

THE FEDERAL LIFE ASSURANCE CO'Y.

ANNUAL MEETING OF SHAREHOLDERS

HIGHLY CREDITABLE REPORT.

The Seventh Annual Meeting of the Shareholders of the Federal Life Assurance Company was held at the head office of the Company in Hamilton on Tuesday, the 5th inst., at one o'clock p.m., the President in the chair, when the following report was read:—

DIRECTORS' REPORT.

Your Directors have much pleasure in submitting for your consideration their Seventh Annual Report, accompanied by a statement of receipts and disbursements during the year, and of the assets and liabilities of the Company on the 31st December, 1888.

During the year 1,380 applications were received for \$3,555,000 of insurance. Of these 1,310 were accepted and policies issued for \$3,335,500; 70 applications, for \$219,500, were declined, not being up to the standard which your Directors have thought it well to maintain in the interest of the Company.

The aggregate amount of insurance in force on the Company's books at the close of the year was \$9,930,987, under 3,563 policies, an increase during the year of 18 per cent. in amount.

Twenty-one policies became claims by death and one by maturity, amounting in all to \$70,750, of which \$15,000 was re-insured in other companies. The claims were paid on receipt of proofs and before the close of the year, excepting one, which has since been paid on completion of the necessary papers.

The premium income was \$193,158.61, an increase of \$51,557.74 over the previous year, or 36 per cent.

The assets of the Company (exclusive of uncalled Guarantee Capital, \$620,088) were, at the close of the year, \$166,484.10—an increase of \$32,673.89, or 24 per cent., and were more than double the amount of the Company's liabilities to the public, based upon the standard tables of mortality and interest, as to the policies in force. Including Guarantee Capital, the total resources of the Company are \$786,572.10, a relative security to policy-holders, which must be eminently satisfactory to all concerned.

It is a gratification to your Directors to present to you these facts with others contained in the financial statement herewith.

The marked progress of the Company, with its considerably increased resources and surplus over all liabilities to the public, are matters for congratulation in view of the character and keenness of the competition experienced. The directors have good reason to believe that the Company's equitable plans, liberal policies and fair dealing will in the future, as in the past, secure for it a large share of business at a much lower percentage of expense for the amount of new insurance written than is sustained by its competitors. The saving thus effected is of evident interest to the assured, as it enables the Company to relieve them from payment to that extent.

All of the accounts of the Company covering the items entering into the financial statement have been examined in every particular and verified by the auditors, whose certificates are submitted herewith.

The officers and agents of the Company are entitled to much praise for their faithful and zealous attention to, and able representation of, the Company's interests.

The Directors all retire, but are eligible for re-election.

AUDITORS' REPORT.

The President and Directors of the Federal Life Assurance Company:

GENTLEMEN.—We beg to advise completion of the audit of the books of your Company for the year ending 31st December last.

The books, vouchers, etc., have been very carefully examined, and we have much pleasure in certifying to their accuracy.

As usual, all assets of a doubtful character have been eliminated. The accompanying statement indicates the financial position of your Company as at 31st December, and which we hope will be satisfactory to both policy holders and Directors.

Respectfully submitted,

H. STEPHENS,
SHERMAN E. TOWNSEND, } Auditors.

Hamilton, Feb. 9th, 1889.

ABSTRACT OF FINANCIAL STATEMENT FOR THE YEAR ENDING DECEMBER 31st, 1888.

INCOME.	
Premiums	\$193,158 61
Interest, rents, etc.	5,545 24
Re-insurance	15,000 00
Total income	\$213,703 85
DISBURSEMENTS.	
Death claims and matured endowments ..	\$ 65,750 00
Dividends to policy-holders ..	59,870 76
Surrendered policies ..	1,131 28
Total to policy-holders	\$126,762 04
General expenses ..	\$2,465 02
Paid for re-insurance ..	7,836 14
Total disbursements	\$187,053 20
ASSETS.	
Municipal debentures and bonds ..	\$ 47,709 77
First mortgages on real estate ..	28,700 00
Loans on policies ..	3,055 86
Cash in banks (special and other deposits) ..	53,803 58
Cash on hand ..	607 19
Advances to agents (secured by liens) ..	7,881 84
Agents' ledger balances ..	1,242 11
Office furniture ..	1,303 00
Suspense accounts ..	275 02
Add— ..	\$144,578 37
Net premiums deferred and in course of collection (10 per cent. deducted for collection) ..	\$ 14,756 89
Interest accrued ..	1,440 10
Difference between cost and market value of debentures and bonds ..	4,426 97
Short date notes for premiums ..	1,281 77
Total assets Jan. 1st, 1889	\$166,484 10
Guarantee capital subject to call ..	620,088 00
Total resources for security of policy-holders	\$786,572 10
LIABILITIES.	
Reserve fund (including a claim waiting proof, \$5,000) ..	\$ 81,931 08
Sundry accounts ..	125 00
Total	\$ 82,056 08
Surplus for security of policy-holders	\$704,516 02

JAS. H. BEATTY, President.
DAVID DEXTER, Managing-Director.

ADOPTION OF THE REPORT.

Jas. H. Beatty, Esq., President, in moving the adoption of the report, said:—

The report which the Directors have the honour of presenting to you to-day is one which we may consistently refer to with pride and satisfaction.

The Company's growth has been of that vigorous and healthy nature which not only builds up a strong institution, but will sustain it and add to its substantial foundation from year to year.

The amount of new assurances written during the year is very large, much larger than could have been reasonably expected in the

face of a greater competition than has been experienced in former years, partly due to an increase in the number of competitors, but in a great measure to a rate of expenditure for business, in some cases, which your Directors did not think it in the interests of the Company to imitate. In this connection I have pleasure in calling your attention to the comparatively small expenditure of the Company to the amount of new assurances, also to the low cost of mortality and expense combined, which was less than \$12 per thousand for the average amount of the assurances in force. The gross amount in force at the end of the year was \$9,930,987.

You will observe with pleasure the large increase in the income for the year, as well as in the assets of the Company. The latter, including guarantee capital, were, on the 31st of December last, \$786,572.10, an amount nearly ten times that of the Company's liabilities to the public.

A larger amount of assets is often erroneously supposed to represent a correspondingly greater security to the policy-holder. The test of security is not in the gross assets of a company, but is found in the ratio of assets to liabilities to the public. A mistake is also frequently made by calculating the ratio of expense or outlay to income of several companies, whereas no equitable comparison of that kind can be made unless the amounts of old business of the companies in comparison and of their new business are equal, the expense of obtaining new business being much greater than in maintaining the old business. The company having a larger amount of old business will show a smaller ratio of expense to income, though its expense for new business be greater for a like amount than that of a company having a smaller amount of old business.

Again, some companies write the greater portion of their business on endowment and other high premium plans, the greater part of the premium on which must be set aside as an accumulating deposit and liability, while others write principally on plans uniting little, if any, of the investment feature with insurance; hence a comparison of ratios of expense to income must be unreliable and unfair. The cost per thousand of insurance of obtaining new and maintaining old business is the proper test of economy.

Mr. William Kerns, M.P.P., Vice-President, on seconding the adoption of the report, said:—

The mover has pointed to the prosperous condition of the Company, to which I may add that the policy of the Company has been, while adhering strictly to scientific principles, to provide plans of life assurance divested of the banking element as far as safety would permit. To the great majority of the people of Canada, who cannot be said to be wealthy, it is of the utmost importance that they shall obtain the largest possible amount of assurance with the means at their disposal. Our yearly renewable ("Homan's Plan") and ten year renewable plans meet this requirement and give excellent satisfaction. The former has been accepted and endorsed by many of the best known business men of the country, and I predict similar popularity for the latter. Policy holders on these plans have the privilege of changing to any of the other forms of assurance granted by the Company. It is pleasing to note the growth of the life insurance business in our country, and especially the amount which is being written by our home companies. There is no good reason why our Canadian life companies should not, and many reasons why they should, receive the patronage of our own people.

The experience of our Medical Director, Dr. Wilson, and his careful oversight of the risks assumed, I need scarcely say to those present, have been of great value to the Company.

A. Burns, LL.D., Vice-President, in speaking to the motion, referred in the most complimentary terms to the officers and agents of the Company.

Several other shareholders expressed their gratification with the material progress of the Company during the year, shown by the statement before them.

After the adoption of the report the usual votes of thanks to the officers and agents were given.

The auditors of the Company were reappointed, and the retiring Directors were unanimously re-elected.

The Directors met subsequently when the officers were re-elected.

UNDER THE WATTLE.

"WHY should not Wattle do
For Mistletoe?"
Asked one — they were but two,
Where Wattles grow.
He was her lover too,
Who urged her so,
Why should not Wattle do
For Mistletoe?"

A rose-cheek rosier grew
Rose lips breathed low,
"Since it is here — and you,
I hardly know
Why Wattle should not do."

Douglas Sladen in *The Australasian*.

WHY WIDOWS ARE WILY AND WINSOME.

It is undeniable that widows are the autocrats of society, and men flock about them wherever they go. No one has ever denied their fascinations, and Weller's advice to his son, if he wished to avoid matrimony, to "beware of widows," has been quoted thousands of times. In many ways the widow has the advantage of her younger sisters. She has the benefit of a large knowledge and experience of the world, her arts and coquetties are perfected, not in the experimental and undeveloped state of the debutantes, and, above all, she has the inestimable advantage of knowing men with the accurate and intimate knowledge gained by association with one who was probably a fair representative of his sex. She knows how to give delicious little dinners that make the most hardened bachelor think indulgently of the marriage state. She knows that man likes his ease, and does not insist on his dancing in perpetual attendance on her. She does not insist on a man's talking about balls and theatres and new German figures. She follows rather his lead to his own ground, and listens with subtle flattery in eyes and face while he descants on his favourite hobby. A young girl is always self-centred, absorbed in her own affairs, her dresses, her parties—it is only grace and art that teach a woman to sink her own personality in the presence of the person with whom she is talking. Perhaps one of the chief claims of widows is their understanding of the fine art of sympathy. The sympathy of a young girl who has known nothing but joy is a crude and unsatisfying affair, the very husks on which no love could feed; but the sympathy of a widow, tenderly, daintily expressed, with a gentle melancholy that shows that she too has suffered—it is like the soft shadows in a picture, or the minor chord in a piece of music that sets the pulses throbbing. Having mourned for a man she knows how most effectively to mourn with one.—*New Orleans Picayune*.

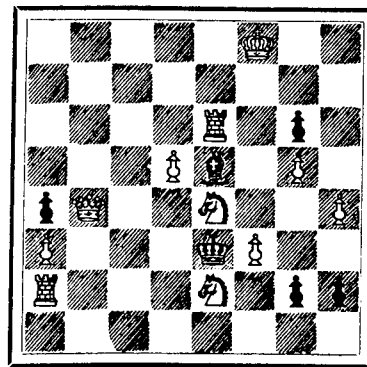
CHESS.

PROBLEM No. 341.

By S. LOYD.

From *Columbia Chess Chronicle*.

BLACK.



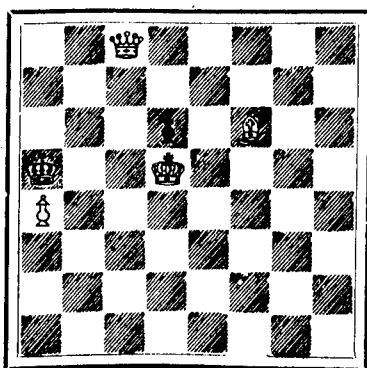
WHITE.

White to play and mate in three moves.

PROBLEM No. 342.

By E. H. E. EDDIS, Orillia.

BLACK.



WHITE.

White to play and mate in three moves.

SOLUTIONS TO PROBLEMS.

No. 335.
Q—Kt 3

No. 335.

White. Black.
1. B—B 4 K—Kt 2
2. Kt—R 6 + K moves
3. Q or B mates. If 1. K—B 4
2. Kt—R 6 + K x B
3. Q—Q 3 mates. With other variations.

GAME PLAYED AT THE TORONTO CHESS CLUB,
March 16, 1889, between Mr. Ascher, of Montreal, and Mr. Davison,
of Toronto.

DANISH GAMBIT.

ASCHER.	DAVISON.	ASCHER.	DAVISON.
White.	Black.	White.	Black.
1. P—K 4	P—K 4	11. P x Kt	Kt—Q B 3
2. P—Q 4	P x P	12. B—K R 5	P—Q 4
3. P—Q B 3	P x P	13. Kt—Q 4	Kt x P
4. B—Q B 4	P—Q 3 (a)	14. R—K 1	Kt—Q B 5 (d)
5. Kt—K B 3	P—K R 3	15. B—K B 4	P—K Kt 4
6. Castles	B—K 2	16. B—K Kt 3	P—Q B 3
7. Q—Kt 3	Kt—K B 3 (b)	17. Q—Q B 2	Kt—Q 3
8. B x B P +	K—B 1	18. Q—K Kt 6	K x B
9. P—K 5	Kt—K 5	19. Q x Kt (c)	And Black resigned.
10. Kt x P	Kt x Kt (c)		

NOTES.

(a) Bad; Kt—K B 3 best. (b) B—K 3 best. (c) Kt—Q B 4 better.
(d) Q—Q 3 better. (e) A neat ending.

THE VALUE OF LONGEVITY.

DR. FELIX L. OSWALD, in writing of the value of longevity, says:

"Can there be a doubt that Burns and Keats foresaw the issue of their struggle against bigotry, or that Cervantes, in the gloom of his misery could read the signs of the dawn presaging a sunburst of posthumous fame?"

"Spinoza and Schiller died at the threshold of their goal; Pascal, Harvey, Macaulay, Buckle and Bichat left their inimitable works half finished; Raphael, Mozart and Byron died at the verge of a summit which perhaps no other foot shall ever approach.

"The price of longevity would redeem the mortgage of our earthly paradise"—and it can be prolonged and should be, with care and the use of proper medicine at the right time.

Owing to the stress, the worry, and the annoyance of every day life, there is no doubt but that tens of thousands of men and women yearly fill premature graves.

Especially after middle life should a careful watch be kept over one's physical condition. The symptoms of kidney disease, such as becoming easily tired, headache, neuralgia, feeble heart action, fickle appetite, a splendid feeling one day and an all-gone one the next, persistent cough, trouble in urinating, etc., should be diligently looked into and at once stopped through a faithful use of Warner's Safe Cure, which has cured tens of thousands of such troubles and will cure yours.

Experiencing no pain in the region of the kidneys is no evidence that they are not diseased, as those great purifying organs have very few nerves of sensation, and oftentimes the kidneys are positively rotting and being passed away through the urine before the victim is aware he is suffering from advanced kidney disease, which is only another name for Bright's Disease.