

AUDITOR'S REPORT.

We beg to report that we have completed the audit of the books of the Association for the year ending December 31st, 1891, and have examined the vouchers connected therewith, and certify that the financial statements agree with the books, and are correct.

The securities represented in the assets (with the exception of those lodged with the Dominion Government, amounting to \$84,613.72) have been examined and compared with the books of the association, and are correct, and correspond with the schedules and ledgers. The bank balances and cash are certified as correct.

W. R. HARRIS, } Auditors.
W. E. WATSON, }

TORONTO, March 1st, 1892.

Sir W. P. Howland, president of the Association, said:—Gentlemen, we feel confident that the report which we have now placed in your hands, showing a full exhibit of the affairs of the Company at the present time, and also of the operations of the past year, must prove satisfactory to all who are interested in the progress and welfare of the Company. The statements further show that there has been a very large and satisfactory increase in all those branches of the Company's business under the head of income, and which are most important. The increase shown in the assets also is quite in proportion to the increase in the other items. I will not attempt to go into particulars of the statement; I do not think it necessary at the present time; but I would like to draw your attention to this particular point—the large increase in the business of the Company in all departments, and the table which is contained in the report which we have just read to you, which shows the steady, uniform, upward progress of the Company, from the time of its inception to the present time, not only in the amount of business done, but in the increase which has been realized in the assets. I think the statement must be very satisfactory to those who are giving their patronage to the Company, as showing the very large amount that has been paid out to the policyholders during that period. These results, gentlemen, have not been obtained without a certain amount of labor, which has been largely increased of late years by the increased competition which we have had to meet in this country. When this Company was first formed, the number of Life Insurance companies operating in Canada was very small indeed. At the present time there are some thirty or thirty-two companies that we have to compete with—many of them the largest and most important companies in the world. One effect of this competition has been to induce many of these companies, for the purpose of getting business, to increase to a very large extent the commissions paid to their agents. This, in my opinion, has had a very unfortunate effect; it was a very unwise policy, and a very unfair and unjust one to the great body of policyholders of the companies; the result in many cases being that the agents themselves, for the purpose of increasing their business and making a large return, have been induced to forego and hand over to the applicant a portion of the commission which they were receiving, and thereby enable him to get his insurance at less than the ordinary premium for the time being; one result of this being to add to the cost of the general management of the companies, and the effect of that is to reduce the surplus which the companies will have available to distribute among their Policyholders; therefore it is an absolute injustice to the other Policyholders—to those who do not participate in the benefit immediately derived from receiving a part of those commissions. This has been carried to such an extent that it has attracted a good deal of public attention, and the Government and Legislature both of the Dominion and this Province have taken steps and legislated for the purpose of checking this mode of doing business. Whether it will be effectual or not remains to be seen; I should hope that it may be—the provisions are pretty strong; and if they have the effect of doing away with this practice, I think it will result in great good to those who are interested in insurance and to the companies themselves. We much regret that we are not able to have the pleasure of meeting you in the new building. We had reason to believe, from the representation of our Architects, that the portion of the premises that we propose occupying ourselves would have been in a condition to be occupied at the present time; but the estimate of time of completion by architects, I think, is almost universally found to be a little defective, and perhaps we may not be singular in this respect. The work is going on satisfactorily, and in a few months we shall be in occupation of offices which will be extremely well adapted for the large business of the Company, and for securing the valuable records which belong to it. We also hope for a reasonable return upon the capital invested in it. I shall not detain you with any further remarks. If there is any point in connection with the business of the Company on which you desire to have information, we shall be very glad to afford it, if any gentleman makes the request. Before sitting down I will make the customary motion for the adoption of the report.

Several of the gentlemen present expressed themselves as being very much pleased with the excellent showing made by the Company for the past year, and with the continuous and substantial progress which has been made from year to year since the organization of the Company.

The reports submitted were unanimously adopted. The following gentlemen were re-elected as directors of the association:—

Sir W. P. Howland, Wm. Elliot, Edward Hooper, W. H. Beatty, Hon. James Young, M. P. Ryan, S. Nordheimer, W. H. Gibbs, A. McLean Howard, J. D. Edgar, Esq., M.P., Walter S. Lee, A. L. Gooderham, W. D. Matthews, George Mitchell, J. K. Macdonald.

At the meeting of the newly-elected Board held at the close of the annual meeting, Sir W. P. Howland, C.B., K.C.M.G., was re-elected president, and Messrs. William Elliot and E. Hooper, vice-presidents.

NORTH AMERICAN LIFE ASSURANCE CO.

HEAD OFFICE, TORONTO.

PRESIDENT,

HON. A. MACKENZIE, M. P.

VICE-PRESIDENTS,

JOHN L. BLAIRIE, Esq.

HON. G. W. ALLAN.

WM. McCABE, F.I.A., Managing Director.

THE operations of the Company for the year ending 31st December, 1891, were the most successful in its history, as shown by the following figures:

Cash Income.....	\$ 401,046 56
Assets.....	1,215,560 41
Reserve Fund	954,548 00
Net Surplus	183,012 41

CHAS. AULT, M.D., Manager Province of Quebec,
62 ST. JAMES ST., MONTREAL.

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OF ST. PAUL, MINN.

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The only scientific method yet devised for furnishing life insurance to those most needing it.

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	13 years Dividend T'ntise.	
Age 27.....	Annual premium	\$ 226 00
Total premiums paid.....		2,260 00
Cash Settlement at end of Tontine Period:—		
Guaranteed Reserve.....	\$1,905 00	
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