

North American

LIFE

ASSURANCE COMPANY.

THE annual meeting of the North American Life Assurance Company was held at the head office of the company, Toronto, on Tuesday, January 27, 1891.

Hon. Alexander Mackenzie, M.P., president, was appointed chairman, and Wm. McCabe, secretary, when the report was submitted, of which the following is an abstract:

REPORT.

The directors of the North American Life Assurance Company present their tenth annual report with great satisfaction, owing to the solid progress which has attended the operations of the company, which now ranks as one of the leading institutions of the Dominion.

At this, the second quinquennial period in the company's history, it is interesting to note the marked success achieved during the past five years, as shown by the following table:

	Total Income.	Per cent.	Total Ins. in force.	Per cent.
Dec. 31, '90.....	\$366,818.61		\$10,076,554	
Dec. 31, '85.....	165,697.26		4,849,287	
Increase.....	\$201,121.36	121	\$5,227,267	108
	Total Assets.	Per cent.	Total Surplus.	Per cent.
Dec. 31, '90.....	\$1,047,440.11		\$128,718.58	
Dec. 31, '85.....	346,890.95		37,500.95	
Increase.....	\$695,549.16	205	\$91,217.63	243

As will be seen from the table, the total insurance now in force is over ten millions.

The large addition to the assets of the company is almost entirely in interest-bearing investments, and the amount of overdue interest being less than one-fourth of one per cent., indicates the high quality of the securities held by the company, unexcelled, it is believed, by any other financial institution on this continent.

The increase in the surplus over that of the preceding year is \$56,878.54, a gain of eighty per cent., and that fund now stands at \$128,718.58. This large addition must be extremely gratifying to all interested in the company, and especially to those who hold its investment policies.

The cash interest income reached \$50,518.81, an increase in the year of forty-three per cent., and was more than sufficient to pay the death losses of the year.

On the recommendation of the managing director, the board thought well, at the end of its second quinquennium, to still further strengthen the company's claim to public support, by having a valuation of all its obligations by a distinguished consulting actuary of eminence and experience, whose independent examination and valuation would command increased confidence.

Wm. T. Standen, of New York, whose name is well known in Canada, and who is one of the executive officers of the Actuarial Society of America, has made such examination, and his report will be placed before the meeting.

During the present year the first series of the company's Ten Year Investment policies matures. The consulting actuary has allocated to these policies profits in excess of the company's Semi-Tontine estimates, which will be paid on the anniversary of each policy, and which have been very satisfactory to those

whose policies have already matured. This company was the first Canadian institution to adopt this form of insurance, and it has become so popular that nearly all the other Canadian companies—several of them after denouncing it for years—now issue policies upon it in one form or another.

An analysis of the profit-earning powers of the successful Canadian companies, as compared with those of the large American companies, has demonstrated the great advantage in this respect in favour of our home institutions, among which this company stands out prominently. ALEXANDER MACKENZIE, President.

The following is an abstract of the financial statement of the North American Life Assurance Company for the year ending December 31st, 1890:

Cash income for the year 1890..	\$ 366,818 61
Expenditure, (including death claims), endowments, and all payments to policy-holders...	158,593 73
Assets	1,042,440 11
Reserve fund.....	829,176 00
Net surplus for policy-holders.	128,718 58

JAS. CARLYLE, M.D., WM. MCCABE, Auditor. Managing Director.

Audited and found correct.

E. A. MEREDITH, LL.D. } Auditing committee of the board.
B. B. HUGHES, }

To the Directors of the North American Life Assurance Company:

GENTLEMEN,—The valuation of your policy and other obligations, which has been checked by me, shows a surplus of \$128,718.58, after providing amply for every liability of the company, real or contingent, in accordance with the requirements of the laws of the Dominion. Five years ago my report to you showed a surplus of \$37,500.00, so that the work of the past five years has yielded nearly three and one-half times the amount of surplus that resulted from your first quinquennial period of corporate existence.

Five years ago, I deemed it but just to congratulate you upon the large proportion of your business written upon the Twenty Year Investment Plan, because of all other plans this one seemed to me to contain more of the essential elements which would go towards building up a very strong and healthy life company, and I notice that since that time the proportion of these policies to the entire amount of your issues is still larger. From an examination of your plans of insurance I know of no company having a better earning power, and confidently believe that the future results will prove alike satisfactory to your policy-holders and all interested in your company.

During the past year, I notice you have introduced two new plans of insurance, viz., the Compound Investment Plan and the 7 per cent. Guaranteed Income Bond, both containing attractive features.

The Compound Investment Policy, while perfectly safe, is an exceedingly liberal contract. The many options you offer the insured in settlement, combined with the mortuary dividend and also the guarantee to loan the insured the eleventh and subsequent premiums, the latter being cancelled in case of the death of the insured and the full face of the policy being payable, make this one of the most desirable forms of insurance ever offered to the public.

The Seven per cent. Guaranteed Income Bond is well adapted to meet the wants of those desiring an annuity in the later years of life. This admirable plan, combined as it is with insurance, should certainly prove acceptable to large numbers desirous of having a

guaranteed income upon attaining a certain age.

I have examined the Commercial Plan and its practical operation, as shown by your books, and I think this must be an exceedingly attractive form of insurance to the man who desires to pay in the present only the actual cost of carrying his insurance, thereby enabling him for any fixed sum to carry about twice the amount he could on the ordinary plans.

The persistence of your business, as shown by the fact that your terminations are considerably below the average, is a very conclusive proof that your methods and plans are popularly endorsed, and also that your agents have not committed the fault of giving you what we call high-pressure business, but have confined themselves to a strictly legitimate business.

As a matter of great interest to your policy-holders, it may be worth while for your management to point out to them that an examination will show that your percentage of increase in surplus, as compared with your mean assets, is 6'12 for the past year as against less than four per cent. for the average of other leading companies doing business in Canada, as shown by their last reports.

Those of your tontine investment policies maturing this year are entitled to a withdrawal of their surplus in cash, or the application of the same in any one of the various ways provided for in the policies. I am gratified to find that the amount of dividend which you can safely allot to these policies, as shown in my detailed report, is somewhat in excess of your semi-tontine estimates, and this result should give satisfaction to those who were fortunate enough to select this form of insurance.

W. T. STANDEN,
Consulting Actuary.

The chairman, Hon. A. Mackenzie, M.P., in moving the adoption of the report said:

GENTLEMEN,—Owing to the Dominion Parliament not meeting as early this year as last, I have the great satisfaction and pleasure of being with you at this our tenth annual meeting, to give you an account of our stewardship. From year to year, during the past ten years, you have entrusted to our care the direction of the affairs of this institution. The splendid financial statement laid before you showing the prosperous position of the company, affords the best evidence that we have strictly fulfilled the trust reposed in us and that the expectations made from time to time as to its success have been realized.

As you are probably aware, we closed our books promptly on the last day of the year, when our Government Report was completed and mailed to the Insurance Department on the following day. From the report, I was gratified to notice that our interest receipts for 1890 were more than sufficient to pay our death losses for the year.

Notwithstanding the keen competition that has prevailed and the fact that some companies have lowered their premium rates, we have never considered it advisable to deviate from what we believe to be the true principles of life insurance. We hold that an adequate premium is essential to secure a solid foundation and the permanent success and safety of a life company. Under our system, whatever surplus arises is practically returned to our policy holders.

After making ample provision for every liability we have left the handsome cash surplus of \$128,718.58. This enables us to perform a pleasurable duty, viz., to meet those of our policy-holders having ten-year investment policies maturing this year and give them results exceeding those stated in our present Book of Estimates for such policies.

A comparison with our report of 1889 shows