

Their effect last year was very marked in the diminished amount of Life business done in Canada and in a yet more marked degree in the United States. Under such circumstances the Directors considered it to be in the true interests of the Company to adhere to a strictly conservative and economical policy, and secure a moderate amount of new business at a cost not beyond its actual value, rather than endeavor to obtain a large number of policies by incurring excessive expenditure. And in view of the very grave questions that are now agitating Insurance circles, both in England and the United States, it is confidently felt that the prudent course thus pursued by your Directors will commend itself to the approval of both the Shareholders and the Insured.

The total number of Policies current at the end of the year was 918. insuring the sum of \$1,786,072. The gross Premiums thereon amount to \$63,624.41, and the interest earned, \$9,536.84, making a total Annual Income of \$73,161.25.

The careful selection of lives for assurance continues to engage the best attention of the Directors, and as a pleasing evidence of the time and care thus bestowed, they have much satisfaction in directing attention to the unusually small number of deaths that have occurred among our insured, and the consequently small amount that the Company has had to pay for Claims. In 1874, there were 5 deaths under 5 policies entailing a total claim of \$6,000. Of these, 3 were promptly paid during the currency of the year, and the remaining 2 maturing only last month, were then paid, and will appear in the Report for 1875. It is worthy of especial remark that, during the entire existence of the Company, the total death-claims have not reached the tabular expectancy of last year alone. These significant facts being in entire accord with the experience of other prudently managed Canadian Companies, unmistakably indicate the high value of Canadian insured life, and your Directors confidently believe that whilst the same paucity in the number and amount of this Company's Claims cannot be of long continuance, it will nevertheless prove an important source of profit and stability to the institution in future years.

As in previous years, so in 1874, the severest economy has been practiced in the expenditure. The extension of our agencies, and the rapidly increasing volume of our business, in addition to the items voted at the last Annual Meeting, will readily account for the somewhat increased amount apparent in the annexed statement of Disbursements. Their absence from the earlier records contributed in no small degree to augment public confidence in the future of the Company, and early favored the formation and expansion of that large Premium Reserve which is now the proud boast of this Company to own.

To the Investments of the Funds of the Company, the Directors give their best attention. These are all secured by Bank Stocks and first-class Mortgages, and bearing highly remunerative rates of interest. The balance uninvested at the close of the books has since been used in payment of the two outstanding claims, and in granting a Loan on Real Estate. The gross Assets now held by the Company, amount to \$171,362.81, a sum largely in excess of all its current liabilities. But the progressive character and present condition of the business will, perhaps, be more apparent by comparing the amount of its gross assets at the close of the several years, thus:—

At 31st December 1871....	\$64,950 75
1872....	96,461 95
1873....	138,184 38
1874....	171,362 82

The usual Dividend of 6 per cent. on the paid-up capital of \$50,000 has been declared, and

will be payable on and after this date. In this connection it is proper to remind those interested, that this Dividend is not defrayed from Life Premiums, but is wholly provided by the interest received from the Dominion Government upon the capital-stock deposited for the security of Policy-holders. The entire assets and their accumulations at compound interest are thus left intact to augment till the close of the period for the general distribution of the accrued profits. And your Directors desire to express their sanguine belief that the results of that distribution will be highly satisfactory to all entitled to participate therein.

The various interest of the assured members continue to engage the careful attention of the Directors, and whilst they persistently avoid the introduction of any feature—whether new or old—whose ultimate effects would, in their judgment, prove prejudicial to the stability of the institution, or in any way compromise the just right of the insured—although a considerable accession to the business transacted would doubtless thereby accrue, they will nevertheless introduce from time to time, such measures as the exigencies of the business may demand in the interests of the insured. In this connection they have pleasure in reporting the adoption of the following resolutions, believing that they will receive your approval, and that the assured, for whose especial benefit they were framed, will largely avail themselves of their provisions.

“Believing that the real benefits of Life Assurance can be realized by insurers only by persistence in sustaining their Policies till the full completion of the objects contemplated by them; and that persons allowing them to lapse, thereby entail upon themselves, needless though unavoidable loss, and with the view of encouragement to their continuance, be it resolved,—That all policies issued by this Company be, and hereby are declared to be indisputable on any ground whatever, after that they shall have been full five years in force, provided always that all premiums have been and shall continue to be paid when due, and that the correct age of the insured shall have been established by satisfactory evidence.

Also that due allowance in point of time be accorded for the revival of lapse policies where the omission has been unavoidable and the life continues insurable.

Also that every possible facility for the maintenance of Policies be given by way of Loans thereon, within their cash value, to be applied in payment of Premiums in cases where from temporary embarrassment or otherwise these might be allowed to lapse.”

The Directors have also had for some time under serious consideration, the question of undertaking the Accident Branch of Insurance. The Shareholders are no doubt aware that our Charter provides for its being carried on in conjunction with the Life Business. And considering the now advanced and progressive character of the Life Branch, and the exceptionally favorable condition of its Finances, the Directors deemed the present to be an opportune occasion to carry out the provisions of the Charter in that behalf; and accordingly on the 16th December last, it was finally resolved on. Although the necessary forms are not yet all out of the printer's hands, the Directors have the satisfaction of announcing that already a very favorable beginning has been made. As an adjunct of Life Assurance, this would seem to be an inviting field for Home enterprise, and it is ardently hoped that in this as in the other branch, the Company will be well sustained in its laudable efforts to centralize and invest Canadian capital, for the exclusive benefit of our Canadian people.

It may also be added that it is not in the nature of Life Assurance business, that foreign

companies can offer benefits superior to the real advantages of our own, and it will be readily admitted by every one, that a great future, such as is anticipated, cannot be attained by the Dominion, unless, as a people, we foster and promote its interests. This will not be done by an annual exportation of Life and Accident premiums to the United States and Great Britain. Upon its merits, and as an important Home enterprise, the Directors earnestly solicit for this Institution, an enlarged measure of the confidence and support of all Canadians desirous of securely providing for their families, and advancing the general welfare of our country.

The Directors who, by rotation, retire this year are Henry Mulholland, A. F. Gault, and Jas. Hutton. They are all eligible for re-election.

THOMAS WORKMAN, President,  
M. H. GAULT, Managing Director.

Receipts and Disbursements of the Sun Mutual Life Insurance Company of Montreal during 1874.

#### RECEIPTS FOR 1874.

To balance as at December, 1873..\$117,046 22  
Less Current Charges thereon..... 2,534 73

Premium Receipts for  
1874.....\$55,982 34  
Interest do. do. 8,091 54  
64,073 88  
178,585 37

#### PAYMENTS.

Claims Paid..... 3,000 00  
Surrender Values Paid.. 541 40  
Commuted Commissions  
and other items outside  
current year's expenses..... 7,300 00  
Dividend paid on Capital..... 2,976 00  
Commissions, Medical  
Fees, Salaries, Travelling  
Expenses, Rent,  
&c., &c..... 13,283 41  
\$27,100 81  
151,484 56

#### ASSETS.

Government Deposit.... 50,000 00  
Bank of Montreal and  
Building Society Stock 68,692 00  
Loans on Real Estate.. 18,801 63  
Cash in Bank and in hand 12,636 24  
Cash in Agents' and  
others' hands..... 1,354 69  
151,484 56  
Premiums outstanding.. 9,397 23  
Premiums deferred..... 7,437 25  
\*16,838 48  
Interest accrued ..... 1,445 30  
Increased value of Investments.... 1,598 47  
Subscribed Capital, less \$50,000 paid  
in Cash ..... 450,000 00

Total Security as regards Policy-holders .....\$621,362 81

Mr. Workman, in moving the adoption of the report, took occasion to refer to what was a very gratifying feature in it, the small number of death claims. It was certainly a cause of much satisfaction, and afforded him very gratifying proof of the prudent care exercised in admitting members. The number of policies issued might not appear large, but then, as the report mentions, this was largely attributable to the general depression in business throughout Canada, but fully believed that 1875 would witness a marked improvement in that respect.

Mr. Andrew Wilson said he had much pleasure in seconding the adoption of the report, and con-

\* This amount is subject to cost of collection.