

April, thereby preventing the issue of the Superintendent's report until long after the prorogation of Parliament. For several years the full report of this company has been received by the Department in the first week in January.

The Insurance Act as amended last session calls for a preliminary report, showing the main features of the year's business, to be sent to the Government not later than January 15th. Should all the companies comply with this reasonable requirement, it would enable the Superintendent to publish his report months in advance of its present publication, and thereby greatly enhance its value and accuracy.

The Superintendent of Insurance points out in his last report that the amount of business effected by our home companies in 1885 as compared with that done in 1875 had risen from \$5,077,601 to \$14,881,695, and the business in force had increased in the Canadian companies during that period from \$21,957,296, to \$74,591,139, while the corresponding increase in the American companies had been less than six millions, making a difference in favor of our home companies of nearly forty-seven millions. This very gratifying fact is evidence of the rapid national development of the Dominion, showing that we are strong enough to support great commercial enterprises, and that our home companies are more than holding their own against their foreign competitors.

The same report of the Superintendent shows that the foreign Life companies alone received in premiums from Canadian policy-holders during the same period of eleven years nearly thirty-two millions of dollars, a great part of which was, therefore, withdrawn from the available capital of the country, and went abroad, thereby aiding the advancement of commercial competitors. By dealing with our home companies such money, would have been utilized in building up and extending Canadian interests.

The report also shows that the United States companies have only deposited with the Government a small portion of the reserve on their policies in force here, while the securities deposited are almost wholly foreign stocks.

The entire reserves and resources of Canadian Life companies are invested in Canada. The advantage and convenience to policy-holders are largely in favor of doing business with well managed home companies.

The directors have declared a dividend at the rate of 8 per cent. per annum to June 30th, next, payable on July 2nd, to the Guarantors, as interest on the paid up portion of the Guarantee Fund.

The services of the company's staff of officers, inspectors and agents again deserve special commendation.

The directors all retire, but are eligible for re-election.

ALEXANDER MACKENZIE,  
President.

January 25th, 1887.

FIRST SCHEDULE—REVENUE ACCOUNT OF THE NORTH AMERICAN LIFE ASSURANCE CO., FOR THE YEAR ENDING DECEMBER 31, 1886.

|  |           |    |
|--|-----------|----|
| 1885.  |           |    |
| Dec. 31. To Net Ledger Assets..              | \$289,056 | 88 |
| 1886.  |           |    |
| Dec. 31. " Cash for Premiums..               | 175,454   | 04 |
| " " Cash for Interest....                    | 18,795    | 35 |
|  | \$483,306 | 27 |
| 1886.  |           |    |
| Dec. 31. By Expenses .....                   | \$ 32,503 | 13 |
| " " Commissions and salaries to Agents ..... | 23,646    | 18 |
| " " Re-insurances .....                      | 9,292     | 75 |
| " " Claims paid under Policies .....         | 26,487    | 15 |
| " " Profits to policy-holders .....          | 6,543     | 00 |
| " " Surrendered policies..                   | 1,037     | 51 |
| " " Annuities .....                          | 439       | 22 |
| " " Interest on Guarantee Fund .....         | 1,800     | 00 |
|  | \$107,748 | 94 |
| " Bal. net ledger assets..                   | 375,557   | 33 |
|  | \$483,306 | 27 |

SECOND SCHEDULE—BALANCE SHEET.

Liabilities.

|                        |           |
|------------------------|-----------|
| 1886, Dec. 31.         |           |
| To Guarantee Fund..... | 60,000 00 |

|  |              |
|--|--------------|
| Assurance and Annuity Funds .....  | \$326,701 00 |
| Less for re-insurances .....   | 15,016 00    |
|  | 311,685 00   |
| Contingent Fund to provide for the collection of outstanding and deferred premiums and other charges accruing on year's business ..... | 6,575 00     |
| Death loss awaiting proofs.....  | 2,000 00     |
| Surplus .....  | 46,891 98    |
| Note—  |              |
| For security of policy-holders the company holds   |              |
| Assets (as per balance sheet) .....  | \$427,151 98 |
| And in addition—   |              |
| Uncalled Guarantee Fund .....  | 240,000 00   |
|  | \$667,151 98 |
| From which deduct—   |              |
| Reserve (\$311,685, and death loss, \$2,000 at Dec. 31, as above) —  | \$313,685 00 |
| Surplus on policy-holders' account .....   | \$353,466 98 |

#### Assets.

|   |              |
|---|--------------|
| 1886, Dec. 31.  |              |
| Dom. Gov't deposit—Debentures \$48,400; Cash \$6,440.....                             | 54,840 00    |
| First mortgages on real estate .....  | 245,711 75   |
| Debentures.....   | 10,000 00    |
| Loans on Stocks, nearly all on call .....   | 18,250 00    |
| Reversions .....  | 12,024 43    |
| Bills receivable .....  | 602 70       |
| Furniture .....   | 2,690 31     |
| Loans on policies.....  | 735 40       |
| Special deposit.....  | 875 00       |
| Commuted commissions.....   | 5,000 00     |
| Agents' balances .....  | 3,163 83     |
| Cash in head and branch offices..   | 1,252 89     |
| Cash in banks .....   | 20,411 02    |
| Balance Net Ledger Assets .....   | \$375,557 33 |
| add   |              |
| Short date notes for premiums....   | 21,822 88    |
| Premiums on existing policies in agents' hands and in due course of transmission..... | 11,309 91    |
| Premiums on existing policies due subsequent to Dec. 31st, 1886....                   | 14,366 35    |
| (Reserve on this and preceding items, included in Liabilities).                       |              |
| Interest due, \$190.73, and accrued, \$3,904.78.....                                  | 4,095 51     |
|   | \$427,151 98 |

WILLIAM McCABE,  
Managing Director and Actuary.

We have examined the books, documents and vouchers, representing the foregoing revenue account, and also of each of the securities for the property in the above Balance Sheet, and certify to their correctness.

JAMES CARLYLE, M. D., Auditors.  
W. G. CASSELS,  
Toronto, January 3rd, 1886.

We concur in the foregoing certificate and have personally made an independent examination of said books quarterly, and also of each of the securities representing said property.

E. A. MEREDITH, L. L. D.,  
WM. GORDON,  
Auditing Committee of the Board.

The president then said, in moving the adoption of the report:

I rise to make the formal motion usually made by the president to adopt the report which reveals the work of the year and the standing of the company. I make the motion with all the gratification of previous annual meetings, inasmuch as our former rate of progress has been greatly accelerated, not only as regards the amount of new business, but in the addition to the surplus and in the amount of the investments. The new business amounted to over two and a half millions. The surplus amounts to \$46,891.98 after payment of all charges. The mortgage investments have been more than doubled.

Competition in the business of life insurance was never keener than it has been during the last year, largely in consequence of this competition, the aggregate of business will be found to be greater than formerly, though

shared in by more companies. The British and United States companies have made vigorous efforts to obtain a firm foothold in Canada, and some of them in pushing their business paid commissions far above that paid by Canadian companies and in excess of what we think it safe to pay.

It naturally occurs to our policy holders and guarantors to ask: "How has the 'North American' prospered during such a year?" The figures I have already given convey a fair idea of the result in a general way. The report shows that the business put on our books during the year was about \$600,000 in excess of the business of 1885. This success shows that the various plans of the company are suited to, and appreciated by, all classes of the community desiring insurance.

In former years I compared the position of this company with that of the principal Home Companies during the same period in their history. By this means a more definite idea can be formed of the great progress made by this company. I propose to-day to amplify such comparison as applicable to the past year, but not in any hostile spirit to competitors.

The figures are in every case taken from official statements. The position of these companies at the end of their sixth year was as follows:—

| COMPANIES' FIGURES. END OF SIXTH YEAR. |              |               |              |
|--|--------------|---------------|--------------|
|  |              | New           | Total Amt.   |
|  |              | Business.     | in Force.    |
| Income.                                | Assets.      |               |              |
| Canada Life .....                      | \$ 56,960 00 | \$ 140,523 00 | \$ 1,609,400 |
| Confederation .....                    | 152,837 15   | 363,856 94    | 1,616,558    |
| Sun Life .....                         | 105,318 38   | 300,297 31    | 4,888,755    |
| Ont. Mut., 15th year.                  | 72,426 82    | 1,267,342     | 2,995,058    |
| North American ....                    | 194,249 39   | 534,000       | 2,165,412    |
|  | 427,151 98   | 2,540,794     | 6,075,805    |

You will observe that in the amount of our income, accumulated funds, new business and insurance in force we are very considerably ahead of the companies named at a similar period in their history, and in another important aspect, that of the cost of the business and its stability, I find we also compare very favorably with our home competitors.

Hon. Alexander Morris, vice-president, in seconding the adoption of the report, said:—The position of this company is one in which a number of us have taken the deepest interest since its organization, and we must be all gratified at its rapid development at the strength it has attained, and the support that has been given to it by the Canadian community from British Columbia to Prince Edward Island, thereby proving that the people of Canada are becoming alive to the duty that lies upon them to support home institutions and thus contribute to the prosperity of our rapidly growing Dominion.

I would desire to call attention just now to a few facts contained in the report. It would appear that during the period of 11 years nearly thirty-two million dollars have been paid for premiums to foreign life companies by Canadian insurers. The gain that would have resulted by the retention of that large amount of money in our own Dominion and its application in the way of assisting the various industries throughout the country is at once apparent. These figures are very suggestive and I think ought to impress themselves upon the thoughts of those contemplating life insurance. The comparative longevity of lives in Canada as compared with other countries is one that has attracted my