

THE FORTY-FOURTH ANNUAL REPORT OF The London Life Insurance Company

SHOWS UNINTERRUPTED PROGRESS DURING 1918.

Business in Force \$59,804,430. A Gain of \$9,017,064. Cash Income \$2,799,883
Assets \$9,189,657. Decrease in Expense Rate. Increase in Interest Rate.
Profits Exceed Estimates by 65 per cent.

SYNOPSIS OF FINANCIAL STATEMENT

REVENUE ACCOUNT

Receipts.		Disbursements.	
Total Premium Income	\$2,249,348.08	Paid Policyholders or Heirs	\$ 900,107.65
Interest on Investments	530,535.62	Dividends to Shareholders	4,000.00
Items in Suspense	2,656.75	Government Fees and Taxes	37,028.22
		Medical Fees, Head Office, Investment and General Expenses	217,989.26
		Agency Salaries and Commissions	543,729.30
		Balance to Investment Account	1,079,686.02
	<u>\$2,782,540.45</u>		<u>\$2,782,540.45</u>

BALANCE SHEET

Assets.		Liabilities.	
Mortgages, Debentures and Stocks....	\$7,937,505.56	Policy and Annuity Reserves	\$8,448,469.00
Loans on Policies and Other Invested Assets	805,049.68	Accumulating and Accruing Profits....	269,595.00
Outstanding and Deferred Premiums, Net	261,379.98	Investment Reserves and Other Liabilities	297,602.64
Interest Due and Accrued	185,722.65	Surplus on Policyholders' Account (in- clusive of paid Capital, \$50,000)....	173,991.23
	<u>\$9,189,657.87</u>		<u>\$9,189,657.87</u>

SIGNIFICANT FACTS FROM ANNUAL REPORT

- INSURANCES.** The amount of New Insurance issued during the year was the largest in the Company's history. Again the Business in Force has more than doubled in five years and quadrupled in ten years.
- EXPENSES.** In both the Weekly Premium and Ordinary Branches very satisfactory reductions from the previous low record of 1917 were effected.
- ASSETS.** All Bonds, Debentures and Stocks owned by the Company have been carried into the Statement at a figure considerably below the prevailing market values. The rate of interest earned during the year was 6.82%, two points higher than in 1917.
- LIABILITIES.** The Reserves on over 90% of the business has been computed on a 3% interest basis—a higher reserve standard than that adopted by any other similar Company on the continent. All accruing profits on participating policies to their anniversary in 1918 have been computed and fully provided for in the Liabilities.
- CLAIMS.** War and Epidemic Claims formed over 50% of the total claims of the year. The total claims paid to end of 1918 on account of the War, the Halifax Disaster and the Epidemic amount to more than \$650,000.
- SURPLUS.** The earnings of the year were sufficient to meet all the usual obligations, including reserve for profits accruing, all War Claims and a large portion of the Epidemic Claims. The Surplus Fund available for emergencies was used to the extent required to meet the balance of the Influenza Claims. The Surplus on the Government basis, exclusive of Market Values of securities over Book Values, is \$926,000.
- DIVIDEND DISTRIBUTIONS.** On account of the Company's ability to meet the extraordinary claims of the year in the manner indicated, there is no occasion to reduce the scale of profit distributions. An adjustment at the older ages has, however, been made in order to establish greater equity in the distribution of profits. The quinquennial distributions in 1919 will, on the average, exceed the original estimates on the present rates by 65%.