

The London Life Insurance Company

SHOWS WONDERFUL PROGRESS DURING 1917

BUSINESS WRITTEN \$15,703,593.10 A GAIN OF \$2,667,647.30
 BUSINESS IN FORCE \$50,787,365.64 A GAIN OF \$9,072,048.23

Business Doubled in Five Years—Quadrupled in Ten Years.
 Lapse Ratio and Expense Ratio again Reduced in Both Departments.
 Quinquennial Profit Distributions for 1918, 155 Per Cent of Estimates.

The Forty-Third Annual Meeting of the Shareholders and Policyholders of the London Life Insurance Company was held at the Company's Head Office, London, Canada, February 11, 1918.

FORTY-THIRD ANNUAL REPORT.

The President, Mr. John McClary, occupied the chair, and there were present a number of Shareholders and Policyholders.

The notice calling the meeting was read by the Manager and Secretary, J. G. Richter, F. A. S., after which the following report and financial statement were submitted.

The Directors of the London Life Insurance Company submit herewith the Audited Financial Statement of the Company for the year ending December 31, 1917.

During the year 52,939 Applications for Insurance, amounting to \$15,703,593.10, were accepted and Policies issued therefor.

The Net Premium and Interest Receipts of the year were respectively \$1,908,100.62 and \$474,524.13, a total of \$2,382,624.75. The increase over the previous year is \$408,844.37.

The payments to policyholders or heirs, for Cash Profits, Surrender Values, Annuities, Matured Endowments and Death and Disability Claims, aggregated \$646,726.30, an increase over the previous year of \$139,142.76.

The Insurance in Force on the Company's books at the close of the year, after deducting all re-insurances, aggregated \$50,787,365.64, under 25,789 Ordinary and 169,296 Industrial Policies, an increase of 4,838 Ordinary and 17,752 Industrial Policies, for insurance of \$9,072,048.23 for the year.

The Company's Assets, consisting of Stocks, Bonds and Debentures, First Mortgages on Real Estate and other approved securities, amount to \$8,050,269.19, an increase of \$1,074,505.47 over the previous year. The interest and other payments falling due during the year were generally well met.

The Liabilities of the Company under outstanding Policies, and in all other respects, have been provided for in ample manner, the whole amounting to \$7,745,043.64. The surplus on Policyholders' Account, exclusive of Subscribed but Unpaid Capital, is \$305,225.55. After deducting Paid-up Capital, the net surplus over all Liabilities and Capital is \$255,225.55.

JOHN G. RICHTER, F. A. S., Manager and Secretary. JOHN MCCLARY, President.

Synopsis of Financial Statement.

REVENUE ACCOUNT.	
RECEIPTS.	DISBURSEMENTS.
Total Premium Income, \$1,908,100.62	Paid Policyholders or
Interest on Investments, 474,524.13	Heirs, \$646,726.30
Items in Suspense, 2,472.93	All Other Disbursements, 716,995.57
	Balance to Investment
	Account, 1,021,375.81
\$2,382,624.75	\$2,382,624.75
BALANCE SHEET.	
ASSETS.	LIABILITIES.
Mortgages, Debentures	Policy and Annuity Re-
and Stocks, \$6,798,746.83	serve, \$7,270,188.06
Loans on Policies and	Accumulating and Ac-
Other Invested Assets, 852,582.61	cruing Profits, 224,974.00
Outstanding and Defere-	Investment Reserve and
d Premiums, Net, 235,578.27	Other Liabilities, 249,883.64
Interest Due and Ac-	Surplus on Policyholders'
crued, 173,361.48	Account, 305,225.55
\$8,050,269.19	\$8,050,269.19

Auditor's Certificate.

I have audited the Books and Accounts of The London Life Insurance Company for the year 1917. Satisfactory vouchers have been produced for all cash payments and all Journal Entries are of a proper nature. Access has been given to all documents required and any explanations asked have been given. The Securities have been examined and found in order. The Policy Reserve Liability has been duly certified to by the Actuary.

The attached Statement is in accordance with the Books and in my opinion is drawn up in such a way as to show correctly the state of the Company's business. JAMES MCILLAN, C.A., Auditor.

London, January 23rd, 1918.

Actuary's Report.

The valuation of the outstanding Insurance and annuity contracts of the Company as at December 31st, 1917, has been made according to the bases stated hereunder and the reserve liabilities for the various divisions of the business indicated are as follows.

INSURANCES:	
ORDINARY BRANCH.	
Year of Issue.	Amount at Risk.
1874-1909 inclusive, \$5,104,115.82	Reserve Liability, \$2,692,317
1910-1917 inclusive, 25,755,210.92	Employed, 2,206,357
Totals, \$30,859,326.74	\$4,298,574
Less Re-insurances, 455,000.00	30,582
Net Amounts, \$30,404,326.74	\$4,267,992
WEEKLY PREMIUM BRANCH.	
1887-1899 inclusive, \$1,047,501.85	\$568,243
1900-1917 inclusive, 19,335,537.05	2,425,929
Totals, \$20,383,038.90	\$2,994,162
Total Both Branches, \$50,787,365.64	\$7,262,154
ANNUITIES—	
Reserve for Annuities in Force, \$8,022	\$152
Total Reserve Liability, \$7,270,188	

The Hm. Table of Mortality was used in valuing the Ordinary business issued prior to 1st January, 1910, the Om (5) Table for the Ordinary business issued thereafter, the Combined Experience Table for Weekly Premium business issued prior to 1st January, 1900, and Farr's English Table No. 3 for Weekly Premium business issued since that date. The Annuities were valued according to the British Office Select Life Annuity Tables.

The valuation was made throughout on the Net Premium basis, both for the Ordinary and the Weekly Premium Branches, and no advantage was taken of the allowance, amounting to \$182,481, permitted under Section 42 of the Act.

It will be seen from the above statement that 88% of the Company's business has been valued on a 3% basis, and this ratio is steadily increasing year by year. Of the business of the year, 76% was of an Endowment nature and 75% of the total business in force is Endowment.

In accordance with the Company's usual practice, full liability for accruing profits to date of statement has been computed and the total inserted in the statement as a liability. The very favorable profit scale in force for the past two years is being maintained, and in consequence the quinquennial distributions during 1918 will be larger than heretofore and will be, on the average, 55% in excess of the original estimates under present rates.

The Mortality Rate for the year has been unusually heavy, due entirely to the strain of the war and to the Halifax disaster, which in itself may be deemed an additional strain. The mortality rate for the year is, however, much within the expected.

The surplus, according to the requirements of the Insurance Act, including allowance under Section 42, is \$945,513.55. This amount has been apportioned as follows:

Amount required to bring Reserves to Company's standard, \$366,788.00
Profits accruing but not due, 183,502.00
Investment Reserve and other Special Funds, 50,000.00
Surplus on Policyholders' Account, unapportioned, 305,225.55
\$945,513.55

EDWARD E. REID, B.A., A.I.A., Actuary.

Report of Loaning Committee.

Report of the Executive and Loaning Committee of the Directors of the London Life Insurance Company for year ending December 31st, 1917.

Owing to the continuing war conditions throughout the past year and the abnormal situations arising therefrom, exceptional care had necessarily to be exercised throughout the year in the making of investments.

Because of the special conditions referred to, and the increased cost of both building materials and labor, building operations have not been as active the past year as would likely have been the case under more normal conditions; nor have sales of either City or Farm properties been particularly active during this period. As a consequence there has been a falling-off in demand for Mortgage Loans as compared with pre-war conditions. On the other hand, the Bond and Debenture market was especially favorable for investors the past year, and the Company availed itself of the opportunity to purchase high-class securities of this nature at very remunerative rates of interest. The Company's purchases in this connection have increased very considerably of recent years, and the amount of Bonds and Debentures now held by the Company are very nearly equal to its Mortgage Investments, the two together representing close upon ninety per cent of its total invested Assets.

Following the customary practice of the Company, your Committee have gone carefully over all the securities of the Company and found same in good order. The arrears of interest outstanding at the close of the year were found to be well within what might reasonably be expected and fully 35% of what was then overdue has since been paid. No securities are being carried by the Company at more than their fair value in any case, and the aggregate Market Value of Bonds and Debentures on the Standard of Valuation authorized by the Government exceeds the Company's Book Values by \$77,664.26.

The Committee have pleasure in testifying to the very efficient manner in which the clerical work of the Loaning Department is being conducted.

ALBERT O. JEFFERY, Chairman.
 T. H. SMALLMAN,
 W. M. SPENCER.

The President, MR. JOHN MCCLARY, in moving the adoption of the Report said:

The Report of the Directors and the accompanying Financial Statement are, as usual, very complete and afford full information as to the business of the year and the Company's standing as at December 31st, 1917.

The New Business of the year was much the largest of any year in the Company's history, and the net increase in Business in Force at the close of the year was also very large, showing a saving of close to Seventy per cent of the Ordinary and Forty per cent of the Industrial new business written. In this connection it will be of interest to know that the net Insurance in Force has doubled in the past five years and quadrupled in the past ten years.

The net Premium and Interest Receipts of the year also show the large increase of over Twenty per cent, as compared with the previous year. The interest earned in the year was sufficient to cover necessary additions to the various Reserve Funds from this source, pay dividend to Shareholders, pay cash profits to Policyholders and provide for increase in profits due and accrued, and pay the whole management expenses of the year, except such expenditures as pertained directly to cost of New Business, which also shows a substantial reduction as compared with the year previous. This is a record which any Company might well be proud of and reflects credit not only on the Management at the Head Office, but on the Agency Forces as well.

The Company's Assets are set out in such detail as to enable everyone to judge readily as to their desirability. The Executive Committee of the Directors were carefully over the various Securities as at the close of the year, and from their report in this connection you will see that the Securities are not only in excellent order, but the Market Values thereof are largely in excess of the figures at which they are being carried in the books of the Company.

The Liabilities, as will be seen by reference to the Actuary's Report, have been provided for in the Company's usual strict manner. A very much larger surplus of Assets over Liabilities than is claimed, might be shown if Assets were taken into account at their full Market Value and Liabilities ascertained only on the Govern-

ment Standard instead of on the Company's more stringent Standard, but it has always been the Company's practice to keep well within the bounds of safety, so as at all times to have a reasonable margin to the good over possible contingencies—a practice which we deem it wise to continue.

I have much pleasure in moving the adoption of the Report.

The Vice-President, DR. A. O. JEFFERY, K.C., in seconding the adoption of the Report said:

In many respects the year 1917 will probably in the future be looked upon by Canadian Life Insurance Companies as one affording a supreme test of the ability of such Companies to meet their obligations. The Titanic struggle that has been in progress now for three and a half years reached probably the greatest intensity, so far as the Canadian troops were concerned, during 1917. The consequent war strain upon Life Insurance Companies under policies upon which no restriction as to war service was imposed was heavy and continuous throughout the year, and in addition to this strain the Halifax disaster added a very considerable burden at the very close of the year. Furthermore, the business of the year showed a tendency to expansion with the great majority of the Companies, and the cost of placing large additional volumes of business upon the books has made the year one of unusual financial stringency. In view of all these circumstances it is most gratifying to note how well the Life Companies have been able to meet their contract obligations, how valuable a service they have been able to render to the nation through the accumulation of funds in their hands available for purpose of Government Loans, and what a material factor their disbursements have been in the alleviation of distress amongst the dependents of those who have given their lives in the service of the Empire.

The statement presented by the Directors indicates very clearly that the progress of this Company has been more marked than in any year in its history. The passing of the \$50,000,000 mark of Business in Force is notable in itself. Even more notable is the increase for the year of \$9,000,000 in Business in Force. The increase in income and the increase in the Assets is also much larger than ever before. That such progress can be made under the stress of existing conditions indicates the magnitude of the expansion that may be looked for upon the return of normal times.

The mortality resulting from the war has been heavier during the past year than for the two previous years together. With the large volume of business recently issued it may be reasonably expected that, proportionately at any rate, the war strain will hereafter be gradually reduced, and, indeed, we undoubtedly all hope will before very long be eliminated.

The Halifax disaster was met by the Company promptly and effectively, and upon presentation of claims relief was afforded immediately through our Halifax Office without waiting for the usual formalities. We have reason to believe that the Company's action in thus dealing with the situation has been greatly appreciated by those directly concerned, and has been approved by our Policyholders generally.

It is most gratifying to know that in spite of unusual circumstances affecting the business during the year, the Company has been able to maintain its reserves on the very stringent basis heretofore in force, to continue the liberal scale of profits to Policyholders adopted in 1916, and at the same time to increase the Surplus on Policyholders' Account according to the requirements of the Insurance Act, from \$334,642.58 to \$945,513.55.

The operation of the present scale of profit distributions will, during the present year, mean actual allotments of five-year profits under present rates 55%, on the average, in excess of the original estimates. Scarcely any better test of how carefully the interests of Policyholders are protected could surely be expected.

I beg to second the adoption of the Report.

The Report was unanimously adopted.

A vote of thanks was tendered the agents of the Company for the excellent work done during the year, and was responded to on their behalf by George McCreedy, Inspector Ordinary Branch, and J. F. Maine, Supervisor Weekly Premium Branch.

The following Directors were re-elected for the current year: JOHN MCCLARY, Dr. A. O. JEFFERY, K.C., Sir George Gibbons, T. H. Smallman, T. W. Baker, W. M. Spencer and George M. Reid. Mr. Wm. Gorman was elected a Policyholders' Director, and Mr. J. G. Richter was elected a Shareholders' Director. At a subsequent meeting of the Board, Mr. John McClary was re-elected President, and Dr. A. O. Jeffery, K.C., Vice-President.

TENSE MOMENTS OF WAITING FOR BIG ATTACK IN FRANCE

Contending Forces Are Waiting for First Move.

ENEMY ADDS TO FORCE

Huns Will Find the Allies Are Ready For Them.

WITH THE BRITISH ARMY IN FRANCE, Feb. 11.—By the Associated Press.—The tension along the British-German front is tightening. As the extraordinary bright, mild weather has continued to dry out the sodden fields, the two great armies have become more alert. The Huns of the days when the western theatre was held in the grip of snow and impassable mud has disappeared, and the contending forces are poised, watching each other, like duellists, for the first move, which will mean that the most sanguinary period of the war has begun.

Something seems bound to happen before another month has passed, if the present weather holds. Indeed, even now the ground in some sections is quite fit for fighting.

Austrians in Flanders.

The enemy continues to make intense preparations for what has been advertised as "the great offensive." The German troops and guns keep pouring into the western front, and there are indications that a few Austrian units are in Flanders.

Naturally the Allied preparations cannot be discussed, but it may be said that everywhere there is the spirit of optimism. Every soldier in the long

line knows what is coming, and smiles with assurance, for he knows what his supports are. The Allies still have a preponderance of men and guns along this front, and they have an inclination to use this advantage. The Germans will find that their opponents have not wasted the winter months.

TWO DESERTERS FROM 122ND BATTALION ARE SENTENCED AS ROBBERS

REGINA, Sask., Feb. 11.—G. A. Campbell and J. H. Gray, alleged to be mixed up in a series of robberies in Ontario, were sentenced to six months with hard labor, in police court this morning, by Magistrate Heffernan on a charge of desertion.

Both men pleaded guilty to deserting from the 122nd Battalion headquarters at Galt, Ont., nearly a year ago. The men deserted their unit just before it left for overseas.

TO REGAIN HEALTH CLEANSE THE BLOOD

When your blood is impure, weak, thin and debilitated, you cannot possibly enjoy good health. Your system becomes receptive of any or all diseases, and germs are likely to lodge in some part of the body.

Put your blood in good condition, and do so at once.

Hood's Sarsaparilla acts directly on the blood—it purifies, enriches, and revitalizes it and builds up the whole system.

Hood's Sarsaparilla is not a cure-all. It is the best blood medicine on the market. It has stood the test of forty years, and is used all over the world. Get it and begin treatment today. It will surely help you. Sold by all druggists.

BORDEN WILL WAIT FOR PARLIAMENT TO FIX CIVIL SERVICE

Act of 1908 Which Would Do Trick.

THIS MEASURE REJECTED

Premier Says There Are Difficulties Regarding Outside Service.

OTTAWA, Feb. 11.—Announcement that a new civil service act carrying into effect the Government's proposal for civil service reform will be passed by parliament at the approaching session is made in a report of the sub-committee of the privy council, given out by Sir Robert Borden tonight. This means the extension of the principles of the present civil service act to the outside service, adoption of the merit system and the abolition of patronage in connection with the making of appointments.

The civil service act of 1908 contained a provision that it could be extended to the outside service by order-in-council, but such a course has been found to be impracticable. One difficulty arises out of the circumstances that the outside service is not divided into grades or divisions and uniformity in this respect is not only desirable, but necessary. In addition the civil service commission has not yet reached a decision as to the steps necessary for bringing the employees of the Government service of railways within the purview of the proposed measure and they believe that further consultations with the

management of the Intercolonial Railway and with the legislative heads of the railway employees' organizations will be both desirable and necessary.

This report, which is presented in the form of an order-in-council based upon the recommendation of the prime minister with which was associated Hon. A. K. Maclean, in consultation with the civil service commission and departmental heads, sets forth a number of rules and regulations that are to be observed pending the enactment of a new civil service act.

CANADA'S HEATLESS DAYS A TREMENDOUS SUCCESS, SAYS FUEL CONTROLLER

Three Years of War Gradually Molding Us as a People.

OTTAWA, Feb. 12.—"From the information which has reached me," said Mr. Macgrath, Dominion fuel controller, last night, "I consider that Canada's heatless days have been a tremendous success. The people so far as I can learn have loyally carried out the closing-down regulations, and there is particularly gratifying in that they have done so cheerfully and have been fair about it. Our three years of war are gradually molding us as a people, that means much for Canada's future."

At a meeting of the public school board of Ottawa, it was decided to leave the city schools open this week. In the event of there being no relief of the situation the public schools may close next week.

AUSTRIAN SEA CAPTAIN HELD IN UNITED STATES

AN ATLANTIC PORT, Feb. 11.—Alexander A. Tanos, a ship captain, who was a passenger on an American steamship arriving here from a West Indian port today, was arrested by the federal authorities and arraigned on a charge of having failed to register under the selective service act. He was held in jail for further examination. Tanos is 28 years old, and is said to be an Austrian.

BAKERIES MUST BE LICENSED BY MARCH; BREAD STANDARDIZED

Illegal to Sell Any But Specified Loaves.

WRAPPING IS PROHIBITED

Bakers Forbidden to Accept Returns of Bread or Other Products.

OTTAWA, Feb. 11.—Licensing of bakery establishments using five barrels of flour or more per month, and standardization of bakery products, is provided for in an order of the food controller, hotels, restaurants and public eating-houses, baking only for the use of their patrons, and not offering their products for sale to the public over the counter, are not required to obtain a baker's license.

The order makes it illegal, on and after March 1, for any baker to make bread, rolls, pastries or other bakery products, without written permission from the food controller, from wheat flour, other than the standard flour already prescribed.

Loaf Weight Specified.

Licenses may manufacture and sell bread in the following weights or multiples thereof, which shall be net weights, unwrapped, twelve hours after baking:

British Columbia, 18 ounces to 21 ounces maximum.

Manitoba, 16 and 20 ounces to 17 and 21 ounces.

Alberta and Saskatchewan, 20 to 21 ounces.

Ontario, 12 and 24 ounces to 13 and 25 ounces.

Quebec, 24 ounces to 25 ounces.

Maritime Provinces, 24 ounces to 25 ounces.

Rolls may be manufactured for sale only in units weighing one or two ounces. They must be baked in a pan and not on the oven bottom.

Ingredients Stipulated

Limitations are also fixed on the quantities of certain ingredients, which may be mixed with one barrel of 196 pounds of flour in making bread or rolls:

1. One or best sugar, not more than two pounds, including the sugar in condensed or powdered milk, if such is used.

2. Malt extract or malt flour, not more than two pounds. If malt is not used, the equivalent in weight of sugar may be used.

3. Fats, not more than two pounds.

4. Milk, not more than six pounds of liquid skimmed milk or its equivalent of condensed or powdered milk.

The order provides for the manufacture, exclusively, of a single pan loaf or multiple thereof, closely batched, with no "cutting" or "washing." A single exception is made in the use of rye bread.

Bread containing not less than 35 per cent of rye flour accordingly may be baked on the sole of the oven in either a round or a stick shape.

Wrapping Prohibited.

The wrapping of bread or the placing of a band thereon is prohibited, but the loaves may be labeled by the manufacturer.


General rules to govern all licensees manufacturing bakery products are also set forth in the order. These require that only a reasonable profit should be taken on the manufacture or handling of any bakery products, and provision is made against speculative operations, hoarding of flour, or waste.

Acceptance by the bakers of returns of bread or other bakery products are also prohibited. Annual license fees are prescribed varying from \$5 to \$50.

The order is the outcome of a careful survey made by Professor Harcourt, head of the department of chemistry in the Ontario Agricultural College, and the conference in Ottawa recently with representative bakers from all parts of Canada. Regulation of the baking industry and standardization of bakery products were made necessary in order to effect the greatest possible economy in the use of wheat flour.

NEWSPRINT INQUIRY LAID OVER.

AWA, Feb. 11.—Commissioner Pringle stated this afternoon that the inquiry into the newspaper situation will not be resumed tomorrow, but at a date yet to be fixed. Postponement of mills.



Throat Sore?

Take Peps at Once!

Peps will safeguard you against more serious ailments of which "sore throat" is usually just the beginning. By keeping a box of Peps on hand, therefore, you can avoid much unnecessary suffering and needless expense.

Peps Pastilles, dissolved on the tongue, throw off a medicinal Pine vapor, which is such a powerful disinfectant that it destroys all germs and prevents the soreness spreading. At the same time the healing quality of the vapor soothes the inflamed membranes and soon brings relief.

Peps are equally beneficial for laryngitis, asthma, bronchitis, coughs and colds. All dealers or Peps Co., Toronto. 50c. box, 3 for \$1.25.

PEPS

The Infection-Killing Tablets