

Meetings.

ONTARIO MUTUAL LIFE ASSURANCE COMPANY.

The 30th annual meeting of this growing company was held in its new and elegant board room on Thursday, May 24th, 1900, at 1 p.m. The attendance was, as usual, large, and the proceedings were characterized by the greatest harmony and esprit. The president, Mr. Robert Melvin, of Guelph, occupied the chair, and among those present, in addition to Mr. T. R. Earl, superintendent, and the company's agents, were Alfred Hoskin, Q.C.; B. M. Britton, Q.C., M.P.; F. C. Bruce, J. Kerr Fiskien, B.A.; E. P. Clement, W. J. Kidd, B.A.; George A. Somerville, Hon. J. T. Garrow, Q.C.; Wm. Snider, James Hope, Dr. Webb, Rev. Mr. Gilchrist, A. Millar, Q.C.; Geo. Moore, D. Bean, George Diebel, Mayor; Frank Haight, L. Graybill, and others.

On motion, Mr. W. H. Riddell, secretary of the company, acted as secretary of the meeting, and at the request of the president read the directors' report.

REPORT.

Your directors respectfully submit for your consideration their report of the business for the year ended December 31st, 1899.

We are pleased to inform you that the business was of the most gratifying character, and in volume exceeded that of any year in the history of the company. Our surplus was sufficient to enable us to continue the same liberal scale of surplus distribution to policy-holders as in the past. The death rate was light and much below the expectation; the lapses and surrenders in proportion to new business and that already in force still continue to decrease.

Applications, numbering 3,313, for \$5,484,762 insurance were received, of which 2,896, for \$4,751,026, were accepted and policies issued, and 1,011 for \$164,250 were declined. The number of policies in force is 18,819, amounting to \$26,946,441.20; the reserve, actuaries' 4 per cent. on amount of policies in force is \$4,324,080.64; premium and annuity income, \$853,887.13; interest and rents, \$197,509.06; sundries, \$6.48. Total income, \$1,051,396.19; total assets, \$4,663,553.45. The amount paid to policy-holders was \$358,901.80; embracing death claims, \$169,174.71; matured endowments, \$54,441; purchased policies, 54, \$455.66; surplus, \$76,850.28; annuities, \$3,998.15.

The surplus over all liabilities on the company's standard actuaries' 4 per cent., \$302,855.28, on the Government standard, 4½ per cent., \$491,394.

At the last session of the Dominion Parliament, the Government amended the Insurance Act, giving much larger scope for the investment of money and raising the standard of reserve from 4½ to 3½, the latter amendment to be gradual, and to be accomplished within fifteen years. The amendments we believe to be in the right direction, and in the best interests of policy-holders. We have at present a bill before the Dominion Parliament asking our charter to be amended by changing the name of the company to the Mutual Life Assurance Company of Canada, and by changing the date of the annual meeting from the fourth Thursday in May to the first Thursday in March.

Mr. George Davidson, who had been one of our auditors for some years, and who performed the duties of that office to the complete satisfaction of the policy-holders and the board, resigned his position early in the year, and the board appointed Mr. A. J. Brewster in his stead. In consequence of the steady and rapid growth of the company's business, it has become necessary to have a monthly audit. This is now being done, and a report is

submitted to the board at each meeting.

Interest on our investments was promptly met; our funds were kept well invested, and the rate of interest did not vary materially from that of 1898. With the increased field for investment, which the amended Insurance Act gives, we may for some time continue to earn a rate about equal to that earned at present.

For some time the accommodation in the office has been quite inadequate, and an addition has been made thereto, sufficient, we think, to meet our requirements for many years.

During the year we lost by death a much valued and respected member of the board, C. M. Taylor. Mr. Taylor was a member of the board of directors, and first vice-president from the inception of the company up till the time of his death, and he will be much missed by his fellow-directors. Mr. William Snider, of Waterloo, was appointed director in his stead.

You will be called upon to elect four directors in the place of Hon. F. W. Borden, W. J. Kidd, Wm. Snider and R. Melvin, whose term of office has expired, but all of whom are eligible for re-election.

R. MELVIN,
President.

ABSTRACT OF ACCOUNTS FOR 1899.

Income.

Premiums, net \$ 808,254 98
Interest, annuities, etc. 243,147 69

Total \$1,051,402 67

Disbursements.

Payment to policy-holders for death claims, endowments, surplus, surrender values, etc. \$ 358,901 80
Expenses and taxes 193,287 67

Total \$ 552,189 47

Assets.

Loans on first mortgages .. \$2,097,117 59
Municipal debentures and bonds 1,469,719 28
Loans on company's policies. 570,876 26
Real estate 131,114 93
Cash on hand and in banks.. 98,578 44
Other assets 296,146 95

Total \$4,663,553 45

Liabilities.

Reserve, actuaries' 4 per cent. \$4,324,080 64
All other liabilities 36,617 53

Total \$4,360,698 17

Surplus.

On company's standard actuaries' 4 per cent. \$ 302,855 28
On Government standard 4½ per cent. 491,394 00

PRESIDENT'S ADDRESS.

In moving the adoption of the report, the president said: It is with pleasure that I meet you again, and place before you the annual report and financial statement for the year ending December 31st, 1899.

The business was in every respect satisfactory, and exceeds that of any other year in the history of the company. The amount of new business issued was \$4,751,026, an increase over the amount issued in 1898 of \$1,000,672; the total insurance in force, \$26,945,441.58; an increase of \$3,241,462.20, a gain which must be satisfactory to every policy-holder of The Ontario, and will more than compare favorably with other companies in respect of the amount added. The test of business is not the amount of new insurance issued, but the amount added in proportion to the amount issued during the year and that previously in force. By this test the past year was the most successful year in our history. In every other respect that denotes prosperity and stability the operations of the year were pre-eminent. We added to our income,

\$127,461.54; to our reserve, \$485,265.70; to surplus, \$31,658.40; to assets, \$527,423.97; and paid \$76,850.28 in surplus to policy-holders, an increase of \$1,819.58 over amount paid in 1898.

Our death rate continues to be much below the expectation, and was more than met by the interest on investments by the sum of \$29,145.17; the cash surrenders were \$7,529, less than in 1898, and lapse rate in proportion to amount of insurance issued and in force was also much less. The total amount of terminations from all causes, deaths, maturity, cash surrender, lapses, etc., was only \$1,558,306.80, a decrease of \$7,463.20, as compared with 1898, and the insurance in force was between three and four millions more. As stated in the report, the surplus earnings were such as gave a very liberal distribution to our policy-holders, and this, in view of the fact that the rate of interest during the early part of the year was somewhat lower, must be gratifying, I am sure. It may be possible that with a continued decrease in the rate of interest, the surplus earnings may be slightly decreased; still we hope that such will not be the case for at least some time to come, for the increased power given under the new Insurance Act to invest in many classes of security from which we have heretofore been debarred, and the great development that is now taking place in the newer portions of the Dominion, absorbing for many years the surplus capital of the older provinces, will enable us to command a higher rate of interest than otherwise obtainable.

With regard to increasing the standard of reserve required under the new Insurance Act, from 4½ per cent. to 3½ per cent., I have no hesitancy in saying that it will not trouble The Ontario Mutual Life much to comply with the terms of the act, long before the time given; in fact, were it deemed advisable it could be done at once, or within a very short time, and still leave a very handsome surplus.

It must be borne in mind that all our business is at present on the actuaries' table, and 4 per cent. basis, so that this company is already on the higher standard of reserve that the Government will compel all companies to provide ten years hence. It seems to me to not be fair to unduly absorb the profit or surplus already earned on policies nearing maturity, in order to put up a 3½ per cent. reserve at once for those that may have many years to run. It is more than probable that it will be accomplished by placing an equal proportion annually of all business in force previous to 1900 on a 3½ per cent. basis, so that all business, old and new, will be on the 3½ standard required by the Government. But, as I stated to you at our annual meeting in 1898, whether it requires a 3½ per cent. or a 3 per cent. reserve to ensure absolute safety, ample provision shall be made to ensure our ability to pay to the last farthing every liability assumed by the Ontario Mutual Life.

At the end of the third decade of the company's history, it may be interesting to look back over that period and note the progress that has been made and what the results have been to our policy-holders. On the 15th of February, 1871, the first annual meeting was held, the report showing receipts amounting to \$4,955.52, and expenditures, \$3,482.56, leaving a balance of cash assets of \$1,472.96, and disclosing total assets of \$4,743.37. What has been accomplished since may be gleaned from the following summary:

Period	Premium Income.	Death claims paid
1870 to 188.....	\$ 302,163.51	\$ 10,750.00
1880 to 1896.....	2,343,900.81	485,377.40
1890 to 1900.....	5,834,613.99	1,202,214.51
Total.....	\$8,480,678.31	\$1,708,341.91