Believing these allowances to be more than ample, the following is the result:

At the end of the 1st year, out of the 1,000 persons, we find that 2 44 have died, 166 have lapsed, 831.56 are living, and the accumulated fund at 5 per cent. is $9 770.

At the end of the 5th year 25.69 have died, 378 58 have lapsed, 595.73 are living, and accumulation $25,555.37.

End 10th year, 61.12 have died, 483.88 have lapsed, 455.00 are alive, and the accumulation has reached $29,557.58.

End 15th year, 102 34 have died, 516 53 have lapsed, 381 13 are living and the accumulation is $21,005.97.

At the end 20th year 155.09 have died, 534.26 have lapsed, 310.65 are living, but there is now a *deficit* of $7,260.50.

At the end of the 23rd year 192.11 have died, 541.66 have lapsed, 266.23 are living, and *deficit* increased to $35,669.35.

End 26th year (on completion of age 70), 231.11 have died, 546.70 have lapsed, after having paid $32,475.58; 222.19 are living to receive their endowments out of a *deficit* of $72,456.16. This is a debt of $326.10 for each survivor to pay, instead of getting his $1,000 in ten instalments or at death. Premiums cease, and the company is liable for $294,646.16, to be met out of nothing in ten years.

VERITAS.

Port Hope, 24th March, 1894.

Meetings.

LONDON LIFE INSURANCE COMPANY.

The nineteenth annual meeting of the shareholders and policy-holders of this company was held at its office, London, Ont., on Thursday, the 1st day of March, 1894. There were present: the vice-president, John McClary, in the chair; William Bowman, Judge Bell, W. F. Bullen, Geo. C. Gibbons, A. S. Emery, T. H. Smallman, A. O. Jeffery, G. M. Harrison, John Mills, J. E. Jeffery, J. G. Richter, Geo. McBroom, B. Allen, H. Tatham and others. After reading the notice calling the meeting, the minutes of the last meeting were read and confirmed, and the directors' report submitted, as follows:

REPORT.

The directors have pleasure in submitting their annual report and the duly audited financial statement for the year ending December 31st, 1893.

During the year, 9,142 applications for new insurance, amounting to $1,059 429, were received, of which 9,106 applications, for $1,038 734, were approved of and policies issued therefor.

The net premium and interest income for the year were respectively $118 852 21 and $18,391.06, making together $137,243.27, an increase over the total income of the previous year of $15,731 07.

The sum of $24,383.08 was paid for death claims, and $6,881.76 additional for matured endowments, surrendered policies, and cash profits to policy-holders, making a total of $31 264.84 paid policy-holders or their heirs during the year.

The insurance in force on the company's books at the close of the year, after deducting re-insurance, amounted to $3.217.473 35, under 1,582 "General" and 18,171 "Industrial" policies. These have all been carefully valued and the requisite addition to the Reserve Fund fully provided for.

The assets of the company, exclusive of uncalled but subscribed capital, now amount to $402,662 85, an increase of $62,004.58 for the year. The interest and other payments falling due during the year have been satisfactorily met. No losses on investments have been incurred, and the company has no real estate or other relinquished securities on its hands.

The directors feel confident that the substantial all round increase in premium and interest receipts, in invested assets, in insurance in force, and in surplus over all liabilities for the year, will prove satisfactory to both stock-holders and policy-holders.

JOSEPH JEFFERY,
President.

NINETEENTH ANNUAL FINANCIAL STATEMENT OF THE LONDON LIFE INSURANCE COMPANY FOR THE YEAR ENDING 31ST DECEMBER, 1893.

Net invested assets, 31st December, 1892		$323,453 29

Receipts.

Industrial premiums	$79,419 59	
General premiums, less re-insurance premiums, $201.60	39,432 62	
Interest on investments	18,391 06	
		137,243 27
		$460,696 56

Disbursements.

Matured endowments	$ 500 00	
Cash profits to policy-holders	2,441 31	
Paid for surrender policies	3,940 45	
General claims paid	10,628 07	
Industrial claims paid	13,755 01	
Dividend to shareholders	2,362 50	
Salaries—General	5,456 17	
Commissions—General	3,566 02	
Salaries—Industrial	7 989 64	
Commissions—Ind'strial	19,326 36	
Law expenses, $6; advertising, $150.05; Gov't fees and taxes, $203.84; com. on investments, $336 50; postage and exchange, $362.81; office furniture, $635.65; printing and stationery, $775.11; directors' fees, $803; medical fees, $1,205; travelling expenses, $1,332.90; expense acct., $2,178.02	7,988 88	
		77,954 41
Net invested assets, 31st Dec., 1893		$382,742 15

Assets.

Cash in office and banks	$ 3,513 24	
Loans on stocks	18,897 23	
Loans on policies	21,081 50	
Bonds and debentures	60,000 00	
Loan company stocks	87,195 00	
Mortgages on real estate	192,055 18	
		$382,742 15
Additional assets—		
Premiums in course of collection, net	$ 909 09	
Premium notes, net	1,269 60	
Deferred premiums, net	7,616 36	
Interest due & accrued	10,125 65	
		19,920 70
Total assets 31st Dec., 1893		$402,662 85
To cover liabilities as follows:		
Total reserve on policies in force, $338,824 34; less re-ins. reserve, $1,272 30	$337,552 04	
Shareholders' special account	10,792 30	
Claims accrued	5,154 16	
Contingent fund account	2,500 00	
Accumulating profits	2,180 07	
Advance premiums	161 83	
		358,350 40
Surplus security to policy-holders		44,312 45
Capital paid up		33,750 00
Divisible surplus		$10,562 45

To the Shareholders of the London Life Insurance Co.:

GENTLEMEN,—I hereby certify that I have made a careful audit of the books and accounts of the London Life Insurance Company for the year ending December 31st, 1893, and find the same correct and agreeing with the above statement—the Reserve Fund and all other liabilities being amply provided for. The securities are in order, and the books of the company are neatly and correctly kept.

GEO. F. JEWELL, F.C.A.,
Auditor.

London, Ont., February 16th, 1894.

The vice-president, Mr. John McClary, in rising to move the adoption of the report, said:—

GENTLEMEN,—In the unavoidable absence, on account of illness, of our esteemed president, who so ably presided at former meetings of the company during the past eighteen years, the duty of moving the adoption of the report under consideration devolves upon me on this occasion. I regret very much indeed, not only Mr. Jeffery's absence to day, but especially so the reason therefor, and I am sure you will all join with me in the hope that he may soon be in the enjoyment of usual good health again, and that we will long continue to have the benefit of his varied experience and uniform good judgment in the direction of the company's affairs.

The directors' report and accompanying financial statement before me bear unmistakeable evidence that during the past year the company has made substantial progress all along the line, and, with your permission, I will review briefly the more salient features in connection therewith.

The net premium and interest income of the year is about 13 per cent. greater than for 1892, over 132 per cent. greater than the income of five years ago, and over 425 per cent. greater than the income of ten years ago, at which time the first with-profit policies were issued by the company. I am sure you will all agree with me that, taking into consideration the keen competition for business during this period, the progress made in this connection has been all that could reasonably be expected.

In the matter of disbursements, the item "Cash profits to policy-holders" shows an increase of over 28 per cent. over the amount so paid in 1892, and an increase of about 75 per cent. as compared with five years ago. The other cash payments to policy-holders aggregated somewhat less, and the total outgo under all sources was also somewhat less than for the previous year. The ratio of expenses to income shows a slight reduction as compared with 1892, notwithstanding that all expenses incurred in fitting up the more commodious offices moved into since last meeting, and for additional office furniture, were all paid for within the year.

The assets of the company are first-class in every particular. The loans on stocks have a margin of not less than 25 per cent. in any case between the market value of such stocks and the amount loaned thereon. The loans on policies do not in any case exceed the cash surrender value of such policies; the bonds and debentures owned are deposited with the Government, and must of necessity be first-class or they would not be accepted for deposit purposes; the market value of the loan company's stocks owned by the company exceeds in every instance the amount they are entered at in the company's ledger; and the amount loaned on real estate is secured by current mortgages having in each case an ample margin of security to cover possible shrinkage in values in the future.

While the assets of a life insurance company should be of the highest order, the liabilities, present and prospective, must also be fully recognized. A life insurance policy is, in the generality of cases, a contract, which, in consideration of the payment of a specified premium that cannot be increased, but may be decreased by profits, promises to pay upon the happening of a certain event, ordinarily on the death of the insured or the maturity of the policy, an amount not less than a specified sum, which sum may, however, be increased by bonus additions out of profits, if profits are applied in this manner instead of being used in reduction of the premiums payable. Each year elapsing after the issue of the policy lessens not only the number of premiums to be paid in the future, but also brings just so much nearer at hand the happening of the event calling for the payment of the sum insured.

Recognizing these fundamental truths, every regular life insurance company takes into account annually the contingent liabilities accruing under existing policies and sets aside an adequate reserve fund, or adds to this fund previously so set aside, an amount equal to the increase of such liabilities from year to year. That such a recognition of a company's outstanding obligations is absolutely essential to safety cannot be gainsaid, that the non recognition of such obligations is unsafe and must eventually end in disaster is equally undeniable; and herein lies the chief difference between the regular life insurance companies and the so-called life insurance companies or associations transacting business upon the assessment plan, which do not take a proper account of their maturing obligations, and, as a consequence, become more and more involved from year to year, and finally collapse. I have before me a list of more than thirteen hundred of such associations which have failed in the United States and Canada alone in the past fifteen years, leaving millions of certificate holders to mourn the loss of the money so foolishly invested and their families without the