

ACTUARY'S REPORT.

I hereby certify that, having computed the value of risks of the Confederation Life Association as stated below, upon the basis of the Institute of Actuaries' Life Tables, and interest at the rate of four and one-half per cent. per annum, taking account of the net premiums only, I find the liability thereunder as follows—as at date of 31st December, 1879:—

	Present value or Reserve.
Number of Policies valued 4,105, insuring an amount of \$6,052, 706.60 (including bonus additions	\$391,638 57
Of these 31, for an amount of \$123- 409, were re-insured	9,941 36
Leaving a net liability of	\$381,597 22
To this must be added unclaimed surrender values to the amount of	2,841 83
And the present value of six an- nuities for an amount of \$1,292- 30 per annum	9,785 70
Making the total net liability.....	\$394,224 75

CHARLES CARPMAEL,
Actuary.

Toronto, April 8th, 1880.

REPORT OF THE TRUSTEES UNDER "GOVERNMENT SECURITIES AND SAVINGS BANK POLICIES.

The Trustees beg to report:—

That they hold Government stock to the amount of four thousand two hundred dollars, and that the liability under this class on December 31st, 1879, was \$4,170.61, under 91 policies.

W. P. HOWLAND,
W. MCMASTER,
J. K. MACDONALD, } Trustees.

April 10th, 1880.

It affords myself and the Board great satisfaction to be enabled to lay before you a statement which I feel quite certain must after the strictest examination prove perfectly satisfactory to all parties interested in the affairs of this Company. When we look at the operations of the past year as compared with those of the year previous, we find the investments of the Company have increased from \$385,902.76 in 1878 to \$461,887.94 in 1879; our assets from \$456,337.25 in 1878 to \$560,767.47 in 1879; and our surplus has increased from \$68,640.53 to \$96,106.11 in 1879. If we were to take the securities held by the Company at their present market value the result would be a surplus of \$103,665.60 beyond all liabilities. We have been able to place to the credit of our policy holders during the past year \$24,294.32, and to the credit of the shareholders \$11,430.11, and there is now standing at their credit the sum of \$25,891.35, over 50 per cent. of the whole amount of capital paid in.

Our Manager submitted to the Board a proposition in which they fully concurred, to set aside a Reserve Fund. It was thought it would be in the interest of the Company and satisfactory to the shareholders themselves to commence setting aside a Reserve, and with that view we propose to place to the reserve account \$20,000, to be placed at the credit of the Stockholders' Reserve Account. This would represent 40 per cent of the paid-up capital, and we would recommend to our successors at the Board to continue this policy. This will afford additional security to those who hold obligations against the Company. To the policy holders, because before any loss could occur to them it would be a fund that could be drawn upon to meet the engagements of the Company. It is further proposed to place to the credit of the Policyholders' Reserve Account \$5,893.14. This will not interfere at all with the regular amount of bonus additions which they will receive from the profits of the Company. By pursuing this policy, if any adverse circumstances should

arise, or we should meet with an unfortunate year, when the death rate should be abnormally great, we would be in a position in which we could continue regular dividends to stockholders, and the uniform rate of bonus to policy-holders. It was thought desirable to take this course. The funds placed in this position will still be remunerative, and all parties will get the benefit; at the same time it will tend to increase parties' confidence in the future stability of the Company.

Our statements are so full and clear that they require little explanation, and I shall not detain you further. I only desire to say that we have now had eight years' experience in working this Company, and notwithstanding, as all well know, in the inauguration of new companies of this kind, there are great difficulties to contend with, and notwithstanding also that for the last five or six years the state of things in the country has been more unfavorable than ever was experienced by any of us heretofore for conducting business, especially of this kind, we have made steady, regular progress which has resulted in the position which the Company now occupies, namely: Having 4,105 policies, amounting to \$6,052,766 standing, and having \$570,767.47 assets, which, as shown in the report, are in a most satisfactory condition. Our investments have heretofore proved to be most satisfactory. In all the difficulties that have heretofore been experienced by investors in connection with the return of investments of late years, we can still say we have incurred no loss and do not see any prospects of any in our investments. Taking these things into consideration we have every reason to be satisfied. I desire, however, to say before I sit down that these results are mainly due to the ability, energy, and indefatigable application of our Manager. (Applause.) He has been cordially and ably sustained by a Board of influence and talent, and an efficient staff. He has always shown great judgment in the selection of risks. The operations of the Company have been based upon principles which he himself originated and laid down, and which he has rigidly adhered to; and the attention he has given to all the details, and the labor he has applied to it and his ability have brought about the result before us now.

The President then moved the adoption of the report, which was seconded by Mr. Mayor Beatty, and carried unanimously.

Mr. Macdonald, the Managing Director, after replying to a vote of thanks, said:— "I may also refer to the liberal views of the Directors of this Association in regard to policy-holders in the matter of making policies indisputable. This is a step in the right direction. The directors are ever ready to meet policy-holders as far as possible. There are things it would not be right to grant; but this that is now granted, namely, that after a policy has been in force for three years it shall be indisputable, subject only to the proof of age, and those conditions upon which the contract of insurance was entered into, namely, as to occupation, travel and residence, is perfectly safe. There is one other matter which I feel compelled to refer to. A few months ago the president of another Canadian Life Insurance Company, when presenting the last annual statement of his Company, referring to the minimum plan of insurances, said:—'And as the advantages and inducements of that system cannot be offered by other Companies, which, from their youth and other causes, cannot adopt it, the attacks of such companies, are largely directed against it.' To pass by such an arrogant statement in silence might be taken as an admission of its correctness. I am not called upon to reply on behalf of other Companies of similar age with this Association to the gratuitous insult offered to them and us in the above extract. The statement not only appear in the Annual Report of

the Company, but the extract was advertised for many weeks in the columns of our daily papers. Now, sir, I say that the statement which you, on behalf of the Board, have submitted to-day stamps the statement of the President of that Company as one not borne out by facts. I think I may say fearlessly, if any Life Company in this country is in a position to predict that its future will bring certain profit results, the Confederation Life Association occupies that position. Its financial condition to-day is not excelled by that of any other company now doing business in the country; and its position to-day is largely an indication of what its position will be to-morrow. Surely then, since this Association has a surplus over all and every liability equal to 27 per cent. of its Reserve Liability, it could, if it approved of the system of Minimum Assurance, adopt with greater safety that system which depends upon the making of certain profits in the future than a Company that has a surplus of not more than 4 per cent. as is the fact with the Company whose President did not hesitate to consult the Directors of companies whose financial strength far exceeded that of his own Company. I thank you on my own behalf and other Companies, which, from their youth and also on that of the office staff, and likewise of the agents not present, for the kind and hearty way in which the resolution has been moved, seconded and carried.

The following were elected directors:

Sir Wm. P. Howland, Hon. Wm. McMaster, Wm. Elliot, Hon. James Macdonald, Hon. T. N. Gibbs, Robert Wilkes, Hon. Isaac Burpee, W. H. Beatty, Edward Hooper, J. Herbert Mason, James Young, F. A. Ball, M. P. Ryan, M.P., S. Nordheimer, W. H. Gibbs, A. McLean Howard, J. K. Macdonald.

At a meeting of the Directors held after the annual meeting, Sir W. P. Howland, C.B., K.C.M.G., was re-elected President, and the Hon. Wm. McMaster and Wm. Elliot, Esq., were re-elected Vice-Presidents.

SUN MUTUAL LIFE INSURANCE COMPANY.

The following condensation of this Company's report appeared in the Montreal papers. To this we have added a statement of its liabilities.

The annual meeting of the Sun Mutual Life Insurance Company was held in Montreal, on Thursday the 8th inst. It was largely attended; several addresses were delivered, expressing very great satisfaction at the progress made by the Company. The President, Mr. Thomas Workman, occupied the chair. The following is a summary of the report of the directors submitted to the meeting:

The Directors are happy to be enabled to meet the shareholders on the present occasion with assurances of the continued success of the Company.

From the statements submitted it will be seen that the income for the year was \$172,528 42.

This is larger than during any previous year. The life applications for the year were 919, for \$1,491,861.00. The number of existing life policies has increased from 2,056, insuring \$3,374,683 43 to 2,262, insuring \$3,615,124 35. This increase is very gratifying, at a time when a very large proportion of life companies are cancelling more policies than they are putting in force. In the Accident department 352 applications for \$634,000 00 were received, and 339 of these insuring \$602,500 00 were issued.

Although the income and volume of business have increased, the expenses of management have been about \$7,000 less than those of 1878, while in the gross expenditure the decrease was \$13,375.03.

The death claims during the year have been