

"Permit me to invite your attention to some important and interesting facts therein contained, but before proceeding to do so I heartily congratulate the policy holders upon this annual meeting being held in this splendid office, the building being owned by the company, and secured on such extremely favorable terms, that at a moderate cost, we occupy one of the finest business buildings in the city, beautifully lighted on all sides, with abundant vault accommodation, and with a sufficient depth of lot to admit of great addition to our space as the business continues to grow in the future.

"The securing of this property is generally regarded as a splendid stroke of business, and as a profitable, solid investment, making a valuable addition to the assets of the company.

"As on many previous occasions, you will be pleased to observe that in everything that goes to make a life insurance company successful, the North American Life again shows progress, solidity and gain for the policy holders.

"For example, compare the business of 1897 and 1896 under the following heads:

	Increase over 1896.	Percentage of Increase.
Assets as at Dec. 31 1897..	\$2,773,177.22	\$ 557,347.81 10.2
Cash income..	639,550.49	57,762.41 9.
Ins. in force..	18,915,978.00	1,451,728.00 2.3
Premium income	552,431.96	42,670.41 7.9
Interest income	117,118.53	15,032.60 11.5

"The assets of the company are of a high class, and after providing for every liability, there remains a net surplus of \$427,121.33, the percentage of assets to liabilities being 118.2.

"This examination is made entirely independent of any person connected with the company and the result is published in the Insurance Blue Book in detail.

"I cannot conclude without bearing testimony to the unwearied zeal, diligence and ability of Mr. McCabe, our managing director, Mr. Goldman, our efficient secretary, and I may add, of the office staff generally.

"And last of all, though certainly not the least of all, we are indebted to our army of agents in the field, who have to fight many battles, but having such a company as the North American Life at their back, they win many victories, and that, too, by fair and honorable means."

The Hon. G. W. Allan, vice-president, said.

"I think the very best evidence of the excellent character of the assets of the company, and the care shown by the directors in the investment of the funds, is the large increase in our interest income for the year, namely, \$15,092, and the fact that our interest and rents, due and accrued, at the end of the year should show an increase of \$1,119.57. Now, here is the position of our assets. We have invested in.

	Amount.	Percentage of Total Assets.
Mortgages, etc.	\$1,108,667.93	40.
Debentures ..	635,197.89	22.9
Real estate ..	292,263.83	10.5
Stocks and bonds ..	203,331.44	7.3
Loans on policies ..	176,381.61	6.4
Loans on stocks ..	157,780.00	5.7
Outstanding premiums in course of collection, and quarterly and half yearly premiums,		

being balance of year's premiums not yet paid ...	100,460.37	3.6
Cash in banks ...	57,743.07	
Cash on hand ...	7,317.8	2.1
Interest and rents, due and accrued	38,370.95	1.4
Reversions ...	3,040.35	.1
	\$2,778,177.22	100.

*Market value exceeds this by \$21,425.15.

"Including the company's building. "I think you will agree with me, this shows a highly satisfactory state of affairs, and must be doubly reassuring to all the policy holders of the company, as well as its excellent agency staff, as to the high standard this company has attained among the life companies in this country. So far as I can judge, it stands at the head.

"Our real estate shows but a slight addition in amount, except that we have now added thereto our own home, this handsome building, in which we are holding this meeting. It was an excellent stroke of business on the part of the company in securing this property, as we have now every accommodation for the proper conduct of the business; in fact, one of the best-equipped offices in the city, and the cost to the company will be but a moderate one. Already the space we have to rent is well tenanted, and the one office at present vacant is already bespoken. All the properties in possession of the company are well rented, and giving the company a fair return.

"From the figures taken from the last Dominion government report I find that our company receives a not return on its real estate largely in excess of any of its competitors."

Mr. J. N. Lake, in moving a vote of thanks to the company's provincial managers, inspectors and agency staff, said:

"The value of our agency staff is shown by the persistency of our business. From the last government report I find that of the total net increase in insurance of all Canadian companies for that year, this company hold almost 25 per cent. of such additions. I attribute this satisfactory statement of affairs to our agents being men of integrity and high standing in their profession. No doubt the agent is very materially aided in his work by representing the North American—a company having such a large surplus in proportion to its liabilities, and its earning power being relatively so great as compared with the majority of its competitors, is a tower of strength to its agents. I most sincerely congratulate our very efficient staff of representatives on the work they accomplished last year, the number of the policies being 2,621, and the amount of insurance thereon \$3,556,024—a truly grand year's work.

"It will be gratifying to everyone interested in the company, and speaks volumes for the energy displayed by our agents, that our new business this month is the best business for January in the history of the company.

"Another satisfactory point in the company, which reflects credit on the whole of our agency staff, including our local agents, is the small amount of outstanding and deferred premiums at the close of the year. The best test on this point is a comparison with our business and that of other home companies in that respect. From an examination of the last Dominion Government report it will be found that the North American is the lowest, namely, 18 per cent., while the highest is 35.56.

"It is interesting to note the great progress this company has made during the last ten years, as shown by the following table:

Yr.	Cash Income.	Assets.	Insurance in force.	Net Surplus.
1st	\$228,255.61	\$512,318.99	\$6,914,390	\$51,895.91
10th	431,628.42	1,113,977.60	12,064,780	225,435.50
17th	639,550.49	2,773,177.22	18,915,978	427,121.33

"You will see that the cash income increased over three-fold; assets over five times; insurance in force, nearly three-fold, and not surplus nearly eight-fold—the latter indicating that the company is a good one for the policy holders.

Mr. McCabe, managing director, said he could heartily endorse all that had been said as to the efficiency of the agency staff, and the energetic and satisfactory manner in which they had accomplished their work during the year just closed. Although the territory of the Dominion is very large, the population is small, and the competition is therefore exceedingly keen and sometimes exceedingly injurious from the extraordinary and improper business methods adopted by these anxious to place business on the books, irrespective of the cost. In this connection I would remind you that of all the companies starting about the same time as the North American or subsequently, not one of them outside of our own has met with but moderate success.

The following figures will show the profits earned by these companies since 1882:

Company.	Earnings since 1882.	Percentage of Total Earnings since 1882.
1.—North American	\$600,081.89	23.85
2.—" " " "	101,881.00	8.48
3.—" " " "	63,480.27	10.56
4.—" " " "	51,637.71	10.18
5.—" " " "	36,340.99	5.93
6.—" " " "	No net surplus.	Nil.

These figures are taken from the official government reports, and I refer to the companies by number and not by name.

The course we have adopted has been a conservative one in every way, and we propose to follow that course, believing that our first interests must be those of our policyholders, and that ultimately the test of business between the different companies is, "What are you doing, and what are you likely to do for your policyholders?"

Mr. Galley, in referring to the company's loans and real estate, said:

"In looking over the mortgage list, I was pleased to find the satisfactory manner in which the interest had been paid during 1897. The interest due and accrued on all loans held by the company showing a decrease, as compared with 1896, of \$2,201.73. From an examination of the real estate, I consider that the company must sooner or later realize a handsome profit from these properties, when it is deemed advisable to sell them.

"I certainly join with Vice-President Allan in congratulating my fellow-policyholders and all those interested in the company, on the splendid building the company has secured. From my extended knowledge of real estate I can heartily endorse everything he has said with respect to this building. "The position of the company is highly satisfactory, and as one of its earliest and large policyholders, I feel very pleased at the splendid position that the company has attained, and only regret that when insuring in the company I did not do so to the extent of \$25,000, as I am quite satisfied it would have