

Report of the Sun Life Assurance Company of Canada for 1901.

*Submitted at the Annual Meeting, held
February 28th, 1901.*

The pleasant task falls to the directors of presenting their report upon the transactions of the Company for another year.

During the twelve months ending December 31st, 1901, applications to the number of 15,238 for assurances of \$15,618,144.83 were received by the Company. The policies actually granted and paid for were 6,501, for \$10,092,583.59, in the Ordinary department, and 4,805, for \$741,714.48, in the Thrift department, the total being 11,306, assuring \$10,834,278.07. These figures are considerably in excess of those of any previous year in the Company's history.

The policies in force at the close of the books were as follows:

	Number.	Amount.
Ordinary department . . .	38,833	\$60,278,201
Thrift "	15,117	2,122,730
Total	53,950	\$62,400,931

The income continues to rapidly increase, as will be seen by the following figures:

Premiums, deducting re-assurances'	\$2,475,024.14
Annuities	102,349.70
Total premium income	2,577,373.84
Interest, rents, and profits on sale of securities	518,292.23
Total income	\$3,095,666.07

This total shows an advance over the corresponding amount of the preceding year of \$306,439.55, or just eleven per cent.

The death claims which fell in were somewhat heavier than usual. They amounted to \$722,245.38 under 570 policies. Of this amount \$15,000 was re-assured. Endowment assurances numbering 115 for \$177,078.49 also matured and were paid.

A large addition has been made to the assets, bringing them up to \$11,773,032.07. This is a growth of \$1,286,140.90, or twelve per cent., during the year. The surplus over all liabilities and capital stock, according to the Company's own basis (the Institute of Actuaries' Hm. table with 4 per cent. interest for policies issued before 31st December, 1899, and 3½ per cent. for those issued since), after the payment of \$72,608.80 in cash profits to policies entitled thereto, now amounts to \$481,499.86. The surplus by

the Government standard is \$858,941.56 over all liabilities and capital stock. These proofs of continued and increasing prosperity and progress cannot fail to be very gratifying.

The industrial activity and expansion, which have characterized recent years to such a remarkable extent, are still with us, and the demand for capital is insatiable. As a result, the opportunities for making choice long term investments at highly remunerative rates of interest are probably better to-day than at any period in the last quarter of a century. Your directors are fully alive to the fact that the natural and inevitable reaction from the present state of affairs must be guarded against by the selection of securities which are not likely to shrink in value when that time of testing comes. They, nevertheless, believe that the investments which they are at present making will be of material assistance to the Company in enabling it to earn a good rate of interest for many years to come. The effect which this must have on future profits does not need to be enlarged upon. In passing, however, it is worth while to point out what a commentary this state of affairs is on the action of Parliament in passing the retroactive features of the 1899 amendment to the Insurance Act. While, with a view to the distant future, a reduction in the rate of interest on new contracts had to be contemplated, existing conditions did not warrant a change which seriously trenching upon existing contracts, reducing the profits payable to old policyholders. The responsibility of these unnecessary hardships must be borne by those companies which advocated the adoption of that measure. Not only have the prophecies of a further decline in the rate of interest not been fulfilled, but almost from the day of the passing of the act there has been a marked and rapid rise in the rate.

In conclusion, the shareholders and policyholders are to be congratulated on the splendid position to which the Company has already attained, and on the still brighter future rapidly opening out before it.

The Directors who retire by rotation are Messrs. James Tasker, Alexander Macpherson and Murdoch McKenzie, who are eligible for re-election.

R. MACAULAY,
President.

T. B. MACAULAY, A. W. OGILVIE,
Secretary. Vice-President.