REPORT BY THE BOARD OF DIRECTORS

OF

The Canada Life Assurance Company,

TO

THE ADJOURNED MEETING OF THE PROPRIETORS, HELD AT HAMILTON, ON 28TH OCTOBER, 1862.

THE DIRECTORS have now to submit to the Shareholders the FIFTEENTH ANNUAL REPORT of the Company's progress, for the financial year, along with the usual financial statements, showing the Company's position at that date.

It affords the Directors pleasure to draw attention to the fact that, during the period referred to, a larger number of New Policies were issued than in any former year of the Institution.

As might be expected, however, from the depression of business caused by the war in the United States, the amount and average of sums assured have been less than during the previous year, although they have been greater than in any other since the business was begun. This will be seen by the following

Comparative Table showing New Business in following years.

	No. New Policies.	Sums Assured.	Premiums.
		$	$ c.
Yearly average to April 30, 1859	231	431,738	11,759.39
Transacted year ending April 30, 1860	338	542,821	15,763.86
" " " 1861	411	676,843	18,031.65
" " " 1862	415	575,570	14,385.72

The sums offered to the Company for Assurance during the year amounted to $752.953, under 510 applications. Of these the Board considered it prudent to decline 51 for assurance of $105.683. There were issued and taken up, 415 Policies for $575.570, which yielded $14.319.12 of new annual Premiums and $66.60 as a single payment; the balance of 44 Policies for $71.740 was not carried out.

The amount at risk at the end of the year was $3.995.776.98 under 2288 Policies on 2013 lives, yielding $101.803.49 of annual Premiums, also four Annuities for $926.13 per annum.

According to the calculation of the year's mortality the claims by death for which the Company might have looked amounted to $51.332.79, while the actual mortality which was experienced was $17.900 upon 13 lives in 14 policies; the difference of $33.432.76 increasing the Special Reserve Fund arising from looked-for mortality which has not occurred, to $130.902.63.

The Directors recommend that profits be given to Policies on the participating scale, at the same rate as was declared last year and that there be a Dividend of 5 per cent. declared to the Shareholders of the Company, which will leave a balance at their credit of $1.204.26.

The subject of the Savings Bank and the deficiency of $13.526.72 thrown upon this Company by the default of the late Actuary, so fully discussed at the Meeting in August last, as well as the comments made thereon since that time have been again maturely considered by the Board. As the Shareholders are aware, the Directors have for some years back felt that it would be well to rid themselves of the Bank branch of their business at an early opportunity, and they have not lost sight of that object. The Bank has always been held as a Shareholder's interest exclusively, and as all gain upon it has gone to them, all loss should fall upon them. As the deficiency of $13.000 in the Assets transferred by the late Actuary should be provided for by the Shareholders, the Directors were anxious to make it fall as lightly as possible upon them, by applying the annual Bank profits in its liquidation,—a system which they adopted last year, and were prepared to continue, until the deficiency should be wiped off, or the Bank given up, under the assumption that the Shareholders would not desire, even if they had the right, to hold any of the Directors responsible for this deficiency. Had the Board been allowed to carry out this gradual liquidation of the loss as they would have preferred, no damage would thereby have accrued to the Company or the Shareholders, but as that appears now to be impossible