

THE MUTUAL LIFE OF CANADA—Continued,

Report of the Directors :

The Thirty-seventh Annual Report for the year, which ended on Dec. 31st, 1906, together with the Financial Statement, is herewith submitted:—

Insurance Account.—The new business for the year amounted to 3,926 policies for \$5,503,547. Adding 43 revived policies, for \$52,092, the total new issue and revivals for the year was \$5,555,639. All of this, except \$46,000 written in Newfoundland, was obtained within the Dominion of Canada.

The total amount of business in force was \$46,912,407.58, under 30,986 policies, showing a net addition for the year of \$2,714,453.

Income.—The income for the year amounted to \$2,072,423.13, being for premiums, \$1,604,581.74; interest and rents, \$464,646.98; profit from sale of real estate, \$3,194.41.

Payments to Policy-Holders.—The total amount paid to policy-holders during the year was \$679,662.20, as follows:—

Death claims, \$327,975.50; matured endowments, \$168,486; purchased policies, \$88,607.47; surplus, \$83,947.55, and annuities, \$10,645.68. While the death claims were somewhat in excess of the previous year, the ratio to the amount expected was only 53 per cent., an extremely favorable experience.

The Expenses and Taxes were \$338,717.40, being \$19,224.36 less than 1905, and only 16.34 per cent. of the total income.

Assets.—The cash assets at the close of the year amounted to \$9,900,845.20, made up as follows:—

Mortgages, \$5,013,647.45; debentures and bonds, \$3,429,025.49; loans on our own policies, \$1,129,517.25; premium obligations, \$25,786.38; real estate, \$900.26; Company's head office building, \$30,875.79; cash on hand and in the banks, \$271,092.58. The due and deferred premiums, less cost of collection, \$286,981.81, and interest due and accrued, \$197,712.83, bringing the total assets up to \$10,385,539.84, being an increase of \$1,089,447.69 over 1905.

The policy of the Company in regard to investments has been maintained, and it will be observed that nearly all our assets are invested in mortgages on real estate, municipal debentures and bonds, and loans on policies. Our debentures and bonds are taken into account at net cost, though their market value is a sum largely in excess of it.

No losses were made on investments in 1906, and, so far as can be foreseen, none are anticipated.

The balance of real estate acquired by foreclosure in former years was disposed of during the year at a profit. Only one small parcel, valued at \$900, remains.

Interest payments were again very well met, the amount outstanding at the end of the year being only \$17,956.26. A large portion of this fell due during the closing days of the year, and has since been paid. Some of the arrears are due on Western loans, where borrowers were unable to market their grain. It is to be regretted that the elevator and railway facilities are not adequate to the demands in the West, so as to enable farmers to realize upon their year's crops within a reasonable time after harvest. Great hardship has ensued in many instances from this cause, and it is to be hoped that some measure of relief will be afforded, so as to avoid a recurrence of this misfortune.

In the Province of Ontario all mortgage obligations were extraordinarily well paid, the amount in arrear being but trifling. It is noteworthy also to mention that on an investment of \$855,911 in the City of Winnipeg, not one dollar of interest was in arrear.

Your Directors took full advantage of the monetary conditions during the year, and were able to invest the funds promptly and at better rates of interest than heretofore. They were fortunate in securing some choice municipal debentures, extending over a long period of years, which will realize a very satisfactory return. Mortgage loans were made at rates of interest considerably in excess of those obtainable in recent years, and the result of these favorable investments is shown in the advance of the average rate earned upon the invested assets, while the benefit therefrom will continue through many years in the future.

The liabilities were ascertained on the Company's standard of valuation, viz. combined experience table mortality, with 4 per cent. interest for all business up to Jan. 1st, 1900. From that time up to January 1, 1903, on Institute of Actuaries' table of mortality, with 3 1-2 per cent. interest; and hereafter on the same table, with 3 per cent. interest. The reserve so computed amounted to \$9,053,332.18, and the total liabilities were \$9,182,161.26, leaving a surplus over all liabilities of \$1,203,378.58. The increase in the surplus over 1905 was \$251,377.46, and the total earnings for the year amounted to \$335,325.01. If our liabilities were computed on the Government standard of valuation, the surplus at the close of the year would have amounted to \$1,552,364.26.

The Executive Committee has examined in detail every security included in our assets, and verified the entries relating to them on the Company's books. This committee also from month to month examined and passed all items of expenditure, including death claims and other payments to policy-holders.

The manager, officers and staff continue to discharge their respective duties to the satisfaction of the Board, and in the best interests of the Company.

On behalf of the Board,

R. MELVIN, President.

The President, in moving the adoption of the Report, gave a very interesting review of the business for the past year, dealing with some features of the evidence brought out before the Royal Insurance Commission, and emphasizing the fact that this Company came through the ordeal unscathed. In support of the motion, Mr. E. P. Clement, K.C., and Mr. Justice Britton spoke eloquently of the success of the Company and its future prospects. The various reports having been adopted, a number of able, thoughtful and enthusiastic speeches were made by prominent policy-holders, among whom Mr. L. J. Breithaupt and Dr. McMahon may be mentioned. Mr. T. R. Earl, Superintendent, and several of the Company's agents having spoken, the meeting adjourned.

The scrutineers reported the re-election of Hon. Mr. Justice Britton, F. C. Bruce, J. Kerr Fiskin and George A. Somerville.

The Directors met subsequently and re-elected Mr. Robert Melvin, President, Mr. Alfred Hoskin, K.C., First Vice-President, and the Hon. Mr. Justice Britton, Second Vice-President of the Company for the ensuing year.

(Booklets containing the full report of the Annual Meeting, including Financial Statements, list of securities held, and other important features of the business are being published, and will in due course be distributed among policy-holders and others interested in the Company.)
Waterloo, March 7th, 1907.

* GEO. WEGENAST,

Manager,

W. H. RIDDELL,

Secretary.