

THIRTIETH ANNUAL MEETING OF THE

London Life Insurance Co.

The Thirtieth Annual Meeting of the Shareholders and Policy-holders of the London Life Insurance Company was held at the Company's offices, London, Canada, February 13th, 1905.

The President, Mr. John McClary, occupied the chair, and there were present a number of Shareholders and Policy-holders of the Company.

The notice calling the meeting was read by the Manager and Secretary, Mr. J. G. Richter, after which the following Report and Financial Statement was submitted.

THIRTIETH ANNUAL REPORT.

The Directors of the Company beg to submit Annual Report and duly audited Financial Statement for year ending December 31st, 1904.

During the year, 14,194 applications for insurance, amounting to \$2,065,775.40, were accepted and policies issued therefor.

The net Premiums and Interest receipts of the year were respectively \$355,597.92 and \$74,228.11, totalling \$429,826.03, an increase of \$31,814.75 over the previous year.

The sum of \$69,456.40 was paid for Death Claims, Matured Endowments, Surrendered Policies and Cash Profits during the year, an increase of \$4,218.15 over the previous year.

The insurance in force on the Company's books at the close of the year, after deducting all Reinsurances, amounted to \$8,200,297.22, under 4,206 "Ordinary" and 52,627 "Industrial" policies—an increase of 3,131 policies for insurance of \$735,669.55 for the year.

The Assets of the Company, exclusive of uncalled but Subscribed Capital, amount to \$1,643,183.92, an increase of \$180,218.04 for the year. The interest and other payments falling due during the year were in the main satisfactorily met, and no losses in respect of investments were incurred.

The Liabilities of the Company under existing policies, and in all other respects, have been provided for in the most ample manner, the whole amounting to \$1,542,693.33. The surplus on policy-holders' account, exclusive of uncalled but subscribed capital, is on the Company's standard, \$100,490.59, and after deducting paid-up capital, there remains a net surplus over all liabilities and capital, of \$50,490.59, an increase of \$5,955.26 for the year.

JOHN G. RICHTER,

Manager and Secretary.

JOHN MCCLARY,
President.

SYNOPSIS OF FINANCIAL STATEMENT.

REVENUE		ACCOUNT.	
Receipts.		Disbursements.	
Interest	\$ 74,228 11	Paid Policy-holders or Heirs	\$ 99,456 40
"Ordinary" Premiums	118,691 06	Dividend and other Disbursements	153,062 48
"Industrial" Premiums	236,906 86	Balance to Investment Account	177,307 15
	\$429,826 03		\$429,826 03
BALANCE SHEET.		Liabilities.	
Assets.			
Mortgages, Debentures and Stocks	\$1,458,767 20	Reinsurance Reserve, net	\$1,498,079 00
All other interest-bearing investments	105,988 06	Accumulating Profits and Special Reserve	34,400 00
Outstanding and Def. Premiums	34,979 00	All other liabilities	10,214 33
Interest due and accrued	43,449 66	Surplus on Policy-holders' acct (including capital, paid up, \$50,000)	100,490 59
	\$1,643,183 92		\$1,643,183 92

I hereby certify that I have audited the books and accounts of the London Life Insurance Company, and examined their securities for the year ending December 31st, 1904, and find them correct. The above cash statement and balance sheet exhibit the Company's business correctly at the date mentioned.

London, 1st February, 1905.

JAMES McMILLAN, Auditor.

ACTUARY'S REPORT.

The valuation of the Company's policies has been computed on the same basis as that employed for the previous four years, and assumes for all policies except those issued in the "Ordinary Branch since 1st January, 1900, an interest rate $\frac{1}{2}$ per cent. more stringent than that required by the Government standard. The basis of reserves in the "Industrial" Branch is, so far as can be ascertained, higher than that adopted for such business by any other Insurance Company on this continent.

In addition to the reserve liability, special attention should be directed to the item of accumulating profits in order to fully appreciate the financial position of the Company, as presented in the statement. For some years past "with-profit" policies of the Company have been issued under distribution periods of not less than five years, and the usual method would be to ignore the amount of profits accruing on such policies until the distribution periods should be completed. Instead of this, however, all policies are treated as if they were on the annual distribution basis, and the proper proportion of the profits due at the end of the profit periods was computed on each policy, and the total is included in the liabilities. The accumulations under this heading form a very considerable item of liability, which, if treated in the usual manner, would result in a largely increased surplus being shown.

The rates under which the "Ordinary" Policies of the Company are now issued came into force on 1st January, 1900, and consequently the first profit distributions under these policies are made this year. It is satisfactory to note that these distributions are fully in accordance with the scale of profits issued to our agents five years ago, except that in the case of those policies where a Provincial tax is imposed on the premium income of the Company, the tax payable on such policies is deducted from the profits otherwise allotted thereto. The interest earnings of the Company having steadily improved since 1900, there is good reason to anticipate that the liberal scale of profits now in force is a conservative estimate, and likely to be maintained for some time to come.

During the past year the policies of this Company in force on the 31st December, 1903, were valued by the Insurance Department at Ottawa, as by law required. The result of this valuation shows that the Company held at that date reserves in excess of what is required by the present Government standard to the amount of \$28,613 in the "Ordinary" Branch, and \$31,646 in the "Industrial" Branch, or a total excess reserve of \$60,259.

E. E. REID, B.A., A.I.A., Actuary.

The President, Mr. John McClary, in moving the adoption of the Report said:

The Report of the Directors and accompanying Financial Statement are, as heretofore, very full, and present the affairs of the Company in such manner as to be readily comprehended.

The new business of the year was the largest in the history of the Company, and the increase in total insurance in force at the close of the year was likewise favourable. The Cash Income from Premiums and Interest shows a good increase over the previous year, and payments to policy-