

FEDERAL LIFE ASSURANCE CO., OF CANADA.

Twenty-Fourth 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, at Hamilton, March 6th, 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 honour 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 policyholders, 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 policyholders was \$210,215.28.

Policies on seventy-eight lives became claims through death, to the amount of \$156,886, 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 policyholders 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 policyholders	236,425 35	
All other payments	215,313 47	
Balance	252,737 98	
		\$ 704,476 80

Assets, December 31st, 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 policyholders' 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, 14 per cent. in reserve held to provide for the payment of policy contracts now in force, and 43 per cent. in the surplus over all liabilities.

The profits paid to policyholders also show an increase of 16 per cent., and the payments made to policyholders 18 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 written since the year 1899 and many previous thereto are secured by reserves on 3½ per cent., and 3 per cent. basis.

The profits to the policyholders have been maintained in so far as it was possible to do so in the face of the inroads thereon from various sources, which may be summarized as follows:—The increased cost of new business owing to the methods adopted by competitors, particularly some of the American companies; the fees and taxes charged and levied by Provincial Governments; the greater privileges and advantages granted to the policyholder under the modern policy contract.

I would here remark in explanation of the last item that these additional

privileges and benefits are increased privileges of travel, residence, occupation, and continuance of policy, the same becoming non-forfeitable after three years, until the reserve thereon is exhausted in payment of premiums. It will be readily understood that some of the causes which I have mentioned have tended to increase the cost of assurance, and others to impair the sources from which profits formerly accrued.

The shareholders who provided the paid-up and additional guarantee capital for security to policyholders when such a provision was necessary, have in no way encroached upon the profits to policyholders, but have much less in return for their cash investment than the average rate of interest earned by the company on investments.

Your directors have always endeavoured to the best of their ability to select safe as well as profitable investments for the funds entrusted to their care, and the securities held will bear the most rigid inspection.

Your directors decided to erect a first-class office building on the very desirable site owned by the company, and situated on the north-west corner of James and Main Streets, to meet the company's requirements. Competitive plans were obtained for a steel frame fireproof building of eight storeys. Tenders were received and a contract let for the construction of such a building, to be completed in August next. We are confident that the building will prove to be a satisfactory investment, affording a reasonable return in office rentals as well as desirable offices for the headquarters of the company.

Lieut.-Col. Kerns seconded the motion, which was unanimously carried. The retiring directors were re-elected, and at a subsequent meeting of the directors, Mr. David Dexter was re-elected president and managing director Lieut.-Col. Kerns and Rev. Dr. Potts were re-elected vice-presidents.

nurses don't seem to be troubled at all by their charges, as you would suppose; they play ball and tag, and run races, and fly kites, in spite of the heavy loads on their backs. What is more remarkable, the babies are perfectly happy, and hardly ever cry, though when their young nurses run with them the poor babies' faces bang back and forth against their caretakers' shoulders till an American baby would howl with pain and rage. —St. Nicholas.

THE FOUR PLANTS.

An old teacher was once taking a walk through a forest with a scholar by his side. The old man suddenly stopped and pointed to four plants close at hand. The first was just beginning to peep above the ground, the second had rooted itself pretty well into the earth, the third was a small shrub, while the fourth and last was a full-sized tree. The tutor said to his young companion:

"Pull up the first."

The boy easily pulled it up with his fingers.

"Now, pull up the second."

The youth obeyed, but not so easily.

"And now the third."

The boy had to put forth all his strength and use both arms before he succeeded in uprooting it.

"And now," said the master, "try your hand upon the fourth."

But, lo! the trunk of the tall tree, grasped in the arms of the youth, hardly shook its leaves.

"This, my son, is just what happens with our bad habits and passions. When they are young we can cast them out readily, but only Divine power can uproot them when they are old."

"Count your mercies, count your mercies, my dear," was good old Grandmother Comfort's never-failing advice when things went wrong with those around her. She was not unsympathetic or unkindly—quite the reverse; but she was a philosopher in her homely fashion. She knew that, if she could only get people to count their "mercies," the list would be so long that it would crowd out altogether the ill that at first sight loom-

ed up so large. It is a simple remedy for real or fancied ills, and easily applied.—"Count your mercies."

THE VALUE OF CHARCOAL.

Few People Know How Useful it is in Preserving Health and Beauty.

Nearly everybody knows that charcoal is the safest and most efficient disinfectant and purifier in nature, but few realize its value when taken into the human system for the same cleansing purpose.

Charcoal is a remedy that the more you take of it the better; it is not a drug at all, but simply absorbs the gases and impurities always present in the stomach and intestines and carries them out of the system.

Charcoal sweetens the breath after smoking, drinking or after eating onions and other odorous vegetables.

Charcoal effectually clears and improves the complexion, it whitens the teeth and further acts as a natural and eminently safe cathartic.

It absorbs the injurious gases which collect in the stomach and bowels; it disinfects the mouth and throat from the poison of catarrh.

All druggists sell charcoal in one form or another, but probably the best charcoal and the most for the money is in Stuart's Charcoal Lozenges; they are composed of the finest powdered Willow charcoal, and other harmless antiseptics in tablet form or rather in the form of large, pleasant tasting lozenges, the charcoal being mixed with honey.

The daily use of these lozenges will soon tell in a much improved condition of the general health, better complexion, sweeter breath and purer blood, and the beauty of it is, that no possible harm can result from their continued use, but on the contrary, great benefit.

A Buffalo physician in speaking of the benefits of charcoal says: "I advise Stuart's Charcoal Lozenges to all patients suffering from gas in stomach and bowels, and to clear the complexion and purify the breath, mouth and throat; I also believe the liver is greatly benefited by the daily use of them; they cost but twenty-five cents a box at drug stores, and although in some sense a patent preparation, yet I believe I get more and better charcoal in Stuart's Charcoal Lozenges than in any of the ordinary charcoal tablets."