

MAKES A SPLENDID SHOWING

NEBRASKA LIFE COMPANY BEGINS NEW YEAR UNDER MOST FAVORABLE CONDITIONS.

PHENOMENAL RECORD PAST YEAR

Bankers Reserve Life Leads—Annual Report of President B. H. Robison to the Officers, Directors and Policy Holders, Jan. 21, '03

The three opening years of the 20th century furnish interesting history. The events are many and have exercised a mighty influence on the nations of the earth. The United States is a well recognized world power. Its influence is manifest in commerce, transportation, navigation, finance and diplomacy throughout the whole world.

ITS FLAG FLOATS ON LAND AND SEA

It is a potent factor in civilization wherever its flag floats on land and sea. It is the recognized protector of the western nations; the arbiter of the eastern dynasties; the genius of civil and religious liberty in the tribunals of the nations.

A COUNTRY RICH IN RESOURCES

The country is rich in natural resources, is unequalled in lands, minerals, precious metals, coal, timber, cereals, live stock, climate and crude materials. The country excels in skilled labor, improved machinery and methods, which combined embrace the elements essential to the development of a mighty nation and the maintenance of a vast population within its own borders, while its trade and enlightening influences are extended to the islands of the sea, are reflected to the ends of the earth.

The development of the vast resources, the expansion of its trade with the countries of the eastern and western hemispheres is in its infancy. Who can forecast or estimate its possibilities or determine the limit of the country's influence and power?

THE GREAT CENTRAL WEST

The great west embraces more than two-thirds the area of the United States, is an important factor in the dominion of the greater America. Its boundless prairies, rich valleys, mountains, rivers, lakes, plains and salubrious climate combined will support a dense population and will permanently supply the natural resources for agriculture, horticulture, grazing, mining, fuel, power, live stock and manufactories, which combined will be sufficient to maintain, feed and clothe the inhabitants of the whole country and are destined to make rich the people of the great west.

THE HIGHER CIVILIZATION

The development of the natural resources of the great west will be attended with a keener, broader civilization, the natural evolution of a higher education. The free public schools, colleges and universities, permanently endowed by liberal grants of lands, give assurance the higher civilization will dominate and control the people and destiny of the west. The records of every village, city, county and state in the west show nearly one-half of the public expenditures to be for school and educational purposes.

THE WEST EMULATES THE EAST

The west profits by the experience of the older cities and institutions of the east, adopts the best results, improves on them. It is universally recognized that the schools, banks, railways, public buildings and utilities of the western cities and states are newer and superior to those of the older sections.

LIFE INSURANCE IN THE WEST

The present and future development of the resources and institutions of the great west makes absolutely essential the maintenance of strong life insurance and savings institutions in the west for the convenience of western people and protection of western interests.

It has been demonstrated that first and foremost of the fiduciary institu-

tions of the country are the life insurance companies, which receive, hold, invest and distribute to the policy holder the moneys and savings entrusted to them, exactly in proportion to the deposit or premiums paid, and in addition thereto protect and reimburse the estate or family in event of death of the policy holder for the full amount of his policy, while no other form of investment or banking undertakes to return more than the moneys paid.

STAND UP FOR THE WEST

Keep your money at home. Trade with home people. Help to build up your own town, state and section, and thereby expand your own business. These economic principles apply in your payments for life insurance.

BANKERS AND BUSINESS MEN

The citizens of our section may well pause and consider this important subject. No one would think of sending the daily bank deposits of this section to eastern banks or cities, for to do so would be to destroy western trade, and ultimately wreck every western bank, and perpetuate eastern control and supremacy.

THE FINANCIAL DRAIN SHOULD STOP

It is equally disastrous to western commercial interests to send the people's savings from each western state of from \$1,000,000 to \$3,000,000 annually to the money congested centers of the east never to return, not one dollar of which is available to western banks or policy holders in time of financial distress or panic.

MONEY WITHDRAWN EXCEEDS BANKING CAPITAL

The citizens of the west may well pause and reflect on the effect of sending east every ten years in withdrawals of money from western banks for life insurance premiums an amount exceeding the combined banking capital of each western state. The sum withdrawn from Nebraska banks and sent to a few eastern companies constituting the great life insurance trust, the mother of the other trusts, during the past ten years exceeds \$15,000,000 in excess of the money returned to the policy holders by the alien companies, as shown by the sworn reports of these companies on file with the insurance department of Nebraska.

TAXES SMALL, LITTLE REVENUE TO NEBRASKA

The immense sums annually withdrawn from western banks sent out of Nebraska to outside life insurance companies almost wholly escapes taxation. Nebraska stands practically alone among the states in extending alien life companies the privilege of doing business in the state and in not securing in return a contribution or tax of outside companies for an equitable share of the expense of maintaining the insurance department, institutions and government of the state, while every vestige of real estate and personal property, including the property and franchises of the railroads and other corporations, is taxed. The home life companies contribute to the revenues of the state, keep the money at home for investment and are compelled to pay taxes in every other state where admitted.

AN INSTITUTION OF, FOR AND BY THE WEST

The Bankers Reserve Life Association, recognizing the possibilities, conditions and opportunities of the west, its management by well known western insurance and business men, who have an abiding faith in the loyalty of the citizens of the west to safeguard, support and maintain a strong, vigorous western company, have devoted their energies, money and time to the founding and building of the institution.

The splendid results already achieved have been mostly secured during the past three years, since commencing to write the present forms of superior standard policies. The business during this period has been increased from \$500,000 to \$5,234,500 and the annual premium income has increased during the same

time from \$10,000 to \$180,000. The growth has been phenomenal.

INCOME FOR 1902

The premium income of \$179,509.14 shows an increase of \$68,197.42, being 62 per cent more than that of previous year and \$3,000 more than the premium income of the two preceding years. The income from other sources, in addition to premiums, including cash received from previous year, makes a total of \$224,288.39.

A LOW DEATH RATE

The death claims were four, amounting to \$8,500, of which \$2,750 was reimbursed by reinsurance from other companies, leaving net death losses sustained \$5,750, which includes a claim of \$2,500 of previous year, leaving the net death loss only \$3,250 for 1902, a record without parallel, being the lowest mortality record of any American company. All death claims were paid immediately on the receipt of final proofs. The record shows all other bills and obligations promptly paid on presentation.

SELECTED RISKS AND REINSURANCE

The company's risks are most carefully selected and inspected, and are confined to the healthful sections and preferred occupations of the central western states.

The charter provides policies may be written on a single life for \$500 to \$10,000. In all instances where a policy is written for more than \$2,500 it has been the custom to reinsure the excess. The total reinsurance now in force exceeds \$1,740,000, making a double assurance for the policy holder and an effective asset for the company.

NEW BUSINESS SECURED IN 1902.

The record of new business written on the lives of leading citizens of the state is not equaled by any other company operating in the west, as will be observed by a comparison of the following exhibit:

APPLICATIONS WRITTEN IN 1902		
	No.	Amount.
Ins. applied for.....	931	\$2,544,500
Applications rejected, reduced, suspended or incomplete.....	83	211,750
Applications apprvd..	848	\$2,332,750
POLICIES IN FORCE		
Policies issued and revived	848	\$2,332,750
Policies of previous year	1,145	3,421,500
Policies at risk during year	1,993	\$5,754,250
Policies terminated by death, lapse or overdue premiums.....	193	519,750
Policies in force December 31, 1902.....	1,800	\$5,234,500

THE COST OF NEW BUSINESS

The premium income received from new business, \$86,657.94, and from renewals on old business, \$93,851.20, was secured at a net cost for commissions, cost of collection and compensations of managers and agents of \$63,860.83, being an average of about 69 per cent of the amount of the first year's premiums, or a saving of \$21,797.11 of the gross amount received from premiums on new business, the savings being more than the net outlay for death claims and for cost of carrying \$1,746,000 of reinsurance in other companies. It is a well known fact that the eastern life companies secure their new business at an average cost of more than the entire first year's premiums. The sworn reports of the larger companies on file with the insurance departments show the cost of new business to be in most instances from 100 per cent to 200 per cent of the entire first year's premiums.

The record of the Bankers Reserve Life for economy of management, business handled and secured and its low mortality and lapse rate is not equalled by any life institution in the land writing or handling a like volume or class of standard policies, collecting full legal reserve premiums.

INVESTMENTS AND SECURITIES

The period for investment in per-

manent interest bearing securities begins with the receipt of renewal premiums on investment policies with every company. It is well known that no portion of the first year's premiums are available for investment, the first year's cost for placing the business on the books, for death claims and expenses leaves small margin for surplus. The first investment policies of this institution were issued about three years ago. On this business or class of policies a gross income of \$93,851.20 was received in renewal premiums during 1902. The renewal income received has been invested in first-class registered twenty and ten-year school bonds, \$27,600; first mortgages on well improved farms in eastern Nebraska, \$23,350; secured loans and cash in bank of about \$42,000 additional represents the invested assets of \$92,943.17 on December 31, 1902. Additional securities to the amount of \$14,600 have been purchased during the first ten days of the new year, consisting of municipal and school bonds, \$12,500; first mortgages on improved real estate, \$2,100; total, \$14,600. The latter securities, with \$10,000 to \$20,000, for which negotiations are now pending, will be early deposited with the state of Nebraska. The bonds and first mortgages owned by the company December 31, 1902.

ON DEPOSIT WITH THE STATE OF NEBRASKA AMOUNT TO FIFTY THOUSAND NINE HUNDRED AND FIFTY DOLLARS for the benefit and protection of policy holders. ONE HUNDRED FIFTY THOUSAND DOLLARS is the estimated net renewal income for 1903 to be available for investment in permanent securities. This amount, in addition to the present investments, will rapidly increase the deposits with the state as the renewals are obtained, and it is estimated will make the assets \$250,000 or over by the end of 1903. All investments are carefully made on sworn valuations after personal inspection, and on improved farms are limited to 25 per cent to 40 per cent of the actual cash value of the property.

THE ADVISORY BOARDS

The selection of several hundred prominent members, five or ten in each of the principal counties of the states, is a well recognized power. It is the strongest single business organization ever made in a state. The boards are making their influence felt in protecting and furthering the interests and business of the institution in their respective localities. The officers and directors extend to the members of the boards their thanks and congratulations on the excellent results achieved, largely through their co-operation, assistance and advice.

The special advisory board plan was formerly employed by the older companies in opening new territory; during the last twenty years it has been little used by them. It is the cheapest and most effective direct known method of introducing a new company until its business has been securely placed and an agency force established in its home and other states.

We have the advantage of copies of the Special Board Contracts formerly extensively used by the New York Life, Equitable of New York and other leading companies. These documents are a surprise to many of their agents, who are opposed to the plan, since it gives to the special board members the advantage of the renewals that under the usual methods help to swell the income of these agents and which they wish to retain rather than to have it returned as dividends to policy holders or members of advisory boards, as was formerly the custom and practice of their companies.

THE EXCELLENT POLICIES AND PLANS

The strictly modern policies and plans of the Bankers Reserve Life "are not excelled in the world," have met with universal favor. The policies adopted include every known safe option provision; are extremely lib-