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clients' businesses, which are full of interest and suggestion to the management. Our ultimate aim is that this company shall be represented in the field only by those who are giving it their entire service, and who have armed themselves with the knowledge to be obtained through this course of study. We believe that today life insurance should be sold only by experts.

A Thorough Examination.

In addition to the regular annual inspection by the Canadian insurance department, the company has recently

been submitted to a most thorough and exhaustive examination at the hands of the Insurance Commissioners of Michigan, Illinois, Pennsylvania and

and accurately spent, several weeks in the home office. Every possible facility was afforded them and a minute inspection was made of all books and records, of all assets, and of all liabilities. The result was altogether satisfying to the committee, and gratifying to your officers, and is summed up in the final paragraph of their report, as follows:

"We find that the Canada Life Assurance Company is in excellent financial condition, and that its affairs are being managed economically and efficiently.

"To deal with the many different branches of the work, there are special departments conducted by responsible officers and men.

"The evidence goes to show that the investments of the company are carefully selected. The foregoing report shows that the investments have been distributed over a wide range of suitable securities."

We have had the co-operation of all members of the company and all the information asked for and data required have been promptly furnished. In fact, every assistance has been rendered to make the examination thorough and complete."

Surplus Earnings.

As the last of our year claims was provided for in the previous year, and as we have in the past twelve months been free from epidemic, there has been no unusual factor affecting the death rate adversely, so that we have returned to a normal, or more properly a sub-normal, rate of mortality. Deaths have been only 55 per cent of those expected. The saving from this source again shows a very material increase and has an important part in the creation of net surplus earnings of \$2,163,000 for the year. This sum again constitutes the largest earning in the history of the institution, and enables us to continue to carry out the present rate of distribution to our policyholders, and to pursue the active program which is bringing us such a gratifying influx of new members. This inherent strength, the result of successful executives following a clearly defined course for nearly three-quarters of a century, adds unique stability to our policy contracts, at the same time

The Interest Rate.

One of the chief contributors to surplus is, of course, the interest income, and you will be gratified to learn that we have again been able to increase the average rate upon your investments to 6.10 per cent. Throughout the year it has been possible to acquire securities of undoubted value at prices to yield uncommonly high returns. We availed ourselves of the opportunity to buy \$3,000,000 of very excellent Government bonds on a basis of approximately 8 per cent. The security was all thoroughly inspected by our own officers and found to be ample and attractive. There has been a renewed demand for mortgage loans, and, upon meeting the demand, we have been required to cover accumulated borrowings from bankers. To the extent that this is the case, those lending to us upon mortgage are relieving the demand upon our banks. Interest payments reflect to some extent another factor in the market, but, as we have suffered similarly before, and the actual price of wheat, which is so much below the anticipated price, has not been sufficient to enable us to meet our obligations as promptly as could be fairly expected of them, and, in fact, we have been obliged to describe as "interest outstanding" any sums in arrears which appear doubtful of payment. The total amount of interest is somewhat larger than a year ago, it is reassuring to know that a large portion of it became due during the year, and that the bulk of the total arrears pertain to the last six months.

To avoid the loss, incident to the sale of our funds from Great Britain under present exchange conditions, advantage has been taken of the fact that the Government has purchased securities with an average yield of 5.45 per cent. to the amount of \$1,500,000 have been purchased in London. The bulk of the interest on these obligations of the British Government will increase in its assets to sig-

Your assets have again been valued conservatively. True, there are some items included on the price basis authorized by the Minister of Finance which in mind their permanency and

**OF INTEREST TO
POLICYHOLDERS**

policyholders during the year amounting to \$6,254,883, the assets were increased by \$6,756,668.

The assets of your Company are the very best class of investments. For instance, bonds of the Dominion and Provincial Governments now represent 22 per cent. of the total assets, having been increased by three million dollars during the year.

Mortgage loans, another very high class of investments, were also increased by three million. Bonds now represent 33 per cent. of the assets.

A particularly good feature of the year was a decrease in the percentage of claims on policies from 14.02 to 13.60 of the assets. While, of course, this is a perfect illustration of the safety of the policy to note that the policyholders appreciate the advisability of paying off their loans.

Frequently policyholder will pay off a little at a time, thus gradually reducing the indebtedness, and the Company is always ready to make the policyholder small payments whenever convenient. In the meantime, while the policyholder is gradually paying off the loan, so that in a convenient way, open to most policyholders in good health, to "insure" the loan, so that it will not be a burden on the estate and, in the event, if death occurs within a certain time, and while the loan is being paid off, the policyholder can Home Office at Toronto will bring particulars as to this.

Due to early relief, and happily, their accumulation of assets, the policyholders during the year have been able to reduce the risk of the accident rate and have reduced the loss of the year by 10 per cent.

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Group insurance is appreciated by employees, particularly by the better paid and the better educated. It is a class over employer wants to secure and to hold. Their appreciation grows when death occurs and they see the funds paid to the widows and mothers or other beneficiaries, who are generally in great need of the ready cash.

The Group contract of the Company has been drawn up to include every up-to-date feature that is of value to employer and employee.

It is one of the most liberal contracts in the country. The premium rates are very low—the year's premium usually amounting to less than

save them the cost to perlat to purchase all the life companies active in the country. The bill would require the use of publicity through the medium of the weekly *Advertiser* to inform the public mind as to the principles and practice of life insurance, and as to the location of the company and its relation to the individual. The bill has been introduced in the House at least been reached between the British and Canadian companies. It is a desirable channel for conducting the experiment has been arranged. The bill would require the insured in full confidence that the people of the country would be able to have them a becoming wholly conversant with an undertaking which is of such importance to the welfare of the country. This is another link in the growing chain of public education which the companies comprising already associations of Presidents, of Managers, of Secretaries, of Agents, and of Insurers. It has recently been added that of agency officials, and of the public generally. It covers over one hundred companies in Canada and the United States. This last-named bill is now ready for introduction.

ful in bringing the agency departments of the member companies together on a friendly and constructive basis.

An event of the same kind was the winter of 1920, when the wife of the Equitable Life Assurance Society of New York from Madison, Wisconsin, died. The Society has been for many years an active and helpful competitor and always a ready participant in any progressive movement.

It was understood that its retirement from the life insurance business would be effected not through any discomfiture, but through the realization of the long-continued purpose of a well-defined policy of restricting its operations to the United States.

Any depression in some lines of trade is constantly increasing in volume and amount. The new spirit of responsibility in industry to some extent accounts for this. There is abundant evidence of its appreciation by employees, and the verdict of employers is that it has proven to be an important factor in stabilizing employment and improving relations between employer and employees.

The Canada Life Assurance Company

(Established in 1847)

Made the following Substantial PROGRESS:

Total Assurance in Force increased to.....	\$276,667,000	Increase, \$46,872,000
Total Assets increased to	76,108,000	6,726,000
Reserves for Protection of Policyholders	63,665,000	5,598,000
Total Income in 1920	15,729,000	2,717,000
New Assurances Issued in 1920	63,535,000	17,144,000
New Assurances paid for in 1920	58,260,000	235,000
Surplus Earned in 1920	2,162,000	235,000
Dividends to Policyholders in 1920	7,232,000	1,560,000
Total Payments to Policyholders in 1920	8,215,000	1,907,000

Above, in brief, are the results for 1920 as shown by the Financial Statement.

Below are a few other important accomplishments during the year.

1. Maintained dividends to Policyholders at pre-war scale, notwithstanding increasing costs and some adverse conditions.
2. Improved its service to the public through special training of Representatives and careful selection of men.
3. Won unstinted praise from the Government Insurance Departments of Michigan, Illinois, Pennsylvania and Minnesota, after most thorough examination of Assets and Management.
4. Made the largest Surplus Earnings in the history of the Company.
5. Increased the average interest to 6.19 per cent.
6. Placed more insurance with present Policyholders than in any other year and increased public interest in Monthly Income, Business Insurance and Group Policies for industrial workers.

(A complete Annual Statement will be mailed upon request.)