

is their weakness financially. Brotherhood has its charms, its utilities, its beneficial influences, but, as a basis of life assurance, it is like a bed of moving sand. Sound actuarial principles are the only sure, permanent foundation of life assurance or of a scheme of sick benefits. A fraternal society when on this foundation, when it is managed with ordinary care, may develop social and educational features with much advantage to the members, with this superiority over less stable ones, that the meetings need never be disturbed by doubts being raised as to the future of the society.

CONFEDERATION LIFE ASSOCIATION

The 30th annual meeting of the Confederation Life Association was recently held in Toronto. The proceedings were made memorable by the announcement of the retirement of Sir William P. Howland, C.B., K.C.M.G., who has been president since the establishment of the Company thirty years ago. He retires owing to his advanced age, and is succeeded by Mr. W. H. Beatty, whose position is taken by Mr. Frederick Wyld as vice-president. Mr. E. B. Osler, M.P., was elected for the vacancy caused by the death of Mr. W. S. Lee, which is a very excellent appointment on which the Company may be congratulated.

The new business acquired last year was 2,035 policies covering assurance for \$2,676,490, but, with bonus additions, the issue for the year was \$2,692,167. The total assurance in force at end of 1901 was \$33,152,085. The death claims were below expectation, which we note as the general experience of life assurance companies in Canada last year, showing a careful selection of lives by the medical examiners. The claims amounted to \$251,759 under 161 policies. The income from premiums, net, was \$1,051,319, and from interest and rents, net, \$335,054, making a total net income of \$1,386,373. The policyholders last year were paid profits to extent of \$71,000, and the surplus was increased \$40,000 on the Company's own standard and by \$70,000 under the Government standard of valuation. Another favourable feature in the report is the statement that the ratio of expenses to income was the lowest in the history of the Company. In the valuation of the policy and annuity obligations of the Company the basis used was the same as last year, viz., Institute of Actuaries' Table of Mortality with 4½ per cent. interest on business up to December 31, 1895, and 3½ per cent. on business from that date to the close of 1899, from which date 3 per cent. was used. The Reserve on policies and annuities on the Company's standard is stated to be \$7,715,630, and the Cash Surplus above liabilities, on some standard,

\$439,948; on the Government standard the cash surplus is \$575,713. Under the management of Mr. J. K. Macdonald, managing director, the Confederation Life continues to advance steadily in amount of business and in public confidence, his efforts being faithfully and diligently aided by Mr. H. J. Johnston, the Company's representative in this city.

THE OCEAN ACCIDENT AND GUARANTEE CORPORATION.

The director's report and statement of accounts of the Ocean Accident and Guarantee Corporation are published in full in this issue.

The premium income in 1901 was \$5,450,250, and from investments \$148,965, making together a total income of \$5,609,215. After charging the large sum of \$3,669,475 against the revenue for the outlays involved on taking over the Accident business of the Lancashire, there was \$1,529,175 left as a balance. To this was added \$375,000 from Reserve Fund, making a sum of \$1,904,175 from which a fund was created to amount of \$1,726,500 for "Provision for liability on Unexpired Risks, including Sickness Insurance Fund." Out of the remainder the sum of \$61,115 was paid as a dividend, which left \$116,500 as balance to be carried forward.

To have acquired so valuable a business as that purchased from the Lancashire and financed it without calling up more capital or reducing the Reserves is a testimony to the strength of the financial position occupied by the Company. The Reserves now stand: Reserve Fund, \$2,000,000; Provision for unexpired risks, etc., \$1,726,500; Provision for claims outstanding, \$1,497,680, the total Reserves being \$5,224,180. The Company's assets amount to \$6,687,800, against \$5,774,500 at close of 1900.

At the annual meeting the chairman delivered a very able and comprehensive address in which he laid special emphasis upon the conservative policy adopted by the Board. He said: "Your directors have taken the most drastic steps to prevent undercutting or the acceptance of any risk which, so far as human foresight and their experience provides, shall result otherwise than in a profit to the Corporation." This is the only sound principle upon which insurance business can be successfully managed. He declared that the extension of the business into foreign fields was not so much to enlarge the operations, but to equalize them, so that if a check or drawback were experienced in the United Kingdom the Company would have the advantage of operations unaffected by causes working in the home field. That also is sound, it is indeed the practice of all the