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Report to Policyholders
on 1947 Business Operations of the
METROPOLITAN LIFE INSURANCE COMPANY

REPORT ON METROPOLITAN BUSINESS OPERATIONS FOR 1947

1947 was one of the best years in Metropolitan's history. The Company's financial position was excellent. More Metropolitan policyholders than ever before enjoyed the blessings of Life insurance. Through investments, the Company played a bigger role than in any preceding year in helping keep the wheels of industry turning, provide jobs and homes, and maintain high standards of living.

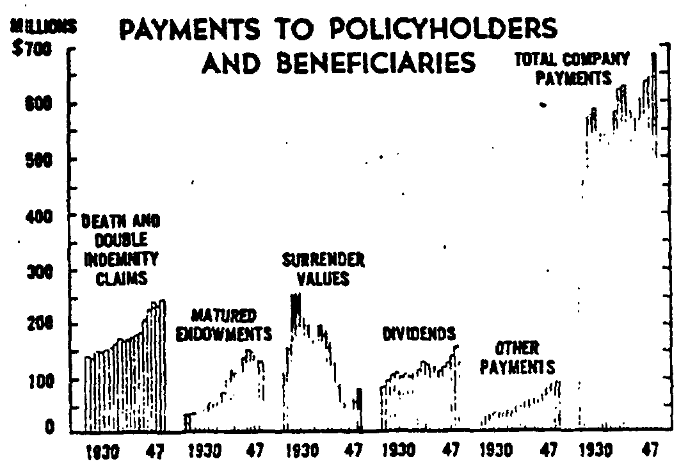
Our program of health education was expanded—helping more people to keep well and live longer, happier lives. The death rate among policyholders in 1947 hit an all-time low.

However, the year was not without its problems. Insurance costs were higher because of lower interest rates, and because of the prevalent increase in the cost of goods and services.

PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

In 1947 Metropolitan's payments to policyholders and beneficiaries—shown by the bar at the extreme right on the accompanying chart—topped all records. Payments totaled $671,000,000, about 41½ million more than in 1946, and a gain of 138 million over the figure five years earlier, in 1942. In the past 10 years, the Company's payments to policyholders and beneficiaries have totaled $5,900,000,000—a lot of money, that went to a lot of people all over the United States and Canada.

The blue columns at the left show the amounts paid in death and double indemnity claims from 1930 through 1947. Last year such payments totaled more than $243,000,000—money that helped lighten financial burdens, gave hope for the future, helped to keep many homes together and to fulfill plans and ambitions for loved ones. The remainder of the 1947 payments to policyholders—about twice as much as was paid out in death benefits—went to *living* policyholders. These payments, amounting to more than $428,000,000, served a countless variety of needs. For example, they included $127,000,000 in matured endowments—funds which helped many



young men and women get a college education, provided others with business capital, and helped in buying homes and meeting other vital needs.

The $73,700,000 paid last year in cash values of policies helped supply immediate funds to many families that, for one reason or another, cashed in their policies. There was a great difference between the volume of these surrender value payments in 1947 as compared with 1933. While our insurance in force in 1947 was more than twice as great as in 1933, the surrender payments amounted to less than one third as much.

The upward trend in dividends paid to Metropolitan policyholders over the years reflects a growth in the amount of business and not increased scales of dividends. Actually, during the period covered by the chart, dividend scales have been reduced, and are being reduced in 1948—primarily as a result of declining interest returns on investments. During 1947, some $148,000,000 was paid or credited to policyholders in dividends—reducing by the same amount the cost of their insurance protection as represented by premium payments.

Nearly $80,000,000 went for sickness and accident benefits, for annuity payments which helped many policyholders enjoy the sunset years of life, and for other payments to policyholders and their beneficiaries.

While the $671,000,000 Metropolitan paid out last year increased security and lessened worry for hundreds of thousands of people, it represented only a part of the Company's responsibility to its policyholders and beneficiaries.

FUNDS FOR FUTURE PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES

Each year the Company must set aside sufficient funds, called reserves, which, increased by interest earnings and future premiums, will enable it to pay all obligations under policies that will fall due in the years to come. The law recognizes the necessity of such reserves and requires that they be maintained.

These reserves, plus funds in process of payment to policyholders and beneficiaries, together with miscellaneous liabilities, constitute the Company's total obligations—about $8,049,000,000 as of December 31, 1947. To meet these obligations, Metropolitan's assets at the close of the year amounted to $8,548,000,000—an increase of about $503,000,000 during 1947.

It is seen, then, that the assets exceed all liabilities by $499,000,000. This is a safety fund which is available to meet unforeseeable contingencies, such as the influenza epidemic we had in 1918-19, or for hard times like the depression of the 30's.

HOW METROPOLITAN DOLLARS WORK

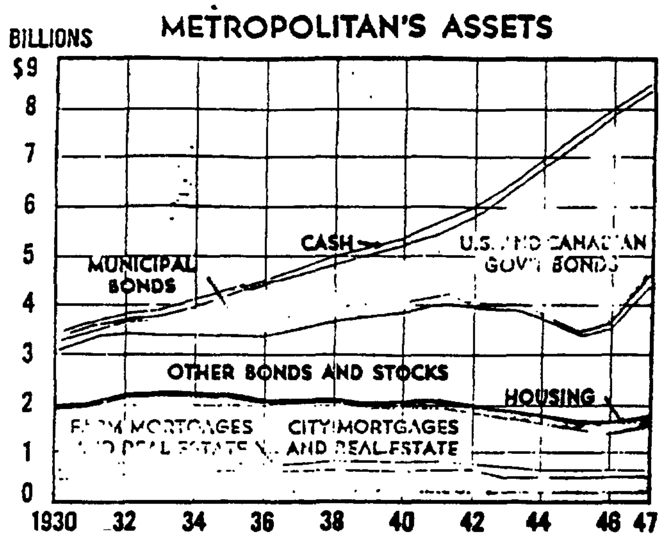
Metropolitan's asset dollars are kept busily at work in sound investments, and the Company's first consideration must be safety of principal. As a result, we do not put money into investments of a speculative nature—such as common stocks, for example. But while Metropolitan dollars are working for policyholders, they are benefiting the whole population—helping provide jobs, and the goods and services we all need and want.

At the close of 1947 the biggest share of the Company's investments was in United States and Canadian Government bonds—a total of $3,800,000,000, accounted for by the heavy purchases made during the war years.

Dollars Working in Productive Enterprises

Since the close of the war, Metropolitan's new investments have gone increasingly to help meet the needs of industry and the community, just as they were doing before the war. Over the years Metropolitan has helped provide productive enterprises with tools and facilities through the investment of the Company's funds. Last year we put $958,000,000 into such investments, refunding operations, and the purchase of securities which had been issued in preceding years. At the end of 1947 more than $2,600,000,000 was helping in the expansion and further development or in the maintenance of productive techniques and enterprises.

The Company's dollars are at work in practically every phase of production and distribution—helping to produce more goods and create more jobs for more people. Few policyholders realize that each of the tens of thousands of concerns or individuals using



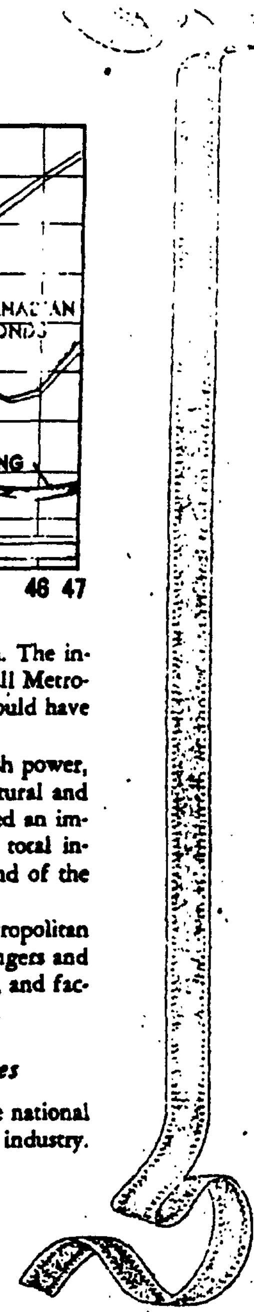
Metropolitan's invested funds is really working for them. The interest the borrowers pay is helping to reduce the cost of all Metropolitan insurance. Without it, policyholders' premiums would have to be substantially higher.

Metropolitan made investments last year to help furnish power, light, and heat to meet the nation's needs. Electricity, natural and artificial gas, the telephone, and other utilities have played an important part in our industrial progress. The Company's total investment in utilities amounted to $999,000,000 at the end of the year.

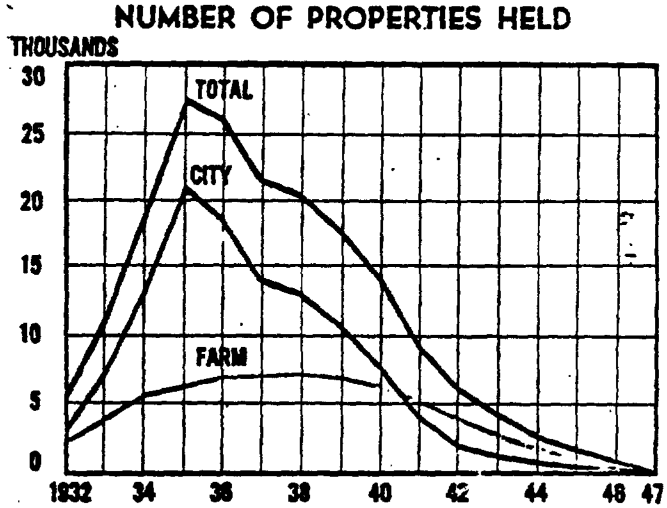
At the close of 1947 more than $538,000,000 of Metropolitan assets were helping in the vital task of transporting passengers and bringing the necessities of life from mines, farms, forests, and factories to people throughout the United States and Canada.

Dollars at Work on Farms and in City Properties

During 1947 the Company continued to help meet the national need of housing for individuals, and for business and industry.



NUMBER OF PROPERTIES HELD



Mortgage loans made last year on city and farm properties totaled more than $221,000,000, bringing the total outstanding at the year's close to more than $964,000,000. Of this amount $878,000,000 was in city properties and $86,000,000 in farm properties.

During the depression years the Metropolitan, like other financial institutions, was forced to take over a large number of properties to safeguard investments which had been made for the benefit of policyholders. Note on the chart the peak in 1935, when the Company was the involuntary owner of 20,729 city properties and 6,528 farms. Many of these properties were in a run-down condition, producing little or no income.

To meet the situation, Metropolitan undertook a broad program of rehabilitation. Buildings, land, and equipment were put on an income-producing basis and in salable condition. This program had a stabilizing influence in many communities and was widely acclaimed. As the program progressed, properties were disposed of as rapidly as was practical, and in 1947 the last one of the 10,414 farms which had been acquired as a result of the depression was sold. City properties still unsold at the end of the year numbered only 42.

Dollars for Housing

In the midst of a previous housing shortage in 1922, Metropolitan undertook, on an experimental basis, its first housing project—in the Borough of Queens, New York City. With the background of this experience, the Company in 1939 started construction of Parkchester in New York City, the largest housing project ever built in the United States.

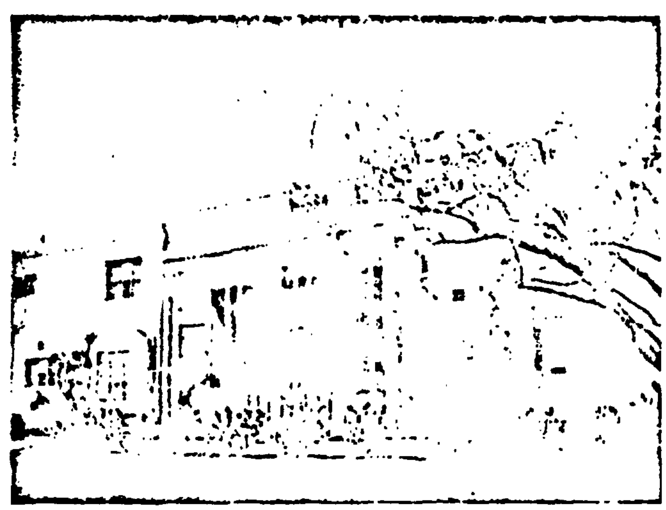
This was followed by Parkfairfax, just outside of Washington, D. C., which helped meet an acute wartime housing shortage in the nation's capital. Still other projects—Parkmerced, in San Francisco, and Parklabrea, in Los Angeles—helped meet wartime housing needs.

In 1943 the Company turned its attention to providing low-cost modern housing in a blighted area in the heart of New York City, an area known as the Gashouse District. Many of the dwellings were 75 years old or more. There were no parks or playgrounds, and children found their recreation in the streets. Most of the living quarters were small dark flats, without windows in the bedrooms, no closets for clothes, and grossly inadequate in sanitary facilities.

Parkchester, world's largest privately-financed housing project, provides attractive apartments amid landscaped surroundings for 35,000 people.

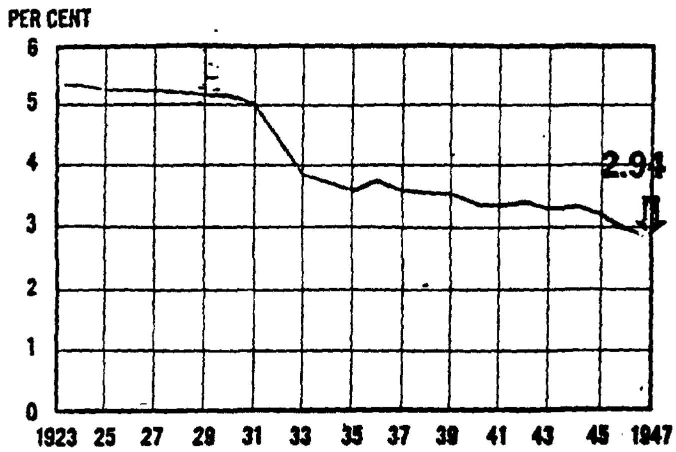
As soon as the families who lived in this section were relocated, demolition began. Out of the rubble grew Stuyvesant Town—a group of modern apartment buildings. The grounds will be artistically landscaped, with plenty of parks and recreational areas, as in Metropolitan's other modern housing projects. When the project is fully completed, 8,755 families will find there attractive, comfortable homes with a maximum of sunlight and air, and at moderate rentals. Two other new Metropolitan housing projects in New York City—Peter Cooper Village and Riverton—received their first tenants in 1947.

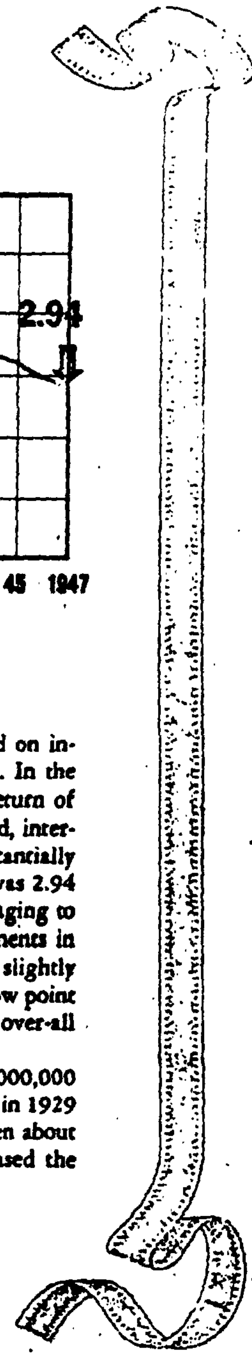
Housing—as instituted by the genius of the Chairman of Metropolitan's Board of Directors, Frederick H. Ecker—has proved to be a sound and satisfactory form of investment, as well as an important social contribution. With the completion of present projects, the Company will have an investment in housing of about $300,000,000, and a total of more than 130,000 people will be housed in attractive, modern Metropolitan apartments.



A typical unit in Parklabrea, Metropolitan's Los Angeles housing project, a modern community offering a maximum of sunny living space for persons of moderate means.

INTEREST RATES EARNED





Interest Earnings on Investments

As everyone knows, the interest rates that can be earned on invested funds have declined steadily over a period of years. In the late 1920's, Metropolitan earned an average net interest return of more than 5 percent. Since then, following the general trend, interest rates on the Company's investments have dropped to substantially lower levels. During 1947 the average net interest earned was 2.94 percent—compared with 3.01 percent in 1946. It is encouraging to note that the average rate of interest at which new investments in securities were made, for the first time in recent years, turned slightly upward during the last part of 1947. It is possible that the low point has now been passed, and a gradual improvement in the over-all interest earnings may be forthcoming.

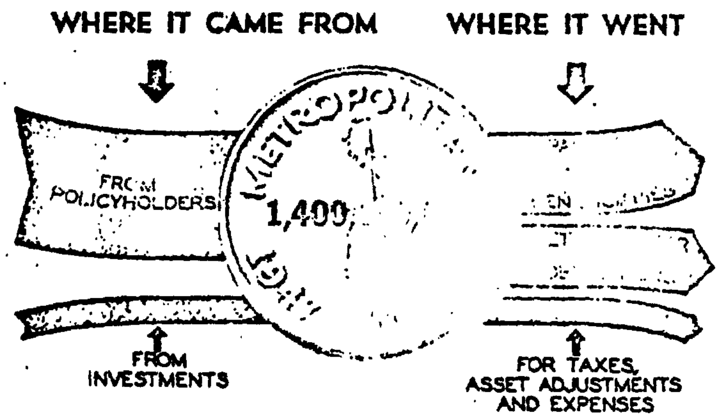
Interest earnings last year contributed more than $234,000,000 to the Company's income. But if the rate of interest earnings in 1929 had prevailed last year, our income in 1947 would have been about $180,000,000 greater, and that would have greatly increased the amount available for dividends.

INCOME AND OUTGO

Metropolitan's income is received from two sources: first, premiums and other payments from policyholders; and second, earnings on investments. In 1947 the Company's income amounted to nearly $1,400,000,000. Of this, more than $1,160,000,000 came from policyholders, and about $235,000,000 from earnings on the Company's investments. As compared with this income, more than $671,000,000 was paid to policyholders and beneficiaries and more than $473,000,000 was set aside for future obligations.

Thus a total of $1,150,000,000 out of total income was paid or set aside for the benefit of policyholders and beneficiaries, including about $5,000,000 for health and welfare.

The balance of $247,000,000 went for taxes, asset adjustments, and the expense of doing business. Taxes took about $22,500,000, asset adjustments about $20,000,000, and the remainder—more than $204,000,000—was used to provide the kind of services which Metropolitan policyholders expect, and to which they are entitled.

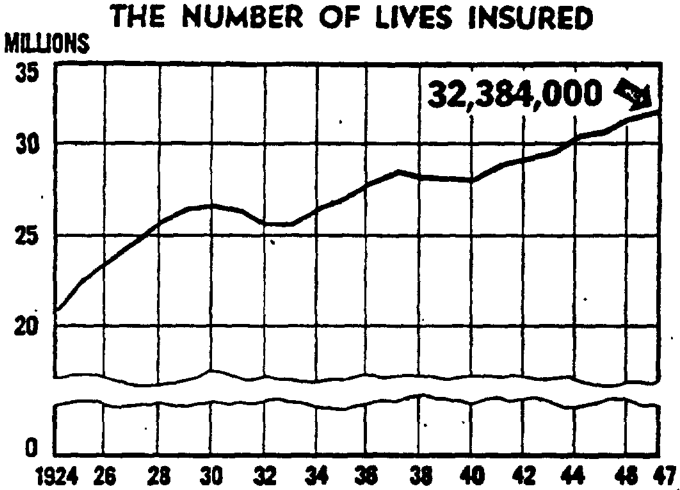


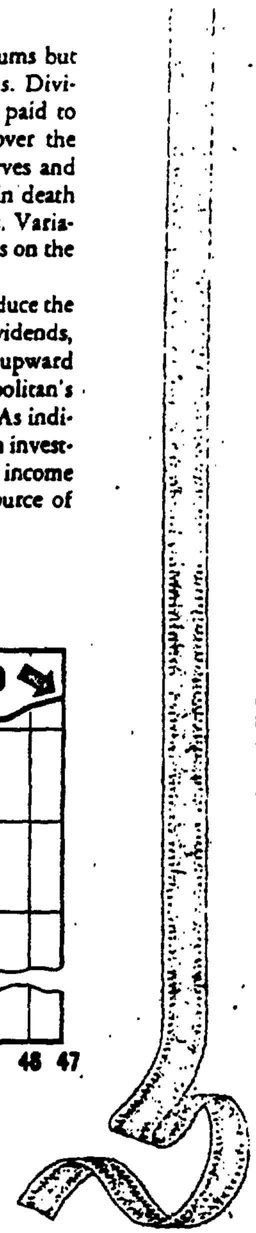
THE COST OF INSURANCE

The cost of insurance is determined not alone by premiums but also by any amounts returned to policyholders in dividends. Dividends—which in a mutual company like Metropolitan are paid to policyholders—represent the excess of Company income over the outgo required for claims, expenses, and additions to reserves and surplus. Variations in outgo result primarily from changes in death rates among policyholders and in the cost of doing business. Variations in income arise chiefly from changes in interest earnings on the Company's investments.

Improved mortality among policyholders has tended to reduce the Company's outgo and hence has had a helpful effect on dividends, and on the cost of insurance to policyholders. The general upward trend in the cost of all goods and services has caused Metropolitan's expenses to rise and this has increased the cost of insurance. As indicated previously, because of lower interest rates, income from investments has contributed a smaller share of the Company's income dollar, and has had a consequent adverse effect on this source of funds available for dividends.

THE NUMBER OF LIVES INSURED



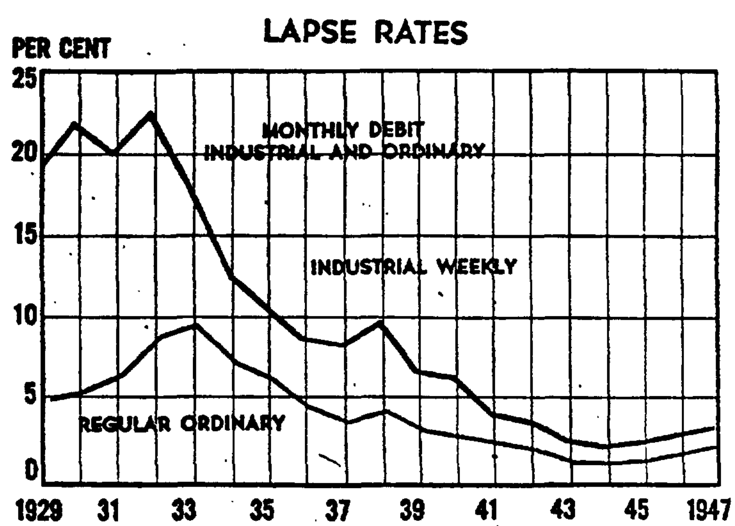


Last year, the net effect of interest rates, mortality experience, and the cost of doing business, although permitting the Company to pay in 1948 a little larger amount of money in dividends than it did in 1947, will require downward adjustments in the scales on most classes of business. The decreases particularly affect old policies which were issued on a 3½ percent interest basis.

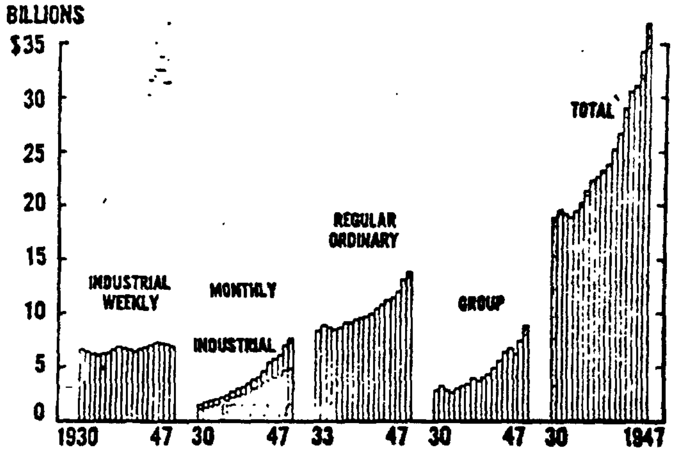
GROWTH IN METROPOLITAN PROTECTION

Last year, more than 2,300,000 people expressed confidence in the Metropolitan organization, and in its Agents, by buying Metropolitan policies. Many were old members of our family, who thus reaffirmed their faith in the Company. Thousands were new people who joined us—bringing the total of Metropolitan policyholders to 32,384,000. The amount of new business written in 1947 was the highest on record, with the exception of 1946. The total insurance issued during the year amounted to $2,895,000,000.

Of course, each year some policyholders are forced to give up their Life insurance. From an all-time high during the depression in 1932-33, Metropolitan's lapse rates fell steadily to a low point in 1944.



AMOUNT OF LIFE INSURANCE IN FORCE



Postwar readjustments naturally tended to increase lapse rates slightly, but they remain at an encouragingly low level. The same economic conditions are reflected also in policy loans.

The volume of the Company's new business, together with favorable termination rates, resulted in a substantial increase in Metropolitan protection. At the close of 1947, Ordinary insurance in force amounted to nearly $18,800,000,000, Industrial to about $9,700,000,000, and Group to about $8,800,000,000. These added up to the greatest amount of Life insurance in force in Metropolitan's history—a total of $37,256,000,000, which is $2,834,000,000 more than the 1946 figure. In addition, policyholders had Accident and Health protection sufficient to provide $40,000,000 in weekly benefits and $2,500,000,000 in principal sum benefits.

LENGTH OF LIFE STILL INCREASING

During 1947 Metropolitan continued its efforts to improve health. This form of investment has always proven sound and has yielded a good return in contributing toward lengthening the lives of people in the United States and Canada.

From the time of the Roman Empire down to the year 1900, the average length of life increased from 22 years to about 49—a gain of 27 years in 20 centuries. Since 1900, however, the average length of life has increased to more than 66 years—a rise of about 18 years in less than half a century.

Metropolitan believes that if the public could be better educated to apply up-to-date knowledge as developed by medical science, life expectancy could be still further increased. Since 1909 Metropolitan has distributed health booklets containing the best medical opinion obtainable on various subjects, at the rate of about one every second. In addition, to help educate the public on health and safety, Metropolitan advertised once a month last year in national magazines which had a circulation of more than 33,000,000. Nineteen forty-seven marked the 25th anniversary of such educational activities through advertising.

The Company also used the radio in 1947 to bring its "Good Hints for Good Health" to millions of radio listeners. During the past year and a half more than 400,000 requests for copies of Metropolitan's health booklets have been received in response to such programs.

Of course, no report of our health activities would be complete without a word about our educational activities through motion pictures. Such pictures, in 1947, were shown to about 4,475,000 people in 31,616 showings. Last year a film on heart disease, the leading cause of death, was completed and had its premiere in Radio City Music Hall, in New York City.

Another part of Metropolitan's health conservation program is its Visiting Nurse Service, designed to help those insured under the Company's Group, Intermediate, and Industrial policies. The nurses are really "angels of mercy" for they bring hope and optimism, as well as skilled visiting nurse care, not only to eligible policyholders, but also to those who suffer during general disasters. When tragedy struck last year—as in the Texas City explosion, and the Mississippi Valley and New England floods—Metropolitan's nurses were promptly on the scene helping the local authorities by rendering first aid and other emergency assistance.

In 1947 the Nursing Service reached an important milestone—it completed the one hundred millionth visit since the inception of this service in 1909. During the year, the Company's Visiting Nurses made more than 1,765,000 visits in the nearly 7,400 communities in the United States and Canada where the service is available.

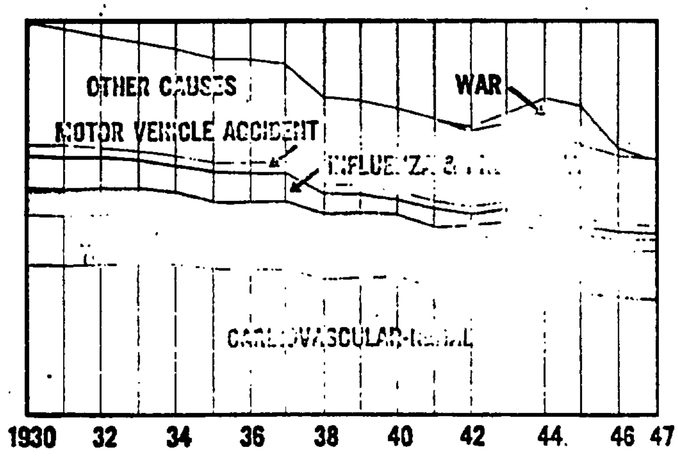
That the activities of medical science, public health officials, and various private organizations have been getting results is obvious from statistical evidence. Note, on the accompanying chart, the decline in death rates from specific causes since the start of Metropolitan's first campaign against each cause. For example, deaths from children's diseases—measles, scarlet fever, whooping cough, and diphtheria — have dropped 98 percent. Deaths from tuberculosis have dropped 85 percent, and from pneumonia 68 percent.

Metropolitan's Visiting Nurse Service has a proud record of accomplishment in serving those insured under Industrial, Intermediate, and Group policies.

DIVIDENDS IN PUBLIC HEALTH THROUGH RESEARCH AND EDUCATION

	METROPOLITAN'S EDUCATIONAL CAMPAIGNS		IMPROVEMENT IN MORTALITY FROM START OF CAMPAIGNS TO 1947*
OLD ENEMIES	Typhoid Fever	1911	99%
	Childhood Diseases	1911	98%
	Diarrhea and Enteritis	1911	90%
	Tuberculosis	1911	85%
	Puerperal Diseases	1911	84%
MORE RECENT FOES	Diphtheria	1925	95%
	Appendicitis	1933	77%
	Motor Vehicle Accidents	1934	29%
	Home Accidents	1934	37%
	Pneumonia	1936	68%
	Syphilis	1940	36%
	Diabetes	1940	10%
	Occupational Accidents	1942	27%

TREND OF MORTALITY*



*Among Industrial Weekly Policyholders.

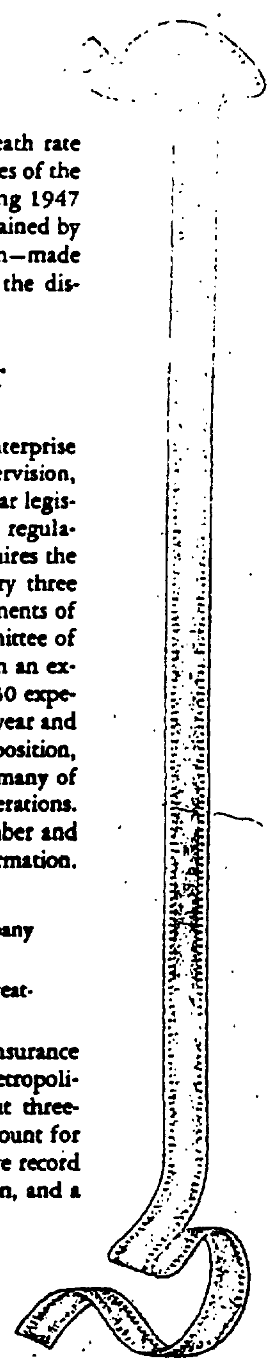
Since 1930 there has been some improvement in the death rate from cancer and from diseases of the heart. However, diseases of the heart still lead all causes of death by a wide margin. During 1947 the Life Insurance Medical Research Fund—which is maintained by 151 Life insurance companies, including the Metropolitan—made substantial grants to finance research projects relating to the diseases of the heart and blood vessels.

THE VALUE OF SOUND GOVERNMENT SUPERVISION OF LIFE INSURANCE

The growth of Life insurance is a tribute to the private enterprise system. It has been encouraged by sound government supervision, in accordance with State laws in the United States, and similar legislation in Canada. To help achieve maximum safety, various regulatory laws have been adopted. For example, New York requires the State Insurance Department to make an examination every three years of companies domiciled there. The Insurance Departments of all States participate in these examinations through a committee of the National Association of Insurance Commissioners. Such an examination of Metropolitan, requiring a staff of more than 30 experienced examiners, was completed last year. It took about a year and a half. The examination covered the Company's financial position, its income and outgo, the treatment of policyholders, and many of the principles and practices followed in the conduct of its operations. The results of this examination were published last September and filled 303 pages. The report contains much interesting information. Here are two excerpts from its conclusions:

> The examination of the Metropolitan Life Insurance Company indicates that it is in a sound financial condition.
>
> Policy claims are paid promptly, and fair and equitable treatment has been accorded the policyholders.

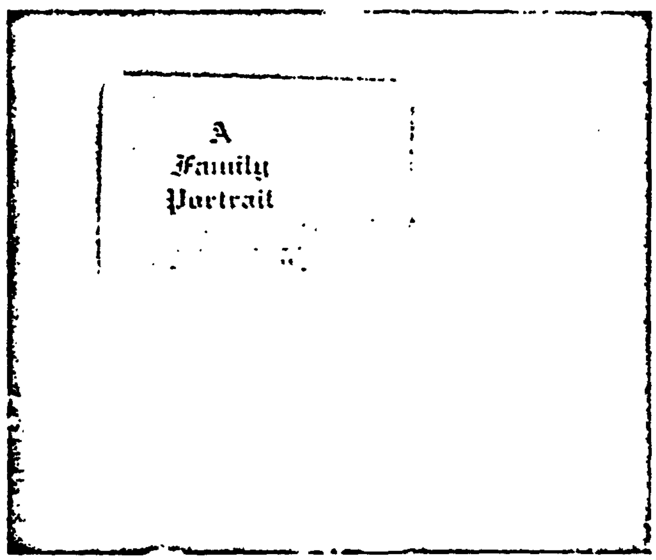
Each year Life insurance companies must submit to the insurance supervisory authorities a full report of their operations. Metropolitan's report for 1947 fills about 200 printed pages about three-quarters the size of a newspaper page. This report must account for every penny of income and outgo, as well as give a complete record of all property and other assets in the Company's possession, and a



detailed statement of obligations. The report becomes a public document.

METROPOLITAN'S "OPEN BOOK" PROGRAM

Metropolitan's operations are an open book, and the Company makes every practical effort to have them understood by policyholders and the public. Each year a report is made to policyholders on the high spots of the preceding year's activities, and published copies are provided for all who are interested. A condensed report is also prepared for those who prefer a summary. In addition newspapers, with a circulation of 42,000,000, carried last year Metropolitan's annual statement advertisement, showing its financial condition and inviting readers to send for copies of the published annual reports.



The 30-minute motion picture, "A Family Portrait," explains how Metropolitan operates in serving its 32,000,000 policyholders.

Realizing the importance of having all Metropolitan people understand the over-all operations and achievements of the Company, there was also published last year the customary annual report to employees. In addition, the Metropolitan prepared a 30-minute sound motion picture entitled, "A Family Portrait," which gives a broad, interesting picture of the basic operations of the Company. Prints of this film are available for showings by local organizations.

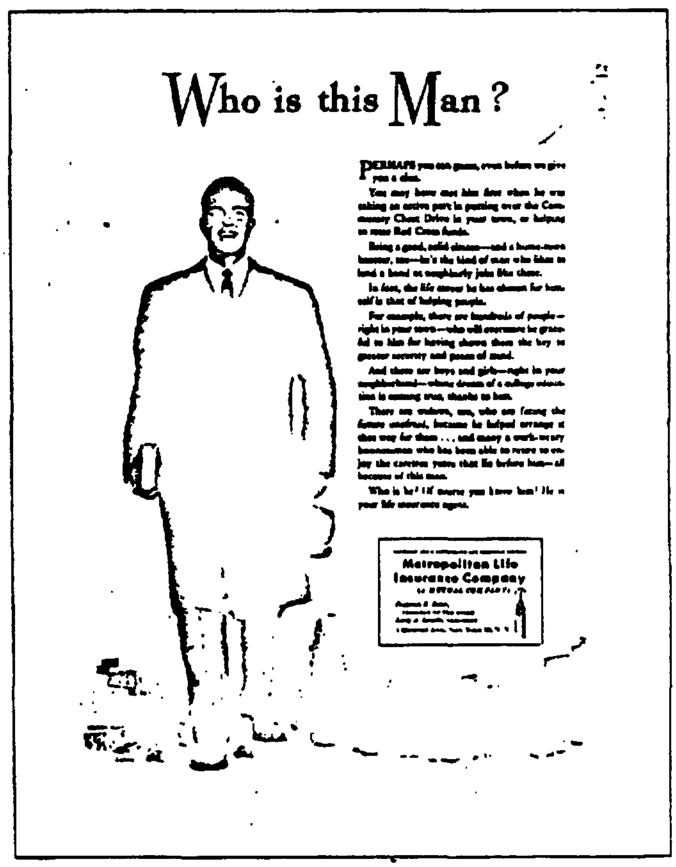
Last year Metropolitan completed another phase of its "Open Book" program—a history of the Company entitled, *The Metropolitan Life—A Study in Business Growth.* This was designed to help our policyholders and others to learn about the history of the Metropolitan, and to get the background for some of the current management policies. Prepared by Marquis James, the distinguished author and historian who was twice a Pulitzer prize winner, the book is a neutral, objective portrayal of Metropolitan. It is available to those interested, in public libraries, numerous educational institutions, and the libraries of many local, civic, and business associations.

A WORD OF APPRECIATION OF METROPOLITAN MEN AND WOMEN

I wish that all our policyholders could have an opportunity to know the wholehearted and faithful service rendered by our Agents, the Staffs of the District Offices, and employees in our Home and Head Offices—a combined total of more than 45,000 people.

Frequently we receive commendatory letters and comments from policyholders regarding Metropolitan employees. We appreciate them and wish it were possible to bring to the writers, and in fact to all policyholders, a picture of the complex organization which is necessary to assure efficient service.

In order to help the public understand the significance of the efforts of Metropolitan personnel, and because the public comes in direct contact with Agents, we featured the Agent again last year, as Metropolitan has on other occasions, in an advertisement in several prominent magazines. In some respects our Agents are really the Company to policyholders, but without the able services of the employees in the Field Offices and in the Home and Head Offices, Metropolitan's high standards of service would be impossible. We really have a great organization and can justifiably be proud of its achievements. In fact, the growth of the Company in public esteem reflects the efforts and loyalty of Metropolitan's men and women, 9,191 of whom have been in our service for 20 years or more.

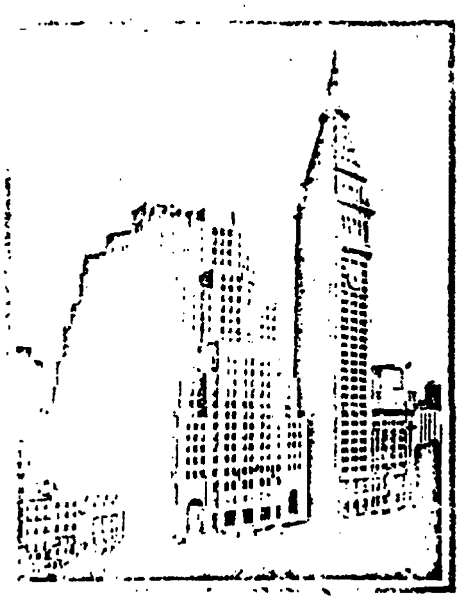


This advertisement, published in a number of leading national magazines, is one of a series explaining the important services rendered by the Life Insurance Agent.

IN CONCLUSION —

We are looking forward to further progress in the years to come, and to the continued achievement of the high ideals of service which Metropolitan constantly strives to provide for its policyholders.

And so we close the story of our 1947 stewardship, grateful for the confidence of our policyholders and for the opportunity to serve them, and most appreciative of the wholehearted efforts of our organization to fulfill our obligations with fidelity and efficiency.



SOME HIGHLIGHTS OF THE YEAR'S OPERATIONS

Payments to Beneficiaries and Policyholders During 1947

Ordinary	$272,742,444
Industrial	246,061,988
Group (excluding Accident and Health)	102,505,626
Accident and Health	50,617,545
TOTAL	$671,927,603

Life Insurance in Force on December 31, 1947

Ordinary	$18,783,894,976
Industrial	9,693,848,489
Group	8,778,861,250
TOTAL	$37,256,604,715

Accident and Health Insurance in Force on December 31, 1947

Weekly benefits	$40,223,501
Principal sum benefits	$2,500,399,501

New Life Insurance Issued During 1947

Ordinary	$1,741,044,712
Industrial	680,225,549
Group	474,387,779
TOTAL	$2,895,658,040

Number of new Ordinary and Industrial Life insurance policies issued	2,299,764

A Brief Summary of

[illegible]IONS DURING 1947

We received or have due for premiums and other payments by policyholders	$1,162,617,175.21	
Our investments earned net interest (after real estate taxes and other investment expenses)	234,843,321.10	
TOTAL		$1,397,460,496.31
We paid to beneficiaries and policyholders as:		
Death benefits	$ 243,118,344.52	
Matured endowments	127,168,926.65	
Disability benefits	10,415,788.28	
Accident and Health benefits	38,165,301.95	
Annuity payments	25,155,516.29	
Surrender values	75,773,947.22	
Dividends on policies	148,169,716.46	
Refunds for direct payment of weekly premiums .	7,960,261.85	
Total Payments to Beneficiaries and Policyholders .	$ 671,927,603.22	
We paid for health and welfare work for policyholders and public	5,265,787.94	
Increase in funds set aside for the benefit of beneficiaries and policyholders	473,016,208.21	
Total Paid or Set Aside for Beneficiaries and Policyholders		$1,150,209,599.37
We reduced stated value of assets (less $11,010,628.32 net profit on sale or maturity of investments), etc.		20,507,206.24
We required for payment of the operating expenses of the Company:		
For Field service to policyholders and obtaining new insurance . . .		136,612,169.44
For service to policyholders at Home Office and Head Offices . . .		67,636,637.19
We required for payment of taxes (other than real estate taxes, etc.) . .		22,494,884.07
TOTAL		$1,397,460,496.31

The $473,016,208.21 increase in funds set aside for the benefit of beneficiaries and policyholders resulted from an increase of $470,441,132.55 in Statutory Reserves and other policy obligations, a decrease of $11,252,000.00 in Special Surplus Funds, and an increase of $13,827,075.66 in Unassigned Funds (after transfer of $15,629,151.00 to increase Reserve standards).

BALANCE

(In accordance with the Annual Statement filed w

Obligations to Policyholders, Beneficiaries, and Others

Policy Reserves Required by Law . . . . This amount, together with future premiums and reserve interest, is required to assure payment of all future policy benefits.	$7,333,537,964.00
Reserved for Future Payment Under Supplementary Contracts . . . . Policy proceeds from death claims, matured endowments, and other payments which beneficiaries and policyholders have left with the Company to be paid out to them in future years.	373,634,251.42
Policyholders' Dividends Left on Deposit	64,747,219.00
Reserved for Dividends to Policyholders . . . . . Set aside for payment in 1948 to those policyholders eligible to receive them.	141,215,117.00
Policy Claims Currently Outstanding . . . . . . Claims in process of settlement, and estimated claims that have occurred but have not yet been reported to the Company.	34,085,580.50
Other Policy Obligations . . . . Including premiums received in advance, etc.	33,550,654.32
Taxes Accrued . . . . Including estimated amount of taxes payable in 1948 on the business of 1947.	17,704,521.00
Contingency Reserve for Mortgage Loans	21,000,000.00
All Other Obligations	29,389,937.42
TOTAL OBLIGATIONS	$8,048,865,244.66

Thus, Assets exceed Obligations by . .	$499,557,356.51
This safety fund is made up of:	
Special Surplus Funds . . . . . . (including $56,556,000.00 for possible loss or fluctuation in the value of investments)	$ 72,281,000.00
Unassigned Funds (Surplus) . . .	$427,276,356.51

NOTE—Assets carried at $412,328,264.37 in the above statement are deposited with various public officials under requirements of law or regulatory authority. In the ment filed with the New York State Insurance Department.)

?rs	*Assets Which Assure Fulfillment of Obligations*		
,964.00	**National Government Securities**		$3,876,921,624.32
	U. S. Government	$3,632,510,803.00	
	Canadian Government	244,410,821.32	
	Other Bonds		2,710,589,958.79
	Provincial and Municipal	$ 74,399,932.15	
,251.42	Railroad	510,214,387.99	
	Public Utility	975,681,105.50	
	Industrial and Miscellaneous	1,150,294,533.15	
	Stocks		105,388,903.00
,219.00	All but $1,565,382.00 are Preferred or Guaranteed.		
,117.00	**First Mortgage Loans on Real Estate**		964,666,721.19
	Farms	$ 86,117,937.09	
	Other Property	878,548,784.10	
,580.50	**Loans on Policies**		343,301,733.81
	Made to policyholders on the security of their policies.		
,634.32	**Real Estate (after decrease by adjustment of $25,000,000 in the aggregate)**		208,752,510.79
	Housing projects and other real estate acquired for investment	$ 139,090,580.35	
,521.00	Properties for Company use	35,015,955.07	
	Acquired in satisfaction of mortgage indebtedness (of which $19,098,579.96 is under contract of sale)	59,645,975.37	
	Cash and Bank Deposits		156,258,124.20
,000.00	**Premiums, Deferred and in Course of Collection**		124,836,913.79
,937.42	**Accrued Interest, Rents, etc.**		57,706,111.28
,244.66	**TOTAL ASSETS TO MEET OBLIGATIONS**		**$8,548,422,601.17**

. . . . **This fund, representing about 6 percent of the obligations, serves as a cushion against possible unfavorable experience and gives extra assurance that all policy benefits will be paid in full as they fall due.**

posited with ority. In the Annual Statement filed with the Massachusetts Insurance Department, Policy Reserves Required by Law are $7,333,661,995.00, and All Other Obligations are $29,265,908.42.

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President and Chairman of the Board, The Riggs National Bank

*Deceased, January 9, 1948.

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