

Meetings.

NORTH AMERICAN LIFE ASSURANCE COMPANY.

The annual meeting of this company was held at its head office, Toronto, Tuesday, January 29th, 1895. Mr. John L. Blaikie, president, was appointed chairman, and Wm. McCabe secretary, when the following report was submitted:—

REPORT.

The directors have much pleasure, at the close of such a year of financial stringency as 1894, in presenting a report showing so many proofs of continued prosperity in every important branch of the company's work.

During the year, applications for new insurances and restorations were received for \$3,028,900, and insurances thereon for \$2,850,460 were granted, being an increase considerably in excess of that of any former year. The premiums actually received in cash show an increase of \$63,859.63, being by far the largest of any year in the company's history.

The interest on the investments was well paid, and coupled with the premium income, aggregates \$558,394.93, a strong proof of the solidity of the business and investments of the company.

The assets amount to \$1,987,446.30, of which the large sum of \$244,510 represents the addition to the reserve fund, which now amounts to \$1,564,020. During the year the sum of \$133,426.52 was paid to policy-holders, and after making full provision, on the most conservative basis, for every liability, there remains the relatively large sum of \$338,216 as net surplus available for policy-holders. It is pleasing to report that the results of the company's investment policies, which matured during the year, gave, as heretofore, entire satisfaction to the holders. The allocation of surplus to the investment policies maturing in 1895 was approved as recommended by the company's consulting actuary, whose report of the company's work for 1894 is herewith submitted. The books of the company were closed on the last day of the year, and, as heretofore, the full Government report was promptly mailed to the Superintendent of Insurance at Ottawa.

The auditor made a complete audit of the company's affairs monthly, and at the close of the year verified the cash in hand and in banks, and also examined each mortgage and every other security held by the company. This report and also that of the auditing committee, which made a minute audit quarterly, are herewith submitted. The services of the company's staff of officers, inspectors and agents continue to deserve special commendation.

JOHN L. BLAIEKIE,
President.

SUMMARY OF THE FULL FINANCIAL STATEMENT AND BALANCE SHEET FOR THE FINANCIAL YEAR ENDING DECEMBER 31ST, 1894.

Cash income	\$ 558,394 93
Expenditure (including death claims, endowments, profits, and all payments to policy-holders)	286,193 40
Assets	1,987,446 30
Reserve fund	1,564,020 00
Net surplus for policy-holders..	338,216 75
Audited and found correct.	

WILLIAM McCABE, JAMES CARLYLE, M.D.,
Managing Director. Auditor.

EDWARD GALLEY, JAMES SCOTT,
Auditing Committee of the Board.

To the Directors of the North American Life Assurance Co.:

GENTLEMEN,—I have made a very careful investigation of your methods and systems of business as they are indicated by your books, accounts and various home office records. I cannot refrain from saying that this investigation has been unusually interesting to me, because it has so very clearly and conclusively proven to me the great degree of executive and administrative capacity brought to bear by the officers of your company upon even the minutest details of the business.

One consideration has been very forcibly impressed upon my mind as I examined your books and records, and enquired into various details of your business, that the North American Life is being built up on a foundation that is faultless. The structure that you are rearing, year by year, could never have attained such perfect harmony of outline and proportion, and never

could have been so solid and enduring as it now is, if the foundation of the company's business had been hastily or carelessly laid in the initial years of your corporate existence.

Life insurance companies are subjected to such a searching public and official scrutiny in every detail of their business, that it is of vital import that no flaw shall be permitted to impair their usefulness or weaken their claim to public confidence.

If you wish to know the secret of your success you must look back to what you and your executive officers did in 1881. What you have done since then has been in harmony with the foundation you then laid. You then gave the stamp of your approval and adoption to methods, plans and systems that appealed to a conservative judgment, and which were consistent with an enduring success, and success has followed almost as a matter of course.

In view of the serious depression in business circles during the past two years, your increase in premium income is very noteworthy, and will be found to be very unusual. The increase of \$63,859.65 in premium income for 1894 evidences the adaptability of your agency staff, and proves that it consists of men of vigor and intelligence who know how to apply their energies with the best effect.

Your gain in interest receipts speaks well for the judiciousness of your investments. The comparatively high rates of interest obtainable is something for which the holders of your deferred dividend policies may be profoundly grateful.

The valuation of your assets, and the determination of your liabilities, have been conducted conservatively, and they show a clear surplus of \$338,216.75. This surplus fund shows beyond any question the absolute security you are enabled to offer to policy-holders during even the severest of monetary depression. The profits you are in a position to earn is very largely in excess of what can be earned by companies debarred from privileges of being able to invest their assets in Canadian securities.

Policy-holders are often carried away by the size or age of a life company. The crucial test is the ratio of assets to total liabilities. Next in order of importance probably stands the surplus and surplus-earning power of a company.

With assets held down to a rigid gold basis, you nevertheless fully cover every liability, and have a large margin of safety over and above every requirement.

Undoubtedly the North American Life Assurance Company has attained that degree of solidity which can best be understood by comparison with any of the large companies. In all essentials—especially those of acquired surplus and surplus-earning power—it is not excelled to-day by any other company.

Insurers are too apt to overlook these requisites and give undue importance to mere age and size, which, unsupported by other valuable considerations, really count for nothing. Illustrations of this can be seen to day in the United States, where many of the smaller companies, although forced into competition with their larger rivals, are giving much better and more satisfactory returns to their policy-holders than many of the largest companies.

Stupendous assets are offset by correspondingly large liabilities. In the balance sheet they do not add strength, the test of which in well established companies is the true ratio of resources of assets to liabilities, which is absolutely independent of the question of size.

WM. T. STANDEN,
Consulting Actuary.

Mr. John L. Blaikie, in moving the adoption of the report, said:—

GENTLEMEN,—I have a pleasant duty to discharge in moving the adoption of the report and balance sheet now submitted for your approval.

That you will heartily approve of them and adopt them I do not doubt for a moment, as in all the vital particulars that make up solid success in a life assurance company there is most gratifying progress, and results have been attained which cannot fail to afford great satisfaction to policy-holders and guarantors, and at the same time cheer our agents in the prosecution of their arduous labors for the company.

This is fully borne out by the facts and figures to which I invite your attention.

Total cash income for 1894	\$558,394 93
" " " " 1893	482,514 08
Increase (16 per cent.)	\$75,880 85

Total assets, December 31st, 1894	\$1,987,446 30
" " " " 1893	1,703,453 39

Increase (17 per cent.)	\$283,992 91
Total reserve and surplus funds, December 31st, 1894	\$1,902,236 75
Total reserve and surplus funds, December 31st, 1893	1,616,572 26

Increase (18 per cent.)	285,664 49
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These large increases are all the more gratifying when we consider the hard times so many have experienced during the past year, and the keenness of the competition for business by all classes of companies.

Any thoughtful and intelligent person who studies these figures cannot fail to come to the conclusion that ample provision is made to meet every contract entered into with its policy-holders, and not only so, but also that the North American Life is building up a large surplus out of which profits for policy-holders alone can come, which compares most favorably with any other company making returns to Government.

Payments to policy-holders for 1894, including death claims, endowments, profits on investment policies, etc., for 1894	\$133,426 52
do. do. for 1893	80,665 53

Increase (65 per cent.)....	\$52,760 99
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The mortality in 1893 was exceptionally light, and though in 1894 it has been greater, it is still largely within expectation, and it has to be borne in mind that there is a much larger amount of risk in the increase of policies in force. There is real satisfaction, however, in paying promptly every fair death claim, as it arises, as has been the practice of the company from the beginning, as in so doing we are fulfilling the functions and purposes of a life assurance company, and helping to provide for widows and helpless children.

When I tell you that the interest and rents due are less than $\frac{1}{2}$ of 1 per cent. of total assets, you must admit that it speaks well for the care and ability with which the finance committee and the executive officers of the company have discharged their duties.

A comparison of the business of the company as it was five years ago, with what it was at the close of 1894, is at once interesting and encouraging:

	December 31.		Increases.	
	1894.	1889.	Amount.	Per-cent. ages.
Assets	\$1,987,446 30	\$816,710 04	\$1,170,736 26	143
Surplus	338,216 75	71,364 63	266,852 12	374
Cash income	558,394 93	291,741 08	266,653 85	91
Insurance in force	14,471,253 00	9,068,862 00	5,402,391 00	60
Payments to policy-holders	133,426 52	59,906 94	73,519 58	123

These figures show that the company's surplus has during the brief period of 5 years increased about four fold, while the assets have increased about one and a-half fold.

The more closely any person scrutinizes the figures of all the life insurance companies doing business in the Dominion of Canada, with a view to ascertain which can do the best for insurers, the more he will be convinced that the North American Life stands in the very front rank.

The independent report made by Mr. Standen, our consulting actuary, is not only of unusual interest, but is also extremely gratifying, endorsing in such an unqualified manner, as it does, all the methods by which the North American Life prosecutes its business, giving it a very high position among successful life insurance companies, as respects solidity, equity and profit earning power for the benefit of its policy-holders.

I gladly avail myself of this opportunity to say the success in which we all rejoice is largely due to ability and devotion to duty of Mr. McCabe, our managing director, of Mr. Goldman, our secretary, and other officers of the company; also to the unceasing care and great professional skill of our medical director, Dr. Thorburn.

During the past fourteen years the company has disbursed for death losses, endowments, profits on investment policies, etc., over three quarters of a million of dollars, and at the present time holds as security for its policy-holders assets, as per balance sheet, of \$1,987,446.30, and in addition uncalled guarantee fund of \$240,000, or in all the large sum of \$2,227,446.30,