

requirement at the present time, and has been for many years past. The gradual accumulation of the contingent reserve fund has been advised by the managing director as the best method of making the change, and anticipating the probability of the Government enacting that the reserve will have to be calculated upon a 4 per cent instead of $4\frac{1}{2}$ per cent basis.

Interest and rents due at the close of the year amount to \$13,031.90, and the total assets being \$2,300,518, is just about a half of one per cent, being nearly a quarter of one per cent. less than last year.

This cannot fail to be regarded as highly satisfactory, as it is a fair indication of the quality of the company's investments. In this connection, I may state that the interest and rents have sufficed to pay all the death claims of the year, and leave a surplus of \$22,795.17.

Comparing the position of the Company at the close of 1895 and at the close of 1895 is at once interesting and cheering

	Cash Income.	Assets.	Ins. in Force	Net Surplus.
1890..	\$154,000 48	\$1,031,325 04	\$10,076,554	\$127,149 04
1895..	\$81,478 24	2,300,518 15	15,442,444	405,218 35

Inc. ..	\$226,877 26 or 64 p.c.	\$1,206,103 11 or 122 p.c.	\$5,365,890 or 53 p.c.	\$278,069 31 or 219 p.c.
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As an evidence of our anxiety not to overstate the value of assets, but to be on the conservative side in this important particular, I call your attention to the fact that our municipal debentures could be sold at an advance of \$13,834.26 over what they stand in the statement of assets.

Comparison of surplus earned for the year to mean assets of the year shows 4.10 per cent., which is a very large earning, especially taking into account the fact that desirable investments, at a fair rate of interest, are now very scarce and difficult to obtain.

The interest earned for the year has amounted to \$97,287.27 which, calculated on the mean amount of the reserve fund, is 5.76 per cent. This is mentioned, because, as has been already stated, it is understood that, according to Government requirement, the reserve fund is expected to earn at least $4\frac{1}{2}$ per cent., whereas the figures quoted show we earn $1\frac{1}{4}$ per cent. in excess of the rate named, which is a main factor in the surplus accruing upon our investment policies. This should be a source of satisfaction to those who are under the impression that companies experience a difficulty in earning the rate of interest required by the Government table.

The Hon. G. W. Allan, vice president, in seconding the resolution, said:

I am sure we are all satisfied that the business of the Company is in a perfectly sound condition. I think this report should convince all that we have in the North American Life, a company in which every man desiring to insure his life should have the utmost confidence.

The Hon. Sir Frank Smith said: I am pleased with the statement you have given us, and I think it is a credit to the Company. I congratulate you on the success the Company has attained.

Mr. E. Galley, in referring to the investments of the Company, said: It has been customary each year for me to examine the mortgage register of the Company, to see the condition of the mortgage loans, and after looking through your books at the close of 1895, I was greatly surprised to find that the interest on the loans had been so well paid, and such a very small amount of interest outstanding and unpaid. I can confidently say, and you know I speak with large experience on this point, that there is no corporation in this city to day having a better class of mortgage loans on its books than has the North American Life. I think the reason of your mortgage loans being so satisfactory is, that the directors and officers of this Company were never carried away with the idea of excessive values during the boom times, neither did they make loans on suburban properties, but, on the contrary, they preferred rather to take a little less rate of interest, and confine their investments to properties embraced in what may be considered as the city proper. Having gone over the list of real estate held by the Company, I am pleased to be able to tell you that it stands in the books at a sum much below what the Company will realize when they feel disposed to sell it. The course taken has been to enter up the properties at their mortgage values, and not add thereto any moneys expended in improving the properties, but to write off such amounts as an outgo from year to year. This is a very conservative course to take, and when the time comes that there is a more active movement in real estate and these properties are sold, I feel assured the Company will realize a very handsome profit. If the Company had the amount of money to-day at which the real estate stands in its books, it could not invest it at a better rate of interest than these properties are returning. As one of the auditing committee of the board, I can speak with a great deal of confidence of the assets of the Company, and a glance at the statement will show how clean everything is, and

what a very handsome profit the Company has made during the past year, also that after making every provision for liabilities, besides adding to the special reserve fund, a large surplus remains. As a large policy holder in the Company, I rejoice at this state of affairs, and feel confident that successful as the Company has been up to the present, if the same conservative management continue, its success is bound to be even greater in the future.

James Thorburn, M.D., presented his full and interesting annual report of the mortality experience of the Company.

Dr. Carlyle, the Company's auditor, said: I have been auditor of the Company from its inception, consequently I have had the opportunity of knowing very accurately its financial condition. On former occasions I expressed myself with much confidence as to its sound condition and its future progress. All I said has been more than verified. Now, after fifteen years of successful operation, I can speak with as much confidence as ever of its excellent financial state, of its successful and economical management, and of its future prosperity.

I have examined all the bonds owned by the Company, except those deposited with the Government. I saw scrip and loan certificates for the stock on which the Company has made loans, and finally I saw that every mortgage represented in the statement was in the vaults of the Company. While I am not supposed to know whether these properties are good security for the amount loaned on them, I may say that I think the management is to be congratulated that on so large an amount loaned on real estate, so little interest is overdue. Is is not the best evidence that the money of the policy-holders is safely invested?

After checking over this last annual statement, I began to conjecture what the annual statement of the Company will be at the end of another 15 years. I will not venture on the figures at which I arrived, but I may say that I regret that I am too old to take out another 15-year endowment investment policy, for I have no doubt but that it would be just as satisfactory as the splendid results to be paid me under the one I have maturing this year.

After the usual vote of thanks had been passed, the election of directors took place, after which the newly elected board met, and Mr. John L. Blaikie was unanimously elected president, and the Hon. G. W. Allan and Mr. J. K. Kerr, Q.C., vice-presidents.

INSURANCE COMPANY

Organised 1792. . . . OF . . . Incorporated 1794

North America,

FIRE . . . PHILADELPHIA. MARINE.

Capital, - - - \$3,000,000
Total Assets, - - - \$9,452,673

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