

# The Federal Life

## ASSURANCE COMPANY.

### SEVENTEENTH ANNUAL STATEMENT.

The Seventeenth Annual Meeting of the shareholders of The Federal Life Assurance Company of Canada was held at the head office in Hamilton, on Tuesday, 7th inst. In the absence of the president Mr. Beatty, Mr. William Kerns, first vice-president, occupied the chair, and Mr. David Dexter acted as secretary. The following report and financial statement was submitted by the directors:

The directors have pleasure in submitting for the information and approval of the shareholders, the following report of the business of the Company, together with a statement of receipts and disbursements for the year which closed on 31st December, 1898 and of the assets and liabilities on that date.

New business consisted of fourteen hundred and fifty-nine applications for insurance, aggregating \$2,248,850, of which thirteen hundred and eighty-one applications for \$2,114,232 were accepted. Applications for \$134,000 having been rejected or held for further information.

Annuity premiums to the amount of \$12,731.50 were also received.

In the past year, as in the preceding year, fully ninety per cent. of the new business written by this Company was on its investment plans. This, and the fact that the advent of three additional and well equipped competitors in the field within the past two years has not diminished the share of new business which this Company has been able to secure, indicates the continued growth of feeling in favor of investment insurance rather than towards other forms of investment on which interest earnings are depreciating steadily.

The income of the Company shows a gratifying increase over previous years, and the addition of \$143,835.14 to the assets is especially noticeable, the total assets having risen to \$866,283.41, exclusive of guarantee capital.

The security of the policy holders, including guarantee capital, amounted to \$1,475,283.41, and the liabilities for reserves and all outstanding claims \$757,399.20—showing a surplus of \$717,884.21. Exclusive of uncalled guarantee capital, the surplus to policy holders was \$108,884.21.

Assurances for \$114,575 on fifty seven lives became claims through death, of which amount the Company was re-insured for \$7,000. Including cash dividends and dividends applied to the reduction of premiums (\$30,878.32) with matured endowments for \$4,600, the total payments to policy holders amounted to \$143,702.25.

In accordance with instructions received from the shareholders at the last annual meeting, your Directors applied for and obtained from the Parliament of Canada a special act of incorporation changing the name of the Company to the Federal Life Assurance Company of Canada, and granting enlarged powers for business and investment in and out of Canada.

The investments of the Company have been carefully looked after, and have yielded for years past the best results reported by any Company doing business in this country. Expenses have been kept within reasonable limits, while due effort is being made for new business. The chief officers and agents of the Company are entitled to much credit for their able representation of the Company's interest. The office staff have also proved faithful in the Company's service.

The accompanying certificate from the Auditors vouches for the correctness of the statements submitted herewith, all accounts, securities and vouchers having been examined by them.

### FINANCIAL STATEMENT.

*Income.*  
Premiums, interest and rents ..... \$ 410,831 73

*Disbursements.*  
Paid policy-holders for death claims, endowments, dividends, etc. .... 143,702 25  
General expenses, re-insurance and dividends on capital ..... 127,548 09

*Assets*  
Debentures, mortgages, policy loans, real estate, cash and other securities ..... \$866,283 41  
Guarantee capital ..... 609,000 00  
Total resources for security of policy-holders ..... 1,475,283 41

*Liabilities.*  
Reserve fund ..... 757,399 20  
Surplus to policyholders ..... 717,884 21  
Insurance written and taken during the year ..... 2,021,585 00  
Amount assured ..... 11,125,566 43

JAS. H. BEATTY,

President.

DAVID DEXTER,

Managing Director.

### AUDITORS' REPORT.

To the President and Directors of the Federal Life Assurance Company.

Gentlemen,—We have made a careful audit of the books of your Company for the year ending 31st December, 1898, and have certified their correctness.

The securities have been inspected and compared with the ledger accounts and found to agree therewith.

The financial position of your company, as on 31st December, is indicated by the accompanying statement.

Respectfully submitted,

H. S. STEPHENS,

SHERMAN E. TOWNSEND,

Auditors.

HAMILTON, March 1st, 1899.

In moving the adoption of the Directors' Report, Mr. Kerns referred to the steady and substantial growth of the Company's business; the large increase from year to year in its income, assets and surplus. He stated that, while the expenditure had been decreased 6.56 per cent. in the last year, the assets of the Company had increased 19.90 per cent., the net surplus 37.92 per cent. and the reserve funds 21.41 per cent., the capital and assets having now reached \$1,475,283.41.

He quoted from the December number of *The Economist* to show that the Company had so successfully managed the investment of funds as to earn a better rate of interest in each of the past eight years than the average rate earned by all of the Canadian Life Assurance Companies. The rate earned by the Federal in 1897—the last year in which the average can be obtained from the report of the Superintendent of Insurance—was 5.64 per cent., and the average rate earned by all the Canadian companies 4.48 per cent.

After the adoption of the Directors' report an interesting report of the mortality experience of the Company and of the history of medical examinations for life insurance was read by the Medical Director, Dr. Woolverton.

Congratulatory remarks regarding the substantial progress of the Company and regarding the management were made by several of the shareholders.

A vote of thanks to the officers, agents and office staff was responded to by Mr. David Dexter, the Managing Director.

The retiring Directors of the Company were re-elected, with the addition of T. H. Macpherson, Esq., M.P.

The Auditors were reappointed.