

REPORT OF THE CONSULTING ACTUARY.

To the Directors of the North American Life Assurance Company:

GENTLEMEN,—A careful examination of the results of your work for the year 1891, shows very abundant cause for congratulation, with not a single point for regret.

Although strictly in line with your experience since the date of your organization, it seems that no previous year shows so much of healthy, steady, and vigorous growth. The elements of the favorable growth, covering as they do the results of the work of all your executive departments, are a substantial proof that your business in every phase has been skilfully and intelligently managed.

Your gain in total insurance in force is a sure indication that your policy-holders are satisfied with the conduct of the company and appreciate your able and untiring supervision of its affairs.

With assets of about a million and a quarter of dollars, and a run of policies having a conservative element of investment with a long period before maturity, you are sure to show a continued progress in the same direction. Policy-holders will from year to year show greater appreciation of your large and safely invested Reserve Fund, which is the pledge of their protection, and of your correct system of management. Furthermore, the increasing value of your old business will give a greater vested interest to the old policy-holders in your concerns, will secure their co-operation with you and with your agents, and will tend always to a greater and still greater degree of persistency.

The character of your policies is such as to give you a large earning power, and a large earning power in connection with a careful and conservative management, means a constantly growing surplus fund and an increasing power of affording abundant security to each and every one of your policy-holders. It is quite possible for a company to have an average of business embracing too great an element of investment, and this you happily avoid. I think I can safely say that the lists of your policy issues are just such as a careful selection would indicate a preference for.

Your large proportion of twenty payment life policies secures a good premium income, binds the insured to its continuance for a long time to come, and nevertheless has sufficient of the element of investment to secure a good degree of persistency.

A net surplus of \$183,000 compares favorably with the showing of other companies, and is an unusually favorable result.

There are other points of most favorable progress indicated by your statement, but they all tend in the same direction and emphasize the skill and carefulness of your management.

WM. T. STANDEN,
Consulting Actuary.

The Hon. A. Mackenzie, M.P., in moving the adoption of the report, said:

I can assure you, gentlemen, it affords me a great deal of pleasure to meet you all again at this our eleventh annual meeting, knowing as I do that the statement placed before you of the work of 1891 shows that our company continues the prosperous career that has been characteristic of its operations from the very first year it commenced business. In every department, tending to the present and future prosperity of the company, advances have been made, and especially in that most important item, surplus.

Last year we paid our first investment policies, and others are maturing this year. From the report of our consulting actuary, I feel sure the result will prove satisfactory to the holders of these policies.

I believe the amount of profit earned for the past year will compare most favorably with that earned by any other company, and is in itself the strongest reason I can advance why our policy-holders should endeavor to maintain their policies in this company, and those who hold long term investment policies will doubtless maintain the same, as I believe it will be advantageous for them to do so.

Our endeavor has been to make this a thoroughly solid and safe company. I know that many of my personal friends are among its early policy-holders, and I rejoice to be able to say to them to-day that the solidity of this company is, in my opinion, not exceeded by any other on this continent.

The assets of the company are all safely and

carefully invested in the very best class of interest-bearing securities, and so far we have not experienced the loss of one dollar through our investments.

The outlook last year for business did not appear to warrant us in incurring increased expenses to enlarge our agency operations. We therefore limited our work to about the same lines as in the previous year, and with exceedingly satisfactory results. Our new business was in excess of that of 1890, while our ratio of expenses showed a further decrease from that of the previous year.

In common with all our people, I rejoice in the bountiful and abundant harvest of the past year. The earth has given forth her increase, and this promises increased prosperity to every section of this grand country in which it is our privilege to dwell. I believe that all classes of business have been conducted, during the past year, on more conservative and economical lines than those which formerly prevailed, and if the same prudent policy be continued, it will argue well for a general improvement in business matters.

That the active officers of this company are the right men in the right place and thoroughly experienced in all the intricacies of the life insurance business, I know by coming in contact with them, and to this fact is largely due the great and pleasing success of the company.

I am confident every contract entered into by the company will be as surely met in the future as similar contracts have been in the past, and that this company will maintain its proud record for fair dealing to its policy-holders.

John L. Blaikie, Esq., vice-president, in seconding the motion, said: The statements submitted at every annual meeting that has been held of the North American Life Assurance Company have afforded grounds of congratulation, and the eleventh annual statement reveals results so satisfactory that policy-holders may well be congratulated upon being insured in a company where their advantages are so great and at the same time so certain.

The North American Life has now attained a proud position among the companies doing business in our goodly land, and it is worthy of special notice that care has been taken to build it up upon foundations laid broad and deep, so solid indeed that future generations of policy-holders can at all times keep an easy mind as to the ability of the company to fulfil its engagements and contracts, and that for every liability incurred by it there are ample resources in the first-class investments of the company, and a steadily increasing surplus besides, from which handsome bonuses to policy-holders are assured. Solidity, permanence, profit, can confidently be held out to insurers in the North American Life Assurance Company. I will now quote figures showing that at the end of the eleventh year the North American had a larger income, surplus and insurance in force than any of the leading Canadian companies. In the important point of net surplus to the total liabilities, the percentage of the North American is 18.04, which will be found to be higher than the majority of leading companies transacting business in this Dominion.

At this point permit me to mention that a member of my family received by mail some circulars relating to one of the large life insurance companies of the United States, accompanied by a letter from a special agent. The documents are skilfully and ably got up, but great stress is laid upon the vastness of their assets, as if for that reason they must be better than such companies as have smaller assets. They do not present the other side of the question, viz., that they have correspondingly immense liabilities.

When the percentage of net surplus to assets is looked to, and that is the true test to apply, then I affirm that the North American Life is entitled to higher rank than many of the colossal institutions competing with us.

Next compare the percentage of death losses to the mean amount insured. Again take the three leading companies and they show 1.07 per cent., .61 per cent., .88 per cent., and the North American .50 per cent. Yet one other comparison, and that is the average rate of interest upon investments; it stands thus: 5.49, 5.50, 6.00, and the North American 6.06 per cent. Thus in all these most important particulars the North American takes first place, and consequently no company should be able to do better for its policy-holders.

Having regard for these facts and figures,

and to the result of the business for 1891, the position of the North American Life is such as to warrant policy-holders in regarding it with extreme satisfaction, and regarding its prominent characteristics as solidity, permanence, profit, to which may be added fair honorable treatment, and prompt payment of death claims.

To our active agents in the field we are again indebted for the noble services rendered to the company in securing so large an amount of business. It is all the more appreciated when the keen competition met with on all hands is considered.

While desirous of doing a large business greater importance is attached to the character or quality of it, so as not only to have good lives, but insurers who will be persistent in keeping their policies in force. Every year a very large proportion and an increasing proportion of our business is of that character, which is a great advantage over that other class of policies obtained by what may be called high pressure canvassing, as a large proportion of that kind invariably becomes before long to be reckoned among the "Lapsed Policies."

The splendid statements submitted to-day will furnish our army of workers with arguments for their arduous labors, and will enable them to convince many insurers that they will consult their own interests by taking out a policy in the North American. Some businesses are pushed to the detriment of the community, and those engaged in the prosecution of such cannot fail oftentimes to have the uncomfortable reflection forced upon them that the more business they do the more injury is inflicted upon many.

In marked contrast to this is the beneficent work of life insurance agents, as the more success they meet with the greater benefit they confer upon widows and orphans, or upon persons who take endowment policies and thus provide against want and old age.

The faithful, zealous and unceasing labors of the managing director, Mr. McCabe, and Mr. Goldman, the secretary, and I may add of their efficient assistants, are worthy of special mention, and to them we are undoubtedly very largely indebted for the splendid success attained by the company. Daily intercourse enables me to speak confidently as to the valuable services rendered by these gentlemen.

Gentlemen, I have already trespassed too long upon your time, but one thing I desire to say, and though last it is not least in respect of interest to all of us. Our much venerated and esteemed president, the Hon. Alex. Mackenzie, has this day attained the age of 70, has reached the span of three score and ten. We rejoice in his presence with us to-day, and unite most heartily in congratulating him on this occasion. Most sincerely and fervently do we unite in the desire and hope that a kind Providence may grant us the happiness of seeing him with us for many years to come.

Hon. G. W. Allan said that as a vice-president he had much pleasure in being present to-day, and especially in noting the exceedingly satisfactory progress the company had made during the past year. The president and Mr. Blaikie had already spoken so fully on the affairs of the company that he would now refer to another interesting matter.

Probably some of those present to-day were not aware that our chairman, the Hon. Alex. Mackenzie, had reached the allotted span of life, viz., 70 years, until the fact was mentioned by Mr. Vice-president Blaikie. He was exceedingly pleased to see that Mr. Mackenzie was enjoying his usual state of health, able to attend the meeting to-day, as he had attended very faithfully the meetings of the company during the past year, and on all occasions given close attention to the affairs of the company. Mr. Mackenzie was one of those men who did not require any one to give him a character; his reputation for honesty and uprightness were synonymous with the honorable name he had borne throughout his career.

Hon. G. W. Allan then moved a special vote of thanks, accompanied by a substantial mark of the high appreciation of the great and valuable services rendered by the Hon. A. Mackenzie, M.P., to the company since its organization, whose continued solid progress had always given him the highest satisfaction especially as a recognition of his being present on this the 70th anniversary of his birthday.

Mr. J. K. Kerr, Q.C., in seconding the motion, said: It is a source of pleasure to me personally to second this motion and to congratulate