

AUDITORS' REPORT.

To the President and Directors of the Ontario Mutual Life Assurance Company.

GENTLEMEN,—We have the pleasure to herewith submit our audit of the company's accounts and general statement of its affairs for the year ending December 31st, 1881.

We have checked the receipts of the company from premiums, loans, liens and interest which constitute all sources of its revenue, and we have examined and passed all charges for disbursements accompanied by vouchers authorized by your board.

The investments of the company have been carefully examined, and are entered at cost; the several securities have either been produced or evidence afforded of the same being lodged with the government.

We have much satisfaction in noting the very large augmentation of the company's business.

We have pleasure in acknowledging the courtesy and ready attention afforded us by your manager and his assistants during our audit.

We are, Gentlemen, yours truly,
 GEORGE J. JAFFRAY,
 HENRY F. J. JACKSON, } Auditors.

Waterloo, April 3rd, 1882.

ACTUARIAL REPORT.

To the President and Directors of the Ontario Mutual Life Assurance Company.

GENTLEMEN,—I have carefully examined and computed the value of the policies in this company in force on the 31st day of December, 1881. For the basis of computation I have used the 'Actuaries' Table of Mortality and 4 per cent. interest; this is the highest standard made use of by any company in America.

Number of policies in force, 3,445 on 3,370 lives—amount of assurance, \$4,226,011.33.

Reserve required \$302,789 90
 Deduct reinsurance... .. 1,404 33

\$301,376 57

Our reserve at these figures is about \$13,000.00 above the legal standard basis of 4½ p.c.

Faithfully yours,

WILLIAM HENDRY,
 Manager.

The result of the ballot for directors was the re-election of Messrs. C. M. Taylor, of Waterloo, Robert Melvin, of Guelph, and Robert Baird, of Kincardine. Owing to the pressure of other engagements, the Hon. S. C. Wood declined re-election, and the Rev. William Williams, of Guelph, was elected in his stead.

Immediately after the annual meeting, the board was organized by the re-election of I. E. Bowman, Esq., as president, and C. M. Taylor, Esq., as vice-president.

THE SUN LIFE ASSURANCE COMPANY OF CANADA.

The following is the Report of the Directors of the Sun Life Assurance Company of Canada, for the year ending 31st December, 1881.

REPORT.

The Annual Statements called for by our Charter are appended hereto, and the Directors have pleasure in inviting attention to them. In amount and general character, the business of the past year has been very satisfactory, and much in excess of that of any previous year.

The Life Applications submitted during the year were 1,158 for \$2,142,343.92. This is by far the largest amount ever received by the Company in one year, and exceeds that of 1880 by nearly 50 per cent. or three quarters of a million dollars. Of this amount \$1,955,010.67 under 1,052 applications was accepted and policies were

issued therefor. The remainder was either declined, or not completed at the close of the year. The Life Policies in force at the close of the year were 3,047 for \$5,010,156.81, being an increase of over \$1,100,000.00 on the previous year.

In the Accident branch also, satisfactory progress has been made. The Accident Applications received were for \$1,053,000.00, and the policies issued covered \$1,024,000.00, and the amount in force at the close of the year was \$1,220,000.00.

It will thus be seen that the total applications for the year covered \$3,195,343.92, and the total assurances in force at its close, \$6,230,156.81.

In annuities comparatively little has been done, there being very little offering in that line. This class of business, however, is slowly growing in favor, and larger results will no doubt follow when our friends know that we are prepared to engage in it more extensively.

The total income has increased from \$140,000 in 1880, to \$182,000 in 1881, and we look forward to a still more rapid increase in the future.

The investments continue to receive the careful attention of the Directors, and it is very satisfactory to know that part of the real estate foreclosed by the company has been sold at a profit, and the rest promises equally good, if not better results.

The very light death rate experienced by the company for several years has formed matter of remark in previous reports. Last year the claims were rather heavier than usual, but were still within the expectancy by our mortality tables.

The total amount returned to policy-holders since the organization of the company by death-claims, profits, surrenders, &c., is now about \$225,000.00.

With 1881 closed our second quinquennium, and the accrued surplus has now to be distributed. Accordingly a very careful and thorough investigation into the company's position has been made, the results of which are given herewith, showing the very handsome balance of \$63,260.55 available for distribution. In view of the severe depression that prevailed during a considerable portion of that time, and which exercised such very injurious results on Life Assurance, only a moderate amount of profit might be expected. It is therefore all the more gratifying to find that it is otherwise. Part of that sum has been reserved and the balance is being apportioned with all possible despatch, and our participating policy-holders are being notified by circular of the sums placed to their credit. The profits are such as we think will give satisfaction to all.

As formerly the policies have been valued by the company's Actuary on the basis of the Government standard, the H^M Table, and 4½ per cent. interest, with the exception of a few policies that required the use of another mortality table.

For some time it has been felt that the company's name should be changed so as to omit the term Mutual, and at the present session of Parliament a bill has been introduced which has passed both houses of Parliament, making our corporate name "The Sun Life Assurance Company of Canada."

It will thus be seen that the company has, during the past year, made very decided and substantial progress, and is in every way in a most flourishing condition. The very liberal policy, and the prompt and fair dealing of the management generally, entitles it to the fullest confidence and patronage of the public.

The Directors who, by rotation, retire this year, are Thomas Workman, David Morrice, and Honorable A. W. Ogilvie, all of whom are eligible for re-election. Mr. James Hutton having withdrawn, the Board elected the Honorable

John Boyd in his place, whose election will now come up in the usual way for confirmation.

R. MACAULAY, THOMAS WORKMAN,
 Manager. President.
 MONTREAL, 29th April, 1882.

STATEMENT OF INCOME AND DISBURSEMENTS FOR 1881.

<i>Income.</i>	
Cash received for Premiums—Life	\$147,942 58
Cash received for Premiums—Accident....	6,450 81
Cash received for Annuities.....	1,120 00
Total premium Income....	\$155,513 39
Interest, Rents, &c.....	26,413 46
Miscellaneous.....	573 53
Total Income.....	\$182,500 38

<i>Disbursements.</i>	
Dividends on Capital.....	\$ 5,000 00
Re-assurance Premiums.....	708 17
Surrender values paid..	\$ 5,227 59
Life Claims " ..	45,851 55
Matured Endow'ts paid	8,500 00
Accident Claims " ..	2,184 84
Annuities " ..	726 00
Profits, &c	896 69
Total to Policy-holders....	65,386 67
Expense Account.....	53,010 43
10 per cent written off Office Furniture	198 33
Interest on Debentures Sinking fund	135 28

Total Disbursements \$124,378 88

<i>Assets.</i>	
Debentures—Stratford, market value	\$33,000 00
Debentures—Belleville..	6,480 00
Sorel	1,030 00
Cornwall ..	9,450 00
N. Stukely.	6,300 00
Cote St. Louis....	23,000 00
	\$ 79,810 00

Stocks—Montreal Loan and M'ge Co., market value..	64,800 00
Exchange.....	7,050 00
Molson's Bank..	2,400 00

Real Estate	74,250 00
Loans on Real Estate, First liens ..	80,336 22
Cash on hand and in Banks	165,445 00
Loans on Policies	38,441 64
Bills Receivable	20,955 53
Office Furniture	3,234 40
Due for Re-assurance.....	1,245 05
Interest and Rents accrued.....	14,414 93
Agents' Balances	3,865 36
Outstanding and deferred Premiums	4,676 09
Less 10 p.c for collection	56,855 43
	5,635 54

Sundry items.....	50,719 89
	566 12
	\$536,960 23

<i>Liabilities.</i>	
Premium Reserves—in-cluding Annuity contracts—Life	\$400,778 95
Less net value of Policies re-assured	563 84
	\$400,215 11
Unearned Premiums, Accident Business.....	3,837 35
Death Claim reported but not due..	5,000 00
Sinking Fund, Cote St. Louis Debentures, &c.....	2,597 22
Total	\$411,199 68