your business is its growing persistency—a most important element, tending to the upbuilding of the company, and the increasing of its surplus-earning capacity. This indicates to me—having many years' experience in field work—that your agents must be a class of men thoroughly versed in their work, and that the company's plans are well adapted to meet the needs of the insuring public. Naturally, the unsurpassed strength of the company, coupled with such desirable plans, must continue to attract the very best men, and the most successful agents, to your field staff.

"Having examined the investment policies whose dividend periods mature or expire in 1898, I beg leave to recommend that the sum apportioned be set aside to meet the dividend obligations accruing thereon, which amount I have allocated properly to the individual policies entitled thereto."

The president, Mr. John L. Blaikie, in moving the adoption of the report, said:

"I have pleasure in moving that the reports and balance sheet be adopted.

"In doing so, permit me to invite your attention to some interesting and important facts therein contained. But before proceeding to do so, I heartily congratulate the policy-holders upon this annual meeting being held in this splendid office, the building being owned by the company, and secured on such extremely favorable terms, that at a moderate cost we occupy one of the finest business buildings in the city, beautifully lighted on all sides, with abundant vault accommodation, and with a sufficient depth of lot to admit of great addition to our space as the business continues to grow in the future.

"The securing of this property is generally regarded as a splendid stroke of business, and a profitable, solid investment, making a valuable addition to the assets of the company.

"As on many previous occasions, you will be pleased to observe that in everything that goes to make a life insurance company successful, the North American Life again shows progress, solidity, and gain for the policy-holders.

"For example, compare the business of 1897 and 1896 under the following heads:

		Increase over 1896.	Percentage of Increase.
Assets as at Dec. 31st, 1897...	$2,773,177.22	$257,343.81	10.2
Cash Income......	699,5?0.49	57,762.41	9.
Ins. in force......	18,945,878.00	1,451,708.00	8.3
Premium Income	582,431.96	42,670.41	7.9
Interest Income	117,118.53	15,092.00	14.8

"The assets of the company are of a high class, and after providing for every liability, there remains a net surplus of $427,121.33, the percentage of net surplus to liabilities being 18.2, and the percentage of assets to liabilities being 118.2. I shall not refer more particularly to the assets, as that will be done by Vice-President, the Hon. Mr. Allan.

"A great deal of insurance is being done now-a-days, of such a character that it may be more fairly regarded as imaginary, rather than real insurance—no tangible assets being laid up out of which claims arising under such policies may be paid. As the figures before you will conclusively prove, the North American Life is upon a very different basis, indeed—its foundation being solid rock—and its policy-holders are abundantly justified in resting easy in their minds as to the ability of the company to promptly meet every claim as it may mature.

"It is often said by those who do not understand any better, that life insurance companies make large profits by reason of so many allowing their policies to lapse, thus dropping their insurance after having paid it maybe only one or two premiums.

"This is a mistaken view of the matter. All companies regret exceedingly the very large terminations that take place every year. It costs money to place every policy on the books, the company having to pay agents' commission, medical fees, and sundry other charges, and, of course, until the next premium falls due, the company is carrying the risk, and is liable for the amount of the policy in the event of the death of the insured.

"All respectable companies are most desirous that their policy-holders should persistently keep up their policies, and not allow them to lapse or terminate.

"A year ago I submitted a table, showing the experience of eleven companies doing business in Canada, the amount of insurance issued, the total terminations each had experienced, and what the percentage was. The North American made a far better showing than any of the eleven, and official figures given in the last Dominion Government report, showing a like experience, again places the North American in the first position.

"The importance of a thorough audit of any company's affairs can scarcely be overestimated, when that audit is thorough and exhaustive. I can state that this is the case with our esteemed auditor, Dr. Carlyle.

"Besides this, however, there is a most careful and complete examination of everything relating to the company's position made every year by the Dominion Government Superintendent of Insurance, who examines every security owned by the company, and sees that every requirement of the Insurance Act is being strictly complied with.

"This examination is made entirely independent of any person connected with the company, and the result is published in the Insurance Blue Book in detail.

"I have already trespassed too much upon your time and patience, yet cannot conclude without bearing testimony to the unwearied zeal, diligence and ability of Mr. McCabe, our managing director, of Mr. Goldman, our efficient secretary, and I may add, of the office staff generally.

"And last of all, though certainly not the least of all, we are indebted to our army of agents in the field, who have to fight many battles, but having such a company as the North American Life at their back, they win many victories, and that, too, by fair and honorable means.

Mr. J. N. Lake, in moving a vote of thanks to the company's provincial managers, inspectors and agency staff, said:

"The value of our agency staff is shown by the persistency of our business. From the last Government report I find that of the total net increase in insurance of all Canadian companies for that year, this company held almost 25 per cent of such additions. I attribute this satisfactory statement of affairs to our agents being men of integrity and high standing in their profession, and who endeavor to carry out our wishes and transact their business in a fair and proper manner. No doubt the agent is very materially aided in his work by representing the North American—a company having such a large surplus in proportion to its liabilities, and its earning power being relatively so great as compared with the majority of its competitors, is a tower of strength to its agents. I most sincerely congratulate our very efficient staff of representatives on the work they accomplished last year, the number of the policies being 2,621, and the amount of insurance thereon, $3,556,024—a truly grand year's work.

"It will be gratifying to everyone interested in the company, and speaks volumes for the energy displayed by our agents, that our new business this month is the best business for January in the history of the company.

"Another satisfactory point in the company, which reflects credit on the whole of our agency staff, including our local agents, is the small amount of outstanding and deferred premiums at the close of the year. The best test on this point is a comparison with our business and that of the other home companies in that respect. From an examination of the last Dominion Government report, it will be found that the North American is the lowest, namely, 18 per cent., while the highest is 35.56, and the best evidence that this company's business is brought down to a hard-pan basis, is shown by the outstanding and deferred premiums at the end of 1897, showing the slight increase of $3,280.15.

"It is interesting to note the great progress this company has made during the last ten years, as shown by the following table:

Yr.	Cash Income.	Assets.	Insurance in force.	Net Surplus.
7th	$228,282.64	$ 542,318 99	$ 6,974,390	$ 54,895.94
12th	434,626 42	1,413,978.00	12,060,081	225,635 80
17th	t99,550 49	2,773,177.00	18,945 878	4:7,1:1.33

"You will see that the interest income increased over three-fold; assets over five times; insurance in force, nearly three-fold; and net surplus nearly eight-fold—the latter indicating that the company is a good one for the policy-holders.

"This company has always closed its books promptly at December 31st, and never includes in its statement applications or receipts, or business of any kind received at the office after that date. We discourage our agents from forcing business, and the practice of making special concessions to agents to enable them to rebate for the purpose of securing business during the last month of the year, is entirely opposed by us, as injurious to the business generallly, decidedly unfair to the older policy-holders, and cannot but result in a loss to the company conducting its business on such an improper basis."

The Hon. G. W. Allan, vice-president, said:

The president has stated that he would like me, as vice-president of the company, to make some reference to the assets, which now total the large sum of $2,773,177.22. I think the very best evidence of the excellent character of the assets of the company, and the care shown by the directors in the investment of the funds, is the large increase in our interest income for the year, namely, $15,092, and the fact that our interest and rents, due and accrued, at the end of the year should show a decrease of $1,119.57. Now, here is the position of our assets. We have invested in:

	Amount.	Percentage of Total Assets
Mortgages, etc...	$1,108,563 93	40
Debentures*... ..	635,197 89	22.9
Real estate**.. ..	292,263 83	10.5
Stocks and bonds	203,331 44	7.3
Loans on policies.	176,381 61	6.4
Loans on stocks..	157,780 00	5.7
Outstanding premiums in course of collection, and quarterly and half-yearly premiums, being balance of year's premiums not yet paid..	100,460 37	3.6
Cash in banks. ..	57,743 07	2.1
Cash on hand.. ..	31.78	
Interest and rents, due and accrued.	38,376 95	1.4
Reversions.	3,046 35	.1
	$2,778,177 22	100.

*Market value exceeds this by $21,425.15.

**Including the company's building.

I think you will agree with me, this shows a highly satisfactory state of affairs, and must be doubly reassuring to all the policy-holders of the company, as well as its excellent agency staff, as to the high standard this company has attained among the life companies in this country. So far as I can judge, it stands at the head.

"Our real estate, as compared with last year, shows but a slight addition in amount, except that we have now added thereto our own home, this handsome building, in which we are holding this meeting. It was an excellent stroke of business on the part of the company in securing this property, as we have now every accommodation for the proper conduct of the business; in fact, one of the best-equipped offices in the city, and the