

THE FEDERAL LIFE ASSURANCE CO.

FOURTEENTH ANNUAL STATEMENT.

The Fourteenth Annual Meeting of the shareholders of this Company was held at the head office, in Hamilton, on Tuesday, 3rd March, 1896, at 2 o'clock p.m. Mr. James H. Beatty, President, occupied the chair, Mr. David Dexter, Managing Director, acting as Secretary, when the following report was submitted:

DIRECTORS' REPORT.

YOUR Directors have the pleasure to submit herewith for your approval the Fourteenth Annual Statement of the Company, showing the amount of insurance written, and the receipts and disbursements for the year 1895, together with the assets and liabilities of the Company at the close of the year.

Fifteen hundred and forty-seven applications for insurance, amounting to \$2,128,550, were received during the year. Of these applications, thirteen hundred and sixty-two were accepted, for \$1,830,050. The remainder were either declined or in abeyance, waiting further information, at the end of the year.

The average new risk assumed on each life, and the premium obtained therefor, prove the satisfactory nature of the business written.

Though the aggregate amount assured by the Company was not greatly increased, more than four hundred lives were added to those insured.

The assets of the Company were increased during the year \$67,966.12, and are now within a fraction of half a million dollars. A very satisfactory result, in view of the considerable amount paid to Policy-holders for claims and profits.

The security to Policy-holders, including guarantee capital, was at the close of the year, \$1,119,576.30, and the liabilities for reserves and all outstanding claims, \$415,621.88, showing a surplus of \$703,950.02. Exclusive of uncalled guarantee capital, the surplus to Policy-holders was \$84,151.02.

The death claims amounted to \$92,500 (re-insurance deducted), under 43 policies—a reduction in the amount of insurance paid by reason of death as compared with last year. Including cash dividends and dividends applied to premium reductions (\$30,141.59), our total payments to policy-holders amounted to \$123,224.55 during the year.

The depression in nearly all branches of business felt throughout the country in the previous year was increased rather than diminished during the past year. On the whole, however, the results of the Company's business have given your Directors reasonable satisfaction. It is hoped that the conditions of business in general will be improved during the current year, in which event we may expect additional prosperity. Our Agents are active and intelligent workers, earnest in their efforts to advance the interests of the Company and the insured, and can be relied upon for such results as may fairly be expected from their respective fields.

Your Directors have now to surrender their trust into your hands, and in doing so desire to express their appreciation of the confidence reposed in them from year to year, and to acknowledge the able co-operation and efficient services of the office staff of the Company.

The accompanying certificate from the Company's Auditors vouches for the correctness of the statements submitted herewith, all accounts, securities and vouchers having been examined by them.

JAMES H. BEATTY,
President.

DAVID DEXTER,
Managing Director.

AUDITORS' REPORT.

To the President and Directors of the Federal Life Assurance Company:

GENTLEMEN, We have made a careful audit of the books of your Company for the year ending 31st December, 1895, and have certified to their correctness.

The securities have been inspected and compared with the ledger accounts and found to agree therewith.

The financial position of your Company as on 31st December is indicated by the accompanying statement.

Respectfully submitted,

H. STEPHENS,
SHERMAN E. TOWNSEND, } *Auditors.*

HAMILTON, 2nd March, 1896.

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The Federal Life Assurance Company

HAMILTON, ONTARIO.

FINANCIAL STATEMENT

FOR THE YEAR ENDING 31st DECEMBER, 1895.

INCOME

Ledger Assets (January 1st, 1895),			\$334,871 63
Premiums (Cash)	\$238,247 94		
Premiums secured by Liens,	10,166 62		
		\$248,414 56	
Premiums Paid by Dividends,		20,202 95	
Cash Received for Annuities,		965 60	
		\$269,583 11	
Less Re-insurance,		11,935 76	
		\$257,647 35	
Interest,		19,474 60	
Rents		454 50	
			277,570 45
			\$612,448 08

DISBURSEMENTS.

Claims by Death,	\$81,500 00		
Received from Re-insurance Companies,	10,000 00		
		\$ 71,500 00	
Matured Endowments,		2,000 00	
Dividends to Policy-holders, Cash,	9,938 64		
Dividends to Policy-holders, <i>re</i> Premiums,	20,202 95		
		30,141 59	
Surrendered Policies,		9,582 96	
		\$113,224 55	
Total Paid to Policy-holders,			
Commission,	\$23,282 25		
Medical Fees,	5,629 31		
Salaries,	39,874 18		
Travelling,	14,692 74		
Printing, Advertising and Stationery,	3,992 67		
Rents,	1,737 24		
Expenses (General)	8,791 23		
		97,999 62	
			211,224 17
Balance,			\$401,223 91

ASSETS.

Municipal Debentures,	\$ 70,430 14		
Mortgages on Real Estate,	88,082 93		
Real Estate,	25,000 00		
Loans on Policies,	121,612 48		
Cash in Bank and on Hand,	88,025 70		
Advances to Agents (secured)	5,856 63		
Agents' Ledger Balances,	3,257 03		
Office Furniture,	1,808 32		
Premiums Deferred and in Course of Collection (including Short Date Notes for Premiums on Policies in Force, Commissions Deducted),	88,020 98		
Interest Accrued,	7,679 69		
		\$499,773 90	
Guarantee Capital,		619,803 00	
			\$1,119,576 90
Total Resources for Security of Policy-holders,			

LIABILITIES.

Reserve Fund,	\$403,448 76		
Claims Unadjusted,	12,173 12		
		415,621 88	
Surplus to Policy-holders,		\$703,955 02	
Paid-up and Guarantee Capital,		700,000 00	
Amount Assured,			\$10,664,227 26

The adoption of the report was moved by Mr. Beatty, seconded by Mr. Kerns, and carried unanimously, after favorable comments from the mover, seconder, and other share-holders.

The Medical Director, Dr. A. Woolverton, submitted an interesting report and analysis of the death-rate experience of the Company for the year, for which he was tendered a vote of thanks.

The following Directors were re-elected: M. H. Aikins, M. D., James H. Beatty, A. Burns, LL. D., Edwin Chown, David Dexter, Wm. Drysdale, Hon. G. E. Foster, Hon. J. M. Gibson, Thomas Holtby, Wm. Kerns, M. P. P., Hon. E. McLeod, John Potts, D. D., Rev. John G. Scott, George Scott, J. A. VanWart, Rev. John Wakefield, Wm. Williams, D.D., A. Woolverton, M. D., Rev. A. E. Russ.

At a subsequent meeting of the Directors the officers of the Board were all re-elected.

COMMENTS OF THE PRESS.

Journal of Commerce: "It is often said that people generally get what they deserve in *this* world also, and no doubt the truth of the saying will apply to corporations as well as to individuals. Its application to the report of the Federal Life, which will be found elsewhere in these columns, will not be denied, and this more especially in a period like that through which the country has been passing in common with the entire commercial world during the last year or two. It will be seen that nearly 1,550 applications for insurance, amounting to about \$2,130,000, were received by the Company during the year under review. That some 285 of these were declined or postponed for further consideration, shows that the Company is not working for the present, but has due regard for the permanence of their security to their policy-holders. The assets of the Company, it will be seen, were increased during the year by \$67,966.12 and are now very close on half a million dollars. This is all the more gratifying in view of the large amount paid to policy-holders for claims and profits. Including the guarantee capital the security to policy-holders at the close of the year was \$1,119,576.30, and the liabilities for reserves and all out-standing claims \$415,621.88, showing a grand surplus of \$703,950.02. The surplus to policy-holders, exclusive of uncalled guarantee capital, is \$84,151.02. The Company has experienced a reduction in the amount of insurance paid for death claims as compared with 1894; the total payments to policy-holders during the year amounted to \$123,224.55. The figures of the statement speak for themselves, and in such times as we have been passing through—or at any time—are highly creditable to the management. Mr. Dexter has certainly been working up a solid, substantial business, and bringing his Company forward to a highly respectable position in the ranks of Canadian life insurance. The old Board was re-elected with Mr. James Beatty as President."

The Canadian Trade Review: "The report presented at the fourteenth annual meeting of the shareholders of the Federal Life Assurance Company was an unexpectedly satisfactory one, considering the depressed condition of business generally during the period it covered. It bears the impress of skilful and energetic management upon the part of the superior officers of the Company and of active and intelligent effort upon the part of the subordinate workers to a marked degree, and as such deserved the favorable comment it received at the hands of the shareholders present. It shows that during the year, in spite of the very liberal payments to policy-holders on account of claims and profits, the assets of the Company were increased by \$67,966, and that the security to policy-holders at its close, including guarantee capital, was \$1,119,576. During the twelve months covered by the report, the Company received 4,547 applications for insurance amounting to \$2,128,550, and out of this they were able to accept 1,362 lives, amounting in value to \$1,830,050. The death claims, on the other hand, show a gratifying reduction, indicating the care with which the Company's lives have been selected, and amounted, after deducting reinsurance, to only \$92,500, while the total payments to policy-holders, including cash dividends and dividends applied to premium reductions, reached the comfortable sum of \$123,224. These figures speak for themselves, and need no comment at our hands. It is only necessary to say that, if the Federal Life have been able to accomplish such results under such unfavorable conditions as prevailed during last year, what may we not expect from them now that the clouds of depression are slowly but surely clearing away from the business horizon."

The Hamilton Spectator: "With a total of 1,362 applications for insurance accepted, aggregating in value \$1,830,050; with four hundred new lives insured; with assets increased nearly \$68,000 during the year, and with the total assets now about half a million, the directors of the Federal Life Assurance Company had good reasons to be confident that their annual report would meet with the approval of the shareholders at the general annual meeting of the Company. This Company's business is, it is evident, very carefully managed. It has an excellent Board of Directors, some of whom are among the most prominent men in the country, and it has in Mr. Dexter a capable and energetic Managing Director. That its business has been prudently managed is indicated by the fact that there is now a surplus of security to policy-holders, over all liabilities, of more than \$700,000."

The Globe: "The fourteenth annual statement of the Federal Life Assurance Company, the annual meeting of which was held on Tuesday afternoon last in the head office in Hamilton, gives a most satisfactory account of the Company's business during the past year, and indicates what even in depressed times can be done in absolutely sure business when the management is composed of enterprising and far-sighted men. The report showed that during the year 1,547 applications for insurance, amounting to \$2,128,550, had been received. Of these, 1,362 had been accepted for \$1,830,050. The assets of the Company had been increased during the year \$67,966, and are now within half a million dollars. The security to policy-holders, including guarantee capital was, at the close of the year, \$1,119,576, and the liabilities for reserves and all outstanding claims \$415,621, showing a surplus of \$703,955. Exclusive of uncalled guarantee capital the surplus to policy-holders was \$84,151. The death claims amounted to \$92,500 (reinsurance deducted). Including cash dividends and dividends applied to premium reductions the total payment to policy-holders amounted to \$123,224 during the year. The shareholders showed their appreciation of the year's work by re-electing the Directors, and at a meeting of this body the officers of the Board were re-elected."

The Mail and Empire: "From the report of the fourteenth annual meeting of the Federal Life Assurance Company, held at the head office at Hamilton, it will be seen that the Company has had a most satisfactory year's business. The Directors have been able to place before the shareholders figures which show that notwithstanding the depression of trade, which has told so severely on similar institutions, the affairs of this Company are such as to call forth the satisfaction of all concerned. The volume of business has been considerable, and in the hands of the able management of the officers and Directors there is every reason to look forward to a substantial increase in the near future."

The London Advertiser: "The Federal Life Assurance Company, in its report for last year, submitted at the annual meeting at the head office in Hamilton, as printed in the *Advertiser* to-day, showed a balance sheet most satisfactory to its shareholders as well as highly attractive to insurers. Despite the fact that the depression in business throughout the country last year was even greater than in 1894, it is pointed out that the Directors have reasonable satisfaction in the business transacted by them. No fewer than 1,362 carefully selected risks were added to those already held by the Company, representing an insurance of \$1,830,050. The assets of the Company were increased during the year by \$67,966.12, bringing the total up to the large sum of half a million. Despite the increase in business, the death claims were smaller than in the previous year, representing \$92,500. The security to policy-holders at the end of the year was \$1,119,576.90, and after deducting all liabilities there was a surplus of \$703,955.02. The dividends paid to policy-holders represented \$30,141.59. These are results of which the Directors of the Federal Life are justly proud. They enter on a new year fully assured that with the co-operation of their officials an even more satisfactory twelve months of business will be the outcome."

FOURTEENTH

ANNUAL REPORT

FOR THE YEAR ENDING

31st DECEMBER, 1895,

OF THE

FEDERAL LIFE ASSURANCE CO'Y.

Guarantee Capital, \$700,000.00.

Full Government Deposit.

HEAD OFFICE:

HAMILTON, ONTARIO.



FEDERAL LIFE

ASSURANCE Co.



GUARANTEE CAPITAL,

\$700,000.00

IN ADDITION TO RESERVES
AND OTHER ASSETS.

*L.F. 5012
1800
F200*



HEAD OFFICE,

HAMILTON, ONT.



GUARANTEED

4%

INSURANCE

BONDS



THE provisions of these Bonds are of the **most liberal** nature, and **unequaled** by any other offered to the public.

• THE BOND •

provides for a paid-up participating policy, after the payment of two or more full annual premiums for an amount bearing the same relation to the whole amount of the policy as the number of premiums paid bears to the number required for the full term.

It also **guarantees** on its face the **largest cash surrender values** ever given or offered under an endowment contract. The amount payable for surrender at the end of any year after the fifth is written in the margin of the Bond.

In event of death during the insurance term of the Bond the smallest sum payable to the heirs of the insured is the full amount of the Bond, though death should occur during the term covered by the first premium payment.

Should the premiums paid to date of death, with interest compounded at four per cent., exceed the amount of the Bond, such excess will be paid therewith.

EXAMPLE.—AGE 45.

BOND FOR \$5,000—PAYABLE IN 15 YEARS.

The insurance increases from **\$5,000** in the first year to over **\$7,600** before the end of the 15th year.

The assured will have the following options on the Bond remaining in force to the end of the fifteen years:

1st—To draw in cash at the end of fifteen years the amount of the Bond and profits.

2nd—To take an annuity for ten years in lieu of the amount of Bond and profits.

3rd—To draw the profits in cash and take a paid-up Bond for full amount, payable at the death of the insured, and bearing guaranteed dividends equal to four per cent. upon all the premiums paid therefor.

The results are estimated as follows:

1—Bond and Profits, **\$7,650.**

2—An Annuity of **\$943.20** for ten years, aggregating **\$9,432.**

3—Profits, **\$2,650**, and a paid-up Bond for **\$5,000**, payable at the death of the insured, bearing a guaranteed annual dividend of **\$220.40** during the lifetime of the insured.

EXAMPLE—AGE 40.

\$5,000 BOND—PAYABLE IN 20 YEARS.

The insurance increases from **\$5,000** in the first year to over **\$8,100** before the end of the twentieth year.

On the Bond remaining in force to the end of the term of twenty years the assured will have the benefit of the options given in the previous example. The results are estimated as follows:

1—To draw in cash the amount of the Bond and Profits, **\$8,220.**

2—An Annuity of **\$1,001.35** for ten years, aggregating **\$10,013.50.**

3—Profits, **\$3220** and a paid-up **\$5000** Bond, payable at the death of the insured, bearing a guaranteed annual dividend of **\$209.60** during the lifetime of the insured.

THE
FEDERAL
LIFE
 ASSURANCE
 COMP'Y.

GUARANTEE CAPITAL, \$700,000.
 AMOUNT ASSURED, \$11,000,000.
 SURPLUS SECURITY, \$704,141 26
 OVER \$1,000,000 PAID TO POLICY-HOLDERS.

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EXCELLENT
 REASONS



FOR INSURING
 IN THE
FEDERAL LIFE
 ASSURANCE COMPANY.

◆ ◆
 HEAD OFFICE, HAMILTON, ONT.
 ◆ ◆

JAS. H. BEATTY, PRESIDENT.
 DAVID DEXTER, MANAGING DIRECTOR.
 S. M. KENNEY, SUPERINTENDENT.

Agent at



Security . . .

The Company affords, as a special security to Policyholders, a guarantee capital of \$700,000, over \$80,000 of which has been paid in cash. This special security is in addition to the reserves and surplus on Policies in force, amounting to \$298,901. The total security to Policyholders is, therefore, about one million dollars.



Canadian . . .

It is a home Company with all its capital and assets invested in Canada; The premiums and profits on its business are retained in Canada and returned to Canadian Policyholders and their heirs, to whom it has already paid over a million dollars.

*Home investments are the best, safest, most
useful and most profitable to our
own people.*

Earning Power . . .

Through economy in management the Company's expenses have been kept in reasonable proportion to the amount of insurance in force, and by careful investments its interest earnings are equally as satisfactory. In both of these respects the results compare most favorably with other Life Insurance companies. The largely increased income of the past two years and the continued progress of the Company have improved the advantages already afforded its Policyholders.



Accumulation Policies.

These policies, which are world-wide and indisputable after one year, premiums having been paid regularly and age admitted, afford an excellent medium for insurance and investment. The options of this form of Policy are applied to the Ordinary Life, Limited Payment Life and Endowment plans of Insurance, and the Accumulation period is adjusted to the plan or to meet the requirements of the insured.

AT the expiration of the Accumulation period the holder of the Policy will be entitled to his choice of several options, one of which is the withdrawal in cash of the full value of the Policy, consisting of the Legal Reserve (guaranteed in the Policy), and, in addition thereto, all profit accumulations.

THE policy is almost free from conditions from its issue, AND ABSOLUTELY FREE after one year, excepting as above stated.

PAID-UP Insurance or a cash value may be had after it has been in force for three or more years, and loans within a reasonable margin of its value will be made on security of this Policy.



THE FEDERAL LIFE ASSURANCE COMPANY,

Head Office, HAMILTON, ONT.

—* *—

JAS. H. BEATTY, President.

DAVID DEXTER, Managing Director.

—* *—

AMOUNT ASSURED \$11,000,000.00
SURPLUS SECURITY \$704,141.26
OVER \$1,000,000.00 PAID TO POLICY HOLDERS.

THE BEST COMPANY IS THE ONE
THAT DOES THE MOST GOOD.

ILLUSTRATED Life Insurance Folder showing that
to be happy you must be contented. To be contented,
you must feel that your family, your home, and your
own old age are provided for.

SECURITY, PROTECTION AND PROFIT.

====Facts Worth Considering.====

Most men work hard and take but little present com-
fort in order to secure future wealth. Ninetyfive per
cent are unsuccessful. A good Life Insurance Pol-
icy is the best provision for the future, for what-
ever happens, your family, your property, and **your**
own later years are protected.

AGENT,

117-3012
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F-293



Designed and Copyrighted 1893, by Jasper Huffman, York, Neb.

HE SAID HE LOVED ME

And during the productive period of his life he took a life Insurance Policy. **Reverses** and **Sickness** came, finally **Death**. The policy was promptly paid, furnishing **Ready Cash** when most needed, enabling me to pay off the **Mortgages**, **Doctor Bill**, and **Funeral Expenses**, and to feed, clothe, and educate my children, while the head that planned, the hand that guided, and the heart that loved his family are cold in death. I shall never forget him, nor the benefits derived from Life Insurance, and shall ever teach my children to **Reverence** and **Emulate** their father, who so thoughtfully provided Life Insurance Protection.



HE SAID HE LOVED ME

But he failed to provide Life Insurance Protection for his family. **Reverses, Sickness, and Death** came. I cared for him tenderly day and night, until exhausted and broken down in health. Oh, what shall I do? The **Mortgage is Foreclosed**. Our home is gone. The children are helpless. No means by which I may feed, clothe, or educate them. My head aches. My heart aches. My life is one of **Drudgery and Misery**. Husband, father, how sad a picture. How much suffering can be avoided by carrying a Life Insurance policy. Do not delay, but take insurance that will **Protect your Estate and your Family, and Yourself** in old age. **Delays are Dangerous.**



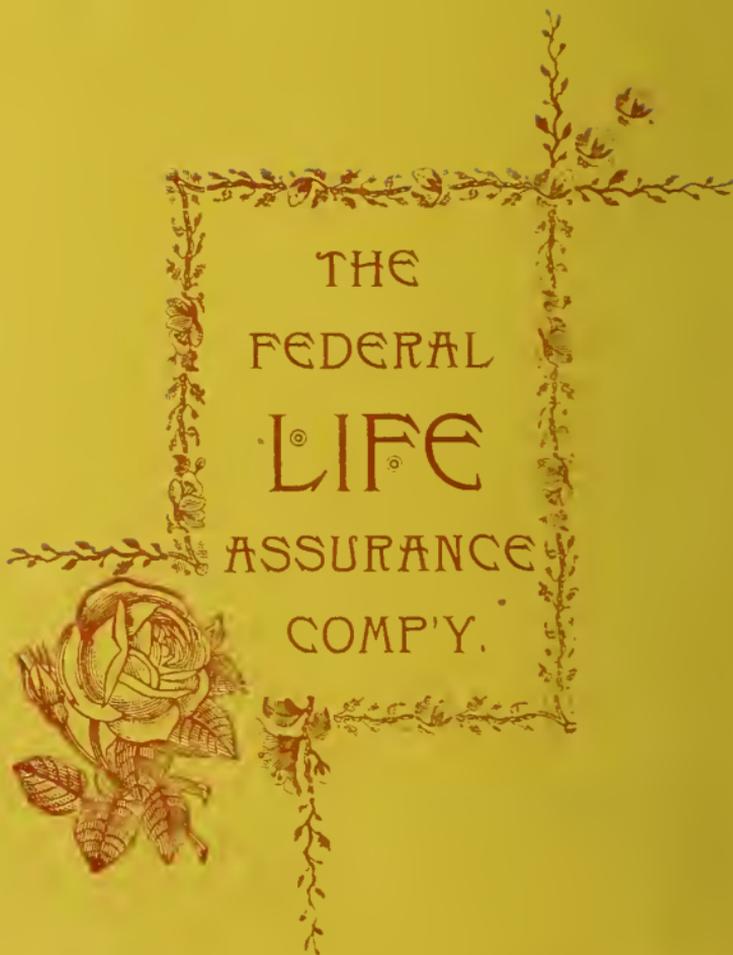
I PROVIDED FOR OLD AGE

During the productive period of my life. Now I am old, my children are able to protect themselves. My policy has matured. My companion and myself now have the cash for our support the remainder of our days. It has been a **Savings Bank** for us, **Not an Expense**, besides twenty years' protection for nothing. I did **not have to Die to Win**. Husband, Father, Mother, Young Man, Young Woman, take a policy of Life Insurance as protection for your estate, those you love, and yourself in old age. Don't put it off until it is too late. **Delays are Dangerous.**



I FAILED TO PROVIDE FOR OLD AGE

During my productive period of life. I thought I could invest my money better than in a Life Insurance policy. But Reverses and Sickness came, and with it Old Age. Now I am compelled to saw wood. I carried Insurance in an Assessment Association, and like all Assessment organizations, the older it became the more the assessments increased, until all that could get into a new organization that was cheaper had left it. And all of those that were unable, on account of old age or failure to pass a medical examination, were left to die unprotected. **Take Warning**, do not neglect, as I have, to provide for old age.



THE
FEDERAL
LIFE
ASSURANCE
COMP'Y.

Capital and Assets \$1,000,000.00

The Federal Life Assurance Co

HAMILTON, ONTARIO.

POINTERS ON INVESTMENT INSURANCE.

It must be plain to every person seeking investment insurance that two or three things are necessary in a Company to enable it to give the best possible returns to its policy-holders in the shape of profits. One of these conditions is that it must be economical in its management expenses.

In order to judge of the economy practiced by the various Companies some uniform test must be applied to them, and it is very important that the test should be a fair one.

To the test which we propose to apply and illustrate no one can take exception, viz. :—The ratio of expenses of management to each one thousand dollars of mean amount of insurance in force during the year.

The ratio of expenses to income, improperly used by some writers, is manifestly unfair, as in some Companies the income is largely made up from interest on investments of the Policy-holders money, which portion of the income comes in almost entirely free of cost, though by this test we do not fear comparison if age is taken into account.

The former test, however, is fair alike to all, and by its use the figures in the last Dominion Blue Book show as follows :

Percentage of Expenses to each \$1000 of Insurance in Force.

CANADIAN COMPANIES.	
Canada Life.....	6.15
Confederation.....	8.82
Dominion.....	11.93
Excelsior.....	17.43
Federal Life.....	8.16
Great West.....	17.02
London Life.....	16.61
Manufacturers.....	17.84
North American.....	10.19
Ontario Mutual.....	6.43
Sun Life.....	12.90
Temperance and General Life.....	9.41
AMERICAN COMPANIES.	
Etna.....	8.42
Equitable.....	8.89
Germania.....	11.61
Mutual Life.....	11.59
New York Life.....	10.59

Another important condition is that it must keep its funds safely invested to earn as high a rate of interest as possible. The *Insurance and Finance Chronicle*, of December 15th., 1895, in discussing this subject, gives the following figures :

Rate of Interest Earned on Investments.

CANADIAN COMPANIES.	
Canada Life.....	5.19
Confederation.....	4.50
Dominion.....	5.27
*Excelsior.....	3.38
Federal Life.....	6.46
Great West.....	5.50
London Lite.....	5.63
Manufacturers.....	5.12
North American.....	5.28
Ontario Mutual.....	5.87
Sun Life.....	6.01
Temperance and General Life.....	4.90
AMERICAN COMPANIES.	
Etna.....	5.20
Equitable.....	4.46
Germania.....	5.02
Mutual Life.....	4.77
New York Life.....	4.70
Provident Savings.....	5.58
Union Mutual.....	4.65
United States.....	4.98
BRITISH COMPANIES.	
British Empire.....	4.45
London and Lancashire.....	4.30
Standard Life.....	4.33

These figures show that in regard to economy of management and rate of interest earned on investments the Federal occupies an enviable position.

These conditions, together with its high ratio of assets to liabilities, should be sufficient to enable any person desiring to secure the best possible investment insurance to decide at once in favor of the Federal Life Assurance Company, of Hamilton, Ontario.

We have paid to our Policy-holders during the last five years the large sum of \$729,537.00 for death claims, matured endowments, surrender values, and dividends, and have increased our assets during the same period by \$224,046.00.

Trusting that the above pointers may materially assist you in your work,

I am, yours truly,

S. M. KENNEY, Superintendent.

*Not given in *Insurance and Finance Chronicle*.

The Federal Life Assurance Co

of New York

Capital and Surplus \$10,000,000

Assets \$100,000,000

Reserve \$50,000,000

Dividend \$1,000,000