

# THE FEDERAL LIFE

Assurance Company.

## ELEVENTH ANNUAL REPORT.

The Annual Meeting of the Shareholders of this Company was held at the Company's head office in Hamilton, on Tuesday the 7th inst., at 1 o'clock p.m., and was well attended. The President, Mr. James H. Beatty, occupied the chair, when the following reports were submitted:

### DIRECTORS' REPORT.

Your Directors have pleasure in submitting to your consideration the Eleventh Annual Report of the Company, including a statement of receipts and disbursements for the year, and the assets and liabilities on 31st December last, to which is appended a report from your Auditors.

During the year 1,233 applications for assurance, to the amount of \$2,115,000, were received. On examination 1,164 of these applications were accepted for \$1,916,000 of insurance; the others were declined because the risks offered were not up to the standard required by the Company.

The new assurance written is of a most satisfactory character, being mostly on our investment plans, which have continued to grow in favor with applicants and have largely increased our premium income. The premiums for the year amounted to \$254,198.32, an increase of \$29,613.30 over the preceding year.

Claims by death during the year amounted to \$100,269 (re insurance deducted) under 87 policies. In addition to which two endowment policies matured for \$7,000. The claims by death were \$17,600 less than in the year preceding.

It will be seen from the accompanying statement that your Directors have, as heretofore, practised economy in the management of the Company, while having due regard for its welfare in the promotion of legitimate business. In pursuance of this policy a reasonable amount of assurance has been written (\$157,000 in excess of the previous year) on carefully selected lives and on plans believed to be the best in the interest of the policy-holders and of the Company.

The results of the year afford much gratification in the important items of premium income, interest income, and in surplus of assets over liabilities, all of which show a marked improvement. The assets assurance amount to \$882,919.78, while the liabilities are but \$192,706.90.

Our record of the previous year, for the highest rate of interest earned on its investments by any Company in Canada, and the low rate of expenses to the aggregate amount assured, has been well maintained. Great care is exercised in making investments, and none are made excepting on first-class securities.

The accompanying certificate from the Company's Auditors, vouchers for the correctness of the financial statement submitted herewith. All accounts, securities and vouchers have been carefully examined by them.

James H. Beatty, President.  
David Dexter, Managing Director.

### AUDITORS' REPORT.

To the President and Directors of the Federal Life Assurance Company: Gentlemen,—We beg to advise completion of the audit of the books of your

Company for the year ending 31st December last. The books, vouchers, etc., have been carefully examined, and we have much pleasure in certifying to their accuracy. As usual, all assets of a doubtful character have been eliminated. The accompanying statement indicates the financial position of your Company as at 31st December.

Respectfully submitted.  
H. Stephens, Sherman E. Townsend,  
Auditors.  
Hamilton, March 1st, 1893.

### Financial Statement for the Year Ending 31st December, 1892.

INCOME.	
Ledger Assets, January 1st, 1892.....	\$163,468.73
Premiums.....	\$254,198.32
Less re-insurance.....	12,402.58
Interest.....	\$241,795.74
	13,446.37
	<u>\$418,708.84</u>
DISBURSEMENTS.	
Claims by death.....	\$111,834.91
Less re-insurance.....	10,000.00
	<u>\$101,834.91</u>
Matured endowments.....	7,000.00
Dividends to policy-holders.....	32,313.76
Surrendered policies.....	1,313.99
Total to be paid to policy-holders.....	<u>\$142,462.66</u>
Commission and medical fees, salaries and other expenses.....	71,955.68
	<u>\$214,418.34</u>
Balance.....	<u>\$204,290.50</u>
ASSETS.	
Municipal Debentures, bonds and mortgages.....	\$121,335.51
Loans on policies.....	30,192.77
Cash in banks and in hand.....	49,086.44
Other ledger assets.....	11,771.40
Premiums deferred and in course of collection.....	\$42,769.61
Short date notes for premiums on policies in force.....	17,933.94
	<u>\$60,709.55</u>
Less 10 per cent. for collections.....	6,070.95
	<u>54,638.60</u>
Interest accrued.....	2,092.06
	<u>263,116.78</u>
Guarantee capital, subject to call.....	619,803.00
Total Resources for security of policy-holders.....	862,919.78
Reserve funds.....	192,706.90
Surplus to policy holders.....	<u>\$690,212.88</u>
Amount assured.....	<u>\$10,564,393.22</u>

Mr. James H. Beatty, the President, in moving the adoption of the report, called attention to the large increase in income over previous years, to which both premiums and interest had contributed a large percentage, also to the very considerable addition to the assets of the Company, increasing the already ample security offered to policy-holders. The experience of the two months already past strongly indicated that a similar addition to the income and assets would be made during the current year. He said that though the amount of risk carried by the Company had not been increased owing to the termination of many term policies for large amounts, which had fulfilled the purpose for which they had been taken, the number of lives assured had been increased. The premium income had advanced nearly 12 per cent, through the encouragement given by the Company to applicants for investment insurance and the substitution of contracts of this kind for less desirable forms when the latter had been discontinued. He believed that the care and foresight with which the management of the Company had directed its course through the most difficult periods of its earlier history would become more apparent from year to year.

Mr. Kerns, Vice-President, in seconding the motion, stated that no doubt some would be disappointed because we had not written more business during the year, thus leaving more insurance in force at

31st December last, but the Directors felt that it would be largely a waste of money to attempt to write too much new business while the state of trade throughout the Dominion was somewhat depressed. We therefore followed a conservative course, and believe the wisdom thereof will be demonstrated later on. Our agents can now point with satisfaction to our low ratio of expenses, which taken together with our high rate of interest earnings (already referred to by the President), augurs well for future profits to our policy-holders. With the foregoing conditions fully established and a premium income which now amounts to over a quarter of a million dollars annually, I feel that we have strong grounds for congratulation as to the past and good reason to predict a very prosperous future. I second the adoption of the report.

The report was unanimously adopted. Dr. Wolverton read a carefully prepared analysis of the mortality experience of the Company for the year and a comparison with the previous year, for which the thanks of the Shareholders were tendered him.

On motion of Dr. Burns, a vote of thanks was given to Mr. Dexter, the Managing Director; his assistants, and to the agents of the Company, to which the Managing Director responded briefly, warmly commending the faithful attention of the officers and the good work done by the agents of the Company.

The retiring Directors were all re-elected. At a subsequent meeting of the Directors the officers were all re-elected.

### NORTH AMERICAN LIFE.

There are certain corporations in whose welfare a large number of our people are concerned. Among these are banking, insurance and other similar monetary institutions. The depositors and stockholders of a bank eagerly scan the balance sheet submitted, and the review of the year's work made by its president at the annual meeting; the policy-holders of a life insurance company do likewise, for, in many cases, they have invested all their surplus earnings in a policy of life insurance to be paid to their wives and children at their decease, or to themselves on attaining a specified age, thus forming a basis for a competency in old age, when enterprise and energy begin to flag.

In reading over the report of the North American Life Assurance Company, and the remarks of the president and others at its meeting, one is impressed with the great financial strength of the institution and the splendid results accomplished for its members. Permanence, profit and progress appear to characterize the workings of the company, and in all the elements which go to build up a successful life insurance company the North American Life appears to very great advantage.

The year's income amounted to \$446,474.40; its assets at December 31st, 1892, were \$1,421,981.80; its net surplus for security of policy-holders, \$226,635.80, and its payments to members, \$118,436.73, while its accumulated reserve fund now stands at \$1,115,846.00. As is shown by perusing the report, these highly satisfactory results have not been attained spasmodically, but by steady effort and adherence to those principles of life insurance underwriting which prudence and experience dictate as being not only desirable but necessary in the proper conduct of a life insurance company, to secure the best possible returns for the investments of its policy-holders.

No doubt the marked success of the company's business, especially noticeable during the past few years, in which the first series of its investment policies have been maturing, can be attributed to the fact that the company, out of its surplus earnings, has been able to pay the holders of these policies exceedingly gratifying results. The reports of the consulting actuary, and the remarks of the president on the surplus earning power of the company, will be read with special interest by those who have taken out this form of insurance.—Globe, February 18, 1893.