

\$12,000, equal to about 33 per cent. of the premium income, while the increase of liability is only about \$5,000. The new risks presented to the Board for acceptance numbered 246, representing \$311,313; of this amount the Directors accepted 235 applications for \$291,331 of insurance as desirable risks, the balance being declined. The business in force at the close of the year was represented by 1,104 policies, covering \$1,265,855 of insurance, showing an increase over the amount outstanding at the close of the previous year. Your Board have made a further deposit of securities, amounting to over \$20,000, with the Dominion Government during the past year, the amount now on deposit being \$77,000 par value, or 69 per cent. of the reserve. The Directors strongly favor the placing of the reserve under Government protection, and recommend that further deposits be made from time to time until this is accomplished. The present Board retire in accordance with the Act of Incorporation, but are all eligible for re-election. All of which is respectfully submitted.

JAMES TURNER, President.

Hamilton, 6th April, 1880.

ANNUAL STATEMENT OF THE MUTUAL LIFE ASSOCIATION OF CANADA FOR THE YEAR ENDING 31ST DECEMBER, 1879:

Assets, 31st Dec., 1878.....	\$141,702 98
REVENUE ACCOUNT.	
Premiums.....	\$36,342 53
Interest received and accrued on investments.....	6,684 73
	\$43,027 26
	\$184,730 24
DISBURSEMENT ACCOUNT.	
Death Claims outstanding 31st Dec., 1878.....	\$ 8,048 07
Death Claims occurring in 1879....	6,250 00
Surrender Values, Interest and Re-insurance.....	2,014 25
Interest on Guarantee Fund.....	1,260 00
Written off, Office Furniture and other Accounts.....	272 70
Directors' Fees.....	272 00
Physicians' Fees.....	609 50
Salaries and Commissions.....	8,320 30
Travelling, Printing, Advertising, Rent, Taxes, Office and other expenses.....	4,328 40
	\$ 31,375 31
	\$153,354 93
ASSETS.	
Municipal Debentures and Securities.....	\$115,317 86
Cash in Bank and in Home Office	3,436 04
Accrued Interest.....	1,096 91
Loans on Policies.....	3,236 14
Agents' Balances.....	2,634 05
Premiums outstanding and in course of collection (reserve included in liability).....	13,761 76
Deferred Premiums (reserve included in liability).....	8,448 90
All other assets not included under foregoing heads.....	5,422 37
Amount of Assets 31st Dec., 1879..	\$153,354 93
LIABILITY.	
For Reserve Fund on outstanding policies, by actuarial computation, as per valuation register (less re-insurance in other companies).....	\$116,333 75
For matured endowment.....	1,090 00
For death claim outstanding (paid-up policy since paid).....	50 00
	\$117,403 75

JAMES TURNER, President.
DAVID BURKE, Manager.

The President and Directors of the Mutual Life Association of Canada:

Gentlemen,—I have now the pleasure to report completion of the audit of the affairs of your Association for the year ending 31st December, 1879. As usual, the books, vouchers, etc., have undergone a careful examination and their accuracy verified. The securities have also been examined, compared with ledger balances, and found correct. The statements submitted herewith, showing revenues, receipts and expenditure, also assets and liabilities, have been carefully checked, and indicate the present financial position of the Company as shown by the books. Every facility has, as usual, been afforded by your Manager and staff. Respectfully submitted,

H. STEPHENS, Auditor.

Hamilton, 5th April, 1880.

The adoption of the report was moved by the President and seconded by the Vice-President. In moving its adoption the President said:

Gentlemen,—At no period in its history have your Board of Directors had more satisfaction in meeting the members of the Mutual Life Association, to render an account of their stewardship, than on the present occasion.

By reference to the statement now submitted for your information, and in the hope of your approval, you will observe that, while the assets and income have materially increased, the expenses have diminished; the Board expect, however, that the comparative exhibit in the next annual statement, as regards this latter item, will be even more satisfactory, as the Board, with a view to the rigorous prosecution of the business, have engaged the services of additional judicious and energetic canvassers, whose labors under the supervision of your able Manager have already resulted in a considerable amount of new and satisfactory business.

The death rate for 1879, you will notice, is considerably less than that of the previous year and of many former years, and considering the unhealthy winter, which has been the cause of a high average rate of mortality, is much less than might have been anticipated, for which the Board claim no credit beyond that of exercising the utmost caution in canvassing for and accepting only the better class risks. The outstanding claims at the close of the year were, you will notice, a matured endowment for \$1,000, and a small death claim amounting to \$50. The agency department of the Association is also, I am pleased to say, on a satisfactory and improved basis.

The prospects for Life Insurance are very encouraging; already a great revival has taken place in the United States, and I look forward to the "boom" spreading ere long over Canada, and confidently anticipate that your Association, founded as it is entirely in the interest of the insured, will, during this present year, reap a rich harvest of new and satisfactory business. It seems to me that the time has arrived when the motto should be "Canada for the Canadians" so far as Life Assurance is concerned.

The deposit with the Government has been increased to \$77,000. In this connection it may be well to mention that none of the funds so deposited can be removed from the custody of the Government except by order of the Governor-in-Council; it is consequently incumbent upon the Board to retain on hand funds sufficient, and immediately available, to meet any unforeseen emergency. The retiring Directors, however, feel confident that their successors will find themselves in a position to warrant the further deposit of securities with the Government sufficient to materially increase the amount already on deposit.

In conclusion, gentlemen, I would strongly urge upon the successors of the present Board the advisability of carrying out the policy inaugurated by their predecessors as regards Government deposits until the full reserve is placed under Government protection. Ours is a Mutual Association; let us, therefore, have the most ample security that can be devised for our mutual benefit. I feel, gentlemen, that

in administering such a trust your Board have no ordinary duty to perform; they are, in fact, trustees for the future widows and orphans of ourselves and our associates. (Applause.)

In reply to some questions asked, the President said that the care of the Directors had been, and would continue to be, first to provide absolute security for the payment of every claim, and whatever other companies might do this company would never depart from that policy with his consent. It must be remembered that they had been going through a most trying time for life assurance companies, but fortunately they had emerged into daylight at last. The position of the Association was satisfactory, and they could now push for business and would do so. He had no hesitation in saying that there was not a company in Canada that had stronger claims on the public than this one at the present moment. Absolute security was the vital consideration in life assurance, and that must be kept before them as the leading object. (Applause.)

The report and statements were unanimously adopted.

Mr. J. M. Gibson, M.P.P., said he took great pleasure, as one of the early members of the Association, in listening to the cheerful report which they had just heard read. Some might think that the business of the Association should have been more widely extended, but for his own part he agreed with the Directors that their true policy for several years past was not to force business in dull times. In periods of depression people were not likely to pay great attention to life assurance. The man who was harassed to meet his current obligations was apt not to think very seriously about making provision for a distant period, or one that appeared distant to him. The depression, he was glad to say, was now rapidly passing away. To whatever cause it was due that fact was certain. They would see that a very large proportion of the working expenses were incurred in the agency department, and had the Directors pushed for business that item of expense must have been largely increased without, in his opinion, any adequate return while the dull times lasted. As he had said, these hard times were passing away. Through the operation of natural causes prosperity was returning. The time had now come when the Directors might incur additional expenses in the agency department with a safe prospect of satisfactory results. He was glad to see that the losses had been so light during the year, and this was an evidence that the Directors were paying strict attention to the class of risks which they were accepting. The increase of the reserve in the hands of the Government was a highly satisfactory feature of the report. The policy holders were all partners in the Association, and the money deposited as a reserve with the Government was not going into the hands of a proprietary separate from the assured. It was still theirs, but was deposited as additional security. They must remember, too, that they managed their own affairs; the Directors had no separate interest from the members. They had met year by year and had approved of the policy of the Directors, and he was quite satisfied that that policy was the right one. To make the security absolutely beyond all question, by deposit with the Government, was the proper course. The Directors had given a great deal of their time to the business of the Association. They were all men largely engaged in business of their own, and their attention to the affairs of the Association must be considerable of a sacrifice to them. He was satisfied that under their guidance this would become one of the notably successful monetary institutions of which Hamilton was the head quarters. (Applause.) He had great pleasure in moving the following resolution:

Moved by Mr. Gibson, M.P.P., seconded by Mr. Carey, That the thanks of the policy holders are due and are hereby tendered to the retiring Board of Directors for the satisfactory manner in which they have discharged their duties, and that they be paid as usual the fee of \$2 for each attendance at regular meetings.