The London Life Insurance Company

Thirty-Second Annual Report

The thirty-second annual meeting of the shareholders and policy-holders of the London Life Insurance Company was held at the Company's Head Office, No. 424 Wellington street, London, Canada, February 11, 1907.

The President, Mr. John McClary, occupied the chair, and there were present a number of shareholders and policy-holders.

The notice calling the meeting was read by the Manager and Secretary, J. G. Richter, F. A. S., after which the following report and financial statement were submitted:

Thirty-Second Annual Report.

The Directors of the London Life Insurance Company beg to submit herewith the duly audited Financial Statement of the Company for year ending December 31, 1906.

During the year 20,272 applications for insurance, amounting to $3,387,774.40, were accepted and Policies issued therefor.

The net Premium and Interest receipts of the year were respectively $436,197.79 and $107,462.38, a total of $543,660.17, an increase over the previous year of $68,644.75.

The payments to the Policy-holders or heirs, for Cash Profits, Surrender Values, Matured Endowments and Death Claims aggregated $122,655.80, an increase of $22,875.99 over the previous year.

The insurance in force on the Company's books at the close of the year, after deducting all re-insurances, aggregated $10,376,413.37 under 66,025 policies, an increase of 5,623 policies for insurance of $1,268,788.73 for the year.

The Company's Assets, consisting mainly of first mortgages on real estate and other high class securities, amount to $2,100,394.27, an increase of $233,968.47 over the previous year. The interest and other payments falling due during the year were satisfactorily met and no losses of any kind were incurred in this connection.

The Liabilities of the Company under outstanding policies, and in all other respects, have been provided for in the Company's usual ample manner, the whole amounting to $1,948,211.17. The surplus on Policy-holders' Account, exclusive of Subscribed and Uncalled Capital, is $116,182.50; and after deducting Paid-up Capital, the net surplus over all liabilities of every nature and Capital, is $66,182.50.

During the year, the Company completed the alterations to its Head Office building. The offices are now admirably adapted to the Company's requirements, and the conservative valuation at which the building has been taken into account in the Company's Financial Statement makes it a good commercial asset as well.

JOHN G. RITCHER, F. A. S., Manager and Secretary. **JOHN McCLARY**, President.

Synopsis of Financial Statement

Revenue Account.

RECEIPTS		DISBURSEMENTS	
Interest	$107,462.38	Paid Policy-holders or Heirs	$122,655.80
"Ordinary" Premiums	172,433.63	Dividend and other Disbursements	208,295.08
"Industrial" Premiums	263,764.16	Balance to Investment Account	212,709.29
	$543,660.17		$543,660.17

Balance Sheet.

ASSETS.		LIABILITIES.	
Mortgages, Debentures and Stocks	$1,882,254.13	Reserve on Policies in force	$1,901,815.00
H. O. Building and all other investments	114,131.43	Accumulating profits and special reserve	48,728.00
Outstanding and deferred Premiums, net	54,627.69	All other liabilities	33,668.17
Interest due and accrued	49,381.02	Surplus on policy-holders' account	116,182.50
	$2,100,394.27		$2,100,394.27

Actuary's Report.

The valuation of the Company's policy liabilities has as usual been made on a strictly Net Premium basis for the "Industrial" as well as for the "Ordinary" business. The rates of interest assumed are the same as were adopted in 1900, viz.: 4 per cent. for all business issued previous to 1900, 3 1-2 per cent. for "Ordinary" and 3 per cent for "Industrial" business issued since 1st January 1900.

Full provision has been made for the estimated liability of the Company on account of profits not yet due. Owing to the addition of this item to the liabilities the surplus shown is not as large as would ordinarily be the case. The Company's statement is unique in respect to this item as the surplus is absolute and subject to no deductions of any kind.

Ample allowance has been made for the cost of collecting the overdue and deferred premiums before taking credit for this item in the accounts.

If advantage were taken of the Government Standard of Valuation and the liabilities in other respects treated in he usual manner the surplus on Policy-holders' Account would be approximately $235,000.

Attention should be drawn to the nature of the business written in the "ordinary" branch. In that branch out of a total issue of nearly $[illegible] over $1,750,000 was Endowment Insurance. Such business will undoubtedly prove most satisfactory both to the Company and to its policyholders, particularly in view of the excellent interest earning being realized on the invested assets.

Of the Endowment business just referred to the great bulk of it consists of Reserve-Dividend Policies under which practically, profits are apportioned at once in the form of extra reserve. The fact that the Company has been able to place and set aside the reserve on so large a proportion of its new business on this plan out of the current year's earnings indicates a condition of affairs that is most promising for the future welfare of the Company.

The amount of new business for the year computing the Industrial business on the usual basis adopted by Industrial Companies, is $[illegible] or $520,927 more than shown in the Directors' report. On the same basis the total Insurance in Force would be $11,178,225 or $801,869 more than that represented. The method of dealing with this matter does not in any way affect the valuation of the policies.

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

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

I have much pleasure in presenting the thirty-second annual report of the Company for your approval.

The Directors' report and accompanying financial statement are, as usual, sufficiently full and clear to be readily comprehended.

You are aware that by an order of the Governor-General-in-Council, passed in February of last year, a royal commission was apponted to enquire into the business of life insurance in Canada.