THE CROWN LIFE INSURANCE COMPANY.

ANNUAL MEETING OF SHAREHOLDERS

The annual meeting of the Shareholder of the Crown Life Insurance Company was held at the Head Office of the Company, in the City of Toronto, on Monday, March 6, 1905. One hundred and seventy shareholders were present or represented by proxy.

DIRECTORS' REPORT FOR YEAR ENDING DECEMBER 31st, 1904.

Your Directors respectfully submit for the consideration of the shareholders their report of the Company's operations for the year ending 31st December, 1904. We are glad to be able to state that owing to the continuance of the great care in the selection of risks, and the conservative methods employed in securing them, the same high grade business has been maintained during the year that has beensuch a marked feature of previous years. The volume of new business, moveover, exceeds that for any previous year.

New applications for insurance amounting to $1,485,210 were received by the Company during the year for consideration. Of this amount, policies for $1,264,200 were issued and "taken," the balance, $221,010, being the amount declined, deferred, and not "taken." There were in force at the end of the year a total of 1,783 policies for $2,985,200 of insurance, and representing a premium income of $120,910.39. These figures show that the average amount of each policy is upwards of $1,600, and the average premium rate per thousand of insurance is over $40.00.

The cash income for the year from premiums amounted to $109,917.87, in addition to which the deferred and outstanding premiums at the end of the year amounted to $34,033.02.

The Company has again been fortunate in sustaining a very small death loss during the year, the total claims amounting to only $7,000 under six policies.

As is shown by the financial statement, our liability to policy-holders is represented by a reserve fund of $151,627, on the basis of the present Government standard of valuation (Hm. 3 1-2 per cent.). The total security to policyholders from all sources as against this liability amounts to $550,333.52, as set forth in detail in the financial statement, which has been duly audited in accordance with theby-laws of the Company, and which is submitted herewith.

The Directors report with sincere regret the loss during the past year by death of two of the most highly esteemed members of the Board, Mr. John Foy, of Toronto, and Mr. Benjamin Heartz, of Prince Edward Island.

The Directors desire to express their appreciation of the faithful and efficient services rendered by the Head Office Staff and by the Company's managers and agents.

D. TISDALE,
President.

ARTHUR J. HUGHES,
Secretary.

ELECTION OF DIRECTORS.

The following Directors were elected for the ensuing year: Col. the Hon. David Tisdale, P.C., K.C., M.P.; John Charlton; Herbert M. Mowat, K.C.; R. L. Borden, K.C., M.P.; Samuel Barker, M.P.; Arthur R. Boswell, K.C.; Rodolphe Forget, M.P.; Geo. H. Hees; Frank E. Hodgins, K.C.; Randolph Macdonald; C. S. Wilcox; W. B. McMurrich, K.C.; Geo. H. Roberts; Henry T. Machell, M.D., L.R.C.P.; J. Douglas Hazen, K.C., M.P.P.

ELECTION OF OFFICERS.

At a subsequent meeting of the new Board of Directors, Col. the Hon. David Tisdale, P.C., K.C., M.P., was reelected President, Mr. John Charlton, Vice-President, and Mr. Geo. H. Roberts, Managing Director.

PARTNERSHIP INSURANCE.

There are numerous business firms whose prosperity, in many cases indeed whose very existence, depends to a large extent upon the life of one partner. So far is this the case that some banks have protected themselves from risk of loss by the withdrawal, or death of the leading partner in a firm to whom credit has been extended, by insuring the life of such partner as collateral security during the term of the partnership. The arrangement is one needing special care so as to avoid legal complications and disputes.

A form of partnership insurance is intended to safeguard a firm from collapse owing to the withdrawal of the capital of a deceased partner for its distribution amongst his heirs.

Many a strong firm has been crippled by its capital being drawn upon by this cause, which depletion may be wholly, or to a large extent, prevented by life insurance.

The older plan of effecting insurance upon the joint lives of the partners in a business firm, the amount being payable to the survivors, something akin to the tontine plan, is open to such serious objections that it is not popular. To equitably adjust the payments on such policies to the various conditions of different partners, as to the extent of their interest in the business; their expectancy of life, their value to the firm, etc., is a problem too intricate to be understood by ordinary business men, who, as such, naturally dislike to enter into arrangements which they do not thoroughly understand.

In a notice of a new publication on Partnership Assurance "The Policy-Holder" remarks that, "Infinitely superior to the ordinary joint-lives policies are separate policies on the single lives. The cost of such latter will, of course, exceed that of the former policy if each life be separately assured for the like sum as the amount of the so-called partnership policy. To reduce such cost the adoption of Enlargeable Term Policies is suggested whereunder the rates of premiums payable are extremely low compared with ordinary whole-life premiums, while the assured, if accepted at the ordinary rate is given the option at any time, not less than 5 years before the expiration of the term, of converting the assurance, without renewed medical examination into a whole life assurance at the then current rate of premium applicable to his then age. It would seem that, for the purpose in view, these enlargement term policies are remarkably suitable. If the partnership is dissolved by the effluxion of time the desired assurance cover has been obtained at a very low cost, and the separate policies may then be handed over to the respective lives assured, to be continued or discontinued as the holders may elect!