

has accrued to the Policy holders by the Savings Bank; in fact the only loss sustained has arisen from a deficiency in the security transferred by the actuary to cover his deficit of \$30,000; which deficiency was not ascertained until after the transfer was made. This sum was then secured on Real Estate made over to the Company, and at the time supposed to be in excess of the amount due; but on being realized, resulted in a loss of \$13,000, which must now be borne by the Shareholders, they being the parties benefited by its investments. It is but right to state that this loss was not ascertained until about three years ago, when the securities were being realized, so that no blame attaches to the present management except that the deficiency should have been cancelled or provided for at an earlier period. It is a question of grave importance whether an Institution like THE CANADA LIFE ASSURANCE COMPANY should connect itself with a Savings or other Bank, liable to be run upon, and its character jeopardised by an idle or malicious rumour. It seems to be generally conceded that such Institutions should be kept apart, and left to work out their objects separately. Whether a separation should now take place between the Bank and the Company is a question engaging the public attention, and one to which your Auditors have given much consideration. In the present state of the public mind they have no hesitation in recommending the Shareholders to dissolve the existing connection so soon as suitable arrangements for the transfer can be made. Your Auditors feel assured that the gain resulting from this policy will, by the increased confidence of the public in the stability of the Company, remunerate the Shareholders for any loss they may now sustain; a confidence fully warranted by the result of the present scrutiny.

To conclude, the undersigned have now briefly endeavoured to perform the duty assigned them, which was not confined to what appeared in the books only, but embraced also the position and conduct of the Company, in special relation to the six points of enquiry of the Toronto meeting; the answer to which will be found generally in the foregoing Report. In the performance of their duty, the Auditors acknowledge with pleasure having received every courtesy and information from the officers connected with the Company, at a time too when they were much occupied in completing their Annual Statements.

All of which is respectfully submitted.

HAMILTON, 25th October, 1862.

(Signed)

THOS. D. HARRIS, } AUDITORS.  
CHAS. ROBERTSON, }