the more necessary in view of the exceptional number which this and all other life insurance companies have had to meet through the war and the influenza epidemic. It was considered wise to take advantage of the opportunity to place on the books a fairly large amount of good new business, a decision in which all the life insurance companies in Canada concurred."

The stability and strength of the Confederation Life is strikingly evidenced by the fact that war claims and claims caused by the epidemic, which were outside the calculated mortality, have been paid with only a precautionary modification in profits declared. The total income for the year, including interests and rents, amounted to \$5,679,521 as compared with \$4,726,089 in 1918. Disbursements to policyholders and their beneficiaries reached \$3,036,322, against \$2,528,126 in the preceding year.

After payment of expenses, etc., the balance on the year's operations was such as to increase the net invested assets from \$22,250,503 to \$23,466,455 as at 31st December last. Total assets are \$24,647,904, a substantial gain of \$1,181,449 over the previous year.

Payments on account of principal on mortgages were large, being \$954,670.94, or \$402,166.92 greater than the new investments in this class of security. The loans would have been readily renewed, but no doubt the high prices obtained by a great many of the farmers for their produce enabled them to pay off their loans. The sum reinvested in mortgages, chiefly on farm securities, was \$552,504.02.

The investment in debentures, including Government Loan, amounted to \$2,977,493.43, while the amount paid off, or sold, was \$1,618,218.09, leaving the net increase for the year \$1,359,275.34.

There was also a slight increase in stocks, through the taking up of allotments.

Loans on policies are less than at the close of 1918 by the sum of \$150,872.58.

Real estate comprises Head Office building, Toronto, and building in Winnipeg, together with properties foreclosed, or taken over, and stood at the close of the year at \$2,250,071.70, or \$131,183.99 more than at the close of 1918. Foreclosed properties were sold during the year for \$48,455.43, yielding a net profit of \$6,538.06. The rate of interest earned on mortgage investments was 7.55% and on all investments, including real estate, was 5.77%. The total of the foreclosed properties now amounts to \$453,199.68, the value of which is \$533,031.00, or \$79,831.32 more than the debit against them. Sales of some of the parcels are certain to be made during this year, one sale already having been made with a profit of \$11,702.05 over the amount at debit.

After calculation of liabilities upon the usual conservative basis, there is a surplus above all liabilities of \$1,737,386.

While the experience of life insurance companies is bound to fluctuate in line with favourable and unfavourable conditions of individual years, in the case of such a well equipped and sound an organization as the Confederation Life, continued steady progress may be looked for in each succeeding year.

WATERWORKS FOR SMALL TOWNS

Many of our moderate-sized communities have not availed themselves of the advantages and benefits of a public waterworks system. While some years ago only the larger cities could afford waterworks systems, modern progress has extended this privilege to the smaller towns and villages. The advantages of a common water supply with the convenience of tap water in each house, as against individual supply, need scarcely be pointed out. It is sanitary, convenient, cheaper in the long run, and greatly reduces the fire hazard. This last can be measured in dollars and cents in the reduction on insurance costs and consequent increase in value of property. Added to this, and perhaps of even greater value, is the assurance that the possibility of the entire town being destroyed by a conflagration has been immeasurably lessened.

That waterworks installations are not restricted to the large centres is plainly demonstrated in our own country. In our two larger provinces, Ontario and Quebec, there are over 180 public water systems for communities of 2,000 population or less, and nearly one-half of these have a population under 1,000.