

surplus carried forward as a provision for future profits, and generally to strengthen the position. Then again, last year the valuation disclosed the splendid surplus of £255,567, and of this only £98,450 was distributed amongst the policyholders, over £157,000 being added to the undivided surplus. The process of making assurance doubly sure has obvious advantages, and there are a very large number of persons insured who would very much rather see the company of their choice strengthening the reserves than increasing the amount divided among policyholders. But it is very evident that as time goes on, and the Company finds itself in a position of superabundant strength, policyholders will benefit to the full by the restraint observed in the past, and, we may add, the time when they may expect to do so is not far distant. For one thing, exceptionally large profits must flow into the bonus reservoir during the next few years from that all-important source, interest, for last year the income derived from interest, dividends and profit on investments amounted to £484,192, which is equal to a rate of £5 18s. 2d. per cent. on the funds invested, or, if the profits from sale of investments be taken into account, to £6 2s. 3d. per cent. Now most of the liabilities of the Company are based on the assumption that not more than 3 per cent. will be earned by the funds. It will be seen, therefore, that the funds (now close upon £9,000,000) are earning over £200,000 per annum in excess of the annual interest required to ensure solvency from the actuarial standpoint.

The undistributed surplus of the Sun of Canada, calculated on the Government basis of calculation, stood on December 31st last at £1,208,826, but, in order to obtain a more accurate insight into the internal position, it is necessary also to take into account the contingent surplus held by the Company and valued at nearly a million sterling. It is pointed out that no credit is taken by the Company in its annual balance sheet for the contingent surplus, because it consists of securities which are not of the standard required by the regulations of the Canadian Government. But these investments are verified annually by the Government officials, and are realized from time to time when favorable opportunities present themselves, and their value is transferred to the schedule of official assets. At present, the Company has over £2,000,000 of surplus in hand in excess of its mathematical liabilities, and, in addition to that is earning, as stated

above, £200,000 more in interest than is required by the actuary's calculations. To say that the Company is "as safe as the Bank of England" is to utter a comparison which has great weight with the people of this country, and is only seriously used when the state of affairs under criticism thoroughly justifies the assertion. But in the case of the Sun Life of Canada one can say it is as safe as the Bank of England or any other great financial institution—that it is for all practical purposes absolutely impregnable—and that in the future the large margin of security it gives must have the effect of making the policies held by its members increasingly valuable. In this connection we must not lose sight of the fact that Canada is a growing dominion and that the assets which represent a large proportion of the Company's funds are almost bound to appreciate in value in the future. So that the outlook from every point of view is one which must gratify the Company's members, while the prospects of success in the years to come will, we make no doubt, be recognized by many in need of assurance (or further assurance) who will have no hesitation in applying for a policy in the Sun Life of Canada.



Automatic Nonforfeiture.

CHICAGO, Ill., Nov. 2nd, 1912.

SUN LIFE ASSURANCE COMPANY,
203 Chamber of Commerce Bldg.,
Detroit, Mich.

Gentlemen,—I would like to pay premiums of Nov. 1st on No. 118681 as follows: One-half Feb. 1st and balance April 1st, 1913. If agreeable please send necessary blanks to me at Genesee, La.

U. R. LORANGER.



DETROIT, Mich., Nov. 5th, 1912.

MR. UBALD LORANGER,
Care of Genesee Lumber Co.,
Genesee, La.

Dear Sir,—We are in receipt of your favor of November 2nd, with reference to November premium on your policy No. 118681, and in reply beg to state that as you have held your policy a number of years, there is sufficient nonforfeiture reserve to keep your policy in force if the November premium is not paid within the days of grace, and it will be perfectly satisfactory if you pay part of your premium February 1st and the balance April 1st, together with the usual nonforfeiture that we charge in these cases. It is not necessary for you to sign any form, but when you are able to send this remittance, do so and we will issue a receipt for same.

J. F. CRUSOE,
Manager Detroit District.