

be paid to the guarantors as interest for the use of the Guarantee Fund paid up by them. Of this dividend, six per cent. has been earned by the Guarantee Fund, which, with the profits from non-participating policies, gives the policy-holders the benefit of that fund at a nominal cost.

The directors all retire, but are eligible for re-election.

ALEXANDER MACKENZIE,  
President.

Toronto, Jan. 26th, 1886.

REVENUE ACCOUNT FOR THE YEAR ENDING DECEMBER 31, 1885.

1884.	Dec. 31. To balance .....	\$277,292.82
1885.	Dec. 31. " cash for premiums and annuity considerations..	151,318.45
	Dec. 31. To cash for interest ....	14,378.80
		\$442,990.07
1885.	Dec. 31 By Expenses .....	\$ 23,485.73
	" Commissions and salaries to agents.....	20,624.02
	" Re-insurances.....	12,296.59
	" Claims paid under policies.....	33,939.50
	" Surrendered policies..	2,892.36
	" Annuities.....	1,184.00
	" Interest on Guarantee Fund .....	4,800.00
		\$99,222.20
	" Deferred and outstanding premiums and interest .....	1,876.92
	" Balance as in 2nd schedule.....	341,890.95
		\$442,990.07

BALANCE SHEET.

Liabilities.

1885.	Dec. 31. To Guarantee Fund .....	\$ 60,000.00
	" Assurance & annuity funds .....	\$262,393.00
	" Less for re-insurances...	23,503.00
		238,890.00
	" Contingent Fund to provide for the collection of outstanding and deferred premiums and other charges accruing on year's business...	7,500.00
	" Death losses awaiting proof (since paid).....	3,000.00
	" Surplus .....	37,500.95

NOTE.—

For the security of policy-holders the company holds:

Assets (as per balance sheet) .....	\$346,899.95
And in addition, Uncalled Guarantee Fund .....	240,000.00
	\$586,899.95

From which deduct Reserve and death losses (\$3,000), due Dec. 31 as above (since paid) .. \$241,890.00

Surplus on Policy-holders' Account .....

Or \$2.42 of assets for each \$1 of liability.

\$346,899.95

1885. Assets.

Dec. 31. By Dom. Gov't Deposit, (Debitures \$48,400, Cash \$6,440) .....	54,840.00
" " First mortgages on real estate .....	116,023.25
" " Loans on stocks, nearly all on call .....	37,650.00
" " Reversions.....	8,183.28
" " Preliminary expenses (balance) .....	500.00
" " Furniture .....	845.66
" " Short date notes for premiums .....	19,867.45

"	" Premiums on existing policies in agents' hands and in due course of transmission.....	12,879.12
"	" Premiums on existing policies due subsequent to December 31st, 1885 (Reserve on this and preceding items included in liabilities).....	13,569.23
"	" Loans on policies.....	476.75
"	" Special deposit.....	875.00
"	" Commuted commissions .....	7,500.00
"	" Interest due and accrued .....	4,018.27
"	" Agents' balances .....	2,208.00
"	" Suspense account.....	584.48
"	" Cash in head and branch offices .....	3,202.05
"	" Cash in banks .....	58,668.41
"	" Amount due for re-insurance policy .....	5,000.00
		\$341,890.95
		\$346,890.95

WILLIAM McCABE,  
Managing Director and Actuary.

We have examined the books, documents and vouchers representing the foregoing revenue account, and also each of the securities for the property in the above balance sheet, and certify to their correctness.

JAMES CARLYLE, M. D., } Auditors.  
W. G. CASSELS, }

Toronto, Jan. 2nd, 1886.

We concur in the foregoing certificate and have personally made an independent examination of said books, and also of each of the securities representing said property.

E. A. MEREDITH, L. L. D.,  
WM. GORDON,  
Auditing Committee of the Board.

The report of Mr. Standen, Consulting Actuary, was also read.

The President in moving the adoption of the report, revenue account and balance sheet, owing to the state of his voice requested the Hon. Mr. Morris, Vice-President, to read the following statement for him, being as he said the first speech he had ever written out.

The Hon. Mr. Morris on rising alluded to the warm friendship that had always existed between himself and the President during the long period of their political career. The President, as Prime Minister, and he, as Lieut. Governor of Manitoba, and said that the same had lasted up to the present moment.

Mr. Morris then read the President's statement as follows:

"It is with much satisfaction that I move the formal adoption of the fifth annual report. I trust that the facts presented will prove satisfactory to our guarantors and policy holders, and show them that the company has in an eminent degree the essential elements of prosperity. The year has been characterized by a general depression in trade, and low prices have prevailed for the general products of the country; under such circumstances life insurance business is usually dull.

Personally I have the greatest faith in the recuperative power of our country, and the ability of our people to overcome transient troubles. The country is a vast one; its resources are enormous and varied in character. We may look for vast results, in a few years from the completion of the great railway through our fertile North-west territories. I have the strongest faith in the coming strength and early development of productive power in that enormous territory. Ministers will come and go, its expansion may be retarded or facilitated by wise or unwise administrations, but generally speaking, settlement will proceed, population will crowd in, and business of all kinds will feel the stimulus.

Our company has had in the meantime, in its youth, to struggle with unfavorable circumstances, but has succeeded in continuously maintaining the success which marked the first year. It is not my intention to criticise in a hostile spirit any of our rival companies, but I propose to contrast our position with that of some of the Home Companies by quoting from published or official statements in a fair legitimate application of the figures.

I bespeak your close attention to these statements:

Policies issued during the fifth year of our Company, \$1,986,500; Confederation Life,

\$1,500,746; Sun Life, \$952,594; Canada Life, \$389,296.

The premium income of the same companies for the fifth year of their existence was as follows: North American Life, \$151,318.15; Sun Life, \$95,737.99; Canada Life, \$37,892; Confederation Life, \$119,652.57.

In other words, our premium income for our fifth year is \$35,766 larger than that of the most successful of our competitors in its fifth year.

Another material element of success is the amount of business in force. We are able to refer with pardonable pride to our position in that respect. At the end of the fifth year it was as follows:

North American Life.....	\$4,849,287
Confederation Life.....	4,004,089
Sun Life .....	2,414,063
Canada Life.....	1,306,304

I propose now to show that in the matter of assets, our position is an exceptionally strong one as compared with these companies, as the following figures will prove:

Amount of assets at end of fifth year North American Life \$346,890.95; Confederation Life \$289,202.19; Sun Life \$265,944.64; Ontario Mutual \$33,721.00; Canada Life \$95,623.00.

It will doubtless be gratifying to our Guarantors and Policy-holders to know that in our fifth year just concluded our ratio of expenses to income compares favorably with that of our most active competitors as the following figures will show: Ratio of expense to income of North American in 5th year, 26.62; Sun Life Co. 10th year, 28.27; Ontario Mutual in 11th year, 30.92; Confederation in 6th year, 26.46.

In respect of terminations the North American occupies a good position as the following statement will show: Ratio of terminations to new business North American during 5th year 40.21; Confederation Life during 13th year 45.82; Sun Life during 13th year 70.02; Aetna Life on its whole business for 1884, 105.58; and on its Canadian business 1884, 52.59.

In addition to the unfavorable state of trade, the competition between the respective companies has been very keen, partly on account of the return to Canada of some United States Companies. This Company has been able to show an amount of new business for the past year of nearly half a million in excess of the business done by the most successful of our competitors during the fifth year of their history.

The losses by death during the past year have been heavier than the previous year, but still largely within the expectation. I should also say that a large portion of the loss was the result of accident which no management or medical prescience could guard against.

I need not quote the figures presented in the annual report, as you have all heard it read and will have an opportunity of perusing it at your leisure. Suffice it to say, that I believe more than ever before in a prosperous future for the Company. I cannot say too much of the zeal and thoroughness of Mr. McCabe, the able manager of the Company. He stands in the first rank of his profession, and is possessed of those qualities which constitute him a good business man and make him easily accessible to all.

I should also ill discharge my duty did I not bear testimony to his hard work and devotion to the Company's interests. It gives me equal pleasure to say, that Mr. Goldman, the secretary of the Company, has labored with an unselfishness and success which command my entire approval. He has great abilities and has zealously devoted them to assist in working up the business to its present state. The Company is much indebted to an able corps of agents, than whom no company has a more efficient and respectable body of gentlemen in its service.

The Hon. Mr. Morris, in seconding the resolution congratulated the meeting on the evidences the report bore of the strong hold the Company had secured with the insuring public. It was a most gratifying fact that our home companies were doing so largely our life insurance business. He believed the growth of such institutions was a mark of our national development, and that there was a growing feeling towards the support of our own institutions. There were many advantages to insurers in dealing with a home company, controlled by our own people. Their doing so enables us to retain here money to aid in building up and extending Canadian interests,