

THE DOMINION BANK—Continued.

AUDITORS' REPORT TO SHAREHOLDERS

We have compared the above Balance Sheet with the books and accounts at the Chief Office of The Dominion Bank, and the certified returns received from its Branches, and after checking the cash and verifying the securities at the Chief Office and certain of the principal Branches on December 31st, 1918, we certify that, in our opinion, such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs, according to the best of our information, the explanations given to us and as shown by the books of the Bank.

In addition to the examinations mentioned, the cash and securities at the Chief Office and certain of the principal Branches were checked and verified by us at another time during the year and found to be in accord with the books of the Bank.

All information and explanations required have been given to us and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank.

G. T. CLARKSON } of Clarkson, Gordon &
R. J. DILWORTH } Dilworth, C.A.

Toronto, January 21st, 1919.

CONFEDERATION LIFE ASSOCIATION

The forty-seventh Annual report of the Confederation Life Association indicates considerable development of business written in 1918, amounting to \$18,062,374, including revived policies and bonus additions, as compared with \$15,037,517 in 1917. This marked development in new business was accompanied by a substantial addition of \$9,712,464 to insurance in force, which totalled \$91,986,165 on 31st December. Net Premium income at \$3,495,670 shows the substantial growth of \$343,383 over the 1917 figures, while interest and rents are up to \$1,230,419, as compared with \$1,090,478 in 1917, total income being raised to \$4,726,083, an advance, upon the 1917 income, of \$480,629. Disbursements to policy-holders and their beneficiaries reached \$2,528,126, against \$2,504,879 in the preceding year.

The directors report in dealing with Death Claims draws attention to the fact that the claims by death of insured lives for the first nine months of 1918 showed a decided decrease, as compared with the same period for 1917, but two circumstances occurred following that date, which caused a material change; these were war claims, and claims arising through the epidemic of influenza. The total war claims amounted to \$259,218, and almost equal in volume to war claims were those incurred from the influenza epidemic, amounting to \$254,864. The combined claims—war and influenza—represent 43 $\frac{3}{4}$ % of the total death claims.

Maturing endowments at \$610,540 indicates an increase of \$135,984 over 1917. Maturing investment policies were \$17,328, less at \$288,927 against \$306,255. Profits paid to policy-holders during the year were \$355,426, against \$313,509 in 1917.

After payment of expenses, etc., the balance on the year's operations was such as to increase the net invested assets from \$21,161,404 to \$21,250,503, as at 31st December, 1918. Total assets are \$23,418,782 a substantial gain of \$1,107,000 over the previous year.

It is satisfactory to note that the investments for the year were mainly in the debenture class, in Victory Loan Bonds. The holdings in this very desirable class of security for any Life company was enlarged by the Confederation Life during the year by an increase of \$1,496,296 to \$10,081,556.

In mortgage investments, repayments to the amount of \$790,385 were made, exceeding the new loans by the sum of \$474,417. The total amount of mortgages held at December 31st, figures at \$5,575,175, as compared with \$6,049,593 in 1917 and \$6,390,237 in 1916.

After calculation of liabilities upon the usual conservative basis, there is a surplus above all liabilities of \$1,969,045.

The old established Confederation Life stands in the front rank of life companies doing business in Canada and goes steadily on its way, year by year, making sound progress, under most conservative management. While the experience of life insurance companies is bound to fluctuate in line with favourable and unfavourable conditions, of individual years, there can be no doubt that in the case of so well established and sound an organization as the Confederation Life, continued steady progress is assured.

PRUDENTIAL INSURANCE CO. OF AMERICA REDUCES DIVIDEND.

Increased death claims, greater expense for labour and material and also higher taxes are given by the Prudential as the causes militating to compel the company to reduce its dividend scale for 1919. The cut will approximate 20 per cent. on annual dividend policies, with a corresponding reduction in deferred dividends of about 5 per cent. on last year's earnings. This decision is regarded by the company as looking forward in the right way, in the confident belief that it will safeguard the interests of its policyholders, old and new, and strengthen its position with regard to future dividends. The influenza has cost the Prudential \$14,000,000. Industrial claims increased in a short time to four times the normal, and swamped the staff in that department. Ordinarily, an average day's run of industrial claims with the Prudential would be between four hundred and five hundred; last fall it reached four and five times that.

BILL TO REQUIRE AUTOMOBILE INSURANCE.

A bill has been introduced in the Massachusetts Legislature to require that owners of motor vehicles file a certificate of insurance covering personal injury and property damage liability with some insurance before license be issued to the motor vehicle owner.