

largely in excess of that of any former year, amounting to \$120,508.89, being over fifty per cent. of the whole income of the year.

All the reserves and resources of the company are invested in Canada, throughout nearly all the provinces, and are thus utilized in building up and extending Canadian interests.

Dr. James Thorburn, the company's able and experienced medical director, has prepared his usual full report of the company's mortality experience, calling attention to the fact that over one-third of the year's losses arose from accidental causes.

Both the preliminary and full reports of the company's business for the year, including a detailed schedule of its mortgage securities, were mailed to the Government within a few hours after the close of business on the last day of the year.

The same minute and complete audit of the sources of income and expenditure and of the property of the company, has been continued by the auditors appointed by the annual meeting, and the usual examination has also been made by the auditing committee of the board. Their certificates are annexed to the balance sheet.

Every documentary security held by the company has been examined and verified independently by the auditors and the committee of the board.

The directors have declared a dividend at the rate of 8 per cent. per annum to June 30th next, payable July 2nd to the guarantors, as interest upon the paid-up portion of the guarantee fund.

The services of the company's staff of officers, inspectors and agents again deserve favorable recognition.

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

ALEXANDER MACKENZIE,
President.

Toronto, January 26th, 1888.

REVENUE ACCOUNT OF THE NORTH AMERICAN LIFE ASSURANCE COMPANY FOR THE YEAR ENDING DECEMBER 31, 1887.

To Net ledger assets	\$375,557 33
" Cash for premiums and annuity considerations	216,074 12
" Cash for interest	23,718 72
	\$615,350 17
By Expenses	\$ 39,067 12
" Commissions and salaries to agents	31,724 67
" Re-insurances	11,510 20
" Claims paid under policies	33,348 09
" Profits to policy-holders	271 35
" Surrendered policies	2,003 73
" Annuities	524 22
" Interest on guarantee fund	4,800 00
" Quebec government taxes	3,875 00
	\$127,124 38
Balance net ledger assets	488,225 79
	\$615,350 17

BALANCE SHEET.

Liabilities.

To Guarantee fund	\$ 60,000 00
" Assurance and annuity funds	\$435,910 00
Less for re-insurances	19,399 00
	416,511 00
" Contingent fund to provide for the collection of outstanding and deferred premiums and other charges accruing on year's business	6,575 00
" Death losses awaiting proofs	9,000 00
" Surplus	55,574 87
Note.—	
For the security of policyholders the company holds:—	
Assets (as per balance sheet)	\$547,660 87
And in addition,	
Uncalled guarantee fund	240,000 00
	\$787,660 87
From which deduct,	
Reserve (\$416,511 00, and death losses \$9,000, at Dec. 31, as above)	\$425,511 00
Surplus on policyholders' account	\$362,149 87
	\$547,660 87

Assets.

By First mortgages on real estate	\$279,502 83
" Debentures	65,705 00
" Loans on stocks, nearly all on call	79,550 00
" Reversions	13,385 70
" Bills receivable	2,027 14
" Furniture	3,224 00
" Loans on policies	1,298 40
" Fireprems. paid on a/c Mortgrs.	146 94
" Commuted commissions	5,000 00
" Agents' balances	532 05
" Cash in head and branch offices	1,723 20
" Cash in banks	35,990 53
" Special cash deposit	140 00
	\$488,225 79
Add	
" Short date notes for premiums	27,765 14
" Premiums on existing policies in Agents' hands, and in due course of transmission	9,096 99
" Premiums on existing policies due subsequent to December 31st, 1887	16,556 72
(Reserve on this and preceding items, included in liabilities.)	
" Interest due, \$613.62; and accrued, \$5,402.61	6,016 23
	\$547,660 87

WM. 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, January 3rd, 1888.

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

B. B. HUGHES,
WM. GORDON,
Auditing Com. of the Board.

The President then said, in moving the adoption of the report:

I have very great pleasure in making the usual formal motion to adopt the report, printed copies of which you have in your hands. Year by year, since the commencement of this company, it has been my pleasing duty to take the chair at our annual general meeting, and to make some remarks on the position of the company and its progress, but never, in its history, have we had such a splendid showing as that for 1887 which has just been read. The statement is so full, clear and concise, that it seems to me almost unnecessary to make any remarks thereon. It is said "nothing succeeds like success," and this may be the reason that, year by year, our success has increased until to-day we meet you and say that we can shew a statement with over half a million of accumulated assets in the short period of a few years, together with a handsome surplus.

The actual increase in our assets during the past year has amounted to the large sum of \$120,508.89, while our Reserve Fund has been increased by \$104,826, now reaching the handsome sum of \$416,511.

These grand results have been accomplished mainly by hard, persistent work on the part of our active agents on the field. The splendid investment and other plans of insurance offered by this company, all of which have stood the test of time, and have been endorsed by the highest authorities on this continent, have been widely approved by leading professional men and others desiring to protect themselves by the safe-guards of life insurance combined with an investment.

The applications of the year have been of an unusually good character. It is gratifying to observe that so many farmers, constituting as they do, the largest industrial interest in this country, are availing themselves so largely of the great advantages of life insurance.

The Government official reports shew that, in the amount of our income, accumulated funds, new business, insurance in force and addition to assets, we are again considerably ahead of our chief home competitors at the same period in their history, and what is of more importance, the cost of our business is still kept within reasonable limits. Compe-

tition both from the American, and also from the British companies, was never keener than during the past year, and in many instances prices were paid for the business which we consider excessive. One word about the excellent character of our assets. Our Finance Committee have been very careful in the selection of investments, and it is a great source of congratulation to know that so successful have they been in this respect, that there is not a single investment on the books about which we have the slightest anxiety that the company will lose a single cent. The interest has been wonderfully well paid, and the income from that source has now reached a very handsome figure, being in cash \$23,718.72, and due and accrued \$6,016.23, which would have more than paid the losses of the year in the general branch.

As you are aware it is a most important factor in a life insurance company, that full provision be made for every contract which will mature in the future, whether by death or by the termination of the endowment or investment period. This has been done and the security to policyholders is most ample. I think we were the pioneers in introducing here the prompt payment of death claims, and I believe the honest and straightforward manner in which all claims have been immediately met by this company, abundant evidence of which we possess in letters we have received on this point, is perhaps one of the reasons that has established among the insuring public in this country the greatest confidence in our institution. If every one present will, as opportunity offers, put in a good word for our company, it will not only assist the agent in his canvass, but will be doing kindness to a friend in inducing him to take out a policy of life insurance. For various causes there has been a somewhat severe financial depression existing throughout Canada. This, to some extent, has affected life insurance as well as other kinds of business, and yet I am glad to be able to say that several of the Canadian companies in common with ours, have, I understand, been very successful during the past year.

Notwithstanding this depression, I know that, sooner or later, appreciation will set in, and those of you who have lived in this country and studied its history, know well its great natural resources, and will, like myself, have great confidence in its future; and although there may be a temporary cloud, yet shortly this will disappear and the sun will shine through, presaging a bright, grand future for the Dominion.

As regards our company, I feel the utmost confidence in recommending it to the consideration of every one contemplating insurance, as I fully believe there is no company doing business in Canada to-day that is better prepared or more able to meet its contracts than this company.

Hon. Alexander Morris, vice-president, said: I have much pleasure in seconding the motion of my old and tried friend, the president, for the adoption of the report.

The able address of the president has left me very little to do. It is impossible for any one to read and study this report without feeling intensely gratified. Here is a home institution that trusted itself to the public, that endeavoured to meet the wants of the people, and the people have nobly rallied round it. They have shown appreciation of the efforts of those who desire to make life insurance a home word and a home institution. They have shown that they believe in the benefits of life insurance, and the most gratifying feature of the report alluded to by the president, is that the farmers, upon whom everything in this country rests in so great a degree, have begun to realize the benefits of life insurance, and are largely taking advantage of it, and of the opportunity afforded them of making provision for their families. It is very satisfactory to find that at the close of the brief period during which this company has been in operation, notwithstanding the partial depression which has prevailed throughout the country, owing to the short crops that have been realized in the province of Ontario—the banner province of the Dominion—yet nearly \$2,500,000 of new and specially good business has been secured by the company. The report shows a very large and handsome addition to our reserve fund and to the assets of nearly fifty per cent. of the whole income of the company for the year. I think that you find in it strong proofs of increasing public confidence, a large, grow-