

ANANDA LIFE SUCCESS IN 1924

OVER \$100,000,000 NEW BUSINESS PAID FOR DURING THE YEAR

Mr. Herbert C. Cox Reviews Company's Affairs

THE PRESIDENT'S ADDRESS

Toronto, January 8th, 1925.

The regular Annual Meeting of the Canada Life Assurance Company was held in the Head Office Building, with a large number of policyholders in attendance. This was the seventy-eighth annual meeting, and the age and stability of the Company was emphasized by the large number of prominent men in attendance, and particularly by the personal visit of Mr. Adam Brown of Hamilton, Ontario, who in his ninety-ninth year gave an excellent address on Canadian affairs.

WORDS MADE IN HUNDREDS OF MILLIONS

Canada Life last year... hundred-million-dollar assets, and in new business... hundred millions of dollars... the various funds of the company, and the confidence... public in applying... paying for over a million dollars of new life... are the two items... special mention... connection, it is significant... the people insured... have in effect under... built up such a fund... throughout the... In due time every... continued in force... value as an asset for... either by death of... and new insurances... upon their acqui... these policies. At the... they are strongly... maintain their interest... satisfaction and determine... shall ever induce... continue their insur... safety attaching to the... million dollars of assets... shared by all in... to their payments... average person it is bet... a small interest in... safe investments than... his savings in "one... insurance accom... the "diversity of invest... the best manner poss... the same time providi... funds in event of

NEW GENERAL MANAGER

During the year Mr. T. G. Conkey was appointed General Manager of the Canada Life... in popularity and... respect of his associates... assuming his new duties... naturally fell heir to the... of General Manager after... time spent as a life insur... man, commencing in the... work of a New York com... in which he rose to the... of manager for Ontario... his early knowledge of agency... and agency work was gain... when for sixteen years he... the position of Superint... of Agencies of a large Cana... company, during which... he travelled all over the... and in the United... es, until he became perhaps... best known agency man in... ada, and there was hardly a... eminent field man connected... any company whom he did... know personally. His valu... work in the Life Underwrit... Association was a part of his... vities at that time, and he... for some years Honorary... of that Association. However, it is with the Canada... he has done his best work... the prestige which the Com... has won in the Dominion... particularly in the United... has been very largely due... to his tact and perseverance... the growth of the Company's... ness during the past ten or... on years has been great, and... matter for congratulation... during that period of expan... a man of outstanding ability... work has been at the... of the "new business" pro...

Mr. Herbert C. Cox reviewed the business of the year 1924 as follows:—
The continuance of more or less disturbed conditions throughout the world has retarded that full return to a generally active business which we have all been hopefully anticipating, but we are grateful for the measure of improvement which, though very gradual, would seem to be in progress, and which should shortly reflect the steady influence of the German settlement, and of the recent general elections in Great Britain and the United States.

Canada to Share in Revival.
That Canada is ready to share in the revival when it comes is indicated by the important excess of her exports over imports for the past year. While her borrowings for commercial purposes have been many millions of dollars less than in the previous year, due to curtailed activities, these funds are in her banking institutions and immediately available to meet enlarged demands as they arise, and it is well established that Canadian bankers have never yet lacked the courage nor the will to support to the utmost the industrial and agricultural effort of the country. It is not my province to enter in detail into what that effort can be; suffice it to say that a study of the output of our factories and farms as revealed in available statistics will be intensely edifying to the average reader and will give him a new conception of the possibilities of his country.

National Problems.
It is true that the crops in the Western Provinces were disappointing in volume and were not as evenly distributed as we could have wished. They were, however, put in and harvested at a reduced cost, and the prices realized were much in advance of the previous year, so that the aggregate amount received by the farmers reached a most important sum. It is well to bear in mind that in addition to these field crops those Provinces are producing impressively in eggs, butter, cheese, honey, vegetables and live stock of all kinds, which justifies the persistent urging for the undertaking of mixed farming. There is a growing development in the movement of these commodities to the Pacific for shipment by water, which will be hastened and encouraged by the very excellent facilities already provided or in course of construction in Vancouver. These, together with those now long established at the head of the Great Lakes and in conjunction with the very extended service offered by the railways, are capable of caring for the output of a much larger population, the procuring of which is, perhaps, the most important problem confronting not only the Government and the railways, but all those who desire the progress and welfare of the country as a whole. Various agencies are at work on its solution, and they merit a sympathetic and strong support in their effort, but it has not yet been approached from a sufficiently broad angle.

There is too great a tendency to throw the onus upon the Government for the time being and to make specious criticism of its action or inaction while we should rather realize that upon the adequate populating of our great Western country, with the consequent increased production of food-stuff and creation of markets for manufactures, depends in a very large measure our national progress. It is also of prime importance to those institutions which have thus far provided so much of the working capital for those Provinces that the numbers upon the land should constantly increase. It is not, therefore, the duty and interest of the various bodies of manufacturers, bankers and loaning corporations, including insurance companies, to direct to the subject their combined experience, initiative and effort so that a positive, logical and feasible method may be evolved and

adopted for dealing with a matter which touches all of them so vitally? The time for such concerted movement has come, the necessity is pressing, and I venture to suggest that the right leader can consolidate the forces of commerce and finance and launch an undertaking which will have an incalculable influence upon our common future.

Loaning Agencies Hampered in West.
Meanwhile the companies lending money in those Western Provinces upon real estate mortgage are being hampered in places by legislation, the originators of which, it is only fair to assume, believe it to be desirable, but which is on the contrary irritating to the lender without being helpful to the borrower. It has already proved a deterring factor and may become a permanent barrier in the way between the demand for money and the sources of its supply, unless those responsible for it awake to the danger they are bringing upon their constituents. Government rural loaning has not been successful, and it is obvious that a complete stoppage in the supply of funds obtainable upon mortgage, through the menace of restrictive legislation, would be a calamity the onus for which no class of men should lightly undertake. It is hoped, however, that a more considered judgment will prevail, and that before long the disturbing clauses will be removed or agreeably modified.

For the safety of the lender and the comfort of the borrower it is essential at all times that the greatest care be exercised, and that due regard be had for the ability and energy of the latter as well as for the quality and location of the land he occupies. At times loans have been too readily available for indifferent borrowers, resulting in disastrous high interest-bearing mortgages, is, however, not so keen as it was, better judgment being used in selection, and lenders generally are falling into line with the methods and scale long ago adopted by the older and more conservative institutions.

Uniform Insurance Laws.
While life insurance companies as investors of money are directly concerned with any legislation bearing upon mortgage loans, they are also intensely interested in the various State and Provincial laws affecting the many aspects of their business as insurers. Up to the moment each State in the American Union and each Province in Canada has had its own peculiar code, making it very difficult and cumbersome for the companies to meet the varied requirements of the fields in which they desire to operate. In the United States no uniform laws have yet been promulgated, but during the past three years in Canada extensive and intensive thought has been spent upon the matter by the superintendents of insurance of the several Provinces in consultation with the officials of the companies and the life underwriters. As a result a uniform life insurance act has been agreed upon and has already become law in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick and Prince Edward Island. In Nova Scotia it has been introduced in the Legislature, but not finally acted upon, and it is expected that Quebec also will shortly consider it. The new provisions remove many ambiguities regarding insurable interest, rights of beneficiaries, admission of age, proof of claim, and other debatable points, all of which will simplify work and clarify matters for the insured. This common act in conjunction with the Dominion Insurance Act of 1910, so comably administered, since its inception by the Federal Superintendent, Mr. G. D. Finlayson, serves to make Canada unique in the matter of insurance legislation, and already admiring eyes are turned upon us by other countries, seeking light upon a vexed problem.

Excellent Government Supervision.
Continuity of administration in a Government department exerting supervision over institutions is most desirable, and we are fortunate that in the past 39 years there have been only two incumbents in the office of the Federal Insurance Superintendent, which is a very responsible post at the head of a most important department immediately under and directly answerable to the Minister of Finance. All who have contact with this department recognize the ability and courtesy with which its varied business is conducted and its value to the undertaking with which it is particularly concerned.

Service to Beneficiaries.
While some phases of life insurance are subject to legislative control, others are not, and among the latter we find prominently in evidence the investment of policy proceeds by the beneficiaries receiving them. It is fair to assume that those who benefit under the extraordinary large modern policy have either personal knowledge or capable advisers to guide them in the choice of investment channels, but it has been estimated that 90 per cent. of those insured are covered for \$10,000 or less, and it is for their beneficiaries, to whom the \$10,000 or less means so much, the companies are coming to feel an added responsibility. Of the three and three-quarter millions of dollars paid out by the companies of this continent each day, one million is paid to those in the above category, largely in cash, but more recently there are being offered the beneficiaries various facilities and methods for leaving the principal sum with the company, subject to a reasonable rate of interest, thus avoiding the temptations and pitfalls which beset those coming suddenly into possession of what may very well seem to them an inexhaustible sum of money. These new provisions offer a further fruitful avenue of usefulness to the underwriter in perpetuating the service inaugurated with the original sale of the policy, for it is to these millions upon millions of owners of small policies and their beneficiaries our main duty lies.

Business Gains Momentum.
I should like to tell you of the magnitude of life assurance but it has been my studied effort each year to avoid wearying you with figures. May I impress upon you, however, that one-half of the total people in Canada and the United States are insured, that the funds held in reserve for them amount to upward of \$12,000,000,000, that these funds are helping in food production, in transportation and in general public works everywhere? The undertaking is gaining momentum each year, but we are still very far from the ultimate goal, as it has been estimated that our people are as yet insured for only one-sixteenth of their capitalised earning capacity.

Canada Life Under Review.
For our own Company 1924 will go on record as the first year in which our new assurances taken up have exceeded one hundred millions, as they actually reached \$105,528,845. In addition to this amount a further \$21,602,381 were issued and are in course of adjustment, making the total issued \$127,131,226. These figures evidence gains of 80 per cent. as compared with the previous year, and indicate unusual activity upon the part of the general organization. We have seized favorable opportunities of adding to our agency plant without extending the territory covered and we are now better than ever equipped to take advantage of the steadily broadening market for life assurance. During the last two or three years the growth of many of our important branches in Canada and the United States has necessitated removal into much more commodious offices, and the recent occupation of our new home in London has provided the Great Britain Branch with important facilities and with the incentive to make full use of them. This branch paid for new policies of \$10,597,836 in the year, in addition to annuity considerations of \$1,640,000. Your Company is now thoroughly established in Great

Britain and comfortably and suitably housed.
Executive is Enlarged.
While all this growth has been in progress your directors thought it desirable that the Executive should be enlarged to keep pace with it, and made provision by by-law, which you will be asked to confirm, for another Vice-President, electing Mr. Leighton McCarthy to the position so created. Mr. McCarthy has been a member of your board for 15 years, for many of which he has been your solicitor. He will now be known as Vice-President and General Counsel and will share the responsibilities of the Vice-Presidency with Mr. E. R. Wood, who has been so long closely associated with us and who is, as Vice-President, Chairman of the Committee on Investments. It is hoped that the Vice-Presidents will take an important part in the executive work of the Company.

New Appointments.
Mr. T. G. Conkey, who has been for 13 years a highly valued official of the Company, more recently as General Superintendent, was in May last promoted to the position of Chairman of the Board, a recognition of his splendid equipment and his place in insurance, and in the belief that in this capacity he will be better able to prosecute the business and interests of the Company.

At the same time Mr. A. N. Mitchell and Mr. A. Gordon Ramsay, who had been functioning so efficiently as Assistant General Superintendents, were promoted to be Superintendents and are very vigorously extending your business.
In October the board authorized the appointment of Mr. L. K. Fife as Associate Actuary. He has been for some years Assistant Actuary, and is a most capable officer.
Mortality Rate Very Favorable.
While we have been undergoing more or less readjustment in the Home Office, and while we have been undertaking the unusual amount of new assurances to which I have al-

ready alluded, we have also been most happy in our experience regarding death losses, which have not only freedom from all epidemic illness, but a general improvement in public health due in no small degree to the preventive measures being urged upon their members by many of the companies themselves. I am glad to say that we have ventured along this road, and with some success, but we have not been able to follow it as far as we should like because of the expense attached to it. The saving arising from this favorable mortality added to the earnings derived from other sources has given us a total surplus earning of \$3,539,913.86 for the year.

Careful Investment of Funds.
Your investments have again been rigidly scrutinized and are presented with confidence for your approval. While the interest rate obtainable on desirable bonds has been tending downward we have been able to seize upon favorable moments for purchase so as to minimize the disadvantage. It will be only reasonable, however, to look for some reduction in the average earnings of institutions like ours if the price of money continues to become lower, because the daily accumulation of funds demands their early employment, whatever the current yield may be. Judgment and foresight in the purchase of securities are of value in as much as they enable one to anticipate and prepare for changes in market conditions, and I think we may feel assured that the members of your Investment Committee are particularly well equipped to manage your funds so as to obtain the best possible return upon them.
Contingent Fund Maintained.
The unprecedentedly severe strain experienced through an unaccountable reversal of climatic conditions in the past two years by portions of the Western Provinces which have hitherto been most favored in this respect and which have been highly regarded from the mortgage-investment viewpoint, has brought about a situation more acute than looked

for by the loaning companies. It has been found generally necessary by investment institutions to make provision to meet the unusual circumstances, and your directors have, instead of adding further to the contingent fund, as in former years, appropriated for this purpose a sum which, after exhaustive enquiry, they deem ample to meet all present contingencies without disturbing in any way the regular functions or practices of the Company.
An Efficient Loaning Organization.
Our cash payments of interest and instalments of principal are materially in excess of last year and will continue, as the farmers are able to realize upon their wheat at the prevailing high prices. We have over the course of years built up a very strong and capable loaning organization who have always their fingers upon the pulse of the mortgage situation and are prepared at any moment to carry into effect any change of policy or method dictated by necessity or good judgment. To add to its effectiveness we have just appointed as Supervisor of Loans in Western Canada Mr. W. R. McConnell, who has been for 20 years a valued official of the Company in that country. His undivided time and thought will be given to the improvement of our already extensive means of personal contact with our borrowers and the solution of problems incident to an important mortgage business.
At the same time we are adding to the staff in the Home Office Mr. W. Hastie, who has been successful in establishing an active loaning department in Montreal. Mr. Hastie will not only be of assistance in the general work of the investment department, but will be charged with the wider development of our mortgage loaning facilities in the more important and less densely populated Middle and Eastern Provinces.

Board of Directors Strengthened.
During the year your board has been strengthened by the addition of Mr. J. A. McLeod, General Manager of the Bank of Nova Scotia, and Mr. W. E. Rundle, Vice-President and Managing Director of the National Trust Company, Limited. They both bring to your affairs keen and analytical minds trained by long years of experience in large matters, and we esteem ourselves extremely favored in having their co-operation.
Company's Ideal of Service.
It has become almost a habit at these annual gatherings to indicate our hopes or dreams for the more or less immediate future of our own Company and the great fraternity to which it belongs. Some of them have come true, some of them have proven chimerical, while others have not yet been fully demonstrated; but whatever fate attends them the mere uttering of them seems to commit us to a more definite endeavor which must, I am sure, be helpful. There is growing into the very woof of life assurance the conviction that the duty of the Company is to assure only really commences upon his becoming a member of it, and that that duty will be discharged only in the measure in which the Company, through its representatives from the President down, renders to him and his beneficiaries the type of service to which his membership in the institution of life assurance entitles him. I like to think it is the aim of every individual in this organization, not only to render unto Caesar what is Caesar's, but to give also that intangible personal interest which converts a cold business relationship into a warm, human association which spells helpfulness for all who feel the contact.

This is by no means a new suggestion to Canada Life minds, as it was the fundamental principle behind the Company's inception, but we seek, as our opportunities expand, to extend it together with all the other facilities which were offered by those wise men who conceived in 1847 virtually every policy, plan and advantage available today. Already in 1859 our predecessors were being complimented in the public press upon their courtesy to their clients and their expedition in the payment of claims, and we are to-day only endeavoring to carry on the traditions they bequeathed to us. If we succeed we shall have fulfilled some of the functions for which we were created and shall have helped to advance the great business and philanthropy of life assurance.

BRIEF SUMMARY OF REPORT

The total surplus earned during 1924 was \$3,539,913.00, a new record being set in this respect.
New assurances issued and taken up amounted to \$105,528,845, which was a greater amount by 30% than in 1923.

In Great Britain and the United States a steady growth was maintained. For annuities alone, people of Great Britain paid the Canada Life \$1,640,000.00.

Death losses have been remarkably low, and these savings in mortality and earnings derived from other sources produced a record surplus.

The business in force was increased to nearly half a billion dollars, and the income from all sources last year was \$24,727,554.

Cash payments of interest and instalments of principal were in excess of 1923.

The assets of the Company were increased to \$103,208,000.

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	1924	Increase
Total Insurance in Force increased to...	\$485,680,000	\$73,245,000
Total Assets increased to	103,208,000	8,959,000
Reserves for Protection of Policyholders.	89,122,000	8,426,000
New Assurances issued in 1924.....	127,131,000	32,914,000
New Assurances paid for in 1924.....	105,529,000	26,353,000
Surplus earned in 1924.....	3,541,000	727,000
Total Income for 1924.....	24,727,000	4,152,000
Dividends to Policyholders in 1924.....	2,897,000	648,000
Total Payments to Policyholders in 1924.	10,404,000	1,268,000

Above, in brief, are the results for 1924, as shown by the Financial Statement.

Below are some of the noteworthy achievements of the year:

1. Dividends on most classes of policies have been increased.
2. Made the largest surplus earnings in the history of the Company, extending over seventy-eight years.
3. Continued to improve service to public by special educational training of field force, more representatives having benefit of this instruction than in previous years.
4. Placed more insurance with present Policyholders than in any other year, and increased public interest in Monthly Income, Business, Estates and Group Insurance.

(A Complete Annual Statement Will Be Mailed Upon Request.)

WHOLE FACTORIES NOW INSURED

Other Activities of Company

Group insurance on the lives of men and women in factories and offices, stores, and other organized bodies of industry, has been arranged in increasing volume during the past year. The men and women employed have themselves recognized the value of "group insurance" and frequently request the Employer to arrange it for them. Millions of dollars of life insurance now exists on this co-operative plan which would not have been possible otherwise, and many bereaved families have been taken care of under its benefits.

Business Insurance.
Many large policies have been issued on the lives of business men, the number for \$50,000 or over issued in 1924 running into several hundred in this one Company. The safety of many a business concern is judged by the amount of protection afforded its creditors by this modern device, and it is becoming more in demand than ever.

Training of Men.
The specialized service required by the public has made necessary the individual training of men to represent the Canada Life, and during the past year educational work of a high order has been continued and extended to cover the needs of the situation. It has now become well known that the service by a Canada Life man is not perfunctory, and in connection with business insurance, insurance for succession duties or inheritance taxes, etc., some very valuable services have been performed for business men.

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