

delivered and accepted by the applicants, and 154 for \$138,100 taken during the last month of the year were not yet reported on by the agents at the closing of the accounts. The remaining 166 policies were not completed by the applicants. In addition to the above, 69 applications for \$35,000 were received from persons whose state of health was not up to our standard and had to be declined.

Our annual premium income has increased from \$82,326.35 to \$161,618.94, showing a gain of nearly 100 per cent., and our total assets have increased from \$227,424.61 to \$339,909.78, showing a gain of \$112,487.17, being about 50%.

It affords us much pleasure to report to you, that, although the amount of new business has very materially increased during the past year, requiring a large expenditure for Agents' Commissions, Medical Examiners' fees and other items, the additions to our premium income on the policies issued in 1880 enable us to make a considerable reduction in the ratio of expense to income, and we confidently expect to be able to make still further reductions in the same direction during the next few years.

The surplus of assets over liabilities is \$26,881.92, which we consider quite satisfactory in view of the amount that has been absorbed to fill the reserve on the large number of new policies issued since our last report.

The ratio for the distribution of surplus among the members adopted last year will be continued this year, and the future premiums upon our largely increasing new business, which will be collected at the ordinary minimum cost, cannot fail to add to our surplus in the future.

Your Auditors along with the President and Vice-President carefully examined the valuations made by the Manager, and compared the Reserves entered in the Policy Ledgers with the amounts required by the Actuaries' Table and 4 per cent. interest, and also verified the totals entered in the valuation Ledger, and after such examination and comparison they report that our reserves are sufficient to meet the requirements of a four per cent. basis. This statement is corroborated by the valuation of our policies by Professor Cherriman in 1880, who computed the total reserve required according to the Government standard of $4\frac{1}{2}\%$ interest, which computation shows that we held \$5000 more than this standard required.

Our death claims though somewhat higher than last year are still considerably under the expectation, and about one third of

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