

53rd Annual Report

Canada Life

In numbers present, keen interest manifested, harmony and enthusiasm displayed, the annual meeting of the Canada Life Assurance Company, which was held on Wednesday last, was without exception the most successful in that company's history of over half a century. The president, Hon. George A. Cox, read the directors' report, as follows:

THE RESULTS.
The applications for assurance during 1929 were 4,176 for \$3,622,824 83, of which 401, for \$395,238, were declined or not carried out, leaving the actual issues of the year 3,775 policies for \$3,227,586 53. This is the largest amount of business ever transacted by the company in its history of over half a century, and it is also a matter of satisfaction that the increase is due almost entirely to purely Canadian business, which, moreover, is of any other company doing business in the Dominion. The total business in force now amounts to \$30,223,688 25, under 37,100 policies, being an increase of almost \$5,000,000 over that of a year ago. This is the largest increase ever made by the company in any one year. The total payments to policyholders during the year (details of which will be found in the financial statement), were \$1,957,250 55, which is \$1,591,404 greater than for the previous year. A careful revaluation of the properties owned by or mortgaged to the company has been made, not only by our own valuers, but also by independent valuers, and after making all reasonable provision against loss, the assets now stand at \$1,364,062 06, being an increase of \$1,325,214 72 over the amount as reported a year ago.

QUINQUENNIAL INVESTIGATION.
A valuation of the company's policy liabilities has been made by the actuary upon actuarial table of mortality and interest at 4 per cent, this being the basis of valuation required by some of the states in which the company does business. This valuation, which amounts to \$18,964,390, has been confirmed by certificates of the commissioner of insurance for Michigan. After providing for these and all other liabilities, there is a surplus of \$1,364,062 06, but last year it was decided on the recommendation of the president, to set aside a special reserve of \$225,000 towards a 3½ per cent standard. Since then the Dominion Government, reorganizing the permanent fund interest rates, has wisely amended the insurance act, so that all companies must now proceed to make provision for placing their policy liabilities upon a 3½ per cent basis. Until this transition is effected it will be necessary for the companies to apply a considerable percentage of their surplus on old policies in this way. The directors have therefore recommended that an additional sum of \$275,000 be set aside for this purpose, making in all a special reserve of \$500,000 in excess of the actuarial 4 per cent basis. Deducting this amount from the above-mentioned surplus there remains a surplus over all liabilities of \$1,489,712 85. Of this amount it is proposed to credit to policyholders \$1,321,132 06 as surplus to them, and to shareholders \$168,580 79, which will be divided for the next five years may be paid.

The directors, keeping in view the unusually large amounts of profits distributed to policyholders in the past, and the fact that interest rates have so fallen as to make it imperative that the Canada Life should be placed on an actuarial valuation basis relatively comparable with that of leading companies in the United States, Australia and Great Britain, have unanimously recommended that at this quinquennial division the permanent interests of the policyholders should be conserved by declaring a bonus addition of 3½ of one per cent per annum, and a slightly less amount upon life policies which have been paid up for a period of ten years. This decision has been arrived at only after the most careful investigation into and deliberation upon the many

phases of this extremely important matter. It is believed that within the present quinquennial period this decision will be heartily approved by any who may not at present recognize its importance. Indeed, the opinions of two distinguished actuaries, who were independently consulted, would have supported an immediate adoption of the new government basis of 3½ per cent upon all business. It is further recommended that the usual quinquennial bonus to shareholders be dispensed with.

Several weeks must necessarily elapse before the numerous details of adjustment of the policyholders' bonuses are completed.

GOVERNMENT EXAMINATIONS.

In October last, an exhaustive and critical examination of the company's whole condition was made by a staff of special examiners from the Michigan Insurance Department. The various securities were examined and the condition of the company as stated in its published reports was confirmed. The official report was made public by the company immediately upon its completion.

In addition to this the superintendent and the actuary of the Canadian Insurance Department have made their usual yearly examination of our securities and accounts. Then, too, the professional auditors appointed by the shareholders have made a continuous audit of the books.

ORGANIZATION OF DEPARTMENTS.

The company's business and invest-

PRESIDENT'S ADDRESS.

Hon. Geo. A. Cox, said: It is a matter of satisfaction that the business of the year just closed largely exceeds that of the best year in the company's history. From every part of the Dominion came these evidences of approval and confidence. While this increased business was to a certain extent due to the fact that new premium rates were to go into effect at the beginning of the year in this and other companies, still the fact that the Canada Life received a much larger volume of new business in the Dominion than any other company, is the best evidence of the wisdom of the departures just referred to. I think it proper, however, to state that it is not my intention, nor of those responsible for the management of the company, to depart from the conservative principles by which it has been guided. I believe in building on foundations that will stand the strain and stress of years. Whether in the securing of business or in making investments, I prefer to look at the matter as it is, rather than to appear, ten, twenty, thirty years hence, and I am content to sacrifice transient success for absolute security and the permanent welfare of those whose interests are wrapped up in this institution. At the same time I think we should not be doing our duty if we did not seek to keep the Canada Life thoroughly abreast of the times, both in its agencies and in its head office. "Conservative Progress" will, therefore, be our motto.

The most important matter dealt with in the report is the quinquennial investigation. This is always an eventful period, but especially so on this occasion, for the reason that the life companies are now brought face to face with a most serious practical problem, viz., the readjustment of the finances due to the permanent fall that has taken place in the rate of interest. Many persons who are not familiar with life insurance finance do not realize the interest in the foundations of a life company. Without its interest income a life company would soon become insolvent. It is not alone from the premium but from the interest that claims must be met, and if interest is likely to fall below what has been assumed, then the security of a company's contracts is endangered. Moreover, the security of a rate of interest larger than that assumed in a company's calculations is one of its main sources of profit. Hence it is of the highest importance that the margin of interest for profit should be maintained.

My second illustration shows what annual premium would be required to insure a man for \$1,000 at age 30 upon the whole life plan, supposing no interest were assumed as procurable. The gross annual premium would be \$32 75, whereas the rate which we now charge for a non-profit policy on that plan is only \$20 50, or \$12 25 per year less. The difference is accounted for by assuming the benefit from interest. These illustrations prove the almost criminal negligence that would be involved in blissfully closing one's eyes to facts before us and gently drifting either into ultimate insolvency or into a condition devoid of earning power. Hence, in face of a rate of interest that has permanently fallen and that will in all probability continue for some time to fall, the advocates of an immediate division of a nominal surplus may defeat their own object and prejudice their own interest by impairing the stability of a company from which their children may obtain little because they themselves have already eaten the fruit. Therefore it becomes at times the bounden duty of those charged with the administration of a great trust to maintain people's interests, even against their opinions.

Under the amended Insurance Act of last session all the companies must now hold their reserves on new business upon a 3½ per cent interest basis and must further proceed to bring the reserves on all existing business to the same basis. As generous creditors sometimes do for respectable debtors, the government has granted an extension of time in which any

company, however weak, might easily meet its obligations under existing conditions. But a law which is framed to aid the weak should not be used to bind the strong.

In order to place before our directors just what has involved in passing up the higher standard, I have decided during last year to ask our actuarial department to make a detailed valuation of our 37,000 policies upon the Hm. 3½ per cent basis. In addition to this, two other full details of valuations were made, viz., one upon the actuarial table and interest at 4 per cent, and the other upon American experience 4 per cent table. Never has such an exhaustive investigation of its policy liabilities been undertaken by the company. But the results proved of great value and interest. While the actuarial department was busily engaged in drawing up the policy liabilities on different bases, the newly-appointed treasurer was hard at work taking stock of our assets. When the two sides of our balance sheet came together, therefore, it was a matter of great satisfaction that the company was found in possession of a substantial surplus over all liabilities, even upon the high standard of Hm. 3½ per cent.—the new government basis.

EXPERT OPINIONS.

In order to have the benefit of independent expert opinion as to how far the company should now go towards meeting the new government standard, it was decided to lay the whole situation before two distinguished actuaries, one English and the other American. The gentlemen selected were H. W. Manly, F.I.A., of London, England, the president of the Institute of Actuaries of Great Britain, and David Parks Fackler, consulting actuary of New York, president of the Actuarial Society of America. Mr. Manly, who, by the way, holds the highest office in the world of actuaries, is so strongly convinced of the necessity and advantages of the adoption of the new 3½ per cent basis that he did not hesitate to recommend its immediate adoption to his colleagues.

Our own actuary, Mr. F. Sanderson, M.A., F.I.A., who deserves to stand high in his own profession, and whom the directors regard as one of the most able, reliable and conservative actuaries in Canada, had also performed the immediate adoption of the new 3½ per cent standard, but after a careful consideration of the question in all its bearings, he was quite in accord with the medium course that has been pursued.

After looking at the matter from every point of view, the directors finally concluded to place the reserves upon an actuarial 4 per cent basis and to make a special reserve of \$275,000 in addition to the \$225,000 set aside a year ago, or in all a special reserve of half a million dollars, towards placing the reserves upon a 3½ per cent basis.

I have then decided to allot to policyholders the rate of bonus mentioned in the report, but to dispense with the usual quinquennial bonus on shareholders. Speaking of this proposal, Mr. Fackler says: "I believe that all arguments worthy of consideration favor a course at least as conservative as that proposed, and it has my hearty approval."

There are two important points in Mr. Manly's report to which I wish to draw special attention. First—"That the rate of interest used in calculating reserves should not only have reference to the interest now earned, but in order to secure absolute safety should be based on a level rate which, so far as can be discerned, will be permanent when obtained. In fact, the actuary must be an intelligent anticipation of a future rate of interest."

Second—"That the proper persons to bear the burden of the change to the higher reserve standard are those policyholders and shareholders who have received an excess of profit in the past, equivalent to the difference in the reserves made and the larger reserves which we now know ought to have been made."

JUDGED BY THE PAST.

We are willing to be judged by our past services to the people as drug-users. We always devote our best energies to those who call on us to have their wants supplied. Our stock of Toilet Preparations is ever new and varied, and low prices maintain our popularity. The spring medicine surpassing all others is Paine's Celery Compound. It is the great blood purifier and strength giver. It banishes rheumatism, neuralgia, dyspepsia, liver and kidney troubles. Come to us and buy a bottle and test the virtues of Paine's Celery Compound.

J. CALLARD, Druggist,
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The lie indirect is often as bad, and always meaner and more cowardly than the lie direct.

BRIGHT OUTLOOK

Bradstreet's Weekly Review of Trade in the Dominion.

Bradstreet's trade review weekly summary. Business circles at Montreal have shown increased activity the past week, and the orders left with the wholesale trade have been on a liberal scale. All reports are to the effect that the outlook for spring business is very bright. March paper was well met.

At Hamilton there has been a fair volume of trade for this season and a marked expansion is reported as compared with previous years. Payments are good.

Trade at Winnipeg has shown some improvement and spring shipments are going ahead rapidly to country dealers. London firms report an active business in most lines, and preparations are being made for a large increase in business for the coming spring and summer over previous years. A better class of goods are generally being inquired for, and the early orders are mostly larger than usual. Collections are fair.

Trade conditions at the Pacific coast cities are satisfactory. Business has been more active at Toronto as a result of the millinery openings. Values for all goods are very firm. Payments on 4th of March paper were good, there being less than the usual number of requests for renewals.

A TORONTO LADY CURED OF ASTHMA

After Twelve Years' Suffering—Toronto Physicians Advised Leaving Her Home to Go to Manitoba—Clarke's Kola Compound Cured.

Mrs. McTaggart, 80 Vanalea street, Toronto, writes: "I have been troubled with asthma and bronchitis for twelve years, which gradually grew worse each year, in spite of the hundreds of dollars my husband has spent with several doctors, and almost every remedy I could procure. For the past two years I could not lie on my left side, and during the past year previous to taking Clarke's Kola Compound the asthma became so severe that I had not had a full night's sleep, and during most of that time we had a doctor in attendance. We gave up several doctors, as I was becoming no better, and the last doctor, after about two months' treatment, told me he could do nothing for me, and advised me to go to Manitoba or some dry climate. We heard of Clarke's Kola Compound being a cure for asthma, and before taking this remedy made several inquiries from those who had taken it, and in each case found the result so satisfactory that we resolved to try it. After taking the first bottle I became much better, and began to sleep well at night. Since taking the third bottle I have not felt the slightest symptoms of my former trouble. I have during the past six months gained nearly 20 pounds in flesh, and feel perfectly healthy in every way. I can assure you that I will do all in my power to induce any sufferer from this terrible disease to try it."

Clarke's Kola Compound is sold by Anderson & Nelles, druggists, or by the Griffiths & Macpherson Company, Limited, 121 Church street, Toronto.

SHELDON'S DAILY

Circulation for the Week Nearly a Quarter of a Million.

Topeka, Kan., March 12.—The Rev. Charles M. Sheldon, who takes editorial and business control of the Daily Capital today (Monday) spent half an hour in the office of the paper on Saturday forenoon, and then went home to finish his Sunday sermon. He persistently declined to be interviewed, but extended an invitation to the reporters to attend his morning service, which they promised to do. A great deal of gossip is indulged in regarding Mr. Sheldon's policy, but up to this time nothing is known. Many of his close friends say he will follow the idea outlined in his famous novel, "In His Steps." The circulation of the Capital for the week is now very close to a quarter of a million, exclusive of news agency orders, and subscriptions are still coming in at an increasing rate.

Toledo, O., March 12.—It is announced that the Toledo Commercial has been purchased by H. P. Crouse, of Findlay. The paper has been operated under a lease by John R. McLean.

"The Better Part"

of valor is discretion," and the better part of the treatment of disease is prevention. Disease originates in impurities in the blood. Hood's Sarsaparilla purifies the blood. People who take it at this season say they are kept healthy the year round. It is because this medicine expels impurities and makes the blood rich and health-giving.

All liver ills are cured by Hood's Pills. 25c.

GLENGARRY LIBERALS.

Cornwall, March 12.—Mr. Jacob T. Schell, of Alexandria, has accepted the nomination tendered him some time ago by the Liberal Association of Glengarry.

A DINNER PILL.

Many persons suffer excruciating agony after taking of a hearty dinner. The food partaken of is life's ball of lead upon the stomach, and instead of being a healing nutriment, it becomes a poison to the system. De Parmelee's Vegetable Pills are wonderful correctives of such troubles. They correct acidity, open the secretions, and convey the food partaken of into healthy nutriment. They are just the medicine to take if troubled with indigestion.

A Skin of Beauty Is a Joy Forever.

Dr. T. Felix Gouraud's Oriental Cream or Magical Beautifier.

Removes tan, pimples, freckles, redness, dryness, and every blemish on the skin. It is a beauty, and defies detection. It has stood the test of 61 years and is as good as new. It is a beauty, and defies detection. It has stood the test of 61 years and is as good as new. It is a beauty, and defies detection. It has stood the test of 61 years and is as good as new.

Also Poudre Subtile removes superfluous hair without injury to the skin.

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This Means Good Clothes

Today our customers must have a guarantee of dependable work.

It's in That Label.

Today the clothes that are worn by the men who formerly patronized the merchant tailor

Bear That Label.

Metropolitan style, standard fabric qualities, and that distinctive tone so generally the dominant note in clothes from exclusive tailor shops, are to be found in the clothes

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BOVRIL is infinitely more nourishing than Extract of Meat or Home Made Beef Tea. For INVALIDS and CONVALESCENTS, it is absolutely needful.

The National Cycle & Automobile Co. Limited

REPAIRING.

National bicycles have a liberal local guarantee repair service in operation all over the country. Should guarantee repairs happen to be necessary, the rider of any National bicycle—E. & D., Canadian Columbia, Canadian Sterns, Canadian Monarch, and twenty-one other lines—simply has his repairs done at home in the National local repair shop. While it will be very seldom necessary to avail himself of the repair system, the rider will have an additional peace of mind that he would not get if he rode a bicycle not a National. Only National bicycles have local guarantee repairs. Only National bicycles are worth buying, when ordinary guarantees are considered.

The National Cycle & Automobile Company, Limited,

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NOVO.

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1—Prevents all contagious diseases from approaching where it is used.

2—It will clean and polish paint work and not kill the gloss on the paint.

3—It will clean carpets without taking them up.

4—It will clean linoleums like new.

5—It will clean bicycle chains and rims.

6—It will clean and remove paint, oil and grease stains from woolen and cotton clothing. Also cleans coat collars and hats.

7—It contains no alkali and is strongly recommended for washing the head, as it imparts a silky and natural gloss to the hair, and is especially useful for children.

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