

## Annuities and Their Uses.

Although a good deal has been written of late about annuities, there is still a great lack of information on the part of many regarding this very convenient and useful form of investment. For example, annuities are associated in the minds of most people with old age, and while many are ready to admit that a purchase of an annuity is a very excellent thing in the evening of life, it occurs to comparatively few that the easiest way to secure a good annuity for one's declining years is to begin earlier in life by paying the purchase money in comparatively small annual instalments.

The contingencies that may be provided for by annuities and the methods of making these provisions are almost innumerable, and yet are very simple and easily understood. Perhaps the clearest way of illustrating some of them is to give a few examples selected from the Company's registers:

Example, a retired solicitor with impaired health, aged 74, deposits \$30,000, and receives an annuity of \$5,000 payable for life, thus increasing his income fourfold.

Three sisters, aged 62, 69, and 72, deposit \$7,500, and receive a joint annuity of \$675, payable half-yearly, until the death of the last survivor.

A husband, aged 75, and wife 70, whose total worldly possessions amounted to \$10,000, on which they were realizing \$400 per annum, invested the whole in an annuity, realizing at once a joint income of \$1,195, paid half-yearly during their joint lives, to be reduced to \$895 after the death of the first.

A lady, aged 52, possessing only \$4,000, the remnant of a fortune of over \$50,000, which has been frittered away in bad investments, learned for the first time about annuities from a friend, and, acting on his advice, purchased with this small remnant an annuity. As she was in very poor health, the company, as its custom is, gave her specially favorable terms, and allowed her an annuity of \$700, as against the mere \$150 she had been drawing in dividends on her \$4,000.

A gentleman, now 62, purchased his first annuity from the company five years ago. Since that time he has been gradually realizing on his securities and investing the proceeds in sums of \$500 and upwards in annuities, having made fifteen different purchases, his total income from this source now amounting to \$2,580 yearly on a total investment of \$28,000.

A gentleman, 54, with a delicate wife, aged

49, and no children, buys an annuity of \$4,000 a year, costing \$50,000. The company guarantees that even if he should die to-morrow the payments will be continued for ten years. In order that the wife shall absolutely be provided for if she is still alive at the end of ten years, she has the privilege of paying another \$7,500 and having the \$4,000 yearly continued throughout the remainder of life.

All of these examples refer to immediate annuities. We will now give examples of deferred annuities:

A young man, 26, by depositing \$63.65 yearly, secures an income of \$486 a year, beginning at 60.

A man, aged 28, feeling sure of his present income for at least ten years, pays ten annual payments of \$375 each and secures \$1,000 a year, beginning at age 75.

These examples provide for the purchaser only. Here are a few providing for the wife and children or for parents.

A. J., aged 25, secures \$500 a year for his mother, aged 65, should she survive him, at the small annual cost of \$45.00.

J. F., aged 36, wife 34, having two children, secures an income of \$1,000 a year for his wife, should she survive him. So that the children may not be left unprovided for should the wife also die, the company guarantees to keep up the annuity until at least twenty annual instalments have been paid. The youngest child, will, therefore, be of age before the payments have ceased, while, on the other hand, they never cease during the wife's life, though she may attain a very advanced age. This seems a better provision than leaving a capital sum, which may be lost through poor investments. The annual cost in this case is \$393, which, it must be admitted, seems a very moderate sum for such an ample provision.

These examples illustrate only a few of the contingencies of life that may be provided for more conveniently and more safely by annuities than in any other manner. They are all taken from our own records.

It would take a large volume to deal adequately with all the different kinds of annuities and old-age pensions granted by the Sun Life of Canada, so that inquirers should mention their age and give some idea of the nature of the provision they wish to make. All such communications will be treated as confidential.

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