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ANNUAL REPORT 1989



**INDUSTRIAL  
ALLIANCE**  
LIFE INSURANCE COMPANY



To contribute to the protection of our environment, this annual report was printed on recycled paper.



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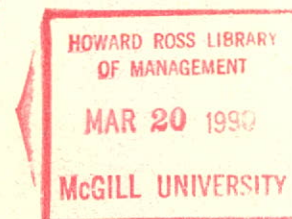


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**INDUSTRIAL  
ALLIANCE**  
LIFE INSURANCE COMPANY

With its total assets under management adding up to more than \$ 18.7 billion, including its own consolidated assets of \$ 10.3 billion, Industrial-Alliance is the most important Canadian life insurance company with head office located in Québec. Through its two downstream holding companies, Industrial-Alliance is very active in the financial services sector throughout Canada and the western part of the United States.



**ALLIANCE  
INDUSTRIAL**  
FINANCIAL CORPORATION

Downstream holding company  
Assets : \$ 5.9 billion  
(wholly-owned subsidiary)



**GENERAL  
TRUSTCO**

Trust and financial services  
to individuals and companies.  
Head office : Montréal (63% interest).



Data processing services company.  
Head office : Montréal (80% interest).

**THE EQUITABLE**

General insurance company selling exclusively  
through brokers.  
Head office : Montréal.



**INDUSTRIAL  
ALLIANCE**  
GENERAL INSURANCE COMPANY

General insurance company selling exclusively  
through our own representatives.  
Head office : Québec City.



**INDUSTRIAL  
ALLIANCE**  
LIFE MANAGEMENT CORPORATION

Downstream holding company  
Assets : \$ 1.6 billion  
(wholly-owned subsidiary)

NATIONAL LIFE  
OF CANADA  
Since 1899



Life insurance company  
operating across Canada.  
Head office : Toronto



**The North West Life**  
ASSURANCE COMPANY OF CANADA

Life insurance company  
operating in Canada and in the  
Western United States.  
Head office : Vancouver



**North West Life**  
ASSURANCE COMPANY OF AMERICA

Life insurance company operating in the  
Northwestern United States.  
Head office : Seattle, Washington.





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## Message from the Management

In its statement of corporate mission, Industrial-Alliance Life Insurance Company is primarily defined as a mutual company managing the assets entrusted to it by its owner members in order to increase their collective wealth.

Following an early and resolute entry into the field of diversification, Industrial-Alliance is currently heading a group of companies which, as a whole, wants to play a leadership role in Québec and in Canada. In addition to ranking first according to various criteria of comparison being used, it strives to affirm this position through its reputation, its financial soundness, the extent of its distribution network and the quality of its service to clients.

As for many other financial organizations, operations in 1989 were subjected to a general context of tightening beneficial margins. The forecasted slowdown of the economy, the probable maintenance of high level of interest rates and the expected broadening of activities for more players to be allowed by imminent federal and provincial legislations will certainly accentuate this context during 1990 and later years. We therefore must pursue our prudent management within carefully selected markets.

The 1989 results of operations and the status of the financial position of our group of companies must be reviewed with our general objective in mind and the probable overall environment within which it will have to evolve. Financial results are presented on a fully consolidated basis on pages 13 to 23, under the mutual life company as head of the entire group.

The life and annuity premium income reached \$839,3 million for an increase of 11.85% over the preceding year. It is worth noting its sources which indicate the various market trends.

The mutual insurance company, Industrial-Alliance, posted \$551.7 million in premium income for an increase of 13.2%. Of this amount, \$149,4 million originated from individual life contracts, up only by



2.5%. Individual and group annuity contracts, on the other hand, accounted for \$332.3 million, resulting in a strong increase of 23%; these figures most certainly reflect the aging of the population and its changing priorities.

Group life and health premium income dropped by 4.8% to \$68.9 million which is a direct result of divestiture of part of our portfolio following our withdrawal towards the end of 1988 from an operation under co-ownership. However, the reorganization process on an autonomous basis is well under way and will soon produce renewed growth in this market sector.

During the same year, National Life of Canada produced a total premium income of \$211.3 million or 4.2% more than the previous year; the same trends are apparent since the life and health premium income increased only by 1% while annuities have registered a growth of 14.5%.

The two North West companies show a combined growth of 14.5% for a total premium income of \$40.2 million; the distribution by line of business in these companies' results indicates the same tendencies.

Investment income, net of related expenses, amounts to \$1 billion 56 million, or 19.7% more than the preceding year. The mutual insurance company, Industrial-Alliance, accounts for \$322.6 million of that amount including, among other items, the net profits of its two downstream holding companies, either as cash divi-

dends or as increases in their net accounting value. Total revenues have thus passed the \$2 billion mark, up 15.5% and include \$880.2 million from the mutual company, compared to \$769.4 million in 1988.

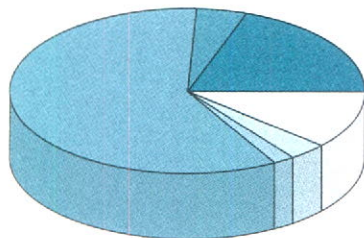
Revenues were applied to the payment of all categories of claims amounting to \$562.9 million, to interest payments, mostly in the trust operations, of \$525.7 million, to increase in actuarial reserves of \$382.0 million and to all other operating expenses. After deducting amounts owing to minority interests, the surplus from the 1989 consolidated operations amounts to \$25.5 million.

This sum represents a modest improvement of 6.9% over the 1988 surplus before adding to the latter the extraordinary contribution resulting from the termination of our group insurance activities in a joint venture.

As for our group of companies' total assets, they have now reached \$10.3 billion, an increase of 13.1% during the year. This includes, among others, the assets of Industrial-Alliance, the mutual insurance company, amounting to \$3.3 billion of which segregated funds account for \$215.5 million. Total assets are mostly invested in bonds and mortgages in roughly the same proportion as in previous years.

On the other hand, consolidated liabilities include \$3.9 billion in actuarial commitments and \$5.1 billion in guaranteed cash deposits. Industrial-Alliance's own contractual obligations account for an amount of \$2.7 billion in the above consolidated liabilities and is

**BREAKDOWN OF ASSETS**



- Bonds 17.8%
- Stocks 4.6%
- Mortgage Loans 59.8%
- Real Estate 2.4%
- Short-Term Investments 4.8%
- Other 10.6%





specifically matched against various assets supporting its short and long term commitments. This matching exercise is now completed, particularly with respect to the risk of interest rate fluctuations and variations of monetary flows.

Already drawn conclusions add another degree of security to our overall financial situation, since they show eventual surpluses susceptible to bridge a substantial portion of the excess of our strategic investment in subsidiaries of \$505.5 million over the already accumulated surplus of \$402.7 million for which no specific matching is necessary.

This accumulated surplus represents 14.9% of Industrial-Alliance's total liabilities, a well-above standard percentage according to traditional criteria. However, investment margins allowed under Bill 75 in Québec do not take into consideration the real value of goodwill nor the restrictive application of rules applying to the double counting of capital. Current discussions, at the provincial as well as federal levels, with respect to the adoption of new and harmonized capital and surplus adequacy levels, incite us to move carefully in our corporate evolution while the present uncertainty persists.

Nevertheless, we are watching for opportunities towards expansion within our internal means, taking into consideration the most probable criteria under which our financial solvency could eventually be measured.

The life insurance companies in our network have all subscribed voluntarily to the compensation fund

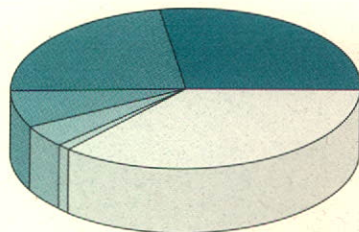
recently set up by The Canadian Life and Health Insurance Association (CLHIA) and they have all been accepted after meeting specific criteria that take into consideration the specific and different nature of our industry.

This industry initiative urged by the regulatory authorities adds another level of protection for the consumer. It is a self regulatory instrument that will permit our industry to continue avoiding the unhappy events that confronted in the past other institutions in the financial sector; we believe our industry is thus in a very enviable situation compared to other financial institutions.

Our marketing activities have been pursued very aggressively with a renewed emphasis on the service to clients and individual productivity. Taking into account the demographic changes, new very competitive products were made available to our sales force in a concerted attempt to serve an aging population which is better off financially and very well informed.

In spite of the efforts, individual life insurance sales have not progressed in terms of insurance coverage amount; however, this set-back is relatively less severe when measured in terms of new annualized premiums being only at 4.4%. On the other hand, an improved retention rate has helped produce an increase in the overall business in force to more than \$26.6 billion of life insurance coverage. Nevertheless, we must interpret this as visible signs of the degree of the Québec market's saturation where most of our operations are presently concentrated.

**BREAKDOWN OF PREMIUM INCOME IN 1989**



- Group Annuities  
\$215.6 million  
39.1%
- Individual Life Insurance  
\$149.4 million  
27.1%
- Individual Annuities  
\$116.6 million  
21.1%
- Group Health Insurance  
\$47.0 million  
8.5%

- Group Life Insurance  
\$22.0 million  
4.0%
- Other  
\$1.1 million  
0.2%





The most likely presence of additional market intermediaries in the near future will increase the challenges to be met if we want to retain our leading position in this field of activity.

However, the 24% growth in individual life insurance sales reported by National Life is a clear indication that the underlying trends are not irreversible. Moreover, all life insurance companies of our network have experienced marked progress in individual and group annuities. These expanding lines of business complement our activities and fit naturally into our traditional role of insurer.

The overall behaviour of our markets leaves room for optimism towards the future while raising in our minds continuous questions and, no doubt, readjustments as necessary.

Industrial-Alliance Life Management Corporation is a holding company owning the subsidiaries of our life insurance network in Canada and the United States. Its consolidated assets reached \$1 billion 637 million at the end of 1989, an increase of 6% over 1988, and its net income amounted to \$16.72 million, showing a strong increase of 40.4%.

These subsidiaries face the same overall challenges as others in the industry and will pool their respective resources for the prosperity of our whole group of companies.

The equity of the sole shareholder amounts to \$210.2 million, producing a return on investment of

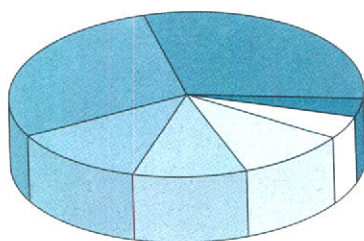
8%, compared to 6.2% for the preceding year. This trend is a very positive sign that we must pursue our defined objectives.

Activities other than those of life insurance are headed by the Alliance-Industrial Financial Corporation under which are grouped: General Trustco of Canada Inc., Industrial Life-Technical Services Inc. (IST) and the general insurance companies, The Equitable and Industrial-Alliance. The consolidated assets of the Financial Corporation at \$5.9 billion at the end of 1989, show an increase of 14.3% and the net income, close to \$12.1 million, an increase of 6.7% over the preceding year.

The Financial Corporation, with a shareholder's equity at \$278.9 million, reports to its sole owner a slightly improved return on investment of 4.3% compared to 4.1% for 1988. Even with this small increase, it remains well under the stated objectives and the Corporation's potential.

It is worth mentioning that General Trustco of Canada Inc., which is a dominant part of the Financial Corporation, shows improved results for 1989 in spite of major expenses dedicated, among other things, to the modernization of its data processing systems. This investment has been made in order to allow the trust company to better position itself in its own market so as to be able to seize new opportunities, to enlarge its distribution network, its portfolio of products and financial services offered to individuals.

6  
**BREAKDOWN OF PAYMENTS  
 TO POLICYOWNERS  
 AND BENEFICIARIES IN 1989**



■ <b>Surrender Values</b> \$99.2 million 30.4%	■ <b>Group Health Insurance</b> \$41.2 million 12.6%
• Individual Life Insurance \$28.9 million	■ <b>Transfers Segregated Funds</b> \$33.8 million 10.4%
• Individual Annuities \$50.8 million	□ <b>Death Claims Individual Life Insurance</b> \$32.7 million 10.0%
• Group Annuities \$19.5 million	■ <b>Death Claims Group Life Insurance</b> \$14.3 million 4.4%
■ <b>Annuities</b> \$93.3 million 28.6%	■ <b>Other</b> \$11.7 million 3.6%
• Individual \$41.0 million	
• Group \$52.3 million	





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As for Industrial Life-Technical Services Inc. (IST), it offers its specialized data processing services to a large clientele operating in various sectors as well as to the companies of Industrial-Alliance's group. It continues its development while centering its efforts towards the most profitable business. It also strives to position itself judiciously in order to benefit from the rapid evolution of information technologies.

The general insurance sector once again showed disappointing results, mainly due to the high average cost of claims. Corrective measures have been applied to bring this line of business back to reasonable profit levels. A new strategic position under study should produce appreciable results in a near future. Finally, minority interests in other financial services have contributed positively to the Financial Corporation's results.

Our favourable position in Québec, which we are determined to attain elsewhere in Canada, is due to the ever-increasing active cooperation among employees in all our affiliated companies. In particular, our sales personnel, who are continually facing very fierce competition, rapid demographic evolution and changing needs of the client, deserve special thanks for the trust they show us. We must all keep in mind that, to successfully confront the expected changes, both legislative and economic, it will not only be preferable, but indeed essential, that we firmly establish an outstanding competence and broadened vision of things in the management of our operations. Together, we must strive with dedication and confidence to achieve the level of productivity required by the increased competition in the industry of financial services.

During the year, the individual commitments and professionalism of Industrial-Alliance's expanded personnel have, both individually and collectively, assured the progress of our group. They deserve our thanks and must be convinced that our future depends on them.

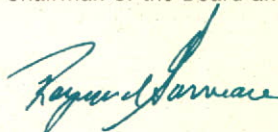
Since time equally affects all individuals, several of our colleagues left us during the year for a well-deserved retirement. We sincerely hope they enjoy the additional free moments provided by their new situation and the advantages resulting from their employer's avant-garde retirement plan.

The same wish is extended to three members of our Board who will leave their post at the 1990 Annual Meeting. As long-time employees, Messrs Hervé Belzile and Marcel Boyer have left a permanent mark on all levels of responsibility where they have exercised their talents. As for Mr. Marcel Cazavan, following a brilliant career in the public service, he joined them at the Board of Directors of Alliance and all three of them continued with the new company after the merger, while keeping their positions of members of the Board of General Trust.

We offer our warmest thanks to all three of them and the assurance that they will always be associated with the prosperous evolution of the group of companies they have helped to build. A special word of gratitude goes to Mr. Hervé Belzile for the determined, but always conciliatory role he has played as Chairman of the Board after the merger in 1987.



Chairman of the Board and Chief Executive Officer



President and Chief Operating Officer





- **Robert Bégin, F.S.A.**  
◆★ Chairman of the Board of the Company and Chief Executive Officer  
Industrial-Alliance Life Insurance Company
- ★ **Jean Denis Vincent**  
Vice-Chairman of the Board of the Company  
President and Chief Executive Officer  
Alliance-Industrial Financial Corporation
- **Raymond Garneau, M.C.Sc., L.E.Sc.**  
◆★ President and Chief Operating Officer  
Industrial-Alliance Life Insurance Company
- ◆ **Hervé Belzile, F.C.A.**  
★ Chairman of the Board  
Industrial-Alliance Life Management Corporation
- **Marc Bourgie**  
Chairman of the Board and Chief Executive Officer  
Urgel Bourgie Ltd.
- **J. Marcel Boyer, C.A.**  
Executive Vice-President and Assistant to the President  
Industrial-Alliance Life Insurance Company
- ◆ **Pierre Brunet, C.A.**  
President and Chief Executive Officer  
Lévesque Beaubien Geoffrion Inc.
- **Marcel Cazavan, F.C.A.**  
Director of Companies
- **André Charron, Q.C., C.M.**  
★ Chairman of the Board, Alliance-Industrial Financial Corporation
- ◆ **Camille A. Dagenais, C.C.**  
Consultant, Groupe S N C
- **Reginald K. Groome, O.C.**  
◆★ Chairman of the Board and President, Hilton Canada Inc.
- ◆ **Normand D. Hébert**  
President and Chief Executive Officer, Groupe Park Avenue Inc.
- ★ **Roger Lachapelle**  
President and Chief Executive Officer, Les Distilleries Corby Ltée
- ★ **G. Yves Landry, M.Sc.C.**  
President and Chief Executive Officer, Chrysler Canada Ltd.
- ◆ **Jean Marier, LL.M.**  
Partner of Stein, Monast, Pratte and Marseille, Advocates
- David Morton, M.A.**  
Chairman of the Board and Chief Executive Officer  
Alcan Aluminium Ltd.
- **P.-Émile Reinhardt, CFA**  
Vice-President and General Manager, Investments  
Industrial-Alliance Life Insurance Company
- Georges Smith, LL.L.**  
Secretary of the Board

- Robert Bégin, F.S.A.**  
Chairman of the Board and Chief Executive Officer
- Raymond Garneau, M.C.Sc., L.E.Sc.**  
President and Chief Operating Officer
- J. Marcel Boyer, C.A.**  
Executive Vice-President and Assistant to the President
- Yvon Côté, CFA**  
Vice-President and General Manager and Assistant to the President
- Alex Langlois, F.S.A.**  
Vice-President and General Manager,  
Actuarial and Group
- Jacques Laverdure, C.A.**  
Senior Vice-President, Investments
- André Mailhot, LL.L.**  
Vice-President and General Manager, Human Resources
- Normand Pépin, F.S.A.**  
Vice-President and General Manager, Marketing
- P.-Émile Reinhardt, CFA**  
Vice-President and General Manager, Investments
- Georges Smith, LL.L.**  
Vice-President and General Manager, Corporate Affairs
- Adrien Bordua, LL.L.**  
Vice-President, Law Department
- Paul E. Burelle**  
Vice-President, Sales, Career Agencies
- Yvon Charest, F.S.A.**  
Vice-President, Corporate Affairs, The National Life
- Marcel Gagné, F.S.A.**  
Vice-President, Group Insurance
- Michel Gauthier, C.M.A.**  
Vice-President, Data Processing
- Maurice Germain, F.S.A.**  
Vice-President, Actuarial Services
- Joseph-A. Giroux, C.A.**  
Vice-President, Control
- Donald C. Harding**  
Vice-President, Sales, Ontario
- Cyrille Jutras, F.S.A.**  
Vice-President, Administration, Individual Insurance and Annuities
- Richard Lefebvre**  
Vice-President, Sales, Ordinary Agencies
- Jacques Lorange, C.A.**  
Vice-President, Business Office, Montréal
- Léon Mondoux, F.S.A.**  
Vice-President and Valuation Actuary
- Rémi Normand, F.S.A.**  
Vice-President, Group Pensions
- Yvon Sauvageau, M.Sc.Econ.**  
Vice-President, Securities
- Claude Tessier, B.Sc.A.**  
Vice-President, Real Estate Investment

- Executive Committee
- Investment Committee
- ◆ Audit Committee
- ★ Human Resources Committee





**Gaëtan Audet, C.L.U.**, Director, Agents Training  
**Daniel Bannon, A.S.A.**, Director, Group Pensions  
**Richard Banville, F.S.A.**, Director, Underwriting, Individual Insurance  
**Louise Bélanger, F.L.M.I.**, Director, Agencies Administrative Services  
**Roger Blais, F.L.M.I.**, Senior Director, Life and Health Claims  
**André Blouin**, Director, Claims, General Insurance  
**Pierre Blouin, L.Sc.Adm.**, Superintendent, Sales  
**Clément Boivin, A.S.A.**, Director, Administration  
Group Insurance  
**Jean-Pierre Boutin, I.R.C.**, Senior Director, Human Resources and Technical Operations  
**Peter Brady, F.I.A.C.**, Director, Complementary Products  
**Andrée Brunet, B.Sc.Adm.**, Director, Development and Promotion, Real Estate Investment  
**René Chabot, F.S.A.**, Director, Solvency, Actuarial Services  
**Gaëtan Chalifoux, C.G.A.**, Director, Budget  
**Paul-H. Chrétien, C.M.A.**, Director, Accounting  
**Gilles Cloutier, B.Sc.A.**, Director, General and Group Insurance Systems  
**Rodrigue Cloutier**, Director, Supportive Administrative Services  
**Kevin Conroy**, Director, Group Pensions, Montréal  
**Denis De Bellefeuille, C.M.A.**, Director, Sales, Group Insurance  
**Joseph De Palma, LL.L.**, Superintendent, Sales  
**Denis Deshaies, F.S.A.**, Director, General Insurance, Actuarial Services  
**Patrick Desormeau, F.L.M.I.**, Director, Claims, Group Insurance  
**Réjean Devin, B.Sc.Phys.**, Senior Director, Development and Technical Services  
**Robert Dionne**, Director, Regional Administrative Office, Québec  
**Raymond Donnelly**, Senior Director, Regional Administrative Offices, Agencies  
**Jean Dorion, C.App.**, Senior Director, Mortgage Loans  
**Réjean Dubois**, Superintendent, Sales  
**Gilles Duchesneau, M.B.A.**, Senior Director, General Insurance  
**Louis Duclos, M.B.A.**, Assistant Vice-President, Communications and Administrative Services  
**Claude E. Dufresne**, Senior Director, Internal Auditing  
**Lucienne Forbes, LL.B.**, Legal Counsel  
**André Fortier, C. Adm.**, Director, Administration, Real Estate Investment  
**Jean-Guy Fortier, F.L.M.I.**, Director, Policy Records, Individual Insurance  
**Jocelyne Gaudet**, Director, Contracts, General Insurance  
**Laurent Gilbert**, Director, Underwriting, Mortgage Loans  
**Jocelyne Guay Gravel**, Director, Underwriting, General Insurance  
**Paul Grimes, B.A.**, Superintendent, Sales, Ontario  
**Noël Guilbault, C.Adm.**, Director, Mortgage Loans, Montréal  
**François Harvey, C.A.**, Director, Real Estate Accounting  
**Daniel Hotte, C.L.U.**, Superintendent, Sales  
**Richard Jalbert, C.L.U.**, Superintendent, Sales  
**Marc Lalonde**, Superintendent, Sales  
**François Lambert**, Director, Administrative Services  
**Diane Laperrière, A.S.A.**, Director, Individual Life Systems  
**Denis La Salle, B.Éd.**, Regional Director, Group Insurance, Québec

**Jean-Marc Lavoie, F.L.M.I.**, Senior Director, Sales Personnel Remuneration  
**Yvon Lavoie, L.Sc.Adm.**, Director, Annuities and Marketing Systems  
**Claude Lemieux**, Senior Director, Underwriting, Individual Insurance  
**Daniel Marceau, F.S.A.**, Director, Special Projects, Individual Insurance  
**Micheline Massé**, Director, Regional Administrative Office, Montréal  
**Bertin Michaud**, Superintendent, Sales  
**Bruno Michaud, F.L.M.I./M.**, President's Office Assistant  
**Hermann Morissette, A.S.A.**, Director, Taxation  
**Joe O'Farrell, C.M.A.**, Senior Director, Human Resources  
**Jean-Pierre Papineau, C.L.U.**, Senior Director, Individual Annuities  
**Marc Pelletier**, Senior Director, Training, Sales  
**Guy Pilote**, Senior Director, Policy Contracts and Premiums, Individual Insurance  
**François Plante, B.Sc.Adm.**, Director, Administration  
Mortgage Loans  
**Richard E. Poitras**, Director, Communications  
**Sheila Quinn, F.S.A.**, Actuary, Benefit Plans  
**Jean-Marc Régnière**, Director, Individual Annuities  
**Marc Renaud**, Senior Director, Administrative Services  
**Gaston Rivard**, Director, Agencies Administrative Services  
**Benoit Rochon, F.L.M.I./M.**, Director, Life and Health Claims, Individual Insurance  
**Pierre Simard, M.Sc.C.**, Director, Internal Auditing  
**Jacques Taché, LL.L.**, Senior Director, Law Department  
**Jean Trahan, C.App.**, Director, Mortgage Loans, Québec  
**Raymond Tremblay, M.Sc.C.**, Director, Employees' Benefit Plans  
**Michel Turcotte, F.S.A.**, Senior Director, Group Pensions  
**Brian A. Vaughan**, Director, Regional Administration Office, Toronto  
**Richard Watier, L.Sc.Adm.**, Assistant Vice-President, Development and Training, Marketing  
**Raynald Winstall, C.L.U.**, Director, Group Pensions, Québec





## Agencies

### Québec

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Anjou (Québec) H1K 4E4  
\*\*Serge Aubry, C.L.U.  
(514) 351-8547

#### Assurance Jacques L'Écuyer Inc.

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Bureau 103  
Brossard (Québec) J4Z 3P5  
\* Jacques L'Écuyer, C.L.U.  
(514) 445-1145

#### Beaubien

4570, rue Jean-Talon Est  
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\* André Sagala, C.L.U.  
(514) 729-3281

#### Beaugrand

Place Versailles  
5125, rue du Trianon  
Bureau 400  
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\*Raynald Nadeau, C.L.U.  
(514) 353-3230

#### Cartier

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Bureau 200  
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\*Jacques Hurtubise  
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#### Champlain

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Brossard (Québec) J4W 3C6  
\*Donald Seward  
(514) 672-3510

#### Chauveau

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Bureau 242  
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\*Michel Ouellet  
(418) 623-9805

#### Chicoutimi

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(418) 668-0177

#### Dolbeau

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(418) 276-3811

#### Drummondville

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\*Viateur Landry, C.L.U.  
(819) 478-4159

#### Thetford Mines

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(418) 338-8556

#### Victoriaville

19, rue De Coursol  
Bureau 207  
Victoriaville (Québec) G6P 3Y9  
(819) 752-4509

#### Duvernay

3131, boul. de la Concorde Est  
Bureau 405  
Duvernay (Québec) H7E 2C1  
\*Claude Beauchamp  
(514) 661-8220

#### Saint-Jérôme

222, rue Saint-Georges  
Bureau 210  
Saint-Jérôme (Québec) J7Z 4Z9  
(514) 438-4188

#### Granby

770, rue Principale  
Granby (Québec) J2G 2Y7  
\*Gilles Hamel  
(514) 372-4054

#### Beloil

535, boulevard Laurier  
Bureau 202  
Beloil (Québec) J3G 5E9  
(514) 467-0993

#### Hull

880, boulevard de la Carrière  
Bureau 200  
Hull (Québec) J8Y 6T2  
\*Robert Gagnon, C.L.U.  
(819) 771-6646

#### Labelle

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#### Langelier

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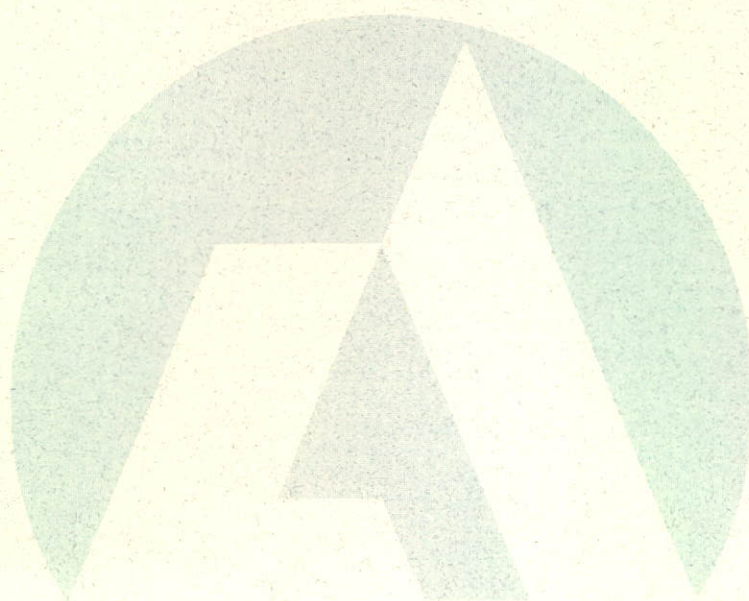






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CONSOLIDATED FINANCIAL STATEMENT



**INDUSTRIAL  
ALLIANCE**  
LIFE INSURANCE COMPANY

# Consolidated Income

Year ended December 31, 1989 (in thousands of dollars)

<i>Income</i>	1989	1988
	\$	\$
Insurance and annuity premiums .....	839,297	750,431
Investment income (note 4) .....	1,055,569	881,753
Fees and real estate brokerage .....	59,112	61,193
Other .....	66,340	55,460
	<b>2,020,318</b>	<b>1,748,837</b>

## *Appropriation of income*

Normal increase in provisions for future policy benefits .....	382,019	329,954
Claims incurred .....	562,947	527,556
Interest .....	525,666	409,020
Dividends and group experience refunds .....	43,932	27,535
Commissions .....	107,071	101,943
Taxes, licences and fees .....	9,299	8,628
General expenses .....	265,404	247,986
Segregated funds and miscellaneous .....	85,357	58,292
	<b>1,981,695</b>	<b>1,710,914</b>

Net income before income taxes, minority interest and extraordinary item .....	38,623	37,923
Income taxes .....	562	2,154

Net income before minority interest and extraordinary item .....	38,061	35,769
Minority interest .....	12,559	11,908

Net income before extraordinary item .....	25,502	23,861
Profit, net of income taxes, resulting from discontinuance of joint insurance activities .....		4,372
Net income for the year	<b>25,502</b>	<b>28,233</b>





# Consolidated Surplus

Year ended December 31, 1989 (in thousands of dollars)

<i>Appropriated surplus (note 2)</i>	1989	1988
	\$	\$
Balance at beginning .....	87,703	85,126
Changes in additional reserves .....	4,270	( 1,458)
Changes in valuation reserve for stocks and deferred capital gains and losses realized on bonds and stocks .....	3,631	4,035
<b>Balance at end</b>	<b>95,604</b>	<b>87,703</b>

## *Unappropriated surplus*

Balance at beginning		
As previously reported .....	283,180	225,361
Prior year adjustment (note 8) .....	1,306	
As restated .....	281,874	225,361
Net income for the year .....	25,502	28,233
Changes in valuation of provisions for future policy benefits .....	4,024	26,822
Transfer from (to) appropriated surplus for additional reserves .....	( 4,270)	1,458
<b>Balance at end</b>	<b>307,130</b>	<b>281,874</b>





# Consolidated Balance Sheet

As of December 31, 1989 (in thousands of dollars)

## Assets

<i>Investments</i>	1989	1988
	\$	\$
Bonds (note 3) .....	1,835,894	1,687,296
Stocks (note 3) .....	474,892	421,137
Mortgage loans .....	6,178,720	5,309,872
Other loans .....	344,088	235,509
Real estate (note 4) .....	244,970	226,127
Policy loans .....	92,920	91,184
Short-term investments and cash .....	495,642	563,232
	<b>9,667,126</b>	<b>8,534,357</b>

## *Other assets*

Investment income due .....	63,568	50,649
Fixed assets (note 4) .....	63,534	55,598
Miscellaneous (note 5) .....	294,468	294,696
Segregated funds .....	242,061	199,936
	<b>663,631</b>	<b>600,879</b>
	<b>10,330,757</b>	<b>9,135,236</b>

On behalf of the Board:  
Robert Bégin, Director  
Raymond Garneau, Director





## *Liabilities*

<i>Actuarial liabilities</i>	1989	1988
	\$	\$
Provisions for future policy benefits .....	3,593,792	3,215,888
Provisions for dividends to policyowners and experience rating refunds .....	60,715	91,663
Policy benefits in course of settlement and provision for unreported claims .....	116,282	119,656
Employees' pension fund .....	124,275	111,861
	<b>3,895,064</b>	<b>3,539,068</b>

## *Other liabilities*

Guaranteed deposits (note 6) .....	5,144,586	4,486,508
Long-term debts (note 7) .....	237,902	189,890
Premiums paid in advance and amounts on deposit .....	123,685	81,632
Unearned premiums .....	17,892	17,750
Other contractual liabilities .....	26,251	17,315
Accounts payable and accrued expenses .....	83,853	77,357
Bank overdrafts and loans .....	11,061	12,060
Deferred income taxes .....	14,104	11,941
Miscellaneous .....	9,319	13,693
Segregated funds .....	242,061	199,940
	<b>5,910,714</b>	<b>5,108,086</b>

Minority interest .....	122,245	118,505
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## *Policyowners' equity*

Surplus - appropriated (note 2) .....	95,604	87,703
- unappropriated .....	307,130	281,874
	<b>402,734</b>	<b>369,577</b>
	<b>10,330,757</b>	<b>9,135,236</b>





# Notes to Financial Statements

Year ended December 31, 1989 (in thousands of dollars)

## 1. Accounting policies

This mutual life insurance company was incorporated under the Act respecting Insurance (Québec).

The consolidated financial statements have been prepared in accordance with the specific principles and rules applying to each of the various entities included in the consolidation, namely:

- life insurance companies governed by the laws of Québec or Canada;
- general insurance companies;
- trust companies.

Such principles are as follows:

### Consolidation principles

Investments other than portfolio investments in common and preferred stocks are recorded using the following methods:

- the accounts of the subsidiaries are consolidated;
- the 20.5 % holding in an associated company is accounted for by the equity method;
- the accounts of the joint ventures are consolidated on a proportionate basis.

### Bonds

Bonds are recorded at cost, adjusted by amortization of premiums and discounts. However, those held by companies governed by the Canadian and British Insurance Companies Act are recorded at amortized cost, plus or minus the unamortized portion of gains and losses realized on the sale of such securities;

Gains and losses realized on the sale of such securities by the life insurance company governed by the Act respecting Insurance (Québec) are carried in the appropriated surplus account and transferred to income using the straight-line method over a ten-year period;

Gains and losses on securities held by general insurance companies or trust companies are entered directly in the income statement;

Gains and losses on securities held by the companies governed by the Canadian and British Insurance Companies Act are amortized to income over the life of the securities or twenty years, whichever is shorter.

### Stocks

Stocks held in the Company's portfolio are recorded at market value, as required by the Act

respecting Insurance (Québec). Realized and unrealized gains and losses are recorded in the appropriated surplus account and transferred to income using the straight-line method over a ten-year period;

Stocks held by general insurance companies or trust companies are recorded at cost. Gains and losses realized on the sale of such stocks are carried directly to the income statement;

The stocks held in the portfolio of the subsidiaries which are governed by the Canadian and British Insurance Companies Act are recorded at their moving average market values plus or minus the unamortized portion of gains and losses realized on the sale of such securities. Gains, losses and excess of market values over cost are amortized by the diminishing balance method at the annual rate of 15 %.

### Mortgage loans

Mortgage loans are presented at the amount of the capital balance receivable.

### Real estate

During the year, a subsidiary governed by the Canadian and British Insurance Companies Act has adopted, with prospective application, the accounting method for its real estate using the moving average market values as recommended by the Department of Insurance of Canada. It results in the discontinuance of the annual depreciation and the accounting of the difference between the book and the market values of the real estate, at 10 % per annum by the diminishing balance method. Consequently, real estate held by the subsidiaries governed by this federal law are recorded at their moving average market values, net of related mortgage borrowings.

Real estate of the other companies in the group is recorded at cost, net of accumulated depreciation and related mortgage borrowings in the case of that held by the insurance companies. Depreciation is calculated principally by the sinking fund method at rates varying from 5 % to 12.8 %.

### Policy loans

Policy loans are recorded at cost and are fully covered by the cash surrender value of insurance policies.

### Fixed assets

Fixed assets are recorded at historical cost less accumulated depreciation. Depreciation is calculated from the date of acquisition by the





straight-line method or the diminishing balance method at annual rates varying from 15 % to 30 %.

**Miscellaneous assets**

This item includes deferred costs of certain subsidiaries relative to the development of programmed products, the establishment of branches and their financing. These costs are principally amortized by the straight-line method over periods not exceeding seven years and over the term of the reimbursement of the debts.

It also includes goodwill resulting from the excess of cost of the shares of the subsidiaries over the book value of the net assets acquired; this goodwill is amortized by the straight-line method over periods not exceeding 40 years.

**Segregated funds**

Funds from certain group or individual pension plans are invested in separate portfolios. Their value is determined according to the market value of the securities contained in these portfolios.

**Provisions for future policy benefits**

Policy reserves represent the amount which, together with future premiums and investment income, provides for all commitments under

contracts in force. The policy reserves are established after deducting acquisition expenses which are deferred and amortized over the respective terms of the contracts.

**Income taxes**

Income taxes are provided for on a "taxes payable" basis for companies insuring persons and under the deferral method for the other companies in the group.

**Foreign currencies**

All items in U.S. dollars and the financial data relative to the American subsidiary are translated into Canadian dollars at rates determined at the beginning of the year, using an estimated average rate. The exchange rate on U.S. currency set on January 1, 1989 is CAN \$1.20 (\$1.20 in 1988). Gains and losses resulting from a change in the exchange rate are carried to income.

**Investment income**

Investment income is shown net of related expenses.

**Retirement plan**

The charge to operations is determined in relation to the contribution paid during the year.

<b>2. Appropriated surplus</b>	<b>1989</b>	<b>1988</b>
	<b>\$</b>	<b>\$</b>
Additional reserve for negative reserves and interest deficiency .....	<b>12,123</b>	11,053
Reserve for fluctuations in market value of investments .....	<b>30,700</b>	27,500
Valuation reserve for stocks and deferred capital gains and losses realized on bonds and stocks .....	<b>52,781</b>	49,150
	<b>95,604</b>	87,703

<b>3. Bonds and stocks</b>	<b>1989</b>	<b>1988</b>
	<b>\$</b>	<b>\$</b>
<b>Bonds</b>		
Book value .....	<b>1,835,894</b>	1,687,296
Market value .....	<b>1,883,856</b>	1,718,873
<b>Stocks</b>		
Book value .....	<b>474,892</b>	421,137
Market value .....	<b>466,625</b>	423,214





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#### 4. Real estate and fixed assets

Real estate, totalling \$329,695 (\$302,149 in 1988) is presented net of \$65,822 (\$58,713 in 1988) of related mortgage debts and \$18,903 (\$17,309 in 1988) of accumulated depreciation, \$8,049 of which is attributable to the current year (\$6,165 in 1988). During the year, the sale of 18 % of the company's interest in an income-producing building has produced a \$6,161 gain included in investment income.

The principal fixed asset categories are furniture and fixtures, data processing equipment and leasehold improvements. Their cost is \$131,403 (\$118,220 in 1988) and accumulated depreciation amounts to \$67,869 (\$62,622 in 1988) of which \$8,640 is attributable to the current year (\$9,981 in 1988).

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5. Miscellaneous assets	1989	1988
This item consists of the following assets:	\$	\$
Goodwill .....	166,216	170,207
Debtors .....	90,350	90,614
Deferred expenses and other .....	37,902	33,875
	<b>294,468</b>	<b>294,696</b>

Amortization for the year amounts to \$6,478 (\$6,508 in 1988).

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#### 6. Guaranteed deposits

As of December 31, 1989, investments in the amount of \$5,144,586 (\$4,486,508 in 1988) are held expressly to guarantee these deposits.

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7. Long-term debts	1989	1988
These debts are related to subsidiaries and comprise the following:	\$	\$
Subordinated notes, "C" and "D" Series, variable rates, maturing in 1995 and 2010, redeemable or convertible under certain conditions .....	50,000	50,000
Debentures, 9 3/8 %, maturing in January 1992, subject to a 7-year extension at 9 5/8 % .....	49,500	49,500
Debentures, 10 1/4 %, maturing in March 1993 .....	75,000	75,000
Debentures, 10 1/2 %, maturing in January 1994 .....	45,000	
Mortgage loan, 9 %, reimbursable in monthly instalments, maturing in 1996 .....	8,936	9,069
Obligations under capital leases and other .....	6,981	3,024
Advances, prime rate less 1 %, from the minority shareholder of a subsidiary, subject to subordination in favor of a bank, without fixed term of repayment .....	2,320	2,320
Balance of purchase price, 12 %, secured by mortgage, maturing in March 1990 .....	165	977
	<b>237,902</b>	<b>189,890</b>

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#### 8. Prior year adjustment

The prior year adjustment consists of a reduction of \$2,176 in premiums and an increase of \$870 in uninsured group annuities. These changes were detected when reviewing 1988 income items.

The 1988 figures have been adjusted accordingly while some have been reclassified and regrouped for the purpose of comparison with those of the current year.

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#### 9. Commitment

The subsidiaries engaged in life insurance have appropriated part of their retained earnings in order to conform with the applicable regulations.





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## Auditors' Report

To policyowners,

We have examined the consolidated balance sheet of Industrial-Alliance Life Insurance Company as of December 31, 1989 and the consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances; we have relied on the opinion of the company's valuation actuary, formulated in his report joined to the consolidated financial statements, as to the amount of the actuarial liabilities.

In our opinion, based on the opinion of the valuation actuary, these consolidated financial statements present

fairly the financial position of the Company as of December 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies described in note 1, applied on a basis consistent with that of the preceding year except for the adoption of the method of accounting for the real estate explained in note 1.

**Samson Bélair / Deloitte & Touche**  
Chartered Accountants  
Québec, February 9, 1990

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## Valuation Actuary's Report

I have made the valuation of the actuarial liabilities of Industrial-Alliance Life Insurance Company for the purpose of its consolidated balance sheet as of December 31, 1989, and its consolidated statement of income for the year then ended.

In my opinion,

- i) the valuation conforms to the Recommendations of the Canadian Institute of Actuaries for Insurance Company Financial Reporting;
- ii) the amounts for actuarial liabilities make proper provision for the future payments under the Companies' contracts;

- iii) proper charges on account of those actuarial liabilities have been made in the consolidated statement of income, and
- iv) the amount of surplus appropriated for policies whose reserves are negative and for policies whose cash value exceeds the actuarial liability held for them is proper.



Léon Mondoux, F.S.A., F.C.I.A.  
Vice-President and Valuation Actuary  
Montréal, February 9, 1990





# Management's Report

The consolidated financial statements of Industrial-Alliance Life Insurance Company and the financial information contained in this Annual Report are the responsibility of the Company's Management and have been approved by the Board of Directors. These financial statements have been prepared in accordance with the accounting principles described in the accompanying notes and, in certain cases, contain amounts based on best judgment and estimates.

The Company employs an adequate system of internal control and auditing, within acceptable cost limits. The purpose of these mechanisms is to provide a reasonable degree of certainty that financial transactions are properly recorded and executed with the required authorizations, that the assets are well protected and that the consolidated financial statements are properly prepared.

At regular intervals, examinations are performed by the Inspector General of Financial Institutions (Québec) to appreciate the respect by the company of the terms of the law concerning the policyowners' interest and the preservation of a sound financial position.

The Board of Directors carries out its responsibility in regard to the consolidated financial statements contained in this Annual Report primarily through its Audit Committee. This committee is made up principally of Directors from outside the Company and meets periodically with Management and the internal and external auditors. The latter may, as they see fit, meet with the Audit Committee, with or without Management, to discuss matters affecting the audit and financial information.

On behalf of Management,



Chairman of the Board and Chief Executive Officer



President and Chief Operating Officer  
Québec, February 26, 1990





# Segmented Information

Year ended December 31, 1989 (in thousands of dollars)

## Results of operations

INDUSTRY SEGMENT	Life Insurance		General Insurance		Trust		Data Processing		Adjustments*		Consolidated	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
<b>INCOME</b>												
From business	813,410	722,023	35,635	33,740	59,370	60,185	65,564	60,101	( 9,230)	( 8,965)	964,749	867,084
From investments												
- In other activities	11,389	11,133							( 11,389)	( 11,133)		
- Portfolio	450,708	401,348	3,365	2,938	609,605	484,661	( 176)	161	( 7,933)	( 7,355)	1,055,569	881,753
	<b>1,275,507</b>	<b>1,134,504</b>	<b>39,000</b>	<b>36,678</b>	<b>668,975</b>	<b>544,846</b>	<b>65,388</b>	<b>60,262</b>			<b>2,020,318</b>	<b>1,748,837</b>
<b>APPROPRIATION OF INCOME</b>												
Operating	851,052	765,352	41,085	37,056	124,599	116,430	61,408	57,085	( 13,433)	( 12,611)	1,064,711	963,312
Provision increase	382,019	329,954									382,019	329,954
Financing	6,877	6,492			517,844	401,738	2,180	1,895	( 1,235)	( 1,105)	525,666	409,020
Taxes and income taxes	10,057	8,845	( 1,017)	( 200)	( 152)	1,741	254	149	719	247	9,861	10,782
Minority interest					12,459	11,833	335	302	( 235)	( 227)	12,559	11,908
	<b>1,250,005</b>	<b>1,110,643</b>	<b>40,068</b>	<b>36,856</b>	<b>654,750</b>	<b>531,742</b>	<b>64,177</b>	<b>59,431</b>			<b>1,994,816</b>	<b>1,724,976</b>
Net income before extraordinary item	25,502	23,861	( 1,068)	( 178)	14,225	13,104	1,211	831			25,502	23,861
Profit on discontinued activities		4,372										4,372
<b>NET INCOME</b>	<b>25,502</b>	<b>28,233</b>	<b>( 1,068)</b>	<b>( 178)</b>	<b>14,225</b>	<b>13,104</b>	<b>1,211</b>	<b>831</b>			<b>25,502</b>	<b>28,233</b>

## Financial position

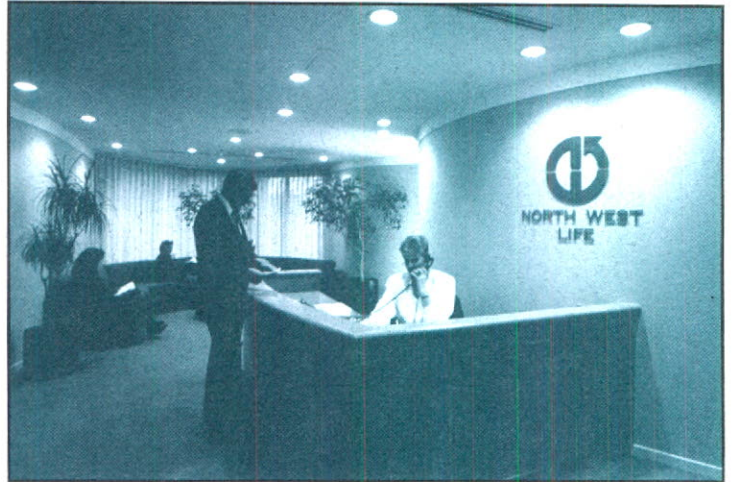
INDUSTRY SEGMENT	Life Insurance		General Insurance		Trust		Data Processing		Adjustments*		Consolidated	
	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988	1989	1988
<b>ASSETS</b>												
Investments												
- In other activities	266,814	263,107							(266,814)	(263,107)		
- Portfolio	4,054,423	3,634,290	32,249	33,494	5,600,221	4,875,028	624	775	( 20,391)	( 9,230)	9,667,126	8,534,357
Fixed assets	11,817	11,341	126	239	37,821	34,117	13,770	9,901			63,534	55,598
Goodwill	45,066	46,242			5,466	5,635	55		115,629	118,330	166,216	170,207
Segregated funds	242,061	199,936									242,061	199,936
Miscellaneous	125,205	115,854	9,236	9,267	38,441	31,109	23,259	23,319	( 4,321)	( 4,411)	191,820	175,138
	<b>4,745,386</b>	<b>4,270,770</b>	<b>41,611</b>	<b>43,000</b>	<b>5,681,949</b>	<b>4,945,889</b>	<b>37,708</b>	<b>33,995</b>			<b>10,330,757</b>	<b>9,135,236</b>
<b>LIABILITIES AND POLICYOWNERS' EQUITY</b>												
Actuarial liabilities	3,895,064	3,539,068									3,895,064	3,539,068
Long-term debts and deposits	132,786	91,676			5,381,590	4,666,508	14,245	10,288	( 22,448)	( 10,442)	5,506,173	4,758,030
Segregated funds	242,061	199,940									242,061	199,940
Miscellaneous	72,741	70,509	25,819	26,140	57,488	46,005	10,890	12,855	( 4,458)	( 5,393)	162,480	150,116
Minority interest					121,544	118,314	3,451	2,941	( 2,750)	( 2,750)	122,245	118,505
Surplus	402,734	369,577	15,792	16,860	121,327	115,062	9,122	7,911	(146,241)	(139,833)	402,734	369,577
	<b>4,745,386</b>	<b>4,270,770</b>	<b>41,611</b>	<b>43,000</b>	<b>5,681,949</b>	<b>4,945,889</b>	<b>37,708</b>	<b>33,995</b>			<b>10,330,757</b>	<b>9,135,236</b>

Investment income from other sections is included in the "Life Insurance" column.

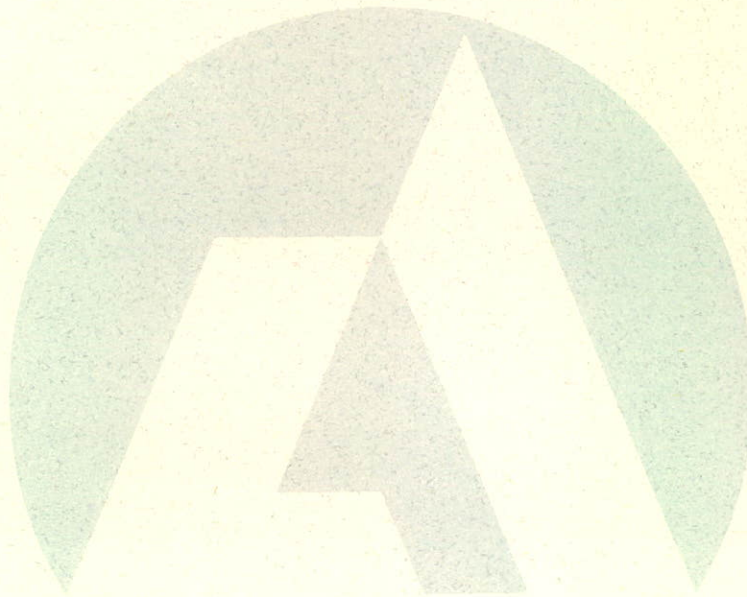
\* The adjustments eliminate all inter-segment transactions as well as all double counting.











**INDUSTRIAL  
ALLIANCE**  
LIFE MANAGEMENT CORPORATION





**INDUSTRIAL  
ALLIANCE**  
LIFE MANAGEMENT CORPORATION

## Message from the Management

### Board of Directors

- ♦♦ **Hervé Belzile, F.C.A.**  
Chairman of the Board
- ♦ **Robert Bégin, F.S.A.**  
Vice Chairman of the Board  
Chairman of the Board and  
Chief Executive Officer  
Industrial-Alliance Life  
Insurance Company
- ♦♦ **André Charron, Q.C., C.M.**  
Chairman of the Board  
Alliance-Industrial Financial  
Corporation
- ♦♦ **Raymond Garneau, M.C.Sc.**  
**L.E.Sc.**, President and  
Chief Operating Officer  
Industrial-Alliance Life  
Insurance Company
- ♦♦ **John B. Gill, M.B.A.**  
President and  
Chief Executive Officer  
The North West Life  
Assurance Company of Canada
- ♦♦ **Jean Denis Vincent**  
President and  
Chief Executive Officer  
Alliance-Industrial Financial  
Corporation

### Senior Management

**Robert Bégin**, President and Chief Executive Officer;  
**Georges Smith**, Secretary of the Board

- ♦ Executive Committee
- Investment Policy Committee
- ♦ Audit Committee
- \* Human Resources Committee

The creation of the Life Management Corporation confirms that life insurance remains the primary activity of Industrial-Alliance. It also affirms our intention to develop a network of life insurance companies in Canada and, eventually, in the United States.

At the end of January, 1989, Mr. Raymond Garneau joined us as President and Chief Operating Officer of Industrial-Alliance Life Insurance Company. His vast experience in the financial services and business sectors as well as in politics has already had a significant impact on our Company's results.

In a first move to broaden his responsibilities within the group of companies, Mr. Garneau recently became President and Chief Executive Officer of Industrial-Alliance Life Management Corporation, a downstream holding company that owns our life insurance subsidiaries. He will coordinate their expansion and will therefore also hold the positions of Chairman of the Board and Chief Executive Officer of National Life Assurance Company in Toronto, as well as Chairman of the Board of The North West Life Assurance Company of Canada in Vancouver and North West Life Assurance Company of America, in Seattle, Washington.

The consolidated financial statements presented herein show the extent of life insurance operations achieved by the Corporation's subsidiaries. In 1989, the total consolidated income attained \$410.6 million, up 9.8 % over 1988. Net earnings totalled \$16.7 million, a considerable increase compared to \$11.9 million in 1988. The Life Management's consolidated assets thus amount to \$1.637 billion, 6.1 % more than in 1988.

National Life of Toronto is present across Canada, although it is particularly active in Ontario. Its products are distributed through the P.P.I. Financial Group, a network of 21 career agencies and several independent general agents.

North West of Canada is operating in four Western Canadian provinces and in some North-Western U.S. states, among others Washington State, where it is registered. Its products are distributed through general agents and independent brokers. The same goes for North West of America, except that this company operates exclusively in the United States.

1989 was a year of remarkable success for National Life of Canada. Income from insurance and annuity premiums increased by 4.2 % to \$211.3 million, in spite of a slight drop in group insurance, due to rationalization of this line of business and reorientation towards new markets. Total revenues for 1989 reached \$333.7 million compared to \$323.5 million in 1988.



### Board of Directors

- ♦♦ **Robert Bégin, F.S.A.**  
Chairman of the Board  
Chairman of the Board and  
Chief Executive Officer  
Industrial-Alliance  
Life Insurance Company
- ♦ **Charles T.P. Galloway, F.S.A.**  
Vice-Chairman of the Board  
Director of Companies
- Vincent P. Tonna**  
President and Chief Operating  
Officer of the Company  
The National Life  
Assurance Company of Canada
- ♦ **Hervé Belzile, F.C.A.**  
Chairman of the Board  
Industrial-Alliance Life  
Management Corporation
- ♦ **Ronald C. Brown, Q.C.**  
Blake, Cassels & Graydon
- ♦♦ **André Charron, Q.C., C.M.**  
Chairman of the Board  
Alliance-Industrial  
Financial Corporation
- ♦♦ **Robert C. Dale**  
Director of Companies
- ♦ **Christine A. Fagan**  
Chalker, Green & Rowe
- ♦♦ **Raymond Garneau, M.C.Sc.,  
L.E.Sc.**, President and  
Chief Operating Officer  
Industrial-Alliance Life  
Insurance Company
- \* **Donald O'Sullivan**, President  
O'Sullivan Resources Ltd.
- ♦♦ **Jack H. Scott**  
President, Food Services  
Companies  
The Oshawa Group Ltd.
- ♦♦ **Jean Denis Vincent**  
President and  
Chief Executive Officer  
Alliance-Industrial  
Financial Corporation

### Senior Management

**Vincent P. Tonna**, President and Chief Operating Officer; **Robin E. Buckingham**, Vice-President, Personnel Administration; **David H. Creswell**, Executive Vice-President, General Counsel & Secretary; **Tomas G. Dalinda**, Vice-President and Comptroller; **Tom L. Dea**, Vice-President, General Manager, Investment Operations; **Herb Huck**, Vice-President, Taxation; **David E. Kent**, Vice-President, Group; **Wilf O. Loewrigkeit**, Vice-President, Systems; **Emil J. Petko**, Vice-President and Associate General Counsel; **Rein Tabur**, Vice-President, Investment; **René E. Trudeau**, Senior Vice-President and Chief Actuary; **W. Arthur Young**, Vice-President, Special Sales

- ♦ Executive Committee
- Investment Policy Committee
- ♦ Audit Committee
- \* Public Policy and Human Resources Committee





Payments of claims and benefits slightly increased while operating expenses marginally decreased even though insurance in force and new business augmented by 24 % in individual life insurance, to attain a record of \$25.9 million in annualized premiums.

Net earnings of \$15.3 million include \$2.6 million as a result of changes in accounting methods authorized by the Superintendent of Financial Institutions of Canada. Taking this change into account, net earnings remain 25 % higher than in 1988 and total assets now stand at \$1 billion 138 million, whereas the capital and accumulated surplus amount to \$125.1 million.

We are proud of this overall performance and wish to make special mention of the P.P.I. Financial Group's significant contributions to the progress of this company.

North West of Canada and North West of America work in close cooperation, very often sharing the same resources. Their total income from insurance and annuity premiums is slightly over \$40 million with \$24 million from the U.S. market and their total revenue amounts to \$85.5 million.

Payments to insureds and their beneficiaries were \$41.4 million, exactly the same as last year. The combined effect of mortality and retention of business thus remains stable. A reasonable increase of 5.9 % in operating expenses, led to net earnings after taxes of \$3.1 million in 1989, or the equivalent of the 1988 amount, which included an extraordinary income of \$2.5 million.

These interesting results allow us to face the coming years with enthusiasm and confidence in the pursuit of our primary role.



Hervé Belzile  
Chairman of the Board



Robert Bégin  
President and chief  
Executive Officer



**The North West Life**  
ASSURANCE COMPANY OF CANADA

### Board of Directors

- **Robert Bégin, F.S.A.**  
Chairman of the Board  
Chairman of the Board and  
Chief Executive Officer  
Industrial-Alliance  
Life Insurance Company
- **André Charron, Q.C., C.M.**  
Vice-Chairman of the Board  
Chairman of the Board  
Alliance-Industrial Financial  
Corporation
- **John B. Gill, M.B.A.**  
President and Chief Executive  
Officer of the Company  
The North West Life  
Assurance Company of Canada
- **Harvey J. Grey**  
Barrister and Solicitor  
Harper Grey Easton  
**Dr. Ernest A. Johnson**  
Physician and Surgeon
- **C. Frank Murphy**  
Barrister and Solicitor  
Farris, Vaughan, Wills and  
Murphy
- **Jean-Paul Pouliot, M.C.Sc.**  
Director of Companies
- **H. Curtis Reed**  
President, Lajolla  
Associates Ltd.
- **P.-Émile Reinhardt, CFA**  
Vice-President and  
General Manager, Investments  
Industrial-Alliance  
Life Insurance Company

### Senior Management

**John B. Gill**, President and Chief Executive Officer; **Ronald R. Francis**, Executive Vice-President and Chief Actuary; **Ronald W. Pepper**, Senior Vice-President, Marketing; **Hugh J. McKay**, Vice-President, Finance; **Arthur W. Putz**, Vice-President, Investments and Secretary; **Zul Mohamed**, Vice-President, Actuarial and Data Processing Services; **Dennis C. Sallaway**, Assistant Vice-President, Underwriting; **Herbert A. Bell**, Regional Vice-President, Marketing; **Fred R. Stainbrook**, Regional Vice-President, Marketing

- Executive Committee
- Audit Committee
- Investment Committee



**North West Life**  
ASSURANCE COMPANY OF AMERICA

### Board of Directors

- **John B. Gill, M.B.A.**  
Chairman of the Board  
President and  
Chief Executive Officer  
The North West Life  
Assurance Company of Canada
- **Robert Bégin, F.S.A.**  
Chairman of the Board and  
Chief Executive Officer  
Industrial-Alliance Life  
Insurance Company
- **Henri L. Jamieson**  
Chairman of the Board  
The Franklin Group of Funds
- **Thomas C. Kearns**  
Director of Companies
- **George H. Kellogg**  
Director of Companies
- **Grant L. Kimer**  
Attorney
- **Rom Markin**  
Dean of the College of  
Business and Economics  
Washington State University
- **Frank Niessner Jr.**  
President, Sunfresh Inc.
- **H. Curtis Reed**  
President, Lajolla  
Associates Ltd.
- **Dr. Owen Wiley**, Dentist

### Senior Management

**John B. Gill**, President and Chief Executive Officer; **Ronald W. Pepper**, Senior Vice-President, Marketing; **Fred R. Stainbrook**, Vice-President, Marketing; **Donald R. Francis**, Actuary; **Grant L. Kimer**, Secretary; **Arthur W. Putz**, Assistant Secretary

- Executive Committee
- Audit Committee
- Investment Committee





# Condensed Consolidated Financial Statements

## Consolidated Income

Year ended December 31, 1989 (in thousands of dollars)

<i>Income</i>	1989	1988
	\$	\$
Insurance and annuity premiums .....	251,949	225,347
Investment income .....	157,974	148,365
Other .....	717	368
	<b>410,640</b>	<b>374,080</b>

## *Appropriation of income*

Normal increase in provisions for future policy benefits .....	68,993	62,160
Claims incurred .....	208,453	207,608
Interest .....	2,696	1,466
Dividends and group experience refunds .....	31,294	19,362
Commissions .....	32,679	27,069
Taxes, licences and fees .....	4,237	3,948
General expenses .....	42,441	38,440
Segregated funds and miscellaneous .....	1,802	1,781
	<b>392,595</b>	<b>361,834</b>
Net income before income taxes .....	18,045	12,246
Income taxes .....	1,321	339
Net income for the year	<b>16,724</b>	<b>11,907</b>

## Consolidated Retained Earnings

Year ended December 31, 1989 (in thousands of dollars)

<i>Retained earnings</i>	1989	1988
	\$	\$
Balance at beginning .....	11,263	( 644)
Net income for the year .....	16,724	11,907
Balance at end	<b>27,987</b>	<b>11,263</b>

On behalf of the Board:  
Hervé Belzile, Director  
Robert Bégin, Director





## Consolidated Balance Sheet

As of December 31, 1989 (in thousands of dollars)

<i>Assets</i>	1989	1988
	\$	\$
Bonds .....	490,054	511,483
Stocks .....	20,059	4,608
Mortgage loans .....	855,791	738,800
Mutual funds .....	719	698
Real estate .....	37,705	38,661
Policy loans .....	57,812	57,010
Short-term investments and cash .....	40,212	65,873
Investment income due .....	22,048	19,774
Fixed assets .....	5,453	4,244
Premiums and amounts receivable .....	30,228	27,246
Income taxes recoverable .....	1,257	1,560
Miscellaneous .....	49,358	50,461
Segregated funds .....	26,552	23,474
	<b>1,637,248</b>	<b>1,543,892</b>
<hr/>		
<i>Liabilities</i>		
Provisions for future policy benefits .....	1,129,208	1,060,307
Provisions for dividends to policyowners and experience rating refunds .....	51,965	82,519
Policy benefits in course of settlement and provision for unreported claims .....	93,049	97,592
Employees' pension fund .....	23,452	22,146
Premiums paid in advance and amounts on deposit .....	61,976	22,731
Other contractual liabilities .....	17,202	12,176
Accounts payable and accrued expenses .....	17,991	13,270
Bank overdrafts and loans .....	3,423	9,609
Miscellaneous .....	2,163	6,521
Segregated funds .....	26,552	23,478
	<b>1,426,981</b>	<b>1,350,349</b>
<hr/>		
<i>Shareholder's equity</i>		
Capital stock .....	182,280	182,280
Retained earnings .....	27,987	11,263
	<b>210,267</b>	<b>193,543</b>
	<b>1,637,248</b>	<b>1,543,892</b>

## Auditors' Report

To policyowners,

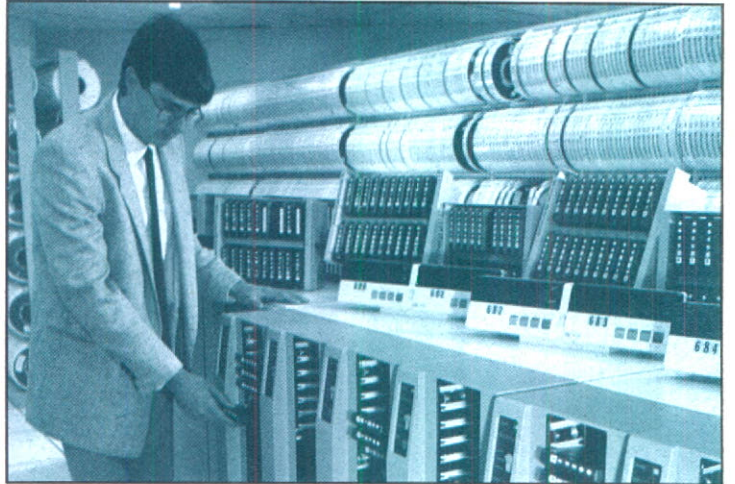
As auditors of Industrial-Alliance Life Management Corporation, we have examined its consolidated financial statements as of December 31, 1989, and have issued, on February 9, 1990, an unqualified report on these statements. We have relied on the opinions of the subsidiary companies' valuation actuaries as to the amount of the actuarial liabilities.

The condensed consolidated balance sheet of the Company as of December 31, 1989 and its condensed consolidated statements of income and retained earnings for the year then ended, are extracted from the Company's consolidated financial statements and present fairly the figures they contain.

**Samson Bélair / Deloitte & Touche**  
Chartered Accountants  
Québec, February 9, 1990











**ALLIANCE  
INDUSTRIAL**  
FINANCIAL CORPORATION





### Board of Directors

- **André Charron, Q.C., C.M.**  
Chairman of the Board
- **Robert Bégin, F.S.A.**  
Vice Chairman of the Board  
Chairman of the Board and  
Chief Executive Officer  
Industrial-Alliance  
Life Insurance Company
- **Jean Denis Vincent**  
Vice-Chairman of the Board  
President and  
Chief Executive Officer  
Alliance-Industrial  
Financial Corporation
- ♦ **Ernest G. Ayers**  
President, Ayers Limited
- **Hervé Belzile, F.C.A.**  
Chairman of the Board  
Industrial-Alliance  
Life Management Corporation
- ♦ **Jean Deschamps, L.S.C.**  
Director of Companies
- ♦ **André Dion, C.A.**  
President  
Groupe RO-NA DISMAT INC.
- **Raymond Garneau, M.C.Sc.**  
L.E.Sc., President and  
Chief Operating Officer,  
Industrial-Alliance  
Life Insurance Company
- **Pierre Laurin, O.C.**  
Senior Vice-President and  
General Manager for Québec  
Merrill Lynch Canada Inc.
- **Maurice Myrand, F.C.A. F.T.I.**  
President and  
Chief Executive Officer  
General Trustco of Canada Inc.
- **J. Robert Ouimet**  
President and General Manager  
Ouimet-Cordon Bleu Inc.
- **Raymond Sirois, M.C.Sc.**  
Chairman of the Board  
President and Chief Executive  
Officer, Québec-Téléphone
- **André Thompson, C. Adm.**  
President, Industrial-Technical  
Services Inc.

### Senior Management

**Jean Denis Vincent**, President and Chief Executive Officer; **Hubert Marceau**, Senior Vice-President; **Duc Tan Le**, Director, Research and Development; **Adrien Bordua**, Secretary of the Board; **Georges Smith**, Assistant Secretary of the Board

- Executive Committee
- Audit Committee
- Human Resources Committee



### Board of Directors

- Jean Denis Vincent**  
Chairman of the Board  
President and Chief Executive Officer  
Alliance-Industrial Financial Corporation
- ♦ **Georges Smith, LL.L.**  
Secretary of the Board  
Vice-President and General Manager  
Corporate Affairs  
Industrial-Alliance  
Life Insurance Company
- ♦ **Ernest G. Ayers**  
President, Ayers Limited
- Robert Bégin, F.S.A.**, Chairman of the  
Board and Chief Executive Officer  
Industrial-Alliance  
Life Insurance Company
- Jacques Chabot, C.A.**  
Vice-President, Control  
Equitable General Insurance Company
- **Alex Langlois, B.A., F.S.A., F.I.C.A.**  
Vice-President and General Manager  
Actuarial and Group  
Industrial-Alliance  
Life Insurance Company
- Réal Payette, A.I.I.C.**  
Vice-President, Marketing  
Equitable General Insurance Company

### Senior Management

**Jean Denis Vincent**, Chief Executive Officer; **Georges Smith**, President and Chief Operating Officer (by interim); **Jacques Chabot**, Vice-President, Control, Equitable General Insurance Company; **Réal Payette**, Vice-President, Marketing, Equitable General Insurance Company; **Gilles Duchesneau**, Senior Director, Industrial-Alliance General Insurance Company; **Maurice Germain**, Valuation Actuary

- ♦ Audit Committee

## Message from the Management

As a holding company, the Alliance-Industrial Financial Corporation owns, on behalf of its sole shareholder, Industrial-Alliance Life Insurance Company, interests in various financial sectors other than life insurance: trust, data processing services, general insurance, investments management and others.

The Company thus participates in the development of its subsidiaries, the most active and best known to the public at large being General Trustco of Canada, Industrial Life-Technical Services Inc. (I.S.T.), The Equitable General Insurance Company and Industrial-Alliance General Insurance Company.

Last year's operations for the Corporation posts revenues of \$768.8 million, up 20.3% over 1988. This substantial increase can mainly be attributed to the phenomenal growth of loans granted by General Trustco. The Corporation's net income amounted to \$12.05 million, representing an increase of 6.7%. Net income per common share were augmented by 5%, from \$0.40 to \$0.42. As of December 31, 1989, assets stood at \$5.9 billion, an estimated increase of 14.3% for 1989.

These financial results, both encouraging and promising for the year ahead, reflect to a very large extent the progress achieved by General Trustco. This subsidiary occupies a dominant position within the Corporation and, at year-end, its revenues totalled \$669 million, 22.8% more than the previous year. In two years, General Trustco has then increased its income by 41.6%.

Emphasis on loans and, to a lesser degree, the volume of fees for fiduciary activities, explain this performance, which in 1989 led to income of \$28.68 million, up 7% over the preceding year. Income per common share increased by 5%.

During General Trustco's past year of operations, two events were particularly noteworthy. First, the yield on shareholders' equity, reaching the 11.9% mark on December 31, 1989, shows a significant change of direction, especially during the second part of the year. On the other hand, it has become evident that, from now on, General Trustco intends to affirm its financial soundness and generate its profits mainly through its operations, while, at the same time, realizing substantial gains on its quality securities transactions.

The growth in corporate loans by 38.3%, in mortgage loans by 19.8% and in personal loans by 15.4% brilliantly illustrates this new orientation, which has been followed by a reduction in the cash balance and short-term investments.

At the end of 1989, General Trustco reaped the fruits of systematic efforts of rationalization implemented in all its subsidiaries. As of December 31, 1989, General Trustco assets reached \$5.68 billion, an increase of 14.9%. Total funds under management thus attained \$14 billion, a progress of 8.5% over last year. Increase in guaranteed deposits of 14.8% explains, for a very large part, the growth in assets.







Listed on the stock exchange and ranking sixth among Canadian trust companies in the country, General Trustco operates out of 89 service points in Canada. It is the parent company of subsidiaries specialized in the trust, financial services, investments management and real estate sectors, such as General Trust of Canada Inc., General Trust Corporation, Sherbrooke Trust, General Trust Realtor, Natco Development Ltd., Gentrust, Investment Counsellors, among others.

Similarly, the revenues of our subsidiary I.S.T. increased by 9.1% in 1989 to attain \$65.6 million at the end of the year. These successful results reward efforts put forth over the past three years in this subsidiary. Guided by the needs of its clientele and its capacity to excel in certain sectors, I.S.T. has also chosen to redefine its areas of activities. Although the vast majority of shares in I.S.T. is owned by the Corporation, Les Coopérants, a mutual life insurance company, also holds shares in this company.

I.S.T., a leader in its field in Canada, mainly concentrates its activities in the following sectors: data processing management, service and systems for the health sector, consultation and systems integration. Its high technology and the expertise of some 700 employees constitute a milestone for the future development of the Corporation and of the group.

The Equitable General Insurance Company and Industrial-Alliance General Insurance Company followed their expansion in 1989 with total premiums attaining more than \$40 million at year-end. However, an aggravation in the claims area prevented these companies from participating in the Corporation's positive results, as had been expected.

Finally, other Alliance-Industrial Financial Corporation investments contributed positively to our 1989 results. In general, with the exception of the P & C insurance sector, our financial results continue a steady climb and we are facing the future with confidence.

It is therefore important to emphasize the appreciable support given by the members of the Board of the Corporation and of its subsidiaries and to thank the management team of each group member and their employees for their sustained and devoted efforts.

André Charron  
Chairman of the Board

Jean Denis Vincent  
President and Chief  
Executive Officer

### Board of Directors

- Arthur Simard, Q.C., Honorary Chairman of the Board of the Company
- \* Jean Denis Vincent, Chairman of the Board  
President and Chief Executive Officer  
Alliance-Industrial Financial Corporation
- Marcel Piché, O.C., Q.C.  
Vice Chairman of the Board  
Consulting Barrister,  
Pouliot, Mercure, Advocates
- Maurice Myrand, F.C.A., F.T.I.  
President and Chief Executive Officer of the Company,  
General Trustco of Canada Inc.
- Robert Bégin, F.S.A., Chairman of the Board and Chief Executive Officer  
Industrial-Alliance  
Life Insurance Company
- Hervé Belzile, F.C.A.  
Chairman of the Board  
Industrial-Alliance  
Life Management Corporation
- J. Marcel Boyer, F.C.A. Executive Vice-President and Assistant to the President, Industrial-Alliance Life Insurance Company
- Marcel Cazavan, F.C.A.  
Director of Companies
- \* André Charron, Q.C., C.M.  
Chairman of the Board  
Alliance-Industrial Financial Corporation
- Claude Dalphond, Administrator  
Régime des rentes de la S.T.C.U.M.
- \* Jean Deschamps, L.S.C.  
Director of Companies  
Alastair S. Fernie, F.F.A., F.I.C.A.  
President, Canadian Operations  
The Standard Life Assurance Company
- Robert Fréchette, M.C.Sc.  
President and General Manager  
BBF, Société Immobilière Inc.
- Raymond Garneau, M.C.Sc., L.E.Sc.  
President and Chief Operating Officer,  
Industrial-Alliance  
Life Insurance Company
- \* Paul Gauthier, P.C., Q.C., LL.M.  
Stein, Monast, Pratte and Marseille  
Normand D. Hébert  
President and Chief Executive Officer  
Groupe Park Avenue Inc.
- René Paquet, Q.C., Senior Partner  
Jolin, Fournier, Morisset, advocates
- Jean R. Perrette  
President and Chief Executive Officer  
Worms & Co. Inc.
- \* Georges A. Pouliot, Q.C., Senior Partner, Pouliot, Mercure, advocates
- \* Raymond Sirois, M.C.Sc.  
Chairman of the Board, President and Chief Executive Officer,  
Québec-Téléphone

### Senior Management

Maurice Myrand, President and Chief Executive Officer; Pierre Comptois, Group Vice-President, Finances; Richard Halley, Group Vice-President, Agencies and Marketing; Jean-Louis Hamel, Group Vice-President, Real Estate, Mortgage and Trust Services; Gilles Séguin, Vice-President and comptroller; Louise Jolicoeur, Vice-President, Legal Affairs and Corporate Secretary

- Executive Committee
- Audit Committee

- \* Human Resources Committee



DATA PROCESSING  
SERVICES COMPANY

### Board of Directors

- \* Jean Denis Vincent  
Chairman of the Board  
President and Chief Executive Officer  
Alliance-Industrial Financial Corporation
- Paul Dolan  
Vice Chairman of the Board  
Chairman of the Board and  
Chief Executive Officer, Cooperants
- \* Georges Smith, LL.L.  
Secretary of the Board  
Vice-President and General Manager  
Corporate Affairs  
Industrial-Alliance  
Life Insurance Company
- André Thompson, C. Adm.  
President  
Industrial Life-Technical Services Inc.  
Ernest G. Ayers  
President, Ayers Limited
- Robert Bégin, F.S.A.  
Chairman of the Board and  
Chief Executive Officer  
Industrial-Alliance  
Life Insurance Company
- \* André Charron, Q.C., C.M.  
Chairman of the Board  
Alliance-Industrial Financial Corporation
- Marcel Jobin  
Director of Companies
- Hubert Marceau, C. Adm.  
Senior Vice-President  
Alliance-Industrial Financial Corporation
- P.-Émile Reinhardt, CFA  
Vice-President and General Manager  
Investments, Industrial-Alliance  
Life Insurance Company
- \* Pierre Shooner  
President and Chief Operating Officer  
Cooperants

### Senior Management

André Thompson, President; Paul Pleau, Senior Vice-President; Rolland Gadbois, Vice-President, Consulting and Integration; Gérard Milandre, Vice-President, Information Management; Jacques Rancourt, Vice-President, Corporate Services

- Executive Committee
- Audit Committee

- \* Human Resources Committee





# Condensed Consolidated Financial Statements

## Condensed Consolidated Balance Sheet

As of December 31, 1989 (in thousands of dollars)

<i>Assets</i>	1989	1988
	\$	\$
Cash and short-term investments .....	340,339	451,602
Securities		
Bonds .....	402,968	426,144
Stocks .....	320,381	285,540
Mortgage loans .....	4,133,708	3,450,200
Other loans .....	344,088	235,097
Real estate held for sale .....	13,255	15,387
Properties .....	101,062	66,932
Amounts receivable .....	40,012	36,159
Fixed assets .....	51,717	44,257
Goodwill .....	121,150	123,965
Other items .....	32,517	29,152
	<b>5,901,197</b>	<b>5,164,435</b>
<hr/>		
<i>Liabilities</i>		
Guaranteed deposits .....	5,151,590	4,486,508
Other items		
Bank loan .....	2,300	4,180
Amounts payable and accrued liabilities .....	60,258	50,558
Dividends payable .....	1,710	1,657
Unearned premiums .....	17,892	17,750
Long-term debt and subordinated notes .....	249,437	195,611
Deferred income taxes .....	14,104	11,941
Minority interest .....	124,995	121,255
	<b>5,622,286</b>	<b>4,889,460</b>
<hr/>		
<i>Shareholder's equity</i>		
Capital stock .....	233,164	224,664
Contributed surplus .....	24,805	33,305
Retained earnings .....	20,942	17,006
	<b>278,911</b>	<b>274,975</b>
	<b>5,901,197</b>	<b>5,164,435</b>

On behalf of the Board:  
André Charron, Director  
Jean Denis Vincent, Director





## Condensed Consolidated Income

Year ended December 31, 1989 (in thousands of dollars)

<i>Revenues</i>	1989	1988
	\$	\$
Securities .....	111,362	116,264
Loans .....	500,056	369,973
Fees .....	34,552	32,463
Real estate commissions .....	24,818	27,722
Net premiums .....	35,635	33,740
Data processing services, consultations and other revenues .....	62,381	59,042
	<b>768,804</b>	<b>639,204</b>
<hr/>		
<i>Expenses</i>		
Interest .....	519,565	403,225
Salaries and employee benefits .....	80,984	74,751
Commissions .....	25,478	28,053
Premises and equipment expenses .....	21,862	21,147
Provision for losses .....	1,816	1,596
Claims and settlements .....	28,412	25,062
Other operating expenses .....	66,680	60,330
	<b>744,797</b>	<b>614,164</b>
<hr/>		
Income before income taxes, minority interest and extraordinary item .....	24,007	25,040
Income taxes .....	( 121)	2,000
Minority interest .....	12,794	12,135
Extraordinary profit .....	719	390
Net income	<b>12,053</b>	<b>11 295</b>

## Auditors' Report

To the policyholders of  
Industrial-Alliance Life Insurance Company,

At the request of the shareholder, we have examined the consolidated balance sheet of the Alliance-Industrial Financial Corporation as at December 31, 1989 and the consolidated statements of earnings, contributed surplus, retained earnings and changes in cash resources for the year then ended, in accordance with generally accepted auditing standards, and, in our report dated February 1, 1990, we have expressed an unqualified opinion on these financial statements.

In our opinion, the information contained in the condensed financial statements, hereto attached, is in accordance with the above-mentioned financial statements from which it was taken.

The condensed financial statements should be read in the light of the annual audited financial statements in order to better understand the financial position of the Corporation, the results of its operations and the changes in its financial position for the year ended December 31, 1989.

**Raymond, Chabot, Martin, Paré**  
Chartered Accountants  
Montréal, February 1, 1990





This Annual Report was produced by the Communications  
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Service des Communications  
L'Industrielle-Alliance Compagnie d'Assurance sur la Vie  
1080, chemin Saint-Louis  
Sillery (Québec)  
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**INDUSTRIAL  
ALLIANCE**  
LIFE INSURANCE COMPANY

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