

# CROWN LIFE INSURANCE COMPANY

In submitting for the consideration of the shareholders their report of the Company's operations for the year ending 31st December, 1905, your Directors are pleased to be able to report such steady and substantial progress as must commend itself to shareholders and policy-holders alike. The quality of the business has maintained the same high standard of excellence and value at which the management has aimed since the inception of the Company.

During the year new applications for insurance aggregating \$1,602,425 were received by the Company. Of this amount policies for \$1,301,925 were issued and taken, the balance, \$300,500, being the amount declined deferred, and not taken. At the end of the year there were in force a total of 2,199 policies for \$3,704,744 of insurance, representing a premium income of \$147,633.13. The average amount of each policy is thus shown to be \$1,685, and the average premium rate per thousand of insurance is nearly \$40.

From premiums received during the year the Company derived a cash income of \$135,459.37, in addition to which the deferred and outstanding premiums at the end of the year amounted to \$35,201.52.

The Company's assets during 1905 increased by \$93,000.16, and the total assets are now \$258,084.80 as compared with \$165,084.64 one year ago.

The continuance of great care in the selection of risks enables us to report a very small death loss for the past year, the net death claims amounting to only \$15,500 under seven policies.

The Company's liability to policy-holders is now represented by a net reserve fund of \$232,044 on the basis of the present Government standard of valuation (Hm. 3½ per cent.). Against this liability the total security to policy-holders from all sources amounts to \$620,435.60 as set forth in detail in the financial statement which has been duly audited and which is submitted herewith.

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 throughout Canada during the past year.

D. TISDALE President.

A. H. SELWYN MARKS, Secretary.

ASSETS.		LIABILITIES.	
Bonds and stocks.....	\$145,896 20	Net insurance reserve (Hm. 3½ per cent.).....	\$232,044 00
Cash in bank and head office.....	33,238 54	Death claims, unadjusted.....	5,500 09
Interest accrued.....	903 65	All other liabilities.....	782 48
Net outstanding and deferred premiums.....	35,201 52	Balance.....	19,758 32
Office furniture.....	3,000 00		
Agents' advances, secured.....	9,986 59		
Loans on policies.....	29,858 00		
	<b>\$258,084 80</b>		<b>\$258,084 80</b>
RECEIPTS.		DISBURSEMENTS.	
Net premiums (less reinsurance premiums).....	\$135,932 59	Net paid to policy-holders.....	\$ 11,709 30
Interest.....	7,921 78	Commissions, salaries, directors' fees and travel- ling expenses.....	57,192 07
Capital stock.....	23,236 02	General expenses.....	19,003 81
Premiums on capital stock.....	6,025 08	Balance.....	85,210 39
	<b>\$173,115 47</b>		<b>\$173,115 47</b>

**STANLEY HENDERSON, Gen. Manager for the Province of Quebec**      **Offices: Sovereign Bank Chambers, St. James St., Montreal**

WHENEVER A TOWN or small city improves its water supply and adds to its fire extinguishing facilities a little, Underwriters are at once importuned to reduce rates, and the reduction demanded is usually to the lowest point. Companies very properly encourage these protective improvements, for it is sound underwriting to fit the rate to the hazard; but we question whether too much credit is not sometimes given to these improvements in the average town. A town of a few thousand inhabitants is usually a pretty combustible town, wooden structures prevailing, and fire department discipline and equipment, at the best, very imperfect. Some of our readers will remember that previous to the sweeping fire which destroyed Spokane Falls on the Pacific Coast some years ago, the young city improved its water supply, and organized a paid fire department to which it pointed with pride, and that its people and the newspapers loudly demanded a reduction of rates accordingly. In a few days the place was an ash heap. It is well to scan the situation closely from all standpoints before making sweeping reductions on the strength of a few improvements.

LIFE ASSURANCE AND PHOTOGRAPHY.—On glancing at the above title, most of our readers will probably ask themselves, what possible connection there can be between subjects apparently so widely separated. And yet, when we remember how such diverse departments of science as medicine and matematics have been pressed into the service of life assurance, why should we wonder at the suggestion to add another branch, that of photography, to

the list? And it has, in fact, long seemed to us that there is a blank in connection with the business which photography can fill with much advantage. In the early years of the system it was compulsory on all applicants to present themselves personally at the office of the company, so that the directors and officers would have an opportunity of judging for themselves of the desirability of the risk. Owing to the magnitude of the business in modern times, any such practice is, of course, now impossible—all that can be done is to get as full answers as possible to a series of inquisitorial questions put to the applicant and the medical examiner. And yet how often a doubt arises as to the proper course to take with regard to an application, only the medical referees of the companies know. "What shall we do with this case? He is hardly first class, and yet may be an average risk. On which side of the line should we place him? Shall we decline him or let him pass?" Such a soliloquy very frequently takes place at the head offices, and it generally ends, as is natural, in taking the benefit of the doubt. And on the other hand how often we hear an agent say: "If the company could only see so-and-so, I feel sure they would take him;" but they do not see him, and the application is declined. Now, why should not photography be made use of to show the officers just what the appearance of the applicant is? We think the suggestion needs only to be made to have its practical value appreciated, and we would certainly recommend our agency friends to forward to the head office a photograph of any individual whom they believe to be a really robust and desirable life, but of whose eligibility the medical director has doubts. We believe the results will prove satisfactory. But in order to be of value, the photograph should be signed by the applicant for purposes of identification, and should also state at least approximately the date at which it was taken.