

## THE IMPERIAL LIFE ASSURANCE CO. OF CANADA.

The Annual General Meeting of this Company was held at its Head Office in Toronto, Ontario, on Wednesday, Feb. 23, 1896.

Those present were: Hon. Sir O. Mowat, President; J. W. Flavelle, Vice-President; Sir Mackenzie Bowell, J. H. Plummer, Hon. George A. Cox, H. N. Baird, J. J. Kenny, A. E. Ames, S. G. Beatty, R. K. Connell, E. R. Wood, C. C. Baines, Dr. J. L. Davison, E. T. Malone, F. G. Cox and others.

The President, Hon. Sir O. Mowat, took the chair, and the Secretary of the Company, Mr. T. Bradshaw, acted as Secretary of the meeting.

The Annual Report and Financial Statement were submitted as follows:

The Directors have pleasure in reporting to the members the result of the first three months' operations of the Company. The Dominion Insurance Act requires all life insurance companies transacting business in this country to furnish a statement of their affairs as at the 31st December in each year, so that the report now presented is only for a part of a year.

### (1) BALANCE SHEET.

Your Directors have had the Balance Sheet herewith submitted prepared in the same form as that required by the Government for the annual report of the Superintendent of Insurance, and it will be observed that there are no assets included which are not strictly of the character allowed by the insurance department. There is, however, an important difference between the statement and the requirements of the Government, viz., that, for the reasons hereafter noted, the directors, in the interest of the policy-holders, have adopted for the valuation of the Company's assurances and annuities a  $3\frac{1}{2}$  per cent. interest rate, instead of the less onerous rate of  $4\frac{1}{2}$  per cent.

### (2) ORGANIZATION.

In order to provide for the necessarily heavy expenses of organization, and for the apparent loss which a life insurance company must show in the first few months of the Company's existence, your Directors issued the capital stock at a premium of 25 per cent., amounting, on \$250,000 of capital paid-up, to \$62,500. The wisdom of this procedure will, your directors feel assured, be evident to all interested, from the strong financial statement now presented, a statement which they think is perhaps without a parallel.

The Company has been fortunate in securing the services, as district managers and agents, of men well and favorably known in their respective communities, and as a result is now strongly represented in the Provinces of Nova Scotia, New Brunswick, Prince Edward Island, Ontario, Manitoba, British Columbia and the Northwest Territories, and satisfactory arrangements are nearly complete for the representation of the Company in the Province of Quebec.

### (3) NEW BUSINESS.

The number of applications received and acted upon was as follows:

370 accepted, and policies issued, assuring .....	\$1,185,725
34 declined and postponed, representing .....	98,500
<b>Total .....</b>	<b>404</b>
	<b>\$1,284,225</b>

The amount of business transacted exceeded the most sanguine expectations of the Directors, and will compare most favorably with that of the old established and most progressive life insurance institutions in Canada, in the same period of time, and largely exceeds the business secured during the whole of 1896 by some of the Canadian, British and United States companies in Canada.

The character of the business is attested by the relatively high average amount of the policies issued. The average amount of the policies of all Canadian companies, at the close of 1896, was \$1,582; and of the Canadian policies of all the British and United States companies, \$1,986, and \$1,844 respectively, whereas the average of the policies of your Company is \$3,305, or double the amount of the average policy of the combined Canadian companies.

### (4) INCOME.

The Annuity and Assurance Premiums amounted to .....	\$35,969 75
Interest and Profit on Investments .....	10,987 34
<b>Making a total of .....</b>	<b>\$46,957 09</b>

In examining the Government reports, it cannot be found that any Canadian Life Insurance Company, in its first statement, some of which cover a complete twelve months' business, showed such a substantial income as that reported above.

If to the amount of cash received for assurance premiums (excluding annuity considerations), \$32,399.90 there be added the premium outstanding at the end of the year, \$6,764.40, and the sum of \$5,129.45 the amount of deferred premiums, we have a total premium revenue, as the result of three months' business, of \$45,093.75.

### (5) DISBURSEMENTS.

In the accounts for this year all preliminary expenses connected with the establishment and organization of the Company appear, and our members will be pleased to see that these have been fully provided for and wholly wiped out without impairing the capital of the Company.

Notwithstanding the well-known fact, confirmed by the Government reports on insurance, that the first year's business of a life insurance company (owing to the large initial expense for printing, advertising, books, stationery, travelling, legal and other expenses) is comparatively costly, it is gratifying to be able to state that the business already placed on the books of the Company has been secured at a lower rate of expense than the rate of expense on new business of most of the old established companies.

### (6) ASSETS.

The total funds of the Company amount to \$336,247.89, of which \$316,964.14 is invested in Government inscribed stocks and first-class debentures and mortgages, yielding a remunerative rate of interest. The balance is represented by cash in bank and at head office, outstanding and deferred premiums, etc. The amount of outstanding premiums is but 15 per cent. of the entire premium revenue, and represents policies issued in the latter part of December, and sent to the agents too late to collect the premiums and remit for them before the close of the year.

### (7) LIABILITIES TO POLICYHOLDERS.

The Insurance Act requires all life insurance companies to compute the reserves on their policies according to the Institute of Actuaries' Table of Mortality, with interest at not more than 4 1/2 per cent. The reserves on "The Imperial's" policies have been calculated, and are held on the same table of mortality, but with interest at 3 1/2 per cent., and those on its life annuity contracts on the basis of the latest mortality experience of Government life annuitants in Great Britain, with interest at the same rate. In addition to this stringent valuation, the Company has made additions to these reserves, (1) to cover the immediate payment of death claims, and (2) for suspended or deferred mortality. It is believed that no other company in Canada has adopted as the basis for the valuation of the whole of its business such a high standard as 3 1/2 per cent., nor is it known that any other company here has made provision in its reserves for the important items of the immediate payment of death claims, and for suspended or deferred mortality. The adoption of these important principles has been determined upon, with a view to making the policyholders' security as strong as it is possible to make it.

### (8) CONCLUSION.

The paid up capital of the Company, amounting to \$250,000, the amount held by the Company for reserve under its policies, viz., \$58,425, and its substantial surplus \$47,821.89, form a strong guarantee to policyholders. When to these is added the uncalled capital remaining of the one million dollars subscribed, held by prominent and wealthy shareholders throughout the Dominion, it will be seen that the Company offers the amplest possible security to its assured.

The directors believe that the important principles and rules which have been adopted in the conduct of the business, namely, careful selection of risks; vigilance and skill on the part of the medical examiners and the chief medical referee; the safe and remunerative investment of funds; the employment of active, intelligent and honorable agents, whose efforts are aided and supported by capable management at the head office; the holding, as assets, securities of an unquestionable character; and the maintenance of the reserves on a