

THE MUTUAL LIFE ASSURANCE CO. OF CANADA.

Financial Statement for the Year Ended December 31, 1905.

INCOME.		DISBURSEMENTS.	
Premiums	\$1,547,506 45	Death Claims	\$ 231,924 10
Interest and rents	407,563 94	Matured Endowments	159,450 00
Profit from sale of real estate	1,448 52	Purchased Policies	64,188 68
		Surplus	87,928 35
		Annuities	9,422 56
		Expenses, Taxes, etc.	348,491 76
		Profit and Loss	1,519 18
		Balance	1,053,593 78
	\$1,956,518 91		\$1,956,518 91
ASSETS.		LIABILITIES.	
Mortgages	\$4,265,533 86	Reserve, 4 p.c., 3½ per cent. and 3 per cent.	\$8,210,064 24
Debentures and Bonds	3,245,401 89	Reserve on lapsed Policies liable to revive or surrender	2,400 31
Loans on Policies	988,670 39	Death Claims unadjusted	64,680 00
Premium Obligations	28,810 00	Present value of Death Claims payable in Installments	35,654 98
Real Estate	56,281 08	Premiums paid in advance	14,378 42
Cash in Banks	257,730 37	Amount due for medical fees	5,883 50
Cash at Head Office	4,230 23	Accrued Rents	805 33
Due and Deferred Premiums (net)	272,121 08	Credit Ledger Balances	10,224 25
Interest and rents due and accrued	177,312 65	Surplus on Company's Valuation Standard	952,001 12
	\$9,296,092 15		\$9,296,092 15
	Surplus on Government Standard of Valuation		\$1,261,905 00
GAINS IN 1905.			
In Income	\$ 231,210 01	In Surplus (Company's Standard)	\$ 179,928 25
In Assets	1,075,561 70	In Insurance in force	3,720,984 00
AUDITED AND FOUND CORRECT.		J. M. SCULLY, F. C. A. Auditor.	GEO. WEGENAST Manager.

DIRECTORS' REPORT.

Your Directors have pleasure in submitting for your consideration the 36th Annual Report for the year ending December 31, 1905, together with the Financial Statement duly audited.

In every department, the business has been entirely satisfactory, and largely in excess of any previous year.

INSURANCE ACCOUNT.—The volume of new business was 3,637 Policies of \$6,014,576, being an increase over 1904 of 185 Policies for \$966,408. With the exception of \$65,000 written in Newfoundland, the new business was all written within the Dominion of Canada. The total amount of assurance in force is \$44,199,954, under 29,758 policies, being an increase over 1904 of \$3,722,984.

INCOME.—The total income for the year was \$1,956,518.91, derived from Premiums \$1,547,506.45, Interest and Rents \$407,563.94, and profit from the sale of Real Estate \$1,448.52.

PAYMENTS TO POLICY-HOLDERS.—The payments to Policy-holders consisted of Death Claims \$231,924.10; Matured Endowments \$159,450; Purchased Policies \$64,188.88; Surplus \$87,928.85, and Annuities \$9,422.56, being a total of \$552,914.19, the Death Claims which fell in during the year amounted to \$269,214, and, though slightly in excess of those in the preceding year, were very light and much below the expectation.

THE EXPENSES AND TAXES were \$348,491.76, and Profit and Loss \$1,519.18, making a total of \$350,010.94; or 17.8 per cent. of the total income.

ASSETS.—The cash assets at the close of the year were \$8,846,658.42, and consisted of Mortgages \$4,265,533.86; Debentures and Bonds \$3,245,401.89; Loans on Policies \$988,670.39; Premium obligations \$28,810.60; Real Estate including the Head Office building, \$56,281.08, and Cash in Banks and at Head Office \$261,960.60. Adding to this the due and deferred premiums \$272,121.08, interest and rents due and accrued \$177,312.65, the total Assets amount to \$9,296,092.15. It will be observed that, as in the past, we still continue to invest our funds in securities of a non-speculative character, and that we hold them on our books at their net cost.

The interest on our investments have been very well met, especially in the City of Winnipeg, where on Mortgages amounting to \$745,555 the interest in arrear at the close of the year was only \$227. In the Province of Manitoba and the West generally, there is a tendency to defer payment of instalments of principal on account of the desire to purchase more land. All payments both for Interest and Principal have, however, been very well met, and were quite equal in that respect to the previous year. In Ontario and elsewhere the Mortgage collections have been exceptionally good, and at the close of the year there was interest in arrear of only \$16,317, the largest part of which fell due in the closing days of the year and has since been paid. The active demand for money during the year kept our funds well employed at good rates of interest. The average rate realized on our funds was 5.1 per cent.

THE LIABILITIES were again computed on the same standard as in former years, viz., Combined Experience Table with 4 per cent interest for all business up to January 1, 1900. From that date to January 1, 1903, on the Institute of Actuaries' Table with 3½ per cent. interest; and thereafter on the same Table with 3 per cent. interest. The reserve computed upon this standard of valuation amounts to \$8,210,064.24, and the total liabilities are \$8,342,091.03. The Surplus over all Liabilities on the Company's standard of reserve, as above mentioned, is \$952,001.12, being an increase for 1904 of \$179,928.25. On the Government standard of valuation our surplus would be \$1,261,905.

As in former years, the Executive Committee has examined all the Securities and verified all the entries relating to them on the Company's books.

On behalf of the Board.

R. MELVIN, President.

In moving the adoption of the report the President, Mr. Robert Melvin, said:—

The amount of new business written in 1905, viz., \$6,014,576, is the largest in our history, and this, it must be remembered, is all Canadian business except \$65,000 written in Newfoundland. We are more strongly of the opinion now than ever before that good Canadian business is vastly preferable to foreign, and that it can be secured at much less cost. The recent investigation in

New York disclosed sufficient evidence of this, and one of the reforms now being introduced is the discontinuance of such business in many countries. We are gratified at the amount of business that our agents were able to secure in spite of public criticism of life insurance, and we are justified in believing this to be an evidence of the fact that the Mutual Life of Canada continues to merit the confidence of the Canadian insuring public. It is noteworthy also to mention that our lapses are less