

REPORT BY THE BOARD OF DIRECTORS
OF THE
Canada Life Assurance Company,

TO
THE ADJOURNED MEETING OF THE PROPRIETORS, HELD AT
HAMILTON, ON 22nd OCTOBER, 1861.

DURING the Company's Financial year to 30th April last, the Directors are glad to be able to report that a larger amount of new business has been transacted than in any previous year since the Company was organized, and this fact will be all the more satisfactory when it is added that the claims by death, which have fallen upon the Company, and the expenses of management have been lower than for some years back.

With these gratifying particulars the Directors have pleasure in laying their Annual Report before their Co-proprietors.

Proposals to the number of 493, for Assurance of \$828,793, were made to the Company during the year, of which there were issued and taken up 411 Policies, assuring \$676,843, yielding \$17,558.25 in new annual Premiums, and \$473.40 in single payments. There were declined 41 applications for assurance of \$87,800, the lives not coming up to that standard of eligibility which it is essential in an institution of this kind should be maintained—41 policies, assuring \$64,150, were not taken up.

In accordance with the prudent practice of the Company of avoiding the retention of excessive sums upon any single life, re-assurances were effected with other Companies, relieving the Office of sums exceeding \$10,000 on any life.

There were in force at 30th April last 2046 Policies upon 1782 lives, for \$3,747,108.04; yielding \$96,248.81 of Annual Premiums, and 4 annuities for \$926.13 per annum.

The claims by death in the year were very light, having been \$21,200, under 15 policies upon 14 lives; and it may be mentioned, that those and all others have been paid and satisfied, with the trivial exception of \$1,800, awaiting proof, and \$455.98, which is payable by instalments.

By the Tables of Mortality the tabular risk of the year amounted to \$47,337.66. From the commencement of the Company there has been set aside on account of expected claims, \$343,935.52
of which claims have actually emerged for 240,289.25

Leaving of Special Reserve Fund \$103,646.27

There is now at the credit of the classes of assurances "With Profits," the sum of \$360,683.31
from which deduct half-yearly and quarterly re-assurance premiums
of last year, not yet due 274.48

Leaving \$360,408.83
arising from the premiums and accumulations of interest, after deduction of proportion of expenses and claims applicable to the classes.

The sum required to be set aside for future claims and suspended Policies, (including premiums on half-credit Policies, \$1,007.28, and 14th year's risk) \$156,215.96
For unpaid claims and profits 13,093.18
The proportion of the above Special Reserve Fund is .. 87,310.93

256,620.07

leaving a difference of \$103,788.76

being the balance of accumulated profit on this branch, since the commencement of the Company.

Profits to participating policies are recommended at the same rate of "Cash" as given last year. For those policies participating for the first time, where taken in "Cash," the profits will be 41 per cent. of the difference between the pure premiums required for the risks and the rates charged, and to those policyholders who take "Bonus" payable at death, the equivalent thereof.

The Investment Branch of the Company's business receives the careful and earnest attention of the Directors, and they have been able during the year to invest the Company's spare funds in securities of a most satisfactory character, although at rates of interest lower than were looked for in former years. They are satisfied, however, that the main object of the Company should be to obtain perfect and ample security rather than high returns upon troublesome or perhaps precarious investments. The acceptance of lower rates of interest in that way, and the fact that interest has been carefully excluded in all cases of investments where any doubt of its realization may exist, have again diminished the average for the year to a trifle over 6 per cent., and 6 per cent. is accordingly recommended as a Stock Dividend, in addition to a Bonus of \$2.78 per share. In accordance with the desire that payments of dividends should from this time be made half-yearly, one-half of the sums declared will be payable on 1st November next, and the other half on 1st May. In cases of shares not fully paid up to \$50, the amounts will as hitherto, be added to, the shares, making them at 1st May next, stand at \$45 each. During the year under review, 280 shares, and since 30th April last 59 shares have been fully paid up to \$50 each.

Allusion was made in last Report to the beneficial change in the law relative to Life Assurance Companies' investments. By it this Company has been enabled to materially aid many of its assured, by Loans upon Policies to the extent of their value; the investments in that way now exceeding in the aggregate \$8,000. Besides that and first class loans upon Real Estate, for over \$52,000, large investments have been made in the most desirable class of Debentures, by which the sum held under the heads of Municipal and other Debentures, is now increased to nearly \$300,000.

In the Savings Bank under the Company's management there were open at 30th April, 967 accounts.

As required by the Company's Act of Parliament, the following five Directors retire from the Board by rotation, but being all eligible they are recommended for re-election. Their names are: F. W. GATES and GEORGE H. GILLISPIE, Esqs. of Hamilton; The Hon. ADAM FERGUSSON, of Woodhill; DONALD MCINNES, and JOHN FERRIE, Esqrs., of Hamilton. In February last, upon the resignation of MILES O'REILLY, Esq., Q.C., the Directors elected TRISTRAM BICKLE, Esq., to fill his seat, and he is eligible and recommended for re-election for the remainder of the time for which Mr. O'REILLY had been elected. By the more recent retirement of W. H. PARK, Esq., another seat at the Board was rendered vacant, and to supply that vacancy, the Directors would cordially recommend to the Shareholders the name of W. P. HOWLAND, Esq., of Toronto, M.P.P., a gentleman from whose high standing and well known business qualifications, the Company can not fail to derive much benefit.

The following Table giving at a glance the progressive increase of the Company's new assurances, well indicates the increasing confidence of the public in this purely Canadian institution, and shows a laudably patriotic desire to support a Canadian Company entirely conducted by residents in Canada, not withdrawing the capital of the country for transmission to England or elsewhere, but retaining and investing all its spare funds in the colony, and so materially promoting its welfare and development.

Comparative Table showing New Business in following years.

	No. New Policies.	Sums Assured.	Premiums.
Yearly average to April 30, 1859.	231	\$ 431,738	\$ 11,769.39 c.
Transacted year ending April 30, 1860.	338	542,821	15,763.86
" " " " 1861.	411	676,842	18,031.66

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During so much of the current year as has elapsed, a like satisfactory progressive increase has taken place, and it is hoped may continue to its close, notwithstanding the painful depression which the present unfortunate position of affairs in an adjoining country is causing in business of nearly every kind.

In concluding their Report, the Directors would take the opportunity of impressing upon the Stock and Policy-holders, how desirable it is that each in his own sphere should use every opportunity to extend the interests and business of the Company and bear in mind that whatever benefits the institution must directly benefit, more or less, every individual member of it.

JOHN FERRIE, *Vice-President.*
A. G. RAMSAY, *Manager.*
THOS. M. SIMONS, *Secretary.*

Canada Life Assurance Company's Office,
Hamilton, 22nd October, 1861.

STATEMENT OF RECEIPTS AND PAYMENTS,

For the Year ending 30th April, 1861.

RECEIPTS.		PAYMENTS.	
	\$ c.		\$ c.
Balance as at 30th April, 1860	664,027.90	Expense Account	24,563.45
Premiums on 411 new Policies taken up, and renewals	100,369.15	Vote for Board	1,600.00
\$10 each on 250 new Shares made equal to old	2,800.00	10 pr. ct. written off office furniture	407.74
Received in deposit and for accumulation, &c.	146,504.51	Unpaid half premiums of half credit policies (suspended) written off	1,924.49
Interest earned on investments, &c.	38,599.01	Entrance fees & interest refunded	49.70
Fines and extra risks	102.41	Re-assurances	1,184.32
		Claims paid, (after deducting re-assurance received, \$6662.47)	24,966.70
		Cancelled or purchased policies	2,384.94
		Annuities (six)	977.76
		Deposits, &c., withdrawn	119,456.97
		Interest paid on deposits	8,603.97
		Profits of Mutual Branch paid, as Reversionary bonus	2,287.85
		Diminution of premium	869.66
		Cash	2,025.96
			5,183.47
		Dividend of 18th yr. on 2300 shares	24,345.24
			\$ 205,598.75
		Leaving a balance of \$747,494.25, which is distributed as under:—	
		Cash on hand and in Bank	2,213.33
		Cash in Agents' hands, including receipts held by them for premiums, since paid	18,716.93
			\$20,930.31
		Investments, (par value, \$684,375.85)	572,718.05
		Interest on Debentures to April 30, 1861	6,294.11
		Real Estate:—property and offices	102,921.09
		Half-yearly and quarterly instalments of prem's on policies, payable within nine months	25,994.98
		Deferred half-payments on half-credit policies	14,866.05
		Office furniture	3,669.66
			747,494.25
			\$ 958,093.00
	\$ 958,093.00		

GENERAL ABSTRACT

Of the estimated Assets and Liabilities of the Canada Life Assurance Company, as at 30th April, 1861.

ASSETS.	\$	c.	LIABILITIES.	\$	c.
By Cash on hand and in Bank.....	2,213	88	To 12½ per cent. paid on 2224 shares of Capital	111,200	00
By Cash in Agents' hands, including receipts held by them for Premiums since paid.....	18,716	93	Stock of \$889,600.....	12,420	00
			Stock of \$110,400.....		
By Mortgages on real estate.....	313,975	19	To dividend declared for 14th year.....	129,620	00
By Municipal Corporation Debentures, par val. 263,064 00	2,000	00	To balance of money lodged for accumulation, &c., with interest to 30th April, 1861.....	10,207	70
By Road Company Debentures.....	3,040	00	To balance of money at credit of 967 Depositors in the Hamilton Deposit and Savings Bank, with interest to 30th April, 1861.....	188,871	46
By Stock in Hamilton Gas Light Company ".....	4,347	20	To claims matured awaiting proof, including vested additions.....	13,928	42
By Bills Receivable.....	1,392	34	To claims payable by instalments.....	373	73
By Terminable Annuity.....	13,896	21	To Cash Profits declared on Policies, but unpaid at 30th April, 1861.....	3,544	76
By Assets of Hamilton and Gore District Savings Bank, in real estate.....	29,727	44	To present value of Policies held as cancelled, but which may be revived within twelve months.....	995,149	99
By Loans on Real Estate.....	3,443	00	To present value of capital sums assured for life, under 1974 Policies, including vested additions, \$3,650,889.61.....	20,753	96
By Loans on Policies.....	6,294	11	To present value of four Life Annuities.....	9,689	89
By interest accrued on Debentures, &c., to 30th April, 1861.....	6,294	11	To present value of one Bond, Annuity and Assurance combined, \$9.50 and \$45.14.....	21	31
	102,421	69	To balance in favor of the Company.....	1,378,880	00
By Real Estate and Leasehold Property, including the Company's Offices, &c.....	25,994	95	Of which the sum of \$481,669.23 is excluded from the valuation for profit, as representing the sum from which the future expenses, profit and other contingencies, will be met.	542,918	35
By half-yearly and quarterly premiums secured on Policies and payable within 9 months.....	14,966	05			
By deferred half-premiums of Half-Credit Policies.....	3,669	66			
By Office Furniture.....	809	151			
	1,077,457	19			
By present value of income of \$92,314.79, from whole Life Premiums, profits accepted as diminution of future Premiums being deducted.....	35,184	58			
By present value of income of \$3,934.02, from Life Premiums, for a limited period.....	1,921,793	35			
	1,921,793	35			

A. G. RAMSAY, *Manager*,
 THOS. M. SIMONS, *Secretary*.

JOHN FERRIE, *Vice-President*.

Canada Life Assurance Company's Office,
 Hamilton, 22nd October, 1861.

A. Ramsay Manager