

Manufacturers' Life Insurance Company.

FIFTEENTH ANNUAL REPORT.

The Fifteenth Annual Meeting of the Manufacturers' Life Insurance Company was held at the Head Office, Toronto, February 6, 1902. The report presented by the Managing Director was of the most satisfactory nature, calling forth congratulations from all sides. It was as follows:—

This being the First Annual Meeting since the amalgamation of Temperance and General Life Assurance Company of North America and the Manufacturers' Life Insurance Company, no doubt a great deal of interest will be taken in the Report of the year's transactions by the shareholders and policyholders, and it therefore gives your Directors great pleasure to be able to lay before you a statement so eminently satisfactory in all particulars.

It might reasonably have been anticipated that the disturbance incident to the amalgamation of two vigorously growing concerns would have resulted for the first year at least in a considerable loss of business, but it is pleasing to learn that the opposite is the case. The only feature in the Company's affairs indicating any prejudicial effect is the number of not-taken policies, which amounted to a little more than the usual percentage of the new business, and were principally from amongst the new policies written during the eight months immediately preceding amalgamation, that is, while rumours were freely circulating and before a definite announcement could be made. On the other hand, since the actual consolidation in June last, the Company has made rapid strides in every department.

The applications for New Assurances were 3,835 for \$5,663,378, being \$531,009 in excess of the business of the combined companies for 1900. Of this amount \$606,117 was declined as not being up to the required standard. Applications for \$33,860 were incomplete at the end of the year, and 3,395 policies were issued for \$5,023,401. The total assurances now in force aggregate \$27,139,421, of which \$8,945,449 is in the Temperance section, \$16,640,920 in the General, and \$2,553,955 in the foreign.

The net premium and interest income for the year was \$1,064,821.98, being an increase of \$103,595.67 over that of both companies for 1900. The payments to policyholders, including death claims, were \$236,073.74, and working expenses and taxes amounted to \$262,932.08, excluding the

sum of \$9,230.98, which was expense out of the ordinary connected with amalgamation. Had the rate of expenses to premium income continued the same as in 1900, the ordinary working expenses would have been \$283,170.94, so that the saving for the six months since amalgamation has amounted to \$20,238.86, or at the rate of over \$40,000 per year, a result which fulfils our estimate and fully justifies the action taken by the boards of the amalgamating companies.

The excess of income over expenditure is \$572,014.67, a very substantial amount to add in one year to the reserves and surplus for policyholders.

The claims actually falling in during the year were \$196,356.10, of which \$43,656.10 was in the Temperance section, \$139,520 in the General, and \$13,180 in the Foreign.

The assets show an increase of \$568,119.03, having almost reached the \$1,000,000 mark.

The reserves for policyholders on the Government standard amount to \$3,210,701 and the surplus on policyholders' account to \$502,321.50.

The date fixed by legislation for the companies to comply with the more conservative 4 per cent. basis of valuation is January 1, 1910. This Company could comply with this standard to-day and still have a considerable surplus over all liabilities and capital stock.

Altogether with rapidly increasing assets and surplus, a thriving new business, and decreasing expense ratio, the position is a very satisfactory one. Your Directors have good reasons to congratulate you on such results and to record their appreciation of the arduous labours of the Officers, Office Staff and Field Force and the success which has attended their efforts during a year when so much extra work and strain devolved upon them. Now that the agencies and Head Office affairs of the two companies have been fully consolidated and the whole attention of the management can be given to the ordinary requirements of the business, we may reasonably look forward to even greater achievements in the near future.

The Auditors' Report will be found appended to the accompanying financial statement and balance sheet.

G. W. ROSS, President.

J. F. JUNKIN, Managing Director.

FINANCIAL ABSTRACT FOR THE YEAR ENDING DECEMBER 31, 1901.

ASSETS.	
Government Municipal and other Bonds, Stocks and Debentures	\$2,106,819.85
Mortgages on Real Estate	1,077,395.05
Loans on Policies	254,005.08
Real Estate	56,859.24
Deferred Premiums, Premiums in Transit and Interest due and accrued	246,789.95
Other Assets (including Cash in Banks)	30,608.08
	\$3,772,477.25

INCOME.	
Cash received for Premiums	\$723,102.56
Cash received for Interest, Rents and from other sources	181,719.42
	\$1,104,821.98

LIABILITIES.	
Reserve for Policies and Annuities	\$3,210,701.00
Authorized Dividends to Policy holders and Death Claims awaiting Proofs, etc.	49,067.00
All other liabilities except Capital Stock	10,387.75
Surplus on Policy holders' Account	502,321.50
	\$3,772,477.25

EXPENDITURES.	
To Policy-holders for Death Claims	\$169,622.49
To Policy-holders for Matured Endowments, Investment Policies and Annuities	33,607.64
To Policy-holders for Profits and Surrender values	32,843.61
Total payments to Policy-holders	\$236,073.74
Payments for all other accounts	296,733.57
Excess of Income Over Expenditure	572,014.67
	\$1,104,821.98

NOTE.

For Security of Policy-holders the Company holds:

(a) Surplus as above	\$502,321.50
(b) Reserve " "	3,210,701.00
(c) Uncalled Capital Stock	1,200,000.00

TOTAL SECURITY TO POLICY-HOLDERS **\$4,913,022.50**

The following statement shows the magnificent increase in 1901 over 1900:

Item.	1900.	1901.	Increase in 1901 over 1900.	Increase per cent.
Amount of Insurance Issued	\$4,171,663.00	\$5,023,401.00	\$851,738.00	20.
Assets	3,204,359.22	3,772,477.25	568,119.03	17.7
Net Surplus	144,734.05	202,321.50	57,587.45	39.8
Security to Policy-holders	4,007,713.33	4,913,022.50	905,309.17	22.6