

THE SOVEREIGN LIFE

Assurance Company of Canada

HEAD OFFICE: WINNIPEG, MAN.

REPORT OF THE BOARD OF DIRECTORS For the Year Ending December 31st, 1912

To the Shareholders and Policyholders of The Sovereign Life Assurance Company of Canada.

Your Directors are pleased to present for your consideration their Annual Report of the business of the Company for the year ending December 31st, 1912.

ASSURANCES.—The new assurances applied for during the year amounted to \$1,200,000.00. Those issued and revived \$1,175,000.00, an increase over the best previous year in the Company's history of \$319,000.00 or 37 per cent. The total assurance in force at the close of the year 1912 was \$3,850,000.00, an increase over that at the close of 1911 of \$676,500.00, or 21 per cent.

INCOME. (a) Premiums.—The total premium income was \$137,356.15, an increase of \$16,041.86 or 13.2 per cent. over that of the previous year. The re-assurance premiums were \$8,158.42, leaving a net income of **\$129,197.73**. The GROSS outstanding and deferred premiums represent less than 14 per cent. of the total annual premiums on the business in force at the end of the year. This extremely low percentage of uncollected premiums shows that no doubtful business is carried on the books of the Company.

(b) Interest.—The total interest received during the year was **\$51,341.04**, which together with the increase in the accrued, etc., amounted to **\$54,634.00**, being the actual earned interest in 1912. This represents an increase of \$11,348.00 or 26 per cent. over the earnings from this source during the previous year.

The average rate of interest earned on the invested assets during the year was **6.56** per cent.

PAYMENTS TO POLICYHOLDERS.—During 1912 **\$24,507.16** was paid to policyholders in death claims and surrender values on policies. The Company experienced an exceptionally low rate of mortality for the year, the death losses being only 25 per cent. of the expected.

ASSETS.—The total assets at the close of the year amounted to **\$955,239.23**, having been increased during the year by \$91,693.04 or 10.6 per cent.

INVESTMENTS.—\$439,717.49, representing about 48 per cent. of the total assets of the Company, is now invested in first mortgages upon improved farm lands in Western Canada and upon City property. Over 70 per cent. of this amount is yielding to the Company 8 per cent. interest. That the greatest care has been exercised by your Executive in the selection of these securities is evidenced by the small amount of outstanding interest at the close of the year, viz.—\$1,601.07. \$337,362.23, or 37 per cent. of the assets, is invested in municipal debentures and bonds, and the remaining 15 per cent. in policy loans secured by legal reserves, cash in Banks, etc.

RESERVES.—The net reserves on assurances have been increased by **\$77,355.00** during the year and now amount to \$582,842.00. The reserve fund is **\$22,481.00** in excess of Government requirements, this difference being an amount voluntarily maintained as a result of the stringent valuation standard (On 3 per cent. on participating and 3½ per cent. on non-participating policies) adopted by this Company.

SURPLUS.—The surplus to shareholders and policyholders at the end of the year (exclusive of paid-up Capital of \$209,995.00) amounted to **\$154,077.47**. This amount exceeds the net surplus at the close of 1911 by **\$48,424.17**.

Your Directors desire to express their appreciation of the faithful work accomplished during the year by the office staff and by the field men, whose loyalty and devotion to duty has gone far in enabling your Directors to present to the shareholders such a satisfactory statement of the Company's affairs.

R. R. SCOTT, President.

FINANCIAL STATEMENT, DECEMBER 31st, 1912 BALANCE SHEET

ASSETS.

| | |
|---|--------------|
| Municipal Debentures and Bonds | \$337,362.23 |
| First Mortgages on Real Estate | 439,717.49 |
| Loans on Policies secured by legal reserves | 111,811.27 |
| Cash in Banks, Head Office and Agencies | 17,668.29 |
| Interest accrued but not due | 13,060.36 |
| Interest outstanding | 1,601.07 |
| Net quarterly and semi-annual premiums not yet due, and premiums in course of collection, less 20 per cent., on first year and 10 per cent. on renewals. | 18,660.65 |
| Policy liens under non-forfeiture agreements ... | 11,885.16 |
| Office furniture (less 10 per cent. written off)... | 3,441.71 |
| Due from Agencies | 31.00 |

\$955,239.23

LIABILITIES.

| | |
|---|---------------------|
| Reserve Fund, Company's standard computed to cover all the Company's liabilities upon the total insurance in force British Office Om. (5) 3 and 3½ % Tables | \$582,842.00 |
| Death claims reported, proof not completed | 150.00 |
| Assumed Mortgages | 500.52 |
| Balance shareholders account | 2,757.29 |
| Reserve on instalment policies | 3,507.00 |
| License fees and taxes accrued, Dec. 31, 1912 .. | 1,050.00 |
| Prepaid premiums | 352.91 |
| Capital paid up | \$501,166.76 |
| Total Liabilities | 209,995.00 |
| Surplus to shareholders and policyholders above all liability | \$801,161.76 |
| | 154,077.47 |
| | \$955,239.23 |