

Federal Life Assurance Co.

OF CANADA.

24th Annual Report and Financial Statement.

FOR THE YEAR ENDING DECEMBER 31st, 1905

The Twenty-fourth Annual Meeting of the Shareholders was held at the Head Office of the Company, Hamilton, Mr. David Dexter, President, in the chair, Mr. W. H. Davis, Acting Secretary, when the following Report was submitted:

DIRECTORS' REPORT.

Your Directors have the honor to present the Report and Financial Statement of the Company for the year which closed on the 31st December, 1905, duly vouched for by the Auditors.

The new business of the year consisted of two thousand four hundred and fifteen applications for insurance, aggregating \$3,532,579, of which two thousand three hundred and twenty-eight applications for \$3,329,537.08 were accepted.

As in previous years, the income of the Company shows a gratifying increase, and the assets of the Company have been increased by \$275,140.56, and have now reached \$2,423,913.93, exclusive of guarantee capital.

The security for Policy-holders, including guarantee capital, amounted at the close of the year to \$3,293,913.93, and the liabilities for reserves and all outstanding claims, \$2,213,698.75, showing a surplus of \$1,080,215.18. Exclusive of uncalled guarantee capital, the surplus to Policy-holders was \$210,215.28.

Policies on seventy-eight lives became claims through death, to the amount of \$156,886.00, of which \$8,911 was reinsured in other companies.

Including Cash Dividends and Dividends applied to

the reduction of premiums, with annuities, the total payment to Policy-holders amounted to \$236,425.35.

Careful attention has been given to the investment of the company's funds, in first-class bonds, mortgage securities and loans on the company's policies amply secured by reserves. Our investments have yielded a very satisfactory rate of interest.

Expenses have been confined to a reasonable limit, consistent with due efforts for new business.

The results of the year indicate a most gratifying progress. Compared with the preceding year, the figures submitted by the Directors for your approval show an advance of nearly thirteen per cent. in assets.

The assurances carried by the Company now amount to \$17,294,136.11, upon which the Company holds reserves to the full amount required by law, and, in addition thereto, a considerable surplus.

The field officers and agents of the Company are intelligent and loyal, and are entitled to much credit for their able representation of the Company's interests. The members of the office staff have also proved faithful to the Company's service.

Your Directors are pleased to be able to state that the business of the Company for the past two months of the current year has been better than in the corresponding months of last year, and that the outlook for the future is most encouraging.

DAVID DEXTER,

President and Managing Director.

FINANCIAL STATEMENT FOR 1905.

RECEIPTS.

Premium and Annuity Income.....	\$583,279 73
Interest, Rents and Profit on Sales of Securities.....	121,197 07

\$704,476 80

DISBURSEMENTS.

Paid to Policy-holders.....	236,425 35
All other Payments.....	215,313 47
Balance.....	252,737 98

\$704,476 80

ASSETS, DECEMBER 31, 1905.

Debentures and Bonds.....	747,790 37
Mortgages.....	834,937 59
Loans on Policies, Bonds, Stocks, etc.....	487,234 35
All other Assets.....	353,951 62

\$2,423,913 93

LIABILITIES.

Reserve Fund.....	\$2,170,425 45
Death Losses awaiting Proofs.....	31,686 00
Other Liabilities.....	11,587 30
Surplus on Policy-holders' Account.....	210,215 18

\$2,423,913 93

Assets.....	\$2,423,913 93
Guarantee Capital.....	870,000 00

Total Security.....	\$3,293,913 93
Policies were Issued Assuring.....	3,329,537 08
Total Insurance in Force.....	17,294,136 11

Mr. David Dexter, President and Managing Director, in moving the adoption of the report, said: "I beg leave to submit for your consideration and adoption the report of the Company for the year ending 31st December, 1905. In doing so I am pleased to say that it is the most satisfactory your Directors have had the privilege of placing before you. As compared with the preceding year it shows a gain of seven per cent. in premium income, thirteen per cent. in interest earned, twelve per cent. in total income, ten per cent. (\$319,038) in amount of new assurances placed, 7 per cent. in amount of assurances in force, 12 per cent. in assets, fourteen per cent. in reserves held to provide for payment of Policy con-

tracts now in force and forty-three per cent. in the surplus over all liabilities.

The profits paid to policy-holders also show an increase of sixteen per cent. and the payments made to policy-holders eighteen per cent. in excess of the previous year.

The reserves now held to meet Assurance obligations as they mature are in excess of the present requirements of the Insurance Act, additions being made from year to year to meet the higher standard of reserves on assurances written prior to the year 1900, which the Act requires that we shall hold at the expiration of a term of years. All policies of assurance writ-