

be very different in the ages of the lives, the insurance of the policies, or the description of the assurances, and also as regards the amount of Bonus Additions (if any) attached to the policies. Each of these points—in which no two Offices are alike—is of the highest importance, and affects to a very great extent the amount of Funds required to meet the liabilities. For example, Policies effected by a limited number of payments (which are much more numerous in some Offices than in others), and Bonus Additions to ordinary Sums assured, require larger Funds in hand than the same amount of common Life Policies. You will, thus, see that little reliance is to be placed upon the guidance of newspaper writers on so purely professional a subject as Actuarial Valuations.

The ultimate effect, however, of greater public attention to the conduct of Life Offices, as well as the action of Parliament now in prospect, will doubtless be an increase of transactions in sound and useful Institutions like the Life Association. The Directors of the Association have always been careful to act on the most approved and prudent principles in the admission of Lives, the investment of the funds, and in every other department of the business. Excessive expenditure and all speculative transactions have been avoided, and thus the Funds have been maintained without loss, and have uninterruptedly undergone a continuous and most ample increase, fully equivalent to the liabilities. In the valuations, only what is technically called the "net premium" has been employed for the purpose of ascertaining the amount of Funds ~~to meet the Sums Assured and other engagements, the effect being to leave~~ unappropriated and untouched, the whole of the extra loading or margin beyond the "net premium." The Association has, thus,—over and above what is required to meet its entire liabilities,—a large surplus income of many thousand pounds per annum, reserved to come in from year to year as an additional cover for expenses and any contingencies that may arise.

The Directors are desirous to avoid indulging in extravagant promises and assumptions of superiority, such as are put forth by some other Offices; but they are fully warranted in stating that they have been enabled to give Bonuses and other Benefits of the highest class as compared with those of any of the Association's competitors, and that their Policy-holders are treated with a liberality even beyond what is usual.

I have the pleasure to state also, that the new Entrants for the current year up to this time, in the principal parts of the kingdom, as well as in Canada, have been considerably more than for the same period of last year.

I am,

DEAR SIR,

Yours faithfully,

P. WARDLAW,

Secretary.