

on all policies issued since 1902 on a three per cent. basis, and \$489,548.86 was added to the undivided surplus. The surplus over all liabilities and capital stock is now \$1,225,247.45, which indicates the strength of the Company's position and the amplitude of the provision for those policies whose time for participation has not yet arrived.

Liabilities Calculated on Stringent Basis.

The liabilities have been calculated on the Hm. table, with three and one-half per cent. interest for all policies issued prior to December 31st, 1902, and three per cent. for those issued since. It should also be noted that the Hm. mortality table, in itself, calls for heavier reserves than the American table in use in the United States, so that both from the standpoint of the table employed and the rate of interest assumed, the liabilities have been calculated on an unusually stringent basis.

Handsome Current Dividends to Policyholders.

Although the increase in the surplus on hand has been great and promises well for future distributions of profit, the dividends actually being paid to our policyholders have kept pace. The steady growth in the profit earnings permitted the Company to increase the scale of distribution for the year 1905 beyond that for 1904, and the scale for 1906 in its turn beyond that for 1905. We are pleased to say that the scale which has been adopted for the current year, 1907, is again beyond that for 1906. The large earnings have, therefore, not merely benefitted the policyholders by adding to the strength of the Company and by increasing the provision for future profits, but also by permitting the distribution to them of remarkably handsome current dividends.

Insurance Investigation.

The most noteworthy feature of the past year in Canadian insurance circles has been the investigation of our life companies by a Royal Commission. The public are already so thoroughly informed in regard to this matter that any detailed reference here is unnecessary. Speaking of our own Company, while the Commission unquestionably gave the officers an immense amount of additional labor, the results of the enquiry have been very beneficial. The great strength of the Company, its profitable investments, the large dividends paid by it to its policyholders, the ample provision for profits on policies not yet participating, and, if we may be pardoned for saying so, the honesty and cleanness in all its business methods, have been brought into the light as never before.

A Most Striking Fact.

Possibly the most striking fact brought out was that the Company is really much stronger than it has ever claimed to be, having a contingent fund outside its published list of assets, composed largely of bonus stocks obtained in connection with purchase of bonds. This fund is already worth a large sum, and not only adds to the strength of the Office, but will in time materially increase the payments of profits as the various items are converted into cash.



The Scot 'Way Down South.

The Scot is everywhere. North, south, east or west you will find a McLeod, Brown or Fraser. We have before us the Atlanta Georgian, of recent date, which tells us that away down south the Scot migrates, and they have a real live Burns Society in Atlanta, with the Sun Life manager, Mr. John S. Cameron, a raw-boned Scot, as president.