

THE IMPERIAL LIFE ASSURANCE COMPANY OF CANADA

The annual meeting of the Company was held at its head office in Toronto on the 9th of January, 1907, when the following report was presented:

The directors have pleasure in presenting their report of the transactions of the year 1906, together with the audited balance sheet and cash account of the Company.

1. The applications for new assurances amounted to \$3,217,081; the policies issued and revived amounted to \$2,030,562.

2. The cash income from premiums, after deducting re-assurance premiums, was \$717,607.05; the interest income from invested funds and the realized profits from sale of securities were \$146,458.67; other items of income were \$14,328.61.

Claims by death accrued to the amount of \$70,150 in respect of 44 lives; the mortality experienced has been again substantially less than that expected.

3. The payments for death claims, annuities, profits and surrendered policies amounted to \$103,006.18.

4. The actual expenses of management were less than those of the preceding year by \$39,057.23.

5. The assets amounted to \$3,332,882.88. The proportion invested on first mortgages on real estate, debentures and bonds was 86 per cent. of the total invested assets. The average rate of interest realized was 5.79 per cent.

6. The valuation of assurance policies and of annuity contracts was again based respectively upon the tables of Mortality of the British Institute of Actuaries, Healthy Males, and of the British Government Annuity, in combination with a 3½ per cent. rate of interest. The reserves thus determined amounted to \$2,461,836.

7. The surplus earned was \$142,233.32; after paying profits to policyholders, dividends to shareholders, and providing special reserves for contingencies, and for expenses under limited payment policies after their premium paying periods have expired, etc., there was added to net surplus \$87,435.85, bringing that fund up to \$275,866.96.

8. A comparison of the results of the year's operations with those of the previous year in the following important item shows:

	1906.	1905.	Increase.
Assets	\$3,332,883	\$2,828,534	\$504,349
Reserves for assurances and annuities	2,461,836	2,064,000	397,737
Cash income from premiums, interest, etc.	864,157	804,453	59,704
Surplus on policyholders' account	725,867	638,431	87,436
Net surplus over all liabilities	275,867	188,431	87,436
Surplus earned	142,233	96,095	46,138
Death losses of the year	70,150	134,588	64,438*
Average rate of interest earned	5.79	5.52	.27

* Decrease.

9. The directors record their appreciation of the efforts put forth by the Company's representatives in a year of unusual and trying conditions. Although the new business was less than in the previous year, the financial results were unequalled.

MACKENZIE BOWELL, President.

FINANCIAL STATEMENT, DECEMBER 31st, 1906.

BALANCE SHEET.

Liabilities.	Assets.
To Reserves on policies of assurance..... \$2,382,054 00	By First mortgages on real estate..... \$1,881,329 57
(On basis of H.M. Table of Mortality of British Institute of Actuaries—3½ per cent. interest.)	" Bonds and debentures..... 794,948 64
" Reserves on annuities..... 44,924 00	" Loans on and purchased policies..... 168,718 76
(On basis of the Table of Mortality of British Government Annuity—3½ per cent. interest.)	" Loans on bonds and stocks..... 162,000 00
" Special assurance reserves..... 33,958 00	" Government stock..... 47,000 00
" Present value of instalments..... 106,440 00	" Bank stock..... 28,296 27
(Not yet due under matured instalment policies.)	" *Outstanding premiums (less commission)..... 111,590 17
" Death claims awaiting proof, etc..... 9,500 00	" *Deferred premiums (less commission)..... 47,011 90
" Premiums paid in advance..... 2,440 04	" Outstanding interest..... 12,814 54
" Dividend on capital due 2nd January, 1907..... 6,750 00	" Interest accrued but not due..... 38,035 88
" Unclaimed surrender values, profits and annuity instalments..... 4,696 43	" Re-insurance claim..... 20,000 00
" Outstanding accounts and all other liabilities..... 15,353 45	" Furniture (head and branch offices)..... 7,500 00
" Capital stock paid-up..... 450,000 00	" Cash..... 12,137 09
" Net surplus..... 275,866 96	
	\$3,332,882 88

* Full reserve on these items included in liabilities.

1897—TEN YEARS' RECORD OF SUCCESS—1907.

Dec. 31st.	Net Premium Income.	Interest, Dividends from Investments.	Total Premium and Interest Income.	Reserves.	Assets.	Average Rate of Interest Earned.
1897	\$ 32,059.83	\$ 5,356.26	\$ 37,416.09	\$ 38,426	\$ 336,247.89	4.01%
1898	154,946.77	12,464.11	167,410.88	180,761	677,061.71	3.52
1899	296,617.08	24,906.12	321,523.20	434,112	930,443.28	4.10
1900	251,833.40	35,968.64	287,802.04	597,488	1,102,092.24	4.68
1901	308,030.25	52,150.70	360,180.95	798,785	1,344,127.61	5.37
1902	409,377.13	71,932.01	481,309.14	1,102,381	1,610,777.19	5.37
1903	493,781.37	83,385.17	577,166.54	1,428,637	2,013,888.47	5.42
1904	597,418.87	99,466.38	696,885.25	1,768,706	2,404,940.57	5.52
1905	630,794.09	119,267.75	750,061.84	2,061,999	2,828,534.43	5.79
1906	717,697.95	137,379.86	855,077.81	2,461,836	3,332,882.88	

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