

BALANCE SHEET.

<i>Assets.</i>	
Mortgages	\$2,166,298 86
Debentures and Government stock	459,198 31
Real estate, including company's buildings in Toronto and Winnipeg	997,156 82
Loans on stock and debentures...	124,754 13
Loans on company's policies ..	405,253 72
Fire premiums due from mortgagors	5,733 62
Furniture	6,873 87
Advances to agents, etc., on security of salaries and for travelling expenses	3,508 46
Sundry current accounts	1,838 60
Cash in banks, \$87,134.74; at H.O., \$798 55	87,933 29
Outstanding premiums	\$137,858 06
Deferred premiums..	37,530 22
	<u>\$175,388 28</u>
Less 10 per cent. for collection	17,538 82
(Reserve thereon included in liabilities)	157,849 46
Interest and rents due and accrued	103,733 90
	<u>\$4,520,133 04</u>
<i>Liabilities.</i>	
Assurance and annuity funds ..	\$4,001,198 00
Losses by death accrued (not adjusted)	33,051 85
Fees, doctors, directors, etc.	9,906 94
Capital stock paid up	100,000 00
Dividend due January 1, 1891..	7,500 00
To policy-holders for balance declared profits (cash and T.R.'s) ..	73,996 93
Cash surplus above all liabilities ..	294,469 32
	<u>\$4,520,133 04</u>
Cash surplus above all liabilities ..	\$294,469 32
Capital stock paid up as above	100,000 00
Capital stock subscribed not called in	900,000 00
Total surplus security for policy-holders..	<u>\$1,294,469 32</u>

J. K. MACDONALD,
Managing Director.

AUDITORS' REPORT.

We beg to report that we have completed the audit of the books of the association for the year ending December 31st, 1893, and have examined the vouchers connected therewith, and certify that the financial statements agree with the books and are correct.

The securities represented in the assets (with the exception of those lodged with the Dominion Government, amounting to \$84,500), have been examined and compared with the books of the association, and are correct, and correspond with the schedules and ledgers.

The bank balances and cash are certified as correct.

W. R. HARRIS,
WM. E. WATSON, F.C.A., } Auditors
Toronto, Feb. 28th, 1894.

PROCEEDINGS.

The president, Sir William Howland, moved the adoption of the reports and statements submitted to the meeting, and, in doing so, briefly referred to the commercial stringency which had existed during the past year over the larger portion of the civilized world, and the responsibility and anxiety which it imposed upon those having charge of the management of institutions of this kind and on all others connected with the monetary affairs of the country, but stated that it was satisfactory to know that the stringency which existed in financial matters had not been so great in Canada as had been the case in other countries. In view of these circumstances it was particularly gratifying to report the large volume of business which had been secured by the association during the past year, and for the general measure of prosperity which had attended the operations of the company.

He referred to the loss which the board had sustained in the death of their dear friend and colleague, the late Mr. William Elliot, vice-president, who had been associated with the

company, and had given constant and unremitting attention to its affairs during a long period of time.

Mr. E. Hooper, vice-president, seconded the resolution, and said: "I have great pleasure in seconding this resolution. I certainly must express myself as well pleased with the result of the year's business, which is the largest done by the company in any year since its organization. We have reason to be proud of it, for it has, to my own knowledge, been done on business principles, and not forced by resorting to the too common practice of allowing exorbitant commissions varying from 75 per cent. to 100 per cent. of the first premiums on new business." The resolution was carried unanimously.

During the proceedings of the meeting several of the prominent policyholders and others who were present referred in complimentary terms to the business of the association for the past year, the manner in which it had been conducted, and to the strong financial and prominent position which this company occupies amongst the life insurance companies of Canada.

Reference was also made to the new "Unconditional Policy" which had recently been adopted by the company, with its absolutely and automatically non-forfeitable provision known as the "Extended Insurance" feature. The adoption of such a policy in conjunction with the other forms of policy contract would, without doubt, tend to popularize in a very large measure the plans of the company, and result in a largely increased measure of public confidence in the future.

The following were elected as directors for the association for the current year:—Sir W. P. Howland, Messrs. E. Hooper, W. H. Beatty, Hon. James Young, S. Nordheimer, W. H. Gibbs, A. McLean Howard, J. D. Edgar, M.P., Walter S. Lee, A. L. Gooderham, W. D. Matthews, George Mitchell of Halifax, Frederick Wyld, J. K. Macdonald.

The meeting then adjourned, immediately after which a meeting of the new board of directors was held, at which Sir W. P. Howland was re-elected president, and Messrs. Edward Hooper and W. H. Beatty, vice-presidents.

SUN LIFE ASSURANCE COMPANY OF CANADA.

The annual meeting of the shareholders of this company was held at its offices in the company's building, Notre Dame street, Montreal, on Friday, March 30, the president, Mr. Robertson Macaulay, in the chair. The following report was presented:

REPORT.

The directors have pleasure in presenting to the shareholders and policy-holders the record of the transactions of the company for the past year. The accompanying statements show that not only is its financial position eminently satisfactory, but that gains of a very substantial and gratifying character have been made in every department of the business.

During the year 5,472 applications were received for life assurances to the amount of \$9,539,155.83. Of these, 5,213 for \$8,791,902.80 were accepted, and policies were issued therefor. The policies written were thus over \$800,000 in advance of those for 1892, and much beyond those secured by any other Canadian company in any one year.

The number of policies in force at the closing of the books was 17,132, assuring \$27,799,756.51, being a net gain for the year of 2,414 in number, and \$3,398,709.87 in amount.

During the past twelve months the company has materially extended the area of its operations by opening branch offices in London, England, and elsewhere, and from these new fields it is expected that a steady and profitable business will hereafter be secured.

The financial statements hereto annexed give evidence of the rapid progress being made. The income from premiums, interest and rents amounted, after deducting re-assurances, to \$1,240,483.12, an increase for the twelve months of \$105,615.51. An addition of \$598,076.02 has also been made to the assets, bringing them up to \$4,001,776.90. The company has thus been able to add to its accumulations more than fifty-five per cent. of the life premiums received during the year, a fact which speaks for itself. The surplus also shows a substantial increase, and now amounts to

\$288,595.65 over all liabilities and capital stock. This showing is especially gratifying in view of the fact that profits are now divided yearly on a large proportion of the company's policies, and the undistributed surplus cannot, therefore, accumulate as rapidly as under the old system, when everything was reserved until the end of the quinquennial term.

The death claims which fell in during the year were 123, under 140 policies, and assuring, with bonus additions, \$263,167.92. In addition to these, twenty-one endowment assurances, for \$26,305.94, became payable by maturity.

The investments continue to receive careful attention, and the directors have pleasure in bearing testimony to their high quality. All securities of a fluctuating character, such as railway stocks and bonds, bank stocks, etc., are studiously avoided. About eighty-five per cent. of the invested assets consist of municipal debentures and first mortgages on real estate valued at considerably over six million dollars. The remainder comprises loans on the company's own policies, the company's head office building and minor items. The real estate held as the result of foreclosure is only \$31,023.67, or about 2 per cent. of the assets, and even this small amount has been decreasing year by year. And although the assets are thus in excellent condition, a substantial sum has nevertheless been written off to the credit of real estate and mortgage accounts as a precaution against any losses which may possibly arise in the future.

The return derived from these investments is as satisfactory as their security, the rate being 5.83 per cent. on the average realized assets.

With this year the accident department practically disappears from our books. As explained in the last report, the policies of this branch were re-assured in the Canada Accident Assurance Company as at December 31st, 1892, and hereafter, the only accident premiums payable to the company will be the small amount due under policies which combine life and accident under one contract, as this class was not covered by the re-assurance arrangements.

The directors would add, in conclusion, that while the past progress and present position of the company are most gratifying to them, it is also true that there never was a time in its history when the outlook for the future was so encouraging.

The report of the committee of the board appointed to examine the securities is appended hereto, as also the usual certificate from the auditors.

The directors who retire this year are Hon. A. W. Ogilvie, Mr. J. P. Cleghorn and Mr. Robert Anderson, all of whom are eligible for re-election.

R. MACAULAY,
President.
A. W. OGILVIE,
Vice President.
T. B. MACAULAY,
Secretary.

STATEMENT OF ACCOUNTS FOR 1893.

<i>Income.</i>	
Premiums—Life ..	\$1,060 127 52
Annuities	17 930 00
Accident	3,574 09
Total premium income	<u>\$1,081,631 61</u>
Less paid for re-assurances	2,060 13
	<u>\$1,079,571 48</u>
Interest	152,511 66
Rents	8,399 98
Total income	<u>\$1,240,483 12</u>
<i>Disbursements.</i>	
Death claims, including bonuses	\$236,507 59
Matured endowments, including bonuses ..	29,629 94
Annuity payments ..	2,185 28
Cash profits paid policy-holders	16,438 49
Cash paid for bonuses surrendered	15,797 80
Surrendered values ..	34,427 76
Accident claims	8,426 39
	<u>\$343,413 25</u>
Dividends on capital paid January and July, 1893	9,375 00
Expense account	195,152 29
Commissions	120,060 50