

The 68th Annual Report of the Board of Directors of THE CANADA LIFE ASSURANCE COMPANY

TO BE SUBMITTED AT THE GENERAL MEETING AT TORONTO ON THE 28th DAY OF JANUARY, 1915

The Directors have pleasure in submitting their 68th Annual Report showing the transactions of the Company for the past year and setting forth the financial positions as at 31st December, 1914.

THE YEAR'S BUSINESS.

During the year 7,059 proposals for assurances, aggregating \$17,051,685, were received by the Company, but as 251 of these did not conform to the standard set by your Directors, they were declined. Further information was required in connection with 184 cases, so that these could not be finally disposed of before the end of December, but may be completed during the current year. Policies were issued in response to 6,624 of the applications, and the new assurances assumed to the amount of \$15,079,795. The policies paid for during the twelve months covered assurances for \$14,034,785. The total assurances in force now amount to \$157,407,170.53.

THE INCOME.

The premiums for assurances, new and renewal, after deducting payments made to other companies for re-assurances, amounted to \$4,825,260.24, and the considerations for annuities to \$764,690.13. The interest income, including profits realized on the sale of securities, amounted to \$2,844,386.07. The total income from all sources was \$8,438,071.11—an increase of \$343,185.41 over that of 1913.

THE PAYMENTS.

The payments to policyholders and their representatives during the year, in settlement of death claims, matured endowments, annuities, dividends and cash values for policies surrendered, amounted to \$3,362,483.99, an increase of \$484,467.88 over those of 1913. In addition to this, loans were made to policyholders on security of their policy contracts with the Company to the extent of \$1,869,341.88. Repayments made during the year on this account amounted to \$742,508.14, making a net increase for the year of \$1,126,833.74.

THE ASSETS.

The total assets of the Company on the 31st December amounted to \$56,103,841.70, an increase during the year of \$3,942,046.89. In view of the largely increased payments to policyholders during the past year, this increase in our assets, which is greater than that of 1913, is very satisfactory.

THE SURPLUS.

The stringent basis of valuation adopted by your Directors in 1900 has again been employed in ascertaining the policy and annuity liabilities, and it was found that the resulting re-assurance reserve amounted to \$46,663,866, an increase of \$2,387,466 over that required at the end of 1913. After providing for all liabilities, for a contingent reserve of \$200,000, and after allotment of \$1,317,773.81 to those entitled to share during 1914, the net surplus amounts to \$6,198,988.84. The surplus actually earned during the year amounted to \$1,533,484.26, which shows that the year 1914 has been one of the best in the history of the Company.

CHANGES ON THE BOARD.

The lamented death of Hon. Geo. A. Cox, Senator, for many years this Company's President, took place on the 16th day of January 1914, after the report for 1913 had been issued and before the annual meeting, and F. LeM. Grasett, M.B. Edin. Univ., F.R.C.S., E., was elected to fill the vacancy on the Board. The untimely and deeply regretted death within a few months thereafter of Mr. Edward W. Cox, who had succeeded his father in the Presidency, and the loss to our Board through the recent death of Hon. Robert Jaffray, Senator, left two vacancies on the Board. To fill these Mr. Herbert C. Cox was elected to the Board and to the Presidency, and Dr. John Hoskin, K. C., was elected to the Board.

THE LONDON BOARD.

It is with great pleasure your Directors acknowledge the valuable assistance rendered by the members of the London Board and of the Advisory Boards at the various Branches in the United Kingdom.

THE STAFF.

Your Directors again desire to record their appreciation of the efficiency and zeal with which the Officers and members of the Staff, both at the Head Office and at the various Branches, have performed their respective duties.

On behalf of the Board,

HERBERT C. COX, President.

Toronto, 11th January, 1915.

BOARD OF DIRECTORS

HERBERT C. COX, President and General Manager
J. H. PLUMMER, D. C. L., Vice-President,
President Dominion Steel Corporation.

ROBERT BICKERDIKE, M. P.,
Montreal.

ADAM BROWN,
Postmaster, Hamilton.

ALEXANDER BRUCE, K. C.,
Director National Trust Co.

DUNCAN COULSON,
President Bank of Toronto.

COL. THE HON. SIR JOHN M. GIBSON, K. C. M. G.,
Director Canadian Bank of Commerce, Hamilton.

F. LeM. GRASETT, M. B. Edin. Univ., F. R. C. S., E.,
Director Consumers' Gas Co.

DR. JOHN HOSKIN, K. C.,
President Canada Landed and National Investment Co.
Director Toronto General Trust Corporation.

HON. J. A. LOUGHEED, K. C., Senator.
Calgary.

KENNETH MACKENZIE,
Capitalist, Winnipeg.

LEIGHTON McCARTHY, K. C.,
Vice-President Northern Aluminum Co., Ltd.
Vice-President Union Carbide Co., of Canada.

H. A. RICHARDSON,
General Manager Bank of Nova Scotia.

ROBERT STUART, Chicago, Ill.,
Vice-President Quaker Oats Co.
Director Canadian Bank of Commerce.

E. R. WOOD,
President Central Canada Loan and Savings Co.
Vice-President National Trust Co.

*Policyholders' Directors.

THE CANADA LIFE ASSURANCE COMPANY

STATEMENT FOR THE YEAR ENDING 31st, DECEMBER, 1914.

Receipts

Balance of Ledger Assets as at 31st December, 1913.....	\$50,159,808.78
First Year's Premiums.....	\$ 524,215.57
Renewal Premiums.....	4,400,126.89
Annuity Considerations.....	764,690.13
Single Premiums applied to purchase Bonus Additions.....	65,387.27
	5,754,419.86
Less Re-assurance Premiums.....	164,469.49
Total Net Premium Income.....	5,589,950.37
Interest (including Rents).....	2,707,974.65
Profit on Sale of Securities.....	136,411.42
Dividends left to accumulate at Interest.....	3,734.67
Total Ordinary Income.....	8,438,071.11
	\$58,597,879.89

Payments

Death Claims (including \$125,325.10 Bonus Additions).....	\$2,060,587.48
Endowments Matured (including \$25,616.06 Bonus Additions.....)	410,729.06
Surrender Values paid to Policyholders.....	396,119.83
Dividends to Policyholders (exclusive of Bonus Additions).....	274,607.67
Annuities.....	220,439.95
Commissions, Salaries, etc.....	882,609.92
Taxes, Licences and Government Fees (exclusive of Taxes on Real Estate).....	60,659.68
All other Expenditures.....	317,511.76
Dividend at 8 p. c. on \$1,000,000.00 paid up Capital.....	80,000.00
Depreciation in value of Securities.....	55,587.50
Balance of Ledger Assets.....	53,839,027.04
	\$58,597,879.89

Assets

Government, Municipal and other Bonds, Stocks and Debentures.....	\$19,002,499.39
Mortgages on Real Estate.....	20,496,155.44
Loans on Policies.....	9,028,482.46
Real Estate (including Company's buildings in Toronto, Montreal, Ottawa, St. John, Winnipeg, Regina, Edmonton, Calgary, Vancouver and London, England).....	3,610,682.29
Loans on Stocks and Bonds, etc.....	787,380.27
Cash in Bank and on hand.....	913,827.19
Ledger Assets.....	\$53,839,027.04

OTHER ASSETS

Premiums in transit, and half-yearly and quarterly premiums payable within nine months, less cost of collection.....	853,144.07
(Reserve on above item included in Liabilities)	
Interest and Rents due and accrued.....	1,411,670.59
	\$56,103,841.70

Liabilities

Net Re-assurance Reserve: Hm. 3 p. c. Basis for all participating assurances issued after 31st, December, 1899, and Hm. 3 1-2 p. c. for all other assurances; British Government Annuity Experience, 3 p. c. and 3 1-2 p. c. for Annuity Contracts.....	\$46,663,866.00
Instalment Claims Reserve.....	213,078.00
Contingent Reserve.....	200,000.00
Claims in course of settlement.....	340,211.83
Surrender Values claimable on policies subject to revival.....	217,428.00
Dividends to Policyholders in course of payment.....	976,296.64
Taxes on Premiums, including Provincial Taxes in dispute.....	86,599.20
Due on account of General Expenses.....	18,666.43
Annuity Payments outstanding.....	17,075.33
Premiums and Interest paid in advance.....	18,865.62
Shareholders' Account.....	152,765.81
Capital Stock paid up.....	1,000,000.00
Surplus.....	6,198,988.84
	\$56,103,841.70

THE CANADA LIFE ASSURANCE COMPANY

AUDITOR'S REPORT

To the President, Vice-President and Directors of the Canada Life Assurance Company, Gentlemen:—

14th January, 1915.

The audit of the Company's books, which has been carried on continuously throughout the year, has been completed to the 31st December, 1914. The various securities representing the Company's loans and investments have also been examined, and the Cash and Bank Balances duly verified.

I hereby certify that satisfactory vouchers have been produced for the various entries in the books, and I believe the same to be correct. The accompanying statements of "Receipts and Payments" and of "Assets and Liabilities" correctly set forth the position of the Company's affairs at the close of the year.

Yours faithfully, RALPH E. YOUNG, F.C.A., Auditor.

Audited and Approved.

RALPH E. YOUNG, F. C. A., Auditor.

HERBERT C. COX, President and General Manager.

C. R. ACRES, Secretary.

W. K. ROOERS, Charlottetown

Manager, Prince Edward Island Branch