

occupied that position from the commencement of the company, rendering it great and valuable assistance by his sound and able counsel and close attention to its affairs, while his name, known and respected throughout the whole Dominion as a synonym for honesty, inspired confidence in the company over which he so ably presided.

Mr. John L. Blaikie, who has occupied the vice-presidency from the company's organization, was unanimously elected president, and the Hon. G. W. Allan and J. K. Kerr, Q.C., vice-presidents.

New policies have been issued amounting to \$2,400,300, being in excess of the previous year; the cash income amounted to \$446,474.40, being an increase of \$45,969.30; the accumulated funds now stand at \$1,421,981.80, the year's *put-by* being the handsome sum of \$206,421.39.

The sum paid under the company's policies in as surplus, matured endowments, claims, etc., amounted in the year to \$118,436.73. For the security of its policy-holders the company's assets are \$1,421,981.80, in addition to its uncalled Guarantee Fund of \$240,000; and its Reserve Fund now amounts to \$1,115,846.

A reference to the accompanying statements of receipts and disbursements and the balance sheet for the year show the excellent financial position of the company, and the following table furnishes the strongest evidence of the rapid and solid progress made during the past five years, especially in the relatively large net surplus that has been accumulated for the benefit of the company's policy-holders.

	Assets.	Percentage.	Insurance in force.	Percentage.	Net Surplus.	Percentage.
Dec. 31 1892.....	\$ 1,421,981 80		\$ 12,063,060		\$ 226,635 80	
Dec. 31, 1887....	542,318 99		6,974,390		54,895 94	
Incr's &c..	879,662 81 163		5,078,690	73	171,739 86 313	

The excellent and productive character of the company's investments is shown by the small amount of overdue interest and the favorable rate secured on its invested assets.

One of the best tests an intending insurer can apply in selecting a company is the relative yearly percentage of surplus made upon its mean assets. In this important particular the North American Life compares favorably with its chief competitors, and excels most of them.

During the year another series of the company's investment policies matured, and the results proved entirely satisfactory to the holders.

The allocation of surplus to the Tontine Investment Policies maturing in 1893 was approved as made by the company's consulting actuary.

The books of the company were closed promptly on the last day of the year, and, as heretofore, the full Government report was then completed and mailed that evening to the Superintendent of Insurance at Ottawa.

The auditor made a complete audit of the company's affairs monthly, and at the close of the year verified the cash on hand and in bank, and examined each mortgage and every other security held by the company. The auditing committee made a minute audit quarterly.

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

JOHN L. BLAIE, President.

G. W. ALLAN, J. K. KERR, Q.C. } Vice-Presidents.

Summary of financial statement and balance sheet for the year ending December 31st, 1892:

Cash income.....	\$ 446,474 40
Expenditure (including death claims, endowments, profits and all payments to policy-holders).....	216,326 26
Assets.....	1,421,981 80
Reserve Fund.....	1,115,846 00
Net surplus for policy-holders.....	226,635 80
Audited and found correct.	

WM. McCABE, Managing Director, JAMES CARLYLE, M.D., Auditor.

#### To the Directors of the North American Life Assurance Co.:

GENTLEMEN.—Herewith please find list showing surplus that can properly be apportioned to each Tontine Investment Policy maturing in 1893, which surplus, added to the guaranteed reserve value, constitutes the total cash value in each case; exceeding, as it does, the present estimated surplus that would accrue to policies of similar kinds and equal amounts, the result of this dividend cannot but be exceedingly satisfactory to those persistent policy-holders who are entitled to enjoy it. As to the accuracy of Tontine surplus estimates, and the probability of realizing them, it is a very great satisfaction to me personally, not only to be able to certify to these results, but also to put upon record that the surplus earning power of your company fully warrants and justifies them. I can say unhesitatingly that the condition of your business, and your exceptionally large surplus fund, are ample justification for the declaration of even such a very satisfactory dividend as this is sure to be.

In this connection permit me to remind you that in former reports my careful examinations of the general character of your business impelled me to predict that it would prove to be very profitable, and that you were peculiarly fortunate in having so large a proportion of your business upon plans that, for their surplus-contributing power, are excelled by none other. It is gratifying to me to find how marked has been the verification of this prediction. Assuming that the general distribution of your business will follow the plans now most in favor, notably the 20-Year Investment Plan, I may with equal certainty predict that you will continue for many years in the future to attain equally happy results. So far as your capacity for future surplus-earning is concerned, I am quite satisfied that you have a more than reasonable expectation of reaching the estimates you have published, and, therefore, yours must be—in the popular sense of the phrase—a policy-holders' company.

A continuation of your exceptionally careful management will effect a result that will be felt for many years to come; a result not only contributory to surplus, but to the essential requirement of undoubted safety.

Your steady gain in business in force keeps pace with a desirable degree of conservatism. You could certainly write more new business to-day, but you evidently limit it to an amount that prudence and economy of management suggest can be obtained at not too great a cost, and this in spite of the too great cost that so many of the companies are paying. Excessive competition forces up the price of business to an absurd extent, and I am pleased to see that you limit your requirements to what you can obtain at a fairly reasonable cost.

WM. T. STANDEN, Consulting Actuary.

Mr. John L. Blaikie, the president, in moving the adoption of the report, said:

GENTLEMEN—This is the twelfth annual meeting of this company, and everything connected with the balance sheet and statements submitted for your approval affords cause for congratulation; nevertheless a feeling of sadness comes over us as we recall the proceedings connected with our meeting a year ago, when our late greatly-esteemed and honored president, the Honorable Alexander Mackenzie, was in the chair, and when a resolution was passed with great enthusiasm congratulating him on having on that very day attained the seventieth anniversary of his birth. The hope was very fervently expressed that Mr. Mackenzie might be spared for many years and be able to preside at our annual meetings, but an All-Wise Providence decreed otherwise, as he was stricken down soon after our meeting, and died in the month of April, mourned and lamented not only by sorrowing relatives and personal friends, but by the people of Canada, all political parties uniting in bearing willing testimony to the noble characteristics of the departed statesman, whose unswerving integrity, devotion to truth, love for and loyalty to Canada, will ever assure his name being held in admiration and loving memory.

Your Directors conferred great honor upon me in electing me president as successor to our lamented friend.

Referring to the report and balance sheet now submitted for your approval and adoption,

I may say that it cannot be otherwise than satisfactory to note progress in everything that goes to the building up of a truly successful life insurance company.

When a shrewd business man makes up his mind to insure his life, and proceeds to consider the claims and relative merits of rival companies, to what ought he have principal regard? Surely the problem such an one has to solve is—"which company can do best for its policy-holders?"

Now it by no means follows that the largest, or the oldest company, or one with many more millions of assets than another, can do the best for its policy-holders.

I have before me a statement showing the percentage of surplus earned to mean assets for the year ending 31st December, 1891, based upon the last Government returns. It is extremely interesting.

Take first four of the large United States companies doing business in Canada, they are as follows:—

Mutual Life	2.66	Equitable Life	2.76
New York Life	1.10	Ætna.	2.18

Then take four prominent Canadian companies, and what do we find their percentage of surplus earned for that year to be?

Ontario Mutual	4.19	Confederation Life	3.02
Sun Life	2.08	North American	5.98

Thus you see that the percentage of surplus earned to mean assets for 1891, out of which alone all returns and dividends to policy-holders must come, is in the case of the North American Life more than double that of any of the four United States companies; and very much greater than that of the Canadian companies named.

Nothing can be clearer than that the company making and accumulating the largest percentage of surplus, is the one that will give the largest returns and best investment results to its policy-holders. Tried by this test I am proud to say the North American Life stands in the very front rank.

A wise and provident investment of the funds of a life insurance company is a most important factor in adding to the surplus, and in this respect our company has been remarkably fortunate, the average rate of interest upon its investments being as high as any, and considerably higher than that of most companies, as will be readily seen by the following figures, compiled by the *Insurance and Finance Chronicle*, of Montreal, from the last Government returns. The average rate of interest earned on their assets by the companies named below was as follows:—

Company.	Rate % earned.	Rank.
North American Life .....	6.11	1
Ontario Mutual Life .....	5.98	2
London Life .....	5.81	3
Sun Life .....	5.74	4
Canada Life .....	5.51	5
Dominion Life .....	5.32	6
Ætna Life .....	5.24	7
Confederation Life .....	5.19	8
Mutual Life of N.Y. ....	5.06	9
Equitable Life .....	4.82	10
New York Life .....	4.79	11
Temperance and General .....	4.73	12
London and Lancashire .....	4.58	13
Manufacturers' Life .....	4.57	14
British Empire .....	4.55	15
Standard Life .....	4.27	16

Some features in the report of our eminent consulting actuary, Mr. W. T. Standen, of New York, are entitled to special notice:—

"That the surplus to be apportioned to each Tontine policy maturing in 1893, does not fall short of, but on the contrary exceeds the estimates in use by the company." Referring to Tontine surplus estimates and the possibility of realizing them, Mr. Standen states "that the surplus earning power of the North American Life is such as to fully warrant the expectation of doing equally well in the future for those who are fortunate enough to be policy-holders in the company."

The death losses during the year, you will notice, considerably exceed those of 1891; but still the amount is largely within the expectation.

The medical director's report furnishes much interesting information connected with this department, and I take pleasure in bearing testimony (which daily observation enables me to do) to Dr. Thorburn's able and unwearied labors in the interests of the company.

It is extremely gratifying that so many of our active agents are present with us to-day.