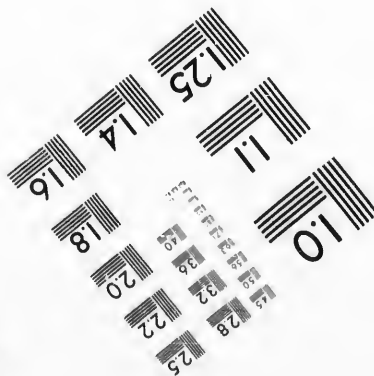
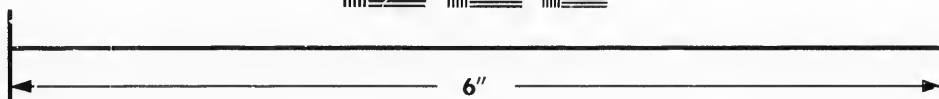
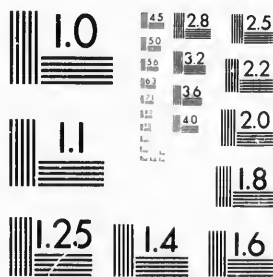


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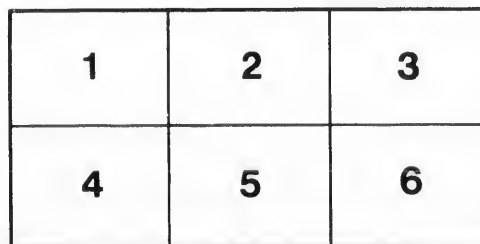
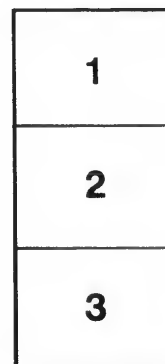
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# FINANCIAL ASSURANCE MUTUAL SOCIETY

FOR THE

## RECONSTRUCTION OF CAPITAL

3, RUE LOUIS-LE-GRAND, PARIS

CANADIAN BRANCH:

**MONTREAL**

FORREST, PATENAUDE & Co., GENERAL AGENTS

Capital Insured \$60,000,000  
Reserve - - 2,000,000

**MONTREAL:**

CANADA PRINTING COMPANY, 28 ST. GABRIEL STREET

1880

LP  
F5012  
1880  
F491

*B. M. C. Chagnon*  
*Agent for the Sale of the Coupons*



(F1001) (1793) 15-  
**FINANCIAL ASSURANCE**

**MUTUAL SOCIETY**

FOR THE

**RECONSTRUCTION OF CAPITAL**

3, RUE LOUIS-LE-GRAND, PARIS.

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**CANADIAN BRANCH:**

**MONTREAL**

**FORREST, PATENAUDE & Co., GENERAL AGENTS**

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**Capital Insured \$60,000,000**

**Reserve - - 2,000,000**

---

**MONTREAL:**

**CANADA PRINTING COMPANY, 23 ST. GABRIEL STREET**

**1880**

## BOARD OF ADMINISTRATION IN PARIS.

MR. L. ARDEL, Knight of the Legion d'honneur, Senator, *President*.

MR. CH. SAVARY, Deputy, *Vice-President*.

MR. BARBIER, officer of the Legion d'honneur.

MR. BENOIT-CHAMPY, officer of the Legion d'honneur, administrator, of *Credit Industriel et Commercial*.

MR. J. BLANCHET, originator of the *Financial Assurance*.

MR. H. BLONDEL, Knight of the Legion d'honneur, administrator of the society *La Foncière*.

MR. DE BONNEMAIS, officer of the Legion d'honneur, auditor of the *Société des Dépôts et Comptes Courants*.

MR. CORDIER, officer of the Legion d'honneur, Senator, administrator of the *Banque Hypothécaire*.

MR. DU FAY, Knight of the Legion d'honneur, administrator of the *Société des Immeubles de Paris*.

MR. DE GONET, Knight of the Legion d'honneur, auditor of the *Société générale*.

MR. E. JAPY, Knight of the Legion d'honneur.

MR. E. PASCAL, administrator of the *Banque d'Escompte de Paris*.

MR. LE BARON TRAVOT, officer of the Legion d'honneur, ex-deputy, ex-receiver of Government Finances.

### AUDITORS.

MR. G. BLANCHET, ex-prefet; MR. DEUTZ, Knight of the Legion d'honneur, formerly banker.

### DIRECTOR.

MR. A. BOULAN, Knight of the Legion d'honneur, formerly Head of the Department of Liquidation of War expenses and indemnities in Home department.

## SUPERVISION COMMITTEE IN CANADA.

HON. F. G. MARCHAND, ex-minister, St. Jean, P. Q.

L. H. MASSUE, Esq., deputy, director of La Banque Jacques-Cartier.

GUSTAVE DROLET, Esq., Knight of the Orders of Pius IX and of the Legion d'honneur.

J. X. PERRAULT, Esq., Knight of the Legion d'honneur.

S. C. STEVENSON, Esq., Secretary of the Board of Arts and Manufactures, Montreal.

GEO. LECLÈRE, Esq., Secretary of the Council of Agriculture, Montreal.



# THE FINANCIAL ASSURANCE.

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## OBJECT OF THE COMPANY.

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The **Financial Assurance**, organized in Paris in 1875, has for its object the reconstruction, within a stipulated time, of a capital, with probability of *reimbursements before the expiration of the term*. Its calculations are based on the accruing power of compound interest and on mutuality.

Of its various modes of operating, two only are at present introduced to the public:

### The Discount Coupons

AND

The formation of a Capital of \$20, by the single payment of \$1.

Before entering into the explanation of the working of the various modes of operating of the Company, a few extracts from the Paris press may be found of interest to the public, as exhibiting the standing of an institution, the debentures of which are entered on the official list of the Paris Exchange.

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(*Le Gaulois*, a daily paper, in its editorial of October 19th, 1880, says :)

" There is an increasing demand for the **Bonds of the Financial Assurance**; the attraction, the public shows for this system of operating, not well understood at first, but now fully appreciated, is perfectly justified by the success the Company has obtained.

" On the 31st of August, the **Financial Assurance** had a capital of frs. 16,762,314.40c., bringing in an annual revenue of frs. 632,694.33c.

" Partly represented by the following securities :

|  | CAPITAL.         |
|--|------------------|
| 1. <i>Government Bonds</i> .—Certificates of French rente, bearing 5 per cent interest, deposited with " La Société des Dépôts et Comptes courants"..... | frs. 14,338,200. |
| 2. <i>Government Bonds</i> .—Certificates of French rente, bearing 3 per cent interest, deposited with same Company.....                                 | " 2,736          |
| 3. <i>Government Bonds</i> .—in the hands of the Company.....  | " 106,056        |
| 4. <i>Government Bonds</i> .—Certificates of rente, 5 per cent, deposited with the " Comptoir d'Escompte " .....   | " 28,544         |
| 5. <i>Government Bonds</i> —bought and not yet delivered .....   | " 180,000        |
| 6. Cash, deposited with the " Comptoir d'Escompte " and the " Société des Dépôts," to be invested in Government Bonds during the month of October... "   | 1,132,495.99c.   |

" The confidence, such a statement should command, is easily understood."

*Le Figaro*, a few days ago, describing the difficulties the **Financial Assurance** had to contend with, before reaching its present position, had the following :

“ There was yet a difficulty to get over. Were the Bonds  
“ of the **Financial Assurance** to be placed on the official  
“ list? Every one knows that the consent of the Minister of  
“ Finances is required. The **Finacial Assurance** has  
“ conquered all opposition. The syndical board has pro-  
“ nounced itself favorably and the Bonds are now quoted  
“ on the official list of the Paris Exchange.

“ We must confess our astonishment, and, in the same  
“ time, our better appreciation of the securities. The **Finan-**  
“ **cial Assurance** has no longer any obstacle on its way  
“ to prosperity.”

We refer to the list of the members of the Board of Directors of the Company as a guarantee of the soundness of its operations.

The Canadian Supervising Board shall control the management of the General Agents and represent the Canadian interests in the Company.

### Security of the Company.

Besides what has been said already of the soundness of the Company, we may add that the **Financial Assurance** has no interest whatever in any speculation nor in any commercial enterprise. It does not run any risk. Its surety is unquestionable, since all the sums to be capitalized are invested in **French Government Bonds** and the Company has already a reserve of nearly **Ten Millions Francs** (\$2,000,000). The interests of which would alone cover the expenses and thus insure the duration of the Institution.

A policy owner may at any time cancel his policy and take back part of the premiums with interest thereon calculated at 4 p. cent.

## Working of the Company.

Through a mathematical combination, based on the power of compound interest and on a peculiar system of mutuality, the Company insures the payment of a sum of money within a fixed period of time and gives to the insured a chance of receiving the capital long before the expiration of the stipulated time.

The sums received by the Company entitle their owners to the delivery of a *policy* and are, after deduction of a certain amount reserved for expenses and profits, invested into certificates of Rentes of the French Government or in other securities endorsed by the Government. These securities are delivered on demand to the insured, if the sum to his credit is sufficient to buy a certificate, or they are deposited with a banking establishment agreed upon.

The Company cash the coupons of the securities as they mature and with the proceeds, buy other securities designated by the decree of the French Government dated 22nd of January 1868, to Insurance Companies for investment of their reserves, and capitalize the interests.

Any person attempting to capitalize at compound interest a fixed sum of money would not succeed in effecting it, as every year, a small fraction of capital would remain uninvested and unproductive owing to its unsufficiency for the purchase of the smallest certificate of indebtedness.

The Company redeems mathematically and punctually its policies, always maturing within a period of ninety nine years ; but reimbursements, before the expiration of this term takes place, and the stipulated length of time for maturity of a policy becomes purely nominal.

---

These payments in advance are made out of the following resources :

1° The sums of money accruing from capitalization.

2° The profits of the operation, (45 per cent of these profits being applied every year to the purpose).

The general meeting of the Company in Paris decides on the amount of the regular reimbursements, as well as on those in advance.

### **Redemption of Policies.**

The numbers to be redeemed are not designated by lot, but through a calculation that divides the number of existing policies by the one hundredth part of the sum to be distributed ; that is to say by the number of policies entitled to \$20, and takes the rest of the division as starting point of the distribution. This method is far preferable to drawing lots, as it equalizes the probability between all the numbers, from the first to the last ; the figures of the quotient regulating the distance to be kept between the numbers to be redeemed. Besides, it does not leave any opening to criticism as the calculation takes place at the general meeting and the addition of one policy to those already registered would alter the quotient of the division.

Six drawings and sometimes more take place every year.

The list of all the payments effected by the company since its organization will, on demand, be addressed to any insured.

These payments amount already to about \$200,000.

In Canada, the number of policies to be paid up will be published in the newspapers and the policy holders will be immediately notified.

## I

## DISCOUNT-COUPONS.

The DISCOUNT-COUPONS of the *Financial Assurance* have for an object :

1<sup>o</sup> The return without any charge whatever, to cash buyers of all money spent for food, wearing apparel, furniture, &c.





2<sup>o</sup> An increase in the number of customers to the benefit of all tradesmen joining the Institution.

The DISCOUNT-COUPONS are delivered by the *Financial Assurance* in form of tickets, to all tradesmen having an agreement with the Company and ready to allow a discount to cash buyers.

The COUPONS are divided in fractional amounts of 10 cts, 20 cts, 1 dollar and given to buyers in amount of a nominal value equal to their purchases.

The DISCOUNT-COUPONS read as follows :

(Recto)

|   |                               |  |
|---|-------------------------------|--|
|    | <b>FINANCIAL ASSURANCE</b>    |  |
| YEAR 1880.  | 3, rue Louis-le-Grand, Paris. | YEAR 1880.   |
| CANADA BRANCH, MONTREAL.  |                               |  |
| <b>DISCOUNT-COUPON</b>  |                               |  |
| Offered free of expense and representing a purchase of \$1.   |                               |  |
| In EXCHANGE of 20 of these BONDS, the COMPANY will issue a POLICY for - - - \$20  |                               |  |
| In EXCHANGE of 50 POLICIES of \$20, the COMPANY will issue a POLICY for \$1000  |                               |  |
| To every Policy of \$1000 is attached a French Government Bond  |                               |  |
| Guaranteeing the reimbursement of \$1000 within a period of 1 to 99 years.  |                               |  |
| This COUPON, to remain good, must conjointly, with others representing altogether a purchase of \$20, be exchanged against the Policy of the Financial Assurance, on or before the 31st day of December 1881; or it becomes void and of no value. |                               |  |
|    |                               |  |

(Verso)

NOTICE.

The Discount-Coupons being issued in fractional amounts of 10 cents, 20 cents and \$1, the seller can always return to the Buyer, in one or several coupons, an amount equal to his cash purchase.

When in any store, you make a purchase, ask for an amount in Discount-Coupons equal to your cash bill.

In that way, you build up, without any expense, a *Saving Bank* that secures money for your children, or an *Income* for your old age.

Are you wealthy, give those Coupons to *Charitable Institutions*.

The DISCOUNT-COUPONS of the *Financial Assurance* increase the business of traders, and warrant to the public that merchandize of good quality at moderate prices is to be found in the stores of merchants connected with the Company, as DISCOUNT-COUPONS are delivered to those only who accept the conditions of the Company.

Lists of the stores connected with the *Financial Assurance*, will be printed and distributed through the Province. Space will successively be given to each merchant to advertise his goods. The consequence will be an increase in their business, customers having such an advantage, in getting through them DISCOUNT-COUPONS that repay their daily expenses in a limited time.

**Advantages accruing to traders buying  
Discount-Coupons.**

DISCOUNT-COUPONS are sold to mercantile houses at the price of \$1, for every \$20 of their nominal value.

When a merchant pays to the Company the sum of \$20, in one or several payments, he receives :

1<sup>o</sup> DISCOUNT-COUPONS in fractional amounts for a nominal value of \$400, which are to be given, free of any charge, to his customers to the amount of their purchases.

2<sup>o</sup> A Policy (Tariff No. 6 bis) assuring to the merchant the full return of the \$20 paid by him for said Coupons.

**Advantages accruing to parties buying from merchants connected with the Company.**

It is to the *interest* of every *buyer* to claim DISCOUNT-COUPONS from the merchants he buys from to the full amount of any cash purchase *large or small*. He secures in that way a saving for the *benefit of his children, or his own*; and he may dispose of the coupons *in favor of charitable institutions*.

DISCOUNT-COUPONS forming a sum of \$20, are changed by the Company *free of expense* into an Insurance Policy of the same amount, with the probability of receiving the said sum of \$20, *in specie*, even in the first year, or any following year, at all events within a period of 99 years, *stipulated term that becomes nominal in consequence of the reimbursements in advance*.

Against surrender of fifty Policies of \$20, the *Financial Assurance* delivers to merchants as well as to buyers, a Policy bearing FIFTY numbers to be paid at \$20 each, in all \$1000; and a certificate of FRENCH RENTE (Government Bond), is attached to the Policy; *the capital and interest of said Bond mathematically and positively securing to bearer, the full payment of \$1000*.



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**The Financial Assurance and the Charitable Institutions.**

DISCOUNT-COUPONS may bring to charitable institutions an inexhaustible revenue and procure them the development, that neither government, nor cities, however solicitous they may be, can afford to give.

How many places in Canada are yet without hospitals, orphan asylums and other public benevolent establishments that charity has been unable to create.

Too often the giver's intention remain unfulfilled, or vacillates in its purpose, by conscientious fear of disposing of the family's estate or jeopardizing its future. We think, that such scruples would vanish, public generosity would know no limits, if, by means of the DISCOUNT-COUPONS of the *Financial Assurance*, the giver should recoup his personal expenses for the benefit of a benevolent Institution.

*All that is needed to maintain a benevolent society, to endow religious associations is the transfer to the benefit of the institution of all the DISCOUNT-COUPONS the members are entitled to, from their personal purchases.*

The annual outlay of \$200,000 by the members of a benevolent society and invested as suggested would, after 20 years, bring an income of \$40,000.

All informations relating to the working of the Company, may be obtained at the office of the *Financial Assurance*, in Montreal.

TARIF No. 6 bis, SECOND COMBINATION.

**RECONSTRUCTION OF A CAPITAL  
OF 20 DOLLARS.**

| DURATION<br>of<br>OPERATION.<br>—<br>YEARS. | ONE SINGLE PAYMENT. |   |   |
|---|---------------------|---|---|
|   | PREMIUM.            | CAPITAL AND PROVISIONS<br>for<br>SPECIAL SUPPLEMENTARY PAYMENTS<br>BEFORE TERM. | AMOUNT<br>TO BE PAID<br>to receive<br>20 Dollars. |
| 99  | 28c.                | 72 c.   | 1 Dollar.   |

The advantages of this tariff consist in the numerous payments in advance of the term stipulated in the policy. They are obtained from the following resources :

- 1° The regular working of the sinking fund.
- 2° 45 per cent of the profits of the Company.
- 3° The provision for special supplementary repayments.

The second combination of the *Financial Assurance* is the assurance of a capital, on a single payment equal to 5 per cent of the said capital.

Against a single payment, a corresponding number of policies of \$20, becoming due within a period of one to ninety nine years, is delivered to the Insured, with certificates of

rente (Government bond) which mathematically guarantee the payment.

The regular working of the sinking fund secures the maturation of the Policy within a nominal period of ninety nine years, but the stipulations in the statutes of the Company, to the effect of applying 45 per cent of the profits to the Redemption of policies before their termination, advance the payments so much that the whole amount of policies may be redeemed long before the expiration of that nominal period.

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## VARIOUS EXAMPLES.

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We present the following examples to illustrate the advantages to be derived from the operations of the Company.

1st Example.—A merchant desirous of increasing his Business, buys from the *Financial Assurance* DISCOUNT-COUPONS for \$20. He receives a nominal sum of \$400 in coupons which he gives away to his cash customers up to the amount of their purchases.

This outlay of \$20 is nothing more than the discount no merchant would hesitate to allow his cash buyers.

In fact, the DISCOUNT-COUPONS do not cost him any thing as the *Financial Assurance* gives him a policy of \$20, any time he buys the same cash value of COUPONS. Besides, new customers desirous of recovering through the DISCOUNT-COUPONS, their daily expenses, increase his business and consequently his profits.

2nd Example.—A family whose expenses amount to, say \$1,000 a year, in purchase of groceries, wearing apparel, butcher meat, &c., should claim from the sellers DISCOUNT-COUPONS to the full value of the goods bought for cash.

When a sufficient number of COUPONS has been collected and forms an amount of \$20, the *Financial Assurance* will exchange them, at presentation, for a policy of \$20, bearing a number, and that policy may be redeemed, perhaps the following year, at all events within a certain time. Consequently, a family spending \$1000 a year and receiving COUPONS for all their cash purchases, will be possessed, at the end of the year, of 50 policies of the *Financial Assurance* of \$20 each, and there is a probability, that at the next

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drawing, some of them will be redeemed in specie. In any case, all the numbers must be redeemed and consequently the family expenses refunded.

The object of the Company and the soundness of its operations have brought to the Financial Assurance such a success in France that nearly \$60,000,000 are covered by its policies. The system will meet with the same success in Canada, as it recommends itself to the public by encouraging habits of economy.

The return in money, even after many years, of the daily expenses of a family may work a great deal of good to its members ; it may help to the establishment of the children, or to the comfort of the old parents. This recovery of money spent long ago, after all, does not cost any thing to the Policy holder and the Company is always ready, on surrender of the Policy, to refund its value with interest from the date of the issue.

What is to be done to secure to ourselves so many advantages ? To patronize stores delivering to cash buyers, DISCOUNT COUPONS and when the Coupons in our possession amount to \$20, exchange them for a Policy of same value.

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