

5th. In the purchase of new assurance.

In every case the profits are to be used to keep the policy in force for the full amount of the assurance so long as the profits will be found sufficient to pay the premiums on the same.

In case of death before the cash profits (applied as under No. 2.) have been absorbed, the balance of the profits will be paid with the claim.

The Directors indulge the hope that the result of the ten years' operations of the Association will, when known, more fully establish it in the confidence of the insuring public. During the ten years there has been returned to the Policy-holders, in death claims, \$225,123.11; for the Surrendered policies, \$64,575.90; for Loans on policies, \$15,244.99; and for Profits, \$33,093. If to these sums there be added the profits allocated for the past Quinquennium, \$128,621.80, and the Policy Reserve, held to the credit of existing policies, \$591,954.29, it will give a grand total of \$1,058,612.59, either paid to, or being paid, or held for the benefit of the Policy-holders, which will indicate the eminent degree of care exercised by the Directors in improving and keeping safely the various annual contributions entrusted to them.

It will be remembered that in the Report for 1879 the Directors set apart \$20,000 of the surplus belonging to the Stockholders and placed it in a Special Reserve, which has since been carried in that way through the Surplus account for the further security of our Policy holders. As such a Reserve fund, belonging to one branch of the Members of the Association, could not carry with it that sense of permanent security which was thought desirable, your Directors have deemed it wise to ask the Shareholders to allow an increase in the Capital Stock by the issue of 5000 new shares, which will make the Capital One Million, as provided for in the Charter, and carry the \$20,000 together with a further sum of \$10,000 from their share of surplus accrued from the Quinquennium just closed, to the payment of a sum equal to six per cent. on the new shares, and thus give the Policy-holders the permanent benefit of that sum and also of the additional Subscribed Capital. In furtherance of this view a Special Meeting of the Shareholders was called for noon to-day, when the recommendation was approved and the necessary authority given. This action on the part of the Shareholders can only be viewed as one of extreme liberality, since the increase of the Capital Stock, or the payment of dividend on the same, in no way affects the profits of our participating Policy-holders, as the Act of Incorporation specially provides that Ninety per cent. of the profits shall be allotted to the Policy-holders; hence, the increase in the Capital Stock, and the placing of accrued profits of the Stock branch to the purposes of a payment upon the same, which profits might with justice have been claimed for distribution, only serves to secure permanently to the Policy-holders the benefits of those profits and the further protection of the increased Capital, which must be considered of great value. The Capital as increased will place the Association on an equality with competitors, and in the event of going outside of Canada, will greatly aid in securing confidence.

The Directors have great pleasure in testifying to the diligence and efficiency of the office staff, as well as the Agency Staff of the Association, and surrender their trust, congratulating the Shareholders and Policy-holders on the excellent condition of the business of the Association.

J. K. MACDONALD, Managing Director. W. P. HOWLAND, President.

CASH ACCOUNT.

Dr.

1880.
Dec. 31. To Cash in hand in Banks \$ 21,791 69
1881. " Premiums 217,967 68

Dec. 31.	Premiums paid in Advance	540 72
"	Interest	48,229 95
"	Deposit on ac't of Debentures	55 00
"	Loans on Policies, repaid	1,138 54
"	" Mortgage	54,815 48
"	" Stock	200 00
"	Matured Debentures	4,335 42
"	Sale of Real Estate	1,901 50
"	Loss under Policy re-insured	973 34
"	from Sundry Sources	593 67
"	Rents	400 00
"	Refund of Quebec Government stamps	27 00
"	Special Advance	50,000 00
	Cr.	\$402,989 94

1881.	Dec. 31. By Expenses for year	\$ 56,251 11
"	Re-insurance	3,790 19
"	Surrendered Policies	6,122 00
"	Death Claims	53,423 85
"	Profits to Policy-holders	2,307 27
"	One Year's Dividend on Stock	5,000 00
"	Annuities	1,692 80
"	Valuation Fires	1 70
"	Commission on Loans	646 13
"	Paid to Insurance Department	464 71
"	Interest on Overdrafts, &c.	2,227 83
"	Investments.	
"	Mortgages	\$229,576 78
"	Special Loan	416 00
"	Loans on Policies	4,108 37
"	Furniture	158 81
		234,259 46
"	Fire Premiums advance for Mortgages	175 03
"	Sundry Advances	438 76
"	Cash on Hand, \$10.19; in Banks, \$36,169.41	36,179 60
		\$402,989 94

BALANCE SHEET Assets.

Dec 31, 1881.	Debentures (Market value \$111,805.44) (par)	\$104,940 00
	Mortgages	631,175 84
	Real Estate	4,390 43
	Loans on Stock	500 00
	Government 5 per cent. Stock, &c., (cost \$4,197.50)	4,200 00
	Loans on Policies	15,244 99
	Special Loan	416 00
	Sundry accounts	797 56
	Furniture	1,448 59
	Cash on hand	10 19
	Cash in Banks	36,169 41
	Premiums in course of collection (reserve thereon included in Liabilities) (of this the sum of \$17,269.70 is covered by Notes	38,022 63
	Quarterly and half-yearly premiums on existing Policies due subsequent to Dec. 31, 1881. (reserve thereon included in Liabilities)	14,686 75
	Interest due, \$7,853.49, and accrued, \$17,684.08	25,457 57
		\$877,459 96

Liabilities.

Dec. 31, 1881.	Assurance Fund (including bonus additions)	\$580,585 65
	Less, for policies re-insured	11,662 26
	Lapsed Policies, on surrender	568,923 39
	Annuity Funds	1,497 14
	Losses by death, not due (since paid) excepting \$760.50 waiting guardianship	9,871 50
	Premiums paid in advance	6,760 50
	Dividend to Policy-holders	540 72
		254 74
	Total Liabilities to Policyholders	587,847 99
	Special Advance	50,000 00
	Interest accrued on Special Advance	966 30
	All other Accounts, Medical Examiners, &c	4,304 52
	Paid-up Capital Stock	50,000 00
	Held to cover the cost of collecting the Premiums outstanding and deferred on Dec. 31st, 1881	5,270 93
	Surplus	179,050 22
	Taking Debentures at market value the surplus is \$185,915.62.	\$877,459 96

J. K. MACDONALD,
Managing Director.

We have examined the books and accounts for the year ending 31st December, 1881, and also the securities and vouchers appertaining thereto. We find the same correct and properly set forth in the above statements.

JOHN LANGTON,
JOHN M. MARTIN, } Auditors.

Toronto, April 8th, 1882.

REPORT OF THE SPECIAL COMMITTEE ON INVESTMENTS, AT THE CLOSE OF 1881.

We have carefully gone over the Mortgages, Debentures, Government Stock and Loans on Stock comprising the securities of the Association as on December 31st, 1881, and found the same in due place and safely kept.

The Loan on Mortgage amount to	\$631,175 84
Debentures (market value, \$111,805.44) par value	104,940 00
Government Stock, &c. (cost \$4,197.50)	4,200 00
Loan on Stock Collateral	500 00
Total	\$740,815 84

Signed, Wm. ELLIOT,
E. HOOPER,
J. H. MASON, } Committee.

Toronto, April 8th, 1882.

ACTUARY'S REPORT.

I hereby certify that, having computed the value of the risks of the Confederation Life Association, as submitted to me and stated below, upon the basis of the Institute of Actuaries' Life Tables, and interest at the rate of four and one-half per cent. per annum, taking account of the net premiums and liabilities only, I find the liability thereunder as follows, as at date of 31st December, 1881.

	Present value or reserve.
Number of Policies valued, 5,378; insuring an amount of \$8,159,663.96	\$580,585 65
Of these 45, for an amount of \$156,385.00, were re-insured	11,662 26
Leaving a net liability of	568,923 39
To this must be added unclaimed surrendered values to an amount of	1,497 14
And the present value of seven Annuities for an amount of \$1,392.30 per annum	9,871 50
Making the total net liability	\$580,392 03

CHARLES CARPMAEL,

Actuary.

Toronto 5th April, 1882.

REPORT OF THE TRUSTEES UNDER "GOVERNMENT SECURITIES AND SAVINGS BANK POLICIES."

The Trustees beg to report—

That they hold Government Stock to the amount of \$4,200, and that the liability under this class is \$4,086.98 under 86 Policies.

W. P. HOWLAND,
Wm. McMASTER,
J. K. MACDONALD, } Trustees.

Toronto, April 10th, 1882.

The old Board was re-elected, and at a meeting of the Board for re-organization Sir W. P. Howland was re-elected President, and Hon. Wm. McMaster and Wm. Elliot, Esq., Vice-Presidents for the ensuing year.

FIRE RECORD.

ONTARIO. — Ottawa, April 12. — Seymour's block damaged by fire, \$3,000. — Plantagenet, April 17. — Mr. Rodden's barn and granary burned, insured. — Prescott, 17th. — Alex Mills' house burned, insured in Western. — Whitby, 20th. — The old Bigelow store, on Brock street, and a frame dwelling adjoining burned down this morning.

OTHER PROVINCES. — Halifax N. S. April, 12th. — Mason & Cogswell machine shop at Dartmouth burned; insured in Guardian for \$1,300. machinery, insured Etna \$3,000. — St. John, N.B. 12th. — Alex. Kearns, liquor dealer, building burned; insured in N. B. and Mercantile, for \$5,000, stock for \$800. — Woodstock, N. B. 12th. — James Jordan's house burned; not insured. — April, 15th. Williams & Drysdale Sash and door factory, burned; loss \$7,000 not