

THE SUN LIFE ASSURANCE COMPANY OF CANADA.

DIRECTORS' REPORT.

The Directors have much satisfaction in presenting the following report on the transactions of the Company for the year ending the 31st December, 1896, together with the audited accounts.

The life applications received were 10,898 for assurances to the amount of \$11,110,292.19. Of these, 10,161, covering \$5,741,258.38, were accepted, and policies issued therefor, the balance being declined or not completed. The assurances on which premiums were actually paid in cash before the close of the year were 6,519 for \$7,468,281.57. This new business is not only larger than that secured by the Company in any previous year of its history, but also much larger than that of any other Canadian life company.

The policies in force on 31st December last were 26,840, assuring \$38,196,800.92, being an increase for the year of 4,539 policies for \$3,441,050.67.

The Company has recently introduced a system by which the benefits of life assurance are extended to persons of limited income, by means of policies of small amount, but calling for annual, half-yearly or quarterly premiums in the usual way. These assurances are known as Thrift policies. The influence of this department is observable in the reduction in the average sum of the new assurances. In the ordinary department the average amount of the new policies was \$1,931.

The cash premium income, after deducting sums paid for re-assurances, amounted to \$1,529,624.34. In addition to this \$120,644.02 was received as consideration for annuities granted. The total net premium income was thus \$1,650,268.36, being an increase of \$348,679.29 over the figures of the previous twelve months. The total receipts for the year, including interest and rents, were \$1,886,258.00.

The death claims which fell in were 215, on 190 lives, and assuring \$350,185.17. The amount "expected" according to our mortality tables was \$454,544.75. It will thus be seen that while the sum paid was large, the Company's experience was in reality very favorable. In addition to the foregoing, 53 endowment assurances for \$64,944.90 matured during the year. The total payments made to policyholders were \$512,886.86. It may be interesting to know that in the twenty six years of its active history, the Company has returned to policyholders or beneficiaries \$3,626,628.80. It would be difficult to estimate the extent of the influence for good of this large amount, which has been paid chiefly to widows and orphans, or to persons in advanced age.

The assets now amount to \$6,388,144.66, being an increase of \$1,022,374.13 during the year. After setting aside the amounts needed to cover all outstanding claims; after valuing the policy liabilities by the very severe standard which the Company has voluntarily adopted (the Institute of Actuaries H.M. Table with 4 per cent. interest); after providing for the paid-up capital stock; and after distributing \$27,855.25 in cash profits to policies entitled to participate during the year, there remains a net surplus over all liabilities of \$282,608.65.

For the purpose of showing what the corresponding Surplus figures would have been had any of the following tables been used in valuing the policies, the several net results are here appended:

Surplus over all liabilities and capital stock.

By the Dominion Government standard (the H.M. table with 4½ p. c. interest).....\$595,902.02
By the American table with 4 per cent.....432,604.32
By the American table with 4½ per cent.....749,555.88

Since the last annual meeting the Company has further extended its operations in the United States by establishing a branch at Philadelphia, covering the States of Pennsylvania and Maryland, and the District of Columbia.

The Directors have to record with much regret the death of their esteemed colleague, Mr. Robt. Anderson. Mr. T. B. Macaulay was unanimously appointed to fill the vacancy thus created.

R. MACAULAY,
President.

T. B. MACAULAY,
Secretary and Actuary.

A. W. OLIVER,
Vice-President.

STATEMENT OF ACCOUNTS FOR 1896.

INCOME.

Premiums—Life (New).....	\$467,702.81
Renewals.....	1,063,001.08
.....	\$1,530,703.89
Annuities.....	120,644.02
Accident.....	325.82
Total premium income.....	\$1,651,673.73
Less paid for re-assurances.....	1,405.37
Interest and rents.....	\$1,650,268.36
.....	235,989.64
Total income.....	\$1,886,258.00

DISBURSEMENTS.

Death claims, including bonuses.....	\$334,019.37
Matured endowments, including bonuses.....	64,185.40
Annuity payments.....	7,440.42
Cash profits paid policyholders.....	27,815.23
Bonuses surrendered.....	11,879.54
Surrender values.....	67,160.77
Accident claims.....	60.00
Dividends on capital, paid January and July, 1896.....	9,375.00
Expense account.....	\$232,966.07
Commissions.....	195,821.41
Medical fees.....	22,947.84
.....	451,735.32
Total disbursements.....	973,997.18
Surplus over disbursements.....	912,260.82
.....	\$1,886,258.00

ASSETS.

Debentures—Market value:	\$1,514,595.95
Stock—Montreal Loan & Mortgage Co.....	7,117.50
Loans on real estate, first mortgages.....	3,298,135.43
Loans on bonds and stocks.....	10,000.00
Real estate, including Company's building.....	473,514.18
Loans on Company's policies.....	439,063.72
Premiums advanced under nonforfeiture agreements.....	36,437.06
Cash in banks and on hand.....	102,771.44
Outstanding premiums, less cost of collection.....	\$254,356.49
Deferred premiums, do.....	95,599.21
(These items are secured by reserves included in liabilities, of over \$950,000).	349,955.70
Interest due.....	59,625.32
Interest accrued.....	93,782.16
Rents due and accrued.....	1,925.80
Other assets.....	1,220.40
Net assets.....	\$4,388,144.66

[Including uncalled capital, the total assets are \$6,382,644.66.]

LIABILITIES.

Reserve on life policies, according to the Dominion Government Standard (H.M. 4½ p.c.).....	\$5,149,804.85
Reserves on annuities.....	145,021.11
.....	\$5,624,825.96
Less reserves on policies re-assured.....	5,918.85
Total reserves by Government Standard.....	\$5,618,907.11
Additional amount reserved to change Standard to H.M. 4 p.c....	313,293.37
Total reserve by H.M. 4 p.c. table.....	\$5,932,200.48
Death claims reported but not proved or awaiting discharge.....	64,511.13
Matured endowment (awaiting discharge).....	266.00
Present value of death claims, payable in instalments, not yet due.....	2,590.11
Unearned accident premiums.....	195.49
Dividends to policy holders unpaid.....	9,673.97
Sinking fund deposited for maturing debentures.....	1,479.04
Dividend due shareholders 2nd January, 1897....	4,687.50
Sundry liabilities.....	27,432.29
Total liabilities.....	\$8,043,036.01