



1979 Annual Report

Crown Life
Insurance Company



B. ST. CLAIR '78

This is Crown Life

Founded in Canada in 1900, Crown Life Insurance Company is an international leader in providing financial security programs for people and businesses.

The Company offers a complete range of life insurance, health insurance and pension programs for individuals and groups. In addition, reinsurance services are provided to other insurance companies.

The Company serves over 5 million clients through 229 sales and service offices in Canada, the United States, the United Kingdom, the Atlantic and Caribbean Islands and Hong Kong.

Crown Life maintains life insurance subsidiary companies in the United Kingdom and in Trinidad. In addition, a computer services subsidiary — Datacrown Inc. — operates in Canada and the United States.

Crown Life ranks in the top 2% of all life insurance companies operating in North America in terms of insurance in force. Total revenue from consolidated insurance operations, which exceeded \$864 Million in 1979, has increased at an average annual rate of 16.8% over the past ten years.

Corporate Headquarters

120 Bloor Street East
Toronto, Ontario.
Canada
M4W 1B8

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1979 Highlights

	1979	1978
BUSINESS — NEW AND IN FORCE		
New Business		
Life insurance amounts	\$ 5,543,527,000	\$ 5,499,296,000
Annuity premiums, first year & single	98,284,000	64,422,000
Health premiums, first year	59,071,000	47,244,000
Business in Force		
Life insurance amounts	32,209,929,000	28,513,712,000
Annuity liabilities	628,990,000	514,092,000
Health total premiums	288,383,000	237,610,000
OPERATING DATA		
Premiums		
Life	281,566,000	242,742,000
Annuity	141,396,000	110,528,000
Health	288,383,000	237,610,000
Total	711,345,000	590,880,000
Benefits	662,754,000	543,468,000
Net Earnings		
Participating policyholders' account	15,210,000	8,812,000
Non-participating and shareholders' account	26,340,000	26,455,000
Total	41,550,000	35,267,000
FINANCIAL DATA		
Assets	2,032,158,000	1,763,380,000
Reserves, Surplus and Share Capital		
Participating policyholders' account	97,206,000	81,997,000
Non-participating and shareholders' account	198,936,000	176,195,000
Total	296,142,000	258,192,000
PER SHARE DATA (2,000,000 SHARES)		
Net Earnings for Non-participating and Shareholders' Account	13.17	13.23
Shareholders' Dividends Declared	1.80	1.435

Year in Review



R.C. Dowsett, President (left),
with H.M. Burns, Chairman.

A Decade of Growth

The year 1979 concluded a decade of spectacular growth and achievement for Crown Life. Your Company entered the 1970s with life insurance in force — built up over the previous seventy years — of \$6.8 Billion. By the end of the decade, this figure had grown to \$32.2 Billion.

At the beginning of the Seventies, premium income was flowing in to the Company at the rate of \$2.7 Million per week; ten years later, the figure is 5 times as large — \$13.7 Million per week.

This tremendous growth was achieved through a combination of creative product design, innovative marketing by our sales forces, and heavy reliance on talented administrative people.

Crown Life and its subsidiaries are now responsible for the financial security programs of more than five million clients — over 3 times the number served at the end of 1969.

Other key indicators reflect similar dramatic growth patterns over the past ten years — life insurance sales and policy benefits paid or credited both increased nearly five-fold, health insurance and annuity sales both increased ten-fold, and assets almost tripled.

These rates of growth were substantial, even allowing for the high inflation rates of the Seventies, and they compare most favourably with the growth rates experienced by other leading North American life insurance companies.

Crown Life has consistently improved its standing in the National Underwriter rankings of life insurance in force among the more than 1,800 life companies in North America. The Company moved from 37th position in the 1969 study to 20th in the 1979 study.

The Seventies witnessed strong growth in both Individual and Group contract sales. Premium income for Individual contracts tripled — an indication of the continuing desire of individuals to select security programs tailored to their personal needs. Group contract premium income increased eight-fold, reflecting the full acceptance of Group coverages as essential job-related benefits by growing numbers of employers, the impact of inflation on the pension needs of workers, and the dramatic increase in health care costs.

Crown Life has adapted to the changing environment, forming subsidiary companies, and modifying its products; it has increased its market penetration and improved both the effectiveness of its service to clients and the profits for shareholders and policyholders.

1979 Review

A number of significant milestones were passed in 1979, including the achievement of more than \$2 Billion in assets, more than \$700 Million in premium income and more than \$30 Billion in life insurance in force.

During 1979, Crown Life sales continued at impressive levels. Total life insurance sales at \$5.5 Billion were slightly ahead of the 1978 figure. Health insurance sales — as measured by a record \$59 Million of new premiums — were up 25%, compared to 1978. Annuity sales also moved up dramatically to \$98 Million of first year and single premiums — an increase of 52% over 1978.

Crown Life continues to be a major

exporter of life insurance expertise. For more than a decade, over half of the Company's new business has been written outside of Canada — a tribute to the high esteem in which the Canadian life insurance industry, and Crown Life in particular, are held in the international marketplace.

The United States continues to be Crown Life's largest market. Total premium income for 1979 amounted to \$711 Million, of which 58.7% came from policyholders in the United States; 29.4% from Canada; 10.5% from the United Kingdom and 1.4% from the Atlantic and Caribbean Islands.

Earnings

Consolidated net earnings for 1979, including net capital gains, and earnings of non-consolidated subsidiary companies, were \$41.5 Million, as compared to \$35.2 Million in 1978.

Earnings of the participating lines of business were substantially better than in 1978. Dividends to policyholders were increased from \$15 Million in 1978 to \$20 Million in 1979; after this allotment and the related transfer to the Shareholders' Account of \$1 Million, the participating lines showed a total net earnings figure of \$15.2 Million, as compared to \$8.8 Million in 1978. Included in the 1979 total was a large and unusual net capital gains figure of over \$9 Million.

For the non-participating section of the business, including the Shareholders' Account, total net earnings were \$26.3 Million (\$13.17

Shareholders' Dividend

The quarterly dividend payable April 1, 1980 to shareholders of record as of March 14, 1980 has been increased from 45¢ per share to 60¢ per share.

Shareholders' dividends have now been paid, without interruption, for the past fifty-eight years and this is the twenty-sixth consecutive year in which an increase has been approved.

per share), including net capital gains of \$4.5 Million (\$2.28 per share). These compare to the 1978 earnings figure of \$26.4 Million (\$13.23 per share), including \$1.9 Million (\$.98 per share) for net capital gains.

Impacting favourably on these earnings figures were the low levels of death claim payments in all territories. Mortality ratios for both Individual and Group life insurance coverages were very favourable in 1979 — lower than in 1978.

Health insurance operations, which are all included in the non-participating and Shareholders section of the business, produced an overall loss in 1979 of \$5.2 Million, compared to a 1978 profit of \$5.7 Million. For Group Health coverages in the United States, claim ratios rose dramatically in 1979. Poor experience under long-term disability contracts, and a higher than expected claim frequency among employees and their families, under medical coverages, resulted in substantial losses for this line of business. Appropriate premium increases for new business, and more stringent re-rating practices for existing business have been introduced, along with improved claim control measures. Group Health insurance operations in Canada and the United Kingdom were quite satisfactory and produced profits.

In spite of the significant loss incurred in the Group Health insurance line, the overall Company earnings remained at very satisfactory levels and an increase in the quarterly dividend to shareholders to 60¢ per share (from 45¢) was approved by the Board of Directors in February, 1980.

It should be recognized that a high percentage of the 1979 earnings is required for re-investment in the business. Prudent management, and the requirements of various governments in the jurisdictions in which the Company does business, require that substantial portions of the Company's surplus be earmarked as added protection for policyholders. In addition, the nature of our business calls for the investment of considerable amounts of surplus to finance the writing of new business in order to maintain the Company's growth. In fact, after achieving net

earnings of \$41.5 Million, the 1979 increase in general surplus for the Company, as a whole, was \$2.3 Million, while the additional amount appropriated for special reserves was \$35.6 Million.

The financial results for 1979 and 1978 are reported in accordance with the revised financial reporting practices which were introduced in 1978. These revised practices — as set out in the Canadian and British Insurance Companies Act and accompanying regulations — were introduced to provide better disclosure of the results of life company operations and to move closer to Generally Accepted Accounting Principles.

Investments

Net investment income on general funds was \$140 Million in 1979, an increase of 22% over 1978, while total invested assets increased 15%.

Economic and financial market developments during 1979 presented interesting opportunities and challenges to our investment managers.

In Canada, a slowdown in construction activity reduced opportunities for mortgage lending.

In spite of the reduced demand, we were successful in placing \$45 Million in new mortgage loans across the country. Through an active bond investment program, emphasizing Federal and Provincial Government bonds, we increased our Canadian portfolio by \$65 Million. A lack of supply of new corporate bond issues compressed Canadian bond yield spreads making the lower quality issues relatively less attractive.

As the year progressed, mortgage yields in the United States advanced less rapidly than bond yields. Accordingly, during the year, we reduced our pace of mortgage commitment, choosing to concentrate more heavily on corporate bonds where expanded yield spreads offered historically favourable risk/reward relationships. New bond placements exceeded \$48 Million in the United States, while mortgage advances in selected areas totalled \$65 Million.

In the volatile U.S. fixed income markets, opportunities to execute portfolio improvements increased. As a result, our bond traders completed a record volume of \$126 Million of bond switches and achieved very satisfactory capital value and income improvements on this portfolio.

Crown Life's common stock
(continued)

Crown Life Business Mission

The purpose of Crown Life is to help people and businesses to achieve improved financial security through the creation, sale and administration of risk-sharing programs which meet their real and changing needs, focussing primarily on programs to ease financial burdens arising from death, illness, disability and old age.

In fulfilling this purpose, Crown Life embraces the following commitments:

- to achieve and maintain financially sound growth with profitability,
- to provide risk-sharing programs, together with adequate service to clients, at the lowest possible prices, consistent with sound and equitable business practices,

- to provide challenging and rewarding opportunities for employees and sales associates in an environment conducive to self-development, the achievement of high standards of performance, and the generation of a sense of pride and enjoyment,
- to generate an adequate return on the capital investment of shareholders, and
- to be a respected, valued corporate citizen in the communities in which the Company operates.

To be acceptable, a Crown Life decision or course of action may relate to some of these commitments more than to others, but will not be in conflict with any of them.

Year in Review

portfolios produced excellent returns during 1979. The spectacular rise in Canadian equity markets presented an exceptional opportunity to realize gains and we were net sellers of stocks. In the United States, our equity holdings increased. Preferred stock holdings in North America were reduced and the proceeds re-invested in bonds resulting in improvements in net yield.

With a continuing rise in real estate values in 1979, it was decided to dispose of several properties held by the Company and its subsidiary Coronet Properties Limited; real estate capital gains in excess of \$11 Million were realized. The funds so generated were mainly reinvested in bonds, creating a very beneficial increment in investment income. One of these properties, which is primarily used for Crown Life operations, was retained for our use through a long-term leaseback arrangement.

Crown Life's investments are well balanced to provide maximum yield,

consistent with the security required by the long-term nature of our commitments to policyholders. At the end of 1979, 36.6% of our assets were invested in bonds, 35.2% in mortgages, 7.5% in policy loans, 7.3% in shares, 3.1% in real estate and the balance in segregated funds and other assets. These investments are distributed throughout the various territories in which the Company operates.

Subsidiary Life Insurance Companies

1979 was a year of strong growth and progress for our life insurance subsidiaries in the United Kingdom. Premium income in Crown Life Assurance Company Limited, including a substantial volume of single premium business, exceeded \$25.7 Million in Canadian dollar equivalents, well ahead of the 1978 figure of \$4.6 Million. Premium income for Crown Life Pensions

Limited increased from \$8.2 Million in 1978 to \$12.1 Million in 1979, as that company continued its successful marketing of policies which are approved for U.K. income tax purposes. Total assets of these two U.K. subsidiaries amounted to \$54 Million at the end of 1979 or 2.7% of the consolidated total asset figure of \$2 Billion for Crown Life as a whole.

Crown Life (Caribbean) Limited is our non-consolidated life insurance subsidiary company operating in Trinidad and Tobago. Life insurance sales of that company continued at healthy levels in 1979 as premium income grew 13% to over \$4 Million in Canadian dollar equivalents, while total assets grew 8% to over \$23 Million.

During 1979, the administrative staff of Crown Life (Caribbean) Limited successfully completed the development and implementation of a sophisticated and efficient computer system that enabled the completion of the transfer from the Parent Company



On October 25, 1979, Crown Life Directors gathered in San Francisco for the Company's first Board Meeting in the United States. The meeting marked 55 years of continuous growth for Crown Life in the United States market. Close to 60% of the Company's premium income currently comes from United States operations.



Norman A. Urquhart, Co-chairman, Olympic Trust of Canada, signs a contract naming Crown Life as official supplier of life and health insurance for Canada's 1979-80 Olympic and Pan American teams. Mr. Urquhart is flanked by Olympic Trust Vice-President Donald H. Simpson (left) and Crown Life Regional Group Superintendent Ron Zeran.

to the subsidiary of all administrative functions for the Trinidad and Tobago business. The sale of additional shares of Crown Life (Caribbean) Limited to Trinidad and Tobago residents reduced the Parent Company's interest in the subsidiary to 57% at year-end.

Datacrown Inc.

Datacrown Inc. is our computer services subsidiary company; 85.5% of its common shares and all of its convertible preference shares are currently held as investments of Crown Life policyholders' and shareholders' funds. During 1979, the final steps were taken to combine in Datacrown Inc. the operations of Datacrown Limited (which was formed as a Crown Life subsidiary in 1971) and another computer services company, Systems Dimensions Limited, which was acquired in 1978. The emerging entity is the largest such company in Canada. It sells its

services to a broad range of clients in Canada and the United States, including Crown Life. In 1979, Crown Life paid \$5.5 Million to Datacrown Inc. for computer services provided to the Parent Company.

During the year, Datacrown Inc. revenue grew dramatically to \$60.2 Million, compared to the combined revenue of \$50.8 Million in 1978 for the predecessor companies and \$20 Million in 1977 for Datacrown Limited alone. Datacrown Inc.'s U.S. revenues from both government and private companies grew significantly in 1979 and a fifth office was opened in Atlanta, adding to the offices already operating in Boston, New York, Washington and Dallas.

Datacrown earnings for 1979 were \$68,000, as compared to \$2.6 Million for the previous year. Profitability in 1979 was severely constrained by the impact of non-recurring expenses associated with the merger of the two predecessor companies. The

investment that Datacrown made in its future in 1979, in terms of new equipment, people and premises, also affected profits, as did the rising cost of borrowed money.

We have every confidence that in 1980 Datacrown will again generate substantial earnings.

Olympic Sponsorship

For many years, Crown Life has played an active role in supporting amateur sport in Canada. We take pride, therefore, in our selection by the Canadian Olympic Association as official supplier of life and health insurance for Canada's Pan American and Olympic teams for 1979 and 1980. It is, indeed, gratifying to have been given this unique opportunity to support Canada's fine Pan American and Olympic athletes and games officials.

(continued)



More than 7,400 golfers throughout western Canada vied last year to represent their provinces at the first Interprovincial Championship of the Crown Life Pro-Am, conducted September 14 and 15 in Winnipeg by the Royal Canadian Golf Association. In seven years the tournament, which will expand to Ontario in 1980, has raised over \$135,000 for various charities.



Pictured above is a recently completed office building in Houston, Texas, financed by Crown Life policyholder funds — part of the Company's \$700 Million mortgage and real estate portfolio.

Year in Review

People are Important

The development in the 1970s of Crown Life Insurance Company and its subsidiary companies has been due to the fine efforts of thousands of people. All the employees and sales representatives of the companies constitute their most important resource.

The leading edge of our development has been the growing number of knowledgeable and dedicated sales representatives that carry the story of effective risk-sharing programs to the prudent individuals and corporations that become Crown Life clients. These sales associates continue to do their jobs well, and the companies expand in response to their effectiveness.

In the Home Offices and Branch Offices, hard-working and innovative people have adapted well to new challenges in the product design, administration and service aspects of our business. The problem-solving expertise, sense of identity and flexibility of employees are key to the on-going success of our enterprise.

North American Reality

Canadians will continue to be aware in the Eighties that they live on a great continent in more than a geographic sense. Being part of North America is a spiritual, as well as a physical, fact of life for all Canadians. And that is chiefly because of the style, customs and values of the 220 million people of the United States.

The simple and very big benefits we Canadians enjoy are too often overlooked. We have lived in peace with the United States for more than a century and a half — and during much of that time, the world, regrettably, has been upset by war or threat of war.

And our Canadian safety — living as we do next to a great power — has not been bought at a price of subservience. Canadians have been able to live next to a mighty nation with a degree of political independence, security and prosperity that is envied in many parts of the world.

Part of our prosperity is due to the welcoming attitude of United States

people and United States institutions toward Canadian enterprises. Crown Life has certainly prospered because of this welcoming attitude. As a multinational Company, we are proud and appreciative of our widespread life insurance activities in the United States.

Canadian Challenge

In Canada the challenge of constitutional change will be faced in the near future.

The referendum on Sovereignty-Association will probably take place in Quebec within the next few months. All Canadians have a vital interest in the result. There is fairly widespread acceptance of the fact that constitutional reform is necessary to meet the needs of all Canadians in the future.

A majority has accepted Canadian cultural pluralism. Individual Canadians have learned, little by little, not only to appreciate their own values, but, equally, to respect those of others. This is the development which is encouraging for the future. We are learning to rejoice in the different cultures and strengths which make up this great nation. They are assets, not liabilities.

Canada has a rich and diversified resource base, sophisticated technology placing us in the scientific forefront, an educated work force, the chance to become self-sufficient in energy, a high level of personal savings for investment, a democratic system of government, and a great multicultural heritage.

Few countries in the world have all of the advantages we have in Canada. We must meet our challenges, embrace our differences, and remain united.

Looking Ahead

Crown Life is proud of its record of success in fulfilling the needs of its clients. Through Crown Life products and services, millions of policyholders and certificateholders have enhanced the financial security of their families or businesses. They

have protected their incomes against the financial burdens arising from death and disability, provided savings and educational funds, put in place needed pension benefits and assured the continuation of business ventures — all through the purchase of life insurance company products.

Our task in the years ahead will be to continue to expand and improve our services, keeping unit costs to our customers at the lowest possible levels while, at the same time, providing an environment of challenge and growth for employees and sales associates.

Crown Life enters the Eighties with confidence in its ability to generate strong growth in both sales and profitability. Your Company's prospects have never been more exciting.

Crown Life Insurance Company



Financial Statements 1979

Report of the Board of Directors

The Directors are pleased to present their Seventy-Ninth Annual Report, together with the Consolidated Financial Statements showing the results of the Company's operations for the year ended December 31, 1979.

The Financial Statements consolidate the results of Crown Life Insurance Company and its wholly-owned subsidiaries, Crown Life Assurance Company Limited, Crown Life Pensions Limited (both United Kingdom life insurance companies), and Coronet Properties Limited (a Canadian real estate company).

The Financial Statements show, on an equity basis, the accounts of Crown Life (Caribbean) Limited — a non-consolidated life insurance subsidiary company, operating in Trinidad and Tobago. Trinidad residents own a substantial minority interest in this subsidiary. Also shown on an equity basis, is the non-consolidated computer services subsidiary company, Datacrown Inc..

New Business

Total new life insurance business issued in 1979 was more than \$5.5 Billion — slightly ahead of the 1978 figure. Individual life sales exceeded \$2.5 Billion compared to \$2.3 Billion in 1978 and Group life sales were more than \$2.9 Billion compared to \$3.1 Billion in 1978.

First year and single premium income for Individual and Group annuities was \$98 Million compared

to \$64 Million in 1978 — up 52%.

First year premium income for Individual and Group health insurance policies totalled \$59 Million — an increase of 25% over the previous year.

Business in Force

Total life insurance in force increased during 1979 from \$28.5 Billion to \$32.2 Billion, an increase of 13%. Group life policies accounted for \$19.4 Billion in force and Individual life policies for \$12.8 Billion.

Liabilities under annuity contracts, including segregated fund annuities, in force at the end of 1979, totalled \$629 Million — an increase of 22% over the corresponding figure at the end of 1978.

Health insurance business in force grew during the year and generated total premiums of \$288 Million, compared to the 1978 total of \$237 Million — an increase of 21%.

Revenue

Total revenue for 1979, at \$864 Million, was nearly 21% greater than in 1978.

Total premium income increased to \$711 Million, 20% greater than the total for 1978. Premium income figures reflected growth in all lines of business.

Net investment income on general funds, at \$140 Million, was up 22%, while total invested assets increased by 15%. The overall net yield rate was 8.35%, compared to 7.90% in 1978.

Benefits and Expenses

Death and disability benefits amounted to \$105 Million — an increase of 8%, compared to the previous year.

Overall mortality ratios were very favourable and were at lower levels than in 1978.

Health insurance benefits totalling \$246 Million were 28% more than in 1978. Overall health insurance claim ratios worsened significantly during 1979.

The total of benefits and dividends paid to policyholders and beneficiaries was \$479 Million, an increase of 15% over the 1978 figure.

Total expenses were more than \$173 Million — an increase of 22% over the corresponding figure for 1978, reflecting the substantial impacts of growth in business and inflationary increases in costs in all territories.

Net Earnings for the Year

Total net earnings for the year were \$41.5 Million, compared to the 1978 figure of \$35.2 Million.

Net realized capital gains on real estate, currency transactions and health account assets, included in the earnings figures, were \$13.7 Million in 1979 compared to \$3.3 Million in 1978. The 1979 figure includes a large gain realized on the sale of one sizeable real estate investment.

Earnings figures for the non-consolidated subsidiary companies — Datacrown Inc., and CrownLife(Caribbean)Limited, were

\$270 Thousand in 1979, compared to \$2.6 Million in 1978; the reduction resulted primarily from additional operating expenses incurred during 1979 by Datacrown Inc. in combining the operations of the predecessor companies, Datacrown Limited and Systems Dimensions Limited.

In the participating section of the business, after \$20.0 Million of dividends were allotted to policyholders, and after a transfer of \$1.0 Million to the shareholders' account, total earnings were \$15.2 Million, including capital gains of \$9.1 Million. The comparable figures in 1978 were total earnings of \$8.8 Million, including capital gains of \$1.4 Million.

In the non-participating section, including the shareholders' account, total earnings were \$26.3 Million, or \$13.17 per share, compared to the 1978 figure of \$26.4 Million, or \$13.23 per share. Included in the per share figures were net capital gains amounts of \$2.28 in 1979 and \$.98 in 1978.

Included in the non-participating and shareholders' earnings figures are the results of health insurance operations which recorded an overall loss of \$5.2 Million in 1979, compared to a profit of \$5.7 Million in 1978.

Assets and Liabilities

Total assets at the end of 1979 were \$2.03 Billion, having increased by more than \$268 Million, or 15% during the year.

Liabilities under policy contracts

amounted to \$1.67 Billion, compared to \$1.44 Billion in 1978 — an increase of nearly 16%.

The total of reserves, surplus and share capital increased, in the aggregate, by \$38 Million to \$296 Million at the end of 1979. This total represents 14.6% of assets, providing a sound margin for the protection of policyholders.

General

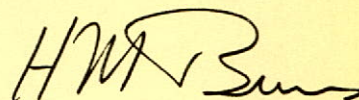
At the Board meeting immediately following the Annual Meeting in 1979, Mr. H. Michael Burns was elected Chairman, Mr. John J. Jodrey was elected Vice-President and Mr. Charles F.W. Burns was elected Honorary Chairman. At the same time, Mr. J.-Ubaldo Boyer, Mr. F.W. Hill, Mr. J.H. Mowbray Jones and The Honourable Clarence Wallace were re-appointed Honorary Directors.

In May, 1979, Mr. Robert A. Bandeen, President and Chief Executive Officer of Canadian National Railways, was elected a Shareholders' Director. In June, 1979, Mr. David J. Hennigar, Atlantic Regional Director of Burns Fry Limited, was elected a Shareholders' Director and Mr. James S. Palmer, Q.C., partner in the law firm of Burnet, Duckworth and Palmer, was elected a Policyholders' Director.

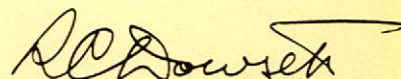
1979 was an extremely active year for the many knowledgeable and dedicated people in our sales organizations, Home Office, Branch Offices and in the subsidiary

companies. To these people, the Directors wish to express sincere thanks for their important contributions.

On behalf of the Board



Chairman



President

Consolidated Statement of Earnings

Year Ended December 31, 1979	1979	1978
		\$000
Revenue		
Life insurance and annuity premiums	422,962	353,270
Health insurance premiums	288,383	237,610
Investment income, net of related expenses of \$5,225,000 (1978 \$4,569,000) ...	140,512	114,703
Segregated funds investment income	10,612	8,006
Other	1,749	1,426
	864,218	715,015
Amounts Paid or Credited to Policyholders and Beneficiaries		
Death and disability benefits	105,088	97,383
Health insurance benefits	245,926	191,094
Annuities	24,793	22,036
Payments on maturity or surrender of policies	74,598	82,079
Dividends to policyholders	19,964	15,182
Interest on amounts on deposit	9,005	7,336
Increase in amounts required to provide for unmatured obligations on policies in force	180,124	137,176
Increase (decrease) in segregated fund liabilities	3,256	(8,818)
	662,754	543,468
Expenses		
Life insurance and annuity expenses	111,142	93,012
Health insurance expenses	50,869	38,952
Premium and other taxes	11,545	10,277
	173,556	142,241
Earnings from Consolidated Insurance Operations before Income Taxes	27,908	29,306
Income taxes	326	(40)
Earnings from Consolidated Insurance Operations	27,582	29,346
Net capital gains	13,698	3,322
Earnings of non-consolidated subsidiary companies, after income taxes of \$150,000 (1978 \$1,310,000)	270	2,599
Net Earnings for the Year	41,550	35,267

Consolidated Statement of General Surplus

Year Ended December 31, 1979	1979	1978
	\$000	
General surplus in insurance funds, beginning of year	86,497	78,172
Net earnings for the year	41,550	35,267
Currency values adjustment		1,543
	128,047	114,982
Adjustment of statement value of assets		584
Transfer to reserve for investment values and currency exchange	7,300	1,400
Transfer to reserve for excess of cash surrender values over policy contract liabilities	11,448	2,717
Transfer to reserve for non-Canadian additional statutory requirements	5,436	14,567
Transfer to reserve for Canadian additional statutory requirements	7,500	
Transfer to reserve for specified contingencies		1,600
Transfer to reserve for value of miscellaneous assets	3,947	4,723
Dividends to shareholders	3,600	2,870
Increase in shareholders' account	42	24
	39,273	28,485
General surplus in insurance funds, end of year	88,774	86,497

Analysis of Consolidated Net Earnings

Year Ended December 31, 1979	Net earnings attributable to							
	Total		Participating policyholders' account		Non-participating and shareholders' account		Statutory earnings per share	
	1979	1978	1979	1978	1979	1978	1979	1978
	\$000		\$000		\$000		\$	
Earnings from consolidated insurance operations before policyholders' dividends	47,546	44,528	26,963	22,151	20,583	22,377	10.29	11.19
Dividends to policyholders	(19,964)	(15,182)	(19,964)	(15,182)				
Transfer from participating account to shareholders' account			(1,051)	(613)	1,051	613	.53	.31
Earnings from consolidated insurance operations	27,582	29,346	5,948	6,356	21,634	22,990	10.82	11.50
Net capital gains	13,698	3,322	9,144	1,368	4,554	1,954	2.28	.98
Earnings of non-consolidated subsidiary companies	270	2,599	118	1,088	152	1,511	.07	.75
Net earnings for the year	41,550	35,267	15,210	8,812	26,340	26,455	13.17	13.23

Statutory earnings attributable to shareholders include a portion of the earnings of subsidiary companies, earnings of the non-participating life and health accounts, the shareholders' account and, as limited by law, the amount transferred from the participating policyholders' account to the shareholders' account. This transfer was based on 5% of distributed participating earnings.

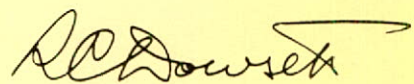
Consolidated Balance Sheet

Assets December 31, 1979	1979	1978
	\$000	
Invested Assets		
Bonds	744,246	556,666
Shares	148,150	182,113
Mortgages on real estate	715,311	608,943
Real estate	62,133	73,810
Loans on policies, secured by cash values	152,035	132,202
Data processing equipment	2,415	3,451
Equity value of non-consolidated subsidiary companies	12,975	12,877
Bank certificates of deposit	18,763	42,396
Cash	9,275	4,570
Segregated investment funds	67,859	63,814
	1,933,162	1,680,842
Other Assets		
Outstanding premiums	46,534	39,418
Accrued interest	28,125	23,557
Recoverable advances to agents and general agents	14,207	12,233
Other	10,130	7,330
	98,996	82,538
	2,032,158	1,763,380

On behalf of the Board



Chairman



President

Liabilities December 31, 1979

1979

1978

\$000

Liabilities under Policy Contracts

Amounts required, in addition to future premiums and interest, to provide for unmatured obligations under all policies in force	1,334,285	1,154,161
Policyholders' dividends and other amounts on deposit	76,556	70,831
Policy benefits in course of payment and provision for unpaid claims	178,795	144,485
Provision for next dividends payable to policyholders	16,292	12,196
Segregated fund liabilities	67,859	63,814
	1,673,787	1,445,487

Other Liabilities

Taxes payable	8,319	8,260
Bank indebtedness	12,603	23,462
Other	41,307	27,979
	62,229	59,701

Reserves, Surplus and Share Capital

Reserve for investment values and currency exchange	23,500	16,200
Reserve for excess of cash surrender values over policy contract liabilities	68,128	56,680
Reserve for non-Canadian additional statutory requirements	65,094	59,658
Reserve for Canadian additional statutory requirements	7,500	
Reserve for specified contingencies	6,180	6,180
Reserve for general contingencies	12,000	12,000
Reserve for value of miscellaneous assets	21,332	17,385
Total reserves	203,734	168,103
General surplus in insurance funds	88,774	86,497
Share capital	2,000	2,000
Shareholders' account	1,634	1,592
	296,142	258,192
	2,032,158	1,763,380

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to Financial Statements

1. The accounting practices followed by the Company are prescribed or permitted by the Department of Insurance of Canada. The Company's significant accounting policies are as follows: —

- (i) Consolidated financial statements include the operations and financial position of the Company's subsidiaries listed below: —

Crown Life Assurance Company Limited
Crown Life Pensions Limited
Crown Life Management Services Limited
Coronet Properties Limited.

During the year, Datacrown Inc., the computer services subsidiary, was formed from the amalgamation of Niagnat Holdings Limited and its subsidiary, Systems Dimensions Limited. Datacrown Inc. and its subsidiaries have been shown on an equity basis as their accounts are not compatible with the accounting practices prescribed or permitted under the Canadian and British Insurance Companies Act.

The accounts of Crown Life (Caribbean) Limited, a Trinidad and Tobago subsidiary life insurance company, have been shown on an equity basis due to requirements of that jurisdiction.

The values of assets and liabilities used to account for subsidiary companies are the values prescribed or permitted by legislation or regulation in the jurisdictions in which they are domiciled.

- (ii) The United States dollar items in these statements have been converted at \$1.00, a long established practice. Items in other foreign currencies have been translated into Canadian dollars at appropriate rates of exchange. If current rates of exchange had been used for all foreign currencies there would have been an increase in the reserves and surplus shown of \$11,212,000 (1978: \$7,399,000).
- (iii) The item investment income includes: —
- (a) Interest, dividends and rents.
- (b) With respect to assets held for the life insurance business, a portion of the difference between cost and market value of shares and a portion of gains and losses realized on disposal of bonds, shares and mortgages.
- (c) With respect to the segregated investment funds and life insurance subsidiaries, all realized and unrealized capital gains and losses on invested assets.
- (iv) The item net capital gains includes currency exchange gains and capital gains and losses realized on the disposal of real estate and of the invested assets for the Company's health insurance business.
- (v) Income taxes are the aggregate of the amounts payable and recoverable based on the tax laws of each of the countries in which the Company does business. The provision is based on the taxes payable method which does not recognize the tax effect of timing differences between accounting earnings and taxable earnings.
- (vi) Asset valuations are as follows: —
- (a) Bonds, at amortized cost; including, for life insurance business, the deferred portion of realized gains and losses on disposals.
- (b) Shares, at cost; including, for life insurance business, a portion of the difference between cost and market, and the deferred portion of the realized gains and losses on disposals.
- (c) Mortgages, at outstanding principal balances; including, for life insurance business, the deferred portion of realized gains and losses on disposals.
- (d) Real estate, at cost less encumbrances and accumulated depreciation.
- (e) Segregated investment funds, at market values.
- (f) Data processing equipment, at cost less accumulated depreciation.
- (g) Recoverable advances to agents and general agents, at amounts due less allowance for doubtful recoveries.
- (h) Furniture, fixtures and equipment, which are included in other assets, at cost less accumulated depreciation.

(vii) Valuation of liabilities under policy contracts: —

- (a) Liabilities under policy contracts are the liabilities related to the payment after the valuation date of all matured and unmatured obligations under all policy contracts.
- (b) Liabilities under policy contracts are determined using assumptions appropriate to the circumstances of the Company and the policies in force. For life insurance business, the calculation assumes that the amount of acquisition expenses allowed by law is deferred and amortized over the premium paying period of the policies. For health insurance business such expenses are capitalized and included in other assets.
- (c) When a policy provides for a cash surrender value higher than the amount held as a policy contract liability, surplus has been appropriated to provide a reserve for the difference.

2. The reserve for non-Canadian additional statutory requirements provides \$65,094,000 as an appropriation of surplus reflecting valuation requirements of non-Canadian jurisdictions for assets, liabilities and reserves where such requirements are different from the bases described in these notes.

3. The reserve for Canadian additional statutory requirements provides \$7,500,000 as a supplementary appropriation of surplus within the health insurance account.

4. The reserve for investment values and currency exchange provides \$34,582,000 for book values of invested assets in excess of prescribed market values, less \$11,082,000, the major portion of the net unrealized foreign exchange gains.

5. The reserve for specified contingencies includes: —
\$2,780,000 additional group health insurance reserves
\$3,400,000 reserve for systems development.

6. The reserve for value of miscellaneous assets is in respect of the Company and all of its subsidiaries, and includes: —
\$14,207,000 recoverable advances to agents and general agents
\$ 6,035,000 furniture and fixtures
\$ 1,090,000 prepaid expenses and sundry receivables.

7. The Company and its subsidiaries maintain a number of pension plans for their eligible employees. It is estimated that at December 31, 1979 these plans have unfunded liabilities of \$5,401,000 (1978: \$3,574,000). These unfunded liabilities are being amortized over varying periods with a maximum period of fifteen years in accordance with applicable governing legislation. The payments towards the unfunded liabilities in 1979 amounted to \$680,000 (1978: \$450,000).

8. During the year: —
(a) The Company leased real estate and data processing equipment to Datacrown Inc. for an annual rental of \$2,305,000 (1978: \$2,283,000).
(b) The Company paid \$5,503,000 (1978: \$4,643,000) to Datacrown Inc. for computer services.

9. Certain of the 1978 figures on the balance sheet have been reclassified to conform to the 1979 financial statement presentation. The specific items are bonds, mortgages, data processing equipment and other assets.

10. The share capital authorized, issued and fully paid is 2,000,000 shares, par value \$1 each.

Valuation Actuary's Report to the policyholders and shareholders

I have made the valuation of policy contract liabilities of Crown Life Insurance Company for its consolidated balance sheet as at December 31, 1979 and its consolidated statement of earnings for the year then ended. In my opinion, the valuation for Crown Life Insurance Company conforms to the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries.

In regard to the policy contract liabilities of the United Kingdom subsidiary insurance companies, I have relied upon the valuation made by the Appointed Actuary of the subsidiary companies.

In my opinion, the amount held for liabilities under policy contracts makes proper provision for the obligations payable in the future under the companies' policies, a proper charge on account of those liabilities has been made in the statement of earnings, and the amount of surplus reserved for the excess of cash surrender values over policy contract liabilities is proper.



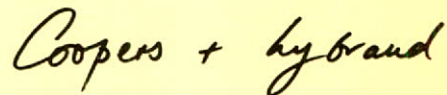
D.R. JOHNSTON, F.S.A., F.C.I.A., M.A.A.A.
Vice-President and Actuary

Toronto, Canada
February 4, 1980

Auditors' Report to the policyholders and shareholders

We have examined the consolidated balance sheet of Crown Life Insurance Company as at December 31, 1979 and the consolidated statements of earnings and general 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.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1979 and the results of its operations for the year then ended in accordance with accounting practices prescribed or permitted by the Department of Insurance of Canada, as explained in Note 1, applied on a basis consistent with that of the preceding year.



COOPERS & LYBRAND
Chartered Accountants

Toronto, Canada
February 4, 1980

Consolidated Summary of Premiums

Year Ended December 31, 1979	1979	1978	Increase (Decrease)
	\$000		%
Individual Life Insurance			
First year	31,291	24,384	28
Single	23,072	7,611	203
Renewal	141,677	135,039	5
	196,040	167,034	17
Group Life Insurance			
First year	9,637	10,156	(5)
Renewal	75,889	65,552	16
	85,526	75,708	13
Individual Annuity			
First year	5,728	3,051	88
Single	24,278	15,821	53
Renewal	8,240	8,023	3
	38,246	26,895	42
Group Annuity			
First year	66,193	44,729	48
Single	2,085	821	154
Renewal	34,872	38,083	(8)
	103,150	83,633	23
Health Insurance			
First year	59,071	47,244	25
Renewal	229,312	190,366	20
	288,383	237,610	21
Total premiums	711,345	590,880	20

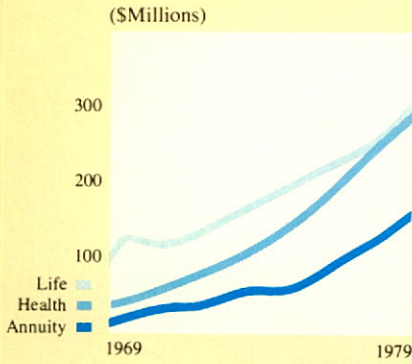
Summary of Growth

	1979†	1978†	1977	1976	1975	1969
	\$000					
Revenue						
Life insurance premiums	281,566	242,742	223,664	200,058	180,290	91,020
Annuity premiums	141,396	110,528	93,202	56,995	47,157	16,804
Health insurance premiums	288,383	237,610	195,727	156,805	125,541	32,124
Investment and other income*	152,873	124,135	109,067	87,951	81,198	42,670
	864,218	715,015	621,660	501,809	434,186	182,618
Benefits and Expenses						
Life insurance and annuity benefits*	393,397	333,187	299,446	232,756	206,643	100,370
Health insurance benefits	249,394	195,099	164,665	135,368	107,788	28,054
Dividends to policyholders*	19,964	15,182	15,320	14,565	13,997	8,900
Life insurance and annuity expenses*	111,142	93,012	86,737	78,981	73,265	32,047
Health insurance expenses*	50,869	38,952	33,653	27,423	22,277	4,809
Taxes						
Income taxes	326	(40)	1,640	(495)	1,224	3,693
Premium and other taxes	11,545	10,277	10,266	8,061	6,885	2,734
	11,871	10,237	11,906	7,566	8,109	6,427
Total net earnings after taxes*	41,550	35,267	10,830	7,269	5,453	2,011
Dividends to shareholders	3,600	2,870	2,640	2,450	2,400	960
Total assets*	2,032,158	1,763,380	1,556,741	1,345,264	1,204,809	693,413
Reserves, surplus and share capital						
Participating reserves*	33,433	43,181	13,017	10,012	8,987	5,802
Participating general surplus*	63,773	38,816	15,085	10,534	8,162	26,148
Non-participating reserves*	170,301	124,922	23,087	23,007	22,513	6,898
Non-participating general surplus*	25,001	47,681	57,436	58,181	58,161	34,929
Shareholders' capital & surplus	3,634	3,592	3,569	3,533	3,530	3,259
	296,142	258,192	112,194	105,267	101,353	77,036
New business						
Individual life amounts	2,577,689	2,359,712	2,163,758	1,823,361	1,611,976	739,257
Group life amounts	2,965,838	3,139,584	2,518,358	2,325,021	1,913,259	506,203
	5,543,527	5,499,296	4,682,116	4,148,382	3,525,235	1,245,460
Annuity premiums, first year & single ..	98,284	64,422	61,603	27,429	22,589	9,402
Health premiums, first year	59,071	47,244	43,891	33,556	31,262	5,966
Business in force						
Individual life amounts	12,765,560	11,640,844	10,308,988	9,002,778	7,963,660	3,894,037
Group life amounts	19,444,369	16,872,868	14,540,644	12,562,792	10,460,805	2,884,738
	32,209,929	28,513,712	24,849,632	21,565,570	18,424,465	6,778,775
Annuity liabilities*	628,990	514,092	453,609	366,705	328,707	143,768
Health total premiums	288,383	237,610	195,727	156,805	125,541	32,124
Number of office staff	3,166	3,042	2,961	2,870	2,759	1,724
Number of sales offices	229	221	217	216	214	184

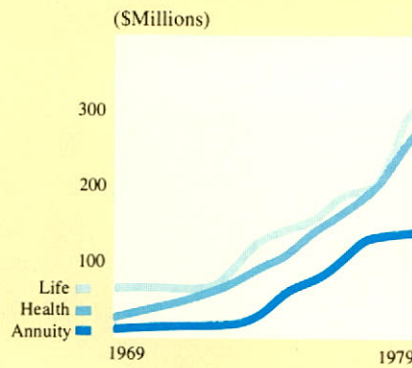
†*Revisions in accounting practices distort comparison with pre-1978 figures.

Ten Year Review

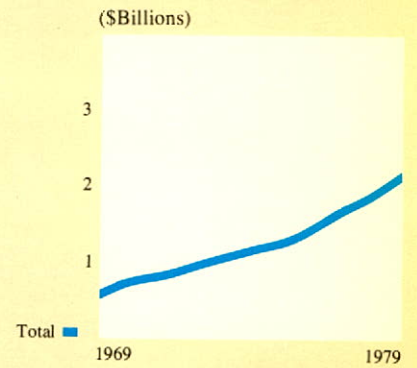
Premiums



Benefits

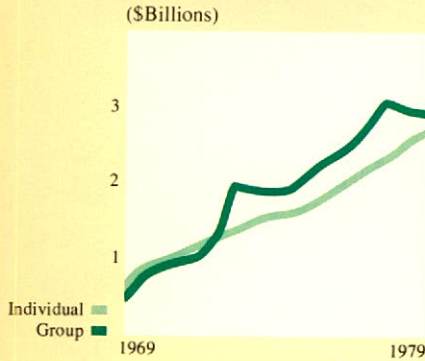


Assets

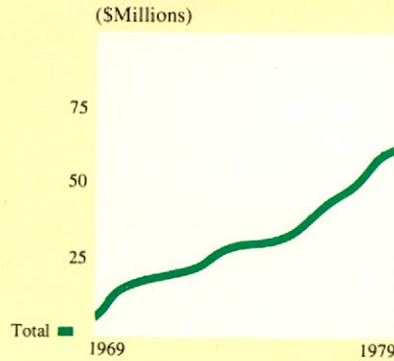


New Business

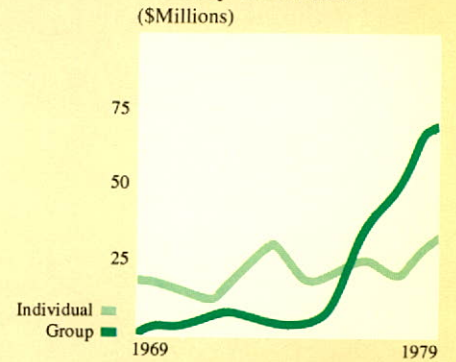
Life Amounts



Health Premiums

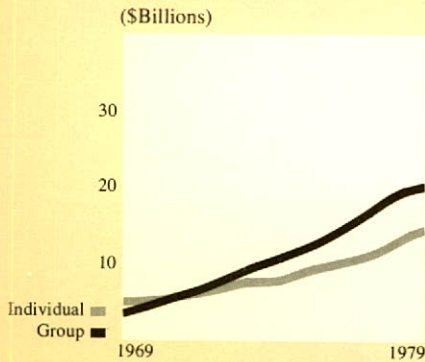


Annuity Liabilities

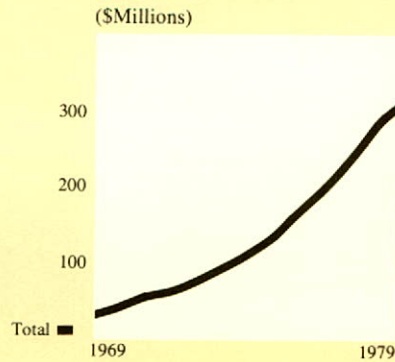


Business in Force

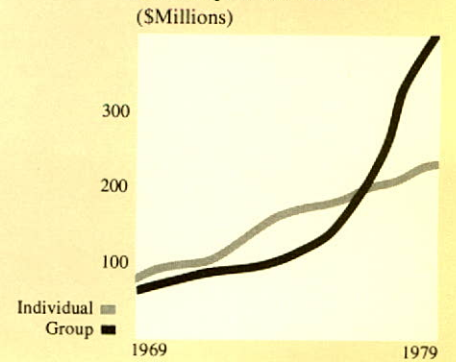
Life Amounts



Health Premiums



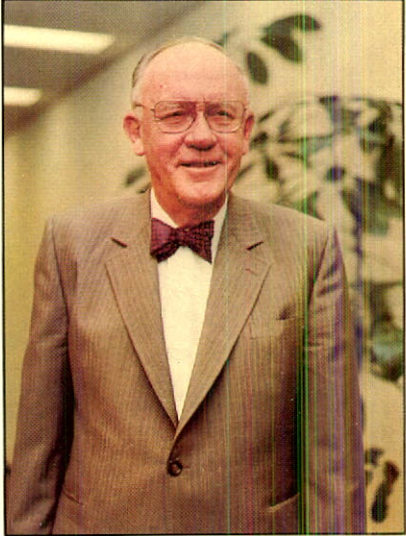
Annuity Liabilities



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John J. Jodrey, David T. Schiff and Marsh A. Cooper



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C.F.W. Burns and R.C. Dowsett



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The Earl of Westmorland



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Systems

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Assistant Superintendent,
Data Services

R.H. McMillan
Assistant Superintendent,
Data Services

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Branch Administration

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Administration

J.P. Murphy
Assistant Superintendent,
Branch Administration

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Branch Administration

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F.E. Whitehead
Senior Investment Vice-President

T.M.A. Green
Associate Superintendent,
Investment Administration

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Associate Treasurer, Securities

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Bond Investments

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Assistant Superintendent,
Property Investments

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Assistant Superintendent,
Property Investments

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Assistant Superintendent,
Property Investments

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Assistant Superintendent,
Property Investments

D.T. Potts
Assistant Superintendent,
Property Investments

B.A. Tuck, S.R.A.
Assistant Superintendent,
Property Investments

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for the United States

D.I.B. Williams
Agency Vice-President (U.S.)

W.P. Hobbs, CLU
Agency Vice-President (U.S.)

A.W. Thomas, F.L.M.I.
Agency Vice-President (U.S.)

W.E. Foote, CLU
Marketing Superintendent,
Research and Development
(U.S.)

W.J. Buchan
Regional Agency Superintendent
(U.S.)

B.M. Bush
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T.A. Stewart
Senior Superintendent
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A.B. Cummer, CLU
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Estate Planning Services

R.D. Field, F.L.M.I.
Director of
Marketing Development

H.E. Wolfram, F.L.M.I.
Superintendent,
Marketing Services

B.J. Francis, F.L.M.I.
Marketing Officer

G.A. Wetz
Marketing Officer, Field Service

J.D. Shaw
Marketing Superintendent

F.R. Benjamin, F.L.M.I.
Assistant Superintendent,
Agency Administration

D. O'Sullivan
Assistant Superintendent,
Agency Administration

Group

L.G. Rollerson,
F.S.A., F.C.I.A., M.A.A.A.
Senior Group Vice-President

E.R. Weinerman,
F.S.A., F.C.I.A., M.A.A.A.
Associate Group Actuary,
Insurance

D.B. Dixon, F.S.A., F.C.I.A.
Assistant Group Actuary,
Insurance

S.D. Hillyer, A.S.A.
Group Statistics Officer

P.W. Ormrod, A.S.A.
Superintendent,
Group Actuarial and
Group Underwriting

N. Jess, F.L.M.I.
Associate Superintendent,
Group Underwriting

K.P. Bahl
Associate Superintendent,
Group Underwriting

B.L. Stackhouse,
F.S.A., F.C.I.A., M.A.A.A.
Group Sales Vice-President

M.J. Poirier
Associate Superintendent,
Group Sales

J.J. Watts
Assistant Superintendent,
Group Sales

J.T. MacDonald
Superintendent,
Group Health Claims
and Branch Administration

G.A. de Roos
Assistant Superintendent,
Group Health Claims Accounting
and Auditing

C.J. O'Callaghan
Assistant Superintendent,
Group Health Claims

C.E. Parsons
Group Marketing Officer

M.P. Buriak
Assistant Group
Marketing Officer

H.N. Beiles,
F.S.A., F.C.I.A., M.A.A.A.
Group Pensions Vice-President

R.B. Nutley, F.L.M.I.
Superintendent,
Group Pension Administration

A.J. Shell,
F.S.A., F.C.I.A., M.A.A.A.
Group Actuary, Pensions

M. Den Heyer, F.S.A., F.C.I.A.
Assistant Group Actuary,
Pensions

W.B. Higham, F.L.M.I.
Director, Group Administration

C.H. Riendeau, F.L.M.I.
Superintendent,
Group Administration

S.F.V. Worsdale, F.L.M.I.
Associate Superintendent,
Group Administration

T.D. Richardson, F.L.M.I.
Associate Superintendent,
Group Systems

P.R. Smith, F.L.M.I.
Assistant Superintendent,
Group Administration
A.F. Adams
Assistant Superintendent,
Group Systems

H.V. Taylor
Associate Superintendent,
Group Accounting

H.A. Gittens
Assistant Superintendent,
Group Accounting

Law

H.D. Wainwright, LL.B.
Legal Vice-President
and General Counsel

R.W. Linden, LL.B.
Counsel

J.C. Kyle, LL.B.
Associate Counsel

T.W. Powers, LL.B.
Associate Counsel

J.R. Heatley, LL.B.
Assistant Counsel

K.V. Rathee
Assistant Legal Officer

H.I. Mactavish,
Q.C., LL.B., F.L.M.I.
Corporate Counsel

Personnel

H.C. Harley, M.D.
Personnel Vice-President

R.A. Kirk
Superintendent, Personnel

M.J. Tate
Personnel Officer

S.M. Davidson
Salary Administration Officer

S. Chartrand
Translation Officer

Policy Benefits

A.W. Heath, F.L.M.I.
Claims Officer

D.F. Walker, F.L.M.I.
Associate Claims Officer

Medical

R.C. MacKay,
M.D., F.R.C.P. (C)
Senior Medical Vice-President

E.S. Moller, M.D.
Medical Director

P.J. Purves, M.D.
Associate Medical Director

E.A. Williamson,
M.B., ChB., C.C.F.P.
Associate Medical Director

Underwriting

C.G. Willows
Superintendent of Underwriting

J.D. Ferguson, F.L.M.I.
Associate Superintendent,
Underwriting

K.F. Deviney, F.S.A., F.C.I.A.
Associate Actuary, Underwriting

S.R. Griffiths, F.L.M.I.
Assistant Superintendent,
Underwriting

P.M. Lawley, R.N.
Associate Superintendent,
Individual Health

Officers of Life Insurance Subsidiary Companies

Crown Life Group of Companies/United Kingdom

A.J. Duggin, F.I.A.
Managing Director and Actuary

D.W. Johnstone, A.C.I.I.
Director of
Pensions and Group Insurance

N.K. Chambers, F.I.A.
Operations Director
(Pensions and Group Insurance)

R.C. Cornick
Broker Division Director

R.A. Corver, A.C.I.S., A.C.C.A.
Company Secretary

C.A. Evers, F.I.A.
Deputy Actuary

G.M. Mattin, A.G.I. (Life)
Corporate Services Director

S.W. Nesbitt, F.L.I.A.
Agency Director

A.J. Withey
Investment Director

Crown Life (Caribbean) Limited

J.R. Bourbonniere, CLU
Managing Director

T.A.K. Bates
Marketing Director

G.P. Deane, F.C.I.I.
Administrative Director

Sales and Service Offices

Canada



Bruce Lockhart, CLU



Colin Walker

Bruce Lockhart, CLU, Manager, London Main Agency; and Colin Walker, Regional Group Superintendent for Eastern Canada, representing the leading Canadian sales outlets for 1979.

Barrie, Ontario K.C. Charlton
 Calgary, Alberta .. R.H.C. de Jaray, CLU
 L.G. Gorrie, CLU
 Calgary, Alberta (Group) D. Emslie
 Edmonton, Alberta R.K. Brown
 Halifax, Nova Scotia W.C. Cooper
 Halifax, Nova Scotia (Group)

..... R.V. Doucette
 Hamilton, Ontario K.O. Hill, CLU
 M. Stein

Hull, Quebec R. Allaire, CLU
 Kingston, Ontario G.K.C. Smith, CLU
 Kitchener, Ontario P.J. Conway, CLU
 Laval, Quebec J.P. Lapalme, CLU
 London, Ontario B.A. Lockhart, CLU
 Moncton, New Brunswick .. T.H. Quillian
 Montreal, Quebec R. Allaire

D.R. Bock, CLU
 A. DiFruscia
 J.G. Gilbert
 J.R. Guimond, CLU
 J.A. Joly, CLU
 C. Morin, CLU
 G. Remillard, CLU
 A. Waddell, CLU

Montreal, Quebec (Group) C. Walker
 Nelson, British Columbia A. Maida
 Noranda, Quebec C.A. Perreault, CLU
 Oshawa, Ontario R.W. Allen, CLU
 Ottawa, Ontario D.B. Hutcheson, CLU
 Peterborough, Ontario G. Cull
 Quebec, Quebec G. De Rico
 P. Renaud, CLU

Regina, Saskatchewan J.J. McNamee, CLU
 Saskatoon, Saskatchewan

..... M.D. Whiting, CLU
 Sault Ste. Marie, Ontario

..... J.B. Donnelly, CLU
 Sherbrooke, Quebec J.J. Lavallee, CLU
 St. Catharines, Ontario R.L. Guinan
 St. John's Newfoundland W.J. Battcock
 Sudbury, Ontario A.M. Smrke, CLU
 Thunder Bay, Ontario R. Darcis

Toronto, Ontario E.J. Black, CLU
 F.H. Coulson, CLU
 L. Fenson
 P. Flower, CLU
 G.C. French, CLU
 G. Marshall, CLU
 D.G. McTaggart, CLU
 V.O'Reilly
 W.C. Schutte, CLU

Toronto, Ontario (Group) R.E. Zeran

Trois Rivieres, Quebec

..... P. Beauchesne, CLU

Vancouver, British Columbia

..... C.B. Walker, CLU

Vancouver, British Columbia (Group)

..... J.R. Bremer

Victoria, British Columbia P.B. Cafferky

Windsor, Ontario R.S. Kuehner, CLU

Winnipeg, Manitoba D.G. Jacks, CLU

..... R.C. Sanders

Winnipeg, Manitoba (Group) R. Davis

Property Investment and Management Offices

Edmonton, Alberta W.F. Waters

Halifax, Nova Scotia L.N. Swift

Hamilton, Ontario Mrs. F. Reed

Kitchener, Ontario J.M. Reeves

Montreal, Quebec F.W. Carrothers

Ottawa, Ontario R. Glover

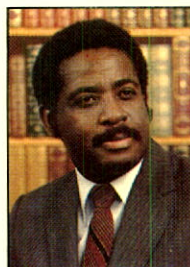
Toronto, Ontario T. Mulrine

Toronto, Ontario Miss M. McCaig

Vancouver, British Columbia

..... A.H. Kiverago

Atlantic & Caribbean



Terry Newton



Alton Wallace

Terry Newton, Manager, Nassau; and Alton Wallace, District Manager, Freeport, representing the leading sales office in the Atlantic and Caribbean Islands for 1979.

Nassau, Bahamas T.V. Newton

Freeport, Bahamas A.K. Wallace

Hamilton, Bermuda

..... Kitson & Company Ltd.

Kingston, Jamaica .. K.O.P. Jamaica Ltd.

Mandeville, Jamaica R. Heron

Montego Bay, Jamaica

Netherland Antilles,

Curacao and Aruba M. Kock

San Juan, Puerto Rico

..... J. Argomaniz & Associates

Mayaguez, Puerto Rico

..... Western Insurance Corp.

Christiansted, St. Croix, V.I.

..... Marshall & Sterling, Inc.

San Juan, Puerto Rico (Group) F. Bedit

Grand Cayman, Cayman Islands, B.W.I.

..... Cayman Ins. Centre Ltd.

Crown Life (Caribbean) Limited

Port-of-Spain, Trinidad S. Hunter

..... L. Joseph

..... B. Maraj

..... S. Stanley

United Kingdom



H. Stuart Howe



David Wakeling

H. Stuart Howe, Manager, Bristol Division and David Wakeling, Regional Controller, Southern U.K. Group Region, representing the leading U.K. sales outlets for 1979.

Birmingham M.S. Flower

Birmingham (Pensions & Group) J.H. Ellams

Birmingham (Broker) J.S. Smith

Bristol (Pensions & Group) J. Knight

Bristol (Broker) D. Reeve

Glasgow (Pensions & Group) .. J. Stevenson

Glasgow (Broker) H. Scott

London (Pensions & Group) D.H. Wakeling

London (Broker) A. Hooton

London (Chelsea) R. Burns

London (Langham) D. Greenberg

London (Mayfair) D.F.K. Forbes

London (St. James) M.D. Green

Leeds M.R. Dickinson

Leeds (Pensions & Group) J.L. Carter

Leeds (Broker) D.W. Cottrell

Manchester P. Bates

Manchester (Pensions & Group) M.D. Reid

Reading F.J. Vernon

Southampton J.W. Willetts

Taunton H.S. Howe

Watford R.O. Hansen-Luke

Woking U.K. Head Office

Hong Kong

Hong Kong ... Robert E. Lee of Hong Kong

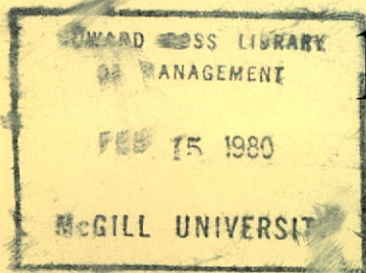
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Crown Life Insurance Company



Financial Statements

1979



Report of the Board of Directors

The Directors are pleased to present their Seventy-Ninth Annual Report, together with the Consolidated Financial Statements showing the results of the Company's operations for the year ended December 31, 1979.

The Financial Statements consolidate the results of Crown Life Insurance Company and its wholly-owned subsidiaries, Crown Life Assurance Company Limited, Crown Life Pensions Limited (both United Kingdom life insurance companies), and Coronet Properties Limited (a Canadian real estate company).

The Financial Statements show, on an equity basis, the accounts of Crown Life (Caribbean) Limited — a non-consolidated life insurance subsidiary company, operating in Trinidad and Tobago. Trinidad residents own a substantial minority interest in this subsidiary. Also shown on an equity basis, is the non-consolidated computer services subsidiary company, Datacrown Inc..

New Business

Total new life insurance business issued in 1979 was more than \$5.5 Billion — slightly ahead of the 1978 figure. Individual life sales exceeded \$2.5 Billion compared to \$2.3 Billion in 1978 and Group life sales were more than \$2.9 Billion compared to \$3.1 Billion in 1978.

First year and single premium income for Individual and Group annuities was \$98 Million compared

to \$64 Million in 1978 — up 52%.

First year premium income for Individual and Group health insurance policies totalled \$59 Million — an increase of 25% over the previous year.

Business in Force

Total life insurance in force increased during 1979 from \$28.5 Billion to \$32.2 Billion, an increase of 13%. Group life policies accounted for \$19.4 Billion in force and Individual life policies for \$12.8 Billion.

Liabilities under annuity contracts, including segregated fund annuities, in force at the end of 1979, totalled \$629 Million — an increase of 22% over the corresponding figure at the end of 1978.

Health insurance business in force grew during the year and generated total premiums of \$288 Million, compared to the 1978 total of \$237 Million — an increase of 21%.

Revenue

Total revenue for 1979, at \$864 Million, was nearly 21% greater than in 1978.

Total premium income increased to \$711 Million, 20% greater than the total for 1978. Premium income figures reflected growth in all lines of business.

Net investment income on general funds, at \$140 Million, was up 22%, while total invested assets increased by 15%. The overall net yield rate was 8.35%, compared to 7.90% in 1978.

Benefits and Expenses

Death and disability benefits amounted to \$105 Million — an increase of 8%, compared to the previous year.

Overall mortality ratios were very favourable and were at lower levels than in 1978.

Health insurance benefits totalling \$246 Million were 28% more than in 1978. Overall health insurance claim ratios worsened significantly during 1979.

The total of benefits and dividends paid to policyholders and beneficiaries was \$479 Million, an increase of 15% over the 1978 figure.

Total expenses were more than \$173 Million — an increase of 22% over the corresponding figure for 1978, reflecting the substantial impacts of growth in business and inflationary increases in costs in all territories.

Net Earnings for the Year

Total net earnings for the year were \$41.5 Million, compared to the 1978 figure of \$35.2 Million.

Net realized capital gains on real estate, currency transactions and health account assets, included in the earnings figures, were \$13.7 Million in 1979 compared to \$3.3 Million in 1978. The 1979 figure includes a large gain realized on the sale of one sizeable real estate investment.

Earnings figures for the non-consolidated subsidiary companies — Datacrown Inc., and Crown Life (Caribbean) Limited, were

\$270 Thousand in 1979, compared to \$2.6 Million in 1978; the reduction resulted primarily from additional operating expenses incurred during 1979 by Datacrown Inc. in combining the operations of the predecessor companies, Datacrown Limited and Systems Dimensions Limited.

In the participating section of the business, after \$20.0 Million of dividends were allotted to policyholders, and after a transfer of \$1.0 Million to the shareholders' account, total earnings were \$15.2 Million, including capital gains of \$9.1 Million. The comparable figures in 1978 were total earnings of \$8.8 Million, including capital gains of \$1.4 Million.

In the non-participating section, including the shareholders' account, total earnings were \$26.3 Million, or \$13.17 per share, compared to the 1978 figure of \$26.4 Million, or \$13.23 per share. Included in the per share figures were net capital gains amounts of \$2.28 in 1979 and \$.98 in 1978.

Included in the non-participating and shareholders' earnings figures are the results of health insurance operations which recorded an overall loss of \$5.2 Million in 1979, compared to a profit of \$5.7 Million in 1978.

Assets and Liabilities

Total assets at the end of 1979 were \$2.03 Billion, having increased by more than \$268 Million, or 15% during the year.

Liabilities under policy contracts

amounted to \$1.67 Billion, compared to \$1.44 Billion in 1978 — an increase of nearly 16%.

The total of reserves, surplus and share capital increased, in the aggregate, by \$38 Million to \$296 Million at the end of 1979. This total represents 14.6% of assets, providing a sound margin for the protection of policyholders.

General

At the Board meeting immediately following the Annual Meeting in 1979, Mr. H. Michael Burns was elected Chairman, Mr. John J. Jodrey was elected Vice-President and Mr. Charles F.W. Burns was elected Honorary Chairman. At the same time, Mr. J.-Ubaldo Boyer, Mr. F.W. Hill, Mr. J.H. Mowbray Jones and The Honourable Clarence Wallace were re-appointed Honorary Directors.

In May, 1979, Mr. Robert A. Bandeen, President and Chief Executive Officer of Canadian National Railways, was elected a Shareholders' Director. In June, 1979, Mr. David J. Hennigar, Atlantic Regional Director of Burns Fry Limited, was elected a Shareholders' Director and Mr. James S. Palmer, Q.C., partner in the law firm of Burnet, Duckworth and Palmer, was elected a Policyholders' Director.

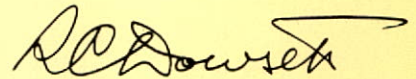
1979 was an extremely active year for the many knowledgeable and dedicated people in our sales organizations, Home Office, Branch Offices and in the subsidiary

companies. To these people, the Directors wish to express sincere thanks for their important contributions.

On behalf of the Board



Chairman



President

Consolidated Balance Sheet

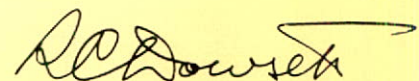
Assets December 31, 1979

	1979	1978
	\$000	
Invested Assets		
Bonds	744,246	556,666
Shares	148,150	182,113
Mortgages on real estate	715,311	608,943
Real estate	62,133	73,810
Loans on policies, secured by cash values	152,035	132,202
Data processing equipment	2,415	3,451
Equity value of non-consolidated subsidiary companies	12,975	12,877
Bank certificates of deposit	18,763	42,396
Cash	9,275	4,570
Segregated investment funds	67,859	63,814
	1,933,162	1,680,842
Other Assets		
Outstanding premiums	46,534	39,418
Accrued interest	28,125	23,557
Recoverable advances to agents and general agents	14,207	12,233
Other	10,130	7,330
	98,996	82,538
	2,032,158	1,763,380

On behalf of the Board



Chairman



President

Liabilities December 31, 1979

	1979	1978
		\$000
Liabilities under Policy Contracts		
Amounts required, in addition to future premiums and interest, to provide for unmatured obligations under all policies in force	1,334,285	1,154,161
Policyholders' dividends and other amounts on deposit	76,556	70,831
Policy benefits in course of payment and provision for unpaid claims	178,795	144,485
Provision for next dividends payable to policyholders	16,292	12,196
Segregated fund liabilities	67,859	63,814
	1,673,787	1,445,487
Other Liabilities		
Taxes payable	8,319	8,260
Bank indebtedness	12,603	23,462
Other	41,307	27,979
	62,229	59,701
Reserves, Surplus and Share Capital		
Reserve for investment values and currency exchange	23,500	16,200
Reserve for excess of cash surrender values over policy contract liabilities	68,128	56,680
Reserve for non-Canadian additional statutory requirements	65,094	59,658
Reserve for Canadian additional statutory requirements	7,500	
Reserve for specified contingencies	6,180	6,180
Reserve for general contingencies	12,000	12,000
Reserve for value of miscellaneous assets	21,332	17,385
Total reserves	203,734	168,103
General surplus in insurance funds	88,774	86,497
Share capital	2,000	2,000
Shareholders' account	1,634	1,592
	296,142	258,192
	2,032,158	1,763,380

The accompanying notes are an integral part of these Consolidated Financial Statements.

Notes to Financial Statements

1. The accounting practices followed by the Company are prescribed or permitted by the Department of Insurance of Canada. The Company's significant accounting policies are as follows: —

- (i) Consolidated financial statements include the operations and financial position of the Company's subsidiaries listed below: —

Crown Life Assurance Company Limited
Crown Life Pensions Limited
Crown Life Management Services Limited
Coronet Properties Limited.

During the year, Datacrown Inc., the computer services subsidiary, was formed from the amalgamation of Niagnat Holdings Limited and its subsidiary, Systems Dimensions Limited. Datacrown Inc. and its subsidiaries have been shown on an equity basis as their accounts are not compatible with the accounting practices prescribed or permitted under the Canadian and British Insurance Companies Act.

The accounts of Crown Life (Caribbean) Limited, a Trinidad and Tobago subsidiary life insurance company, have been shown on an equity basis due to requirements of that jurisdiction.

The values of assets and liabilities used to account for subsidiary companies are the values prescribed or permitted by legislation or regulation in the jurisdictions in which they are domiciled.

- (ii) The United States dollar items in these statements have been converted at \$1.00, a long established practice. Items in other foreign currencies have been translated into Canadian dollars at appropriate rates of exchange. If current rates of exchange had been used for all foreign currencies there would have been an increase in the reserves and surplus shown of \$11,212,000 (1978: \$7,399,000).
- (iii) The item investment income includes: —
- (a) Interest, dividends and rents.
- (b) With respect to assets held for the life insurance business, a portion of the difference between cost and market value of shares and a portion of gains and losses realized on disposal of bonds, shares and mortgages.
- (c) With respect to the segregated investment funds and life insurance subsidiaries, all realized and unrealized capital gains and losses on invested assets.
- (iv) The item net capital gains includes currency exchange gains and capital gains and losses realized on the disposal of real estate and of the invested assets for the Company's health insurance business.
- (v) Income taxes are the aggregate of the amounts payable and recoverable based on the tax laws of each of the countries in which the Company does business. The provision is based on the taxes payable method which does not recognize the tax effect of timing differences between accounting earnings and taxable earnings.
- (vi) Asset valuations are as follows: —
- (a) Bonds, at amortized cost; including, for life insurance business, the deferred portion of realized gains and losses on disposals.
- (b) Shares, at cost; including, for life insurance business, a portion of the difference between cost and market, and the deferred portion of the realized gains and losses on disposals.
- (c) Mortgages, at outstanding principal balances; including, for life insurance business, the deferred portion of realized gains and losses on disposals.
- (d) Real estate, at cost less encumbrances and accumulated depreciation.
- (e) Segregated investment funds, at market values.
- (f) Data processing equipment, at cost less accumulated depreciation.
- (g) Recoverable advances to agents and general agents, at amounts due less allowance for doubtful recoveries.
- (h) Furniture, fixtures and equipment, which are included in other assets, at cost less accumulated depreciation.


-
- (vii) Valuation of liabilities under policy contracts: —
- (a) Liabilities under policy contracts are the liabilities related to the payment after the valuation date of all matured and unmatured obligations under all policy contracts.
 - (b) Liabilities under policy contracts are determined using assumptions appropriate to the circumstances of the Company and the policies in force. For life insurance business, the calculation assumes that the amount of acquisition expenses allowed by law is deferred and amortized over the premium paying period of the policies. For health insurance business such expenses are capitalized and included in other assets.
 - (c) When a policy provides for a cash surrender value higher than the amount held as a policy contract liability, surplus has been appropriated to provide a reserve for the difference.
-
2. The reserve for non-Canadian additional statutory requirements provides \$65,094,000 as an appropriation of surplus reflecting valuation requirements of non-Canadian jurisdictions for assets, liabilities and reserves where such requirements are different from the bases described in these notes.
-
3. The reserve for Canadian additional statutory requirements provides \$7,500,000 as a supplementary appropriation of surplus within the health insurance account.
-
4. The reserve for investment values and currency exchange provides \$34,582,000 for book values of invested assets in excess of prescribed market values, less \$11,082,000, the major portion of the net unrealized foreign exchange gains.
-
5. The reserve for specified contingencies includes: —
- \$2,780,000 additional group health insurance reserves
 - \$3,400,000 reserve for systems development.
-
6. The reserve for value of miscellaneous assets is in respect of the Company and all of its subsidiaries, and includes: —
- \$14,207,000 recoverable advances to agents and general agents
 - \$ 6,035,000 furniture and fixtures
 - \$ 1,090,000 prepaid expenses and sundry receivables.
-
7. The Company and its subsidiaries maintain a number of pension plans for their eligible employees. It is estimated that at December 31, 1979 these plans have unfunded liabilities of \$5,401,000 (1978: \$3,574,000). These unfunded liabilities are being amortized over varying periods with a maximum period of fifteen years in accordance with applicable governing legislation. The payments towards the unfunded liabilities in 1979 amounted to \$680,000 (1978: \$450,000).
-
8. During the year: —
- (a) The Company leased real estate and data processing equipment to Datacrown Inc. for an annual rental of \$2,305,000 (1978: \$2,283,000).
 - (b) The Company paid \$5,503,000 (1978: \$4,643,000) to Datacrown Inc. for computer services.
-
9. Certain of the 1978 figures on the balance sheet have been reclassified to conform to the 1979 financial statement presentation. The specific items are bonds, mortgages, data processing equipment and other assets.
-
10. The share capital authorized, issued and fully paid is 2,000,000 shares, par value \$1 each.
-

Valuation Actuary's Report to the policyholders and shareholders

I have made the valuation of policy contract liabilities of Crown Life Insurance Company for its consolidated balance sheet as at December 31, 1979 and its consolidated statement of earnings for the year then ended. In my opinion, the valuation for Crown Life Insurance Company conforms to the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries.

In regard to the policy contract liabilities of the United Kingdom subsidiary insurance companies, I have relied upon the valuation made by the Appointed Actuary of the subsidiary companies.

In my opinion, the amount held for liabilities under policy contracts makes proper provision for the obligations payable in the future under the companies' policies, a proper charge on account of those liabilities has been made in the statement of earnings, and the amount of surplus reserved for the excess of cash surrender values over policy contract liabilities is proper.



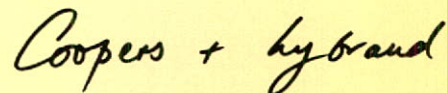
D.R. JOHNSTON, F.S.A., F.C.I.A., M.A.A.A.
Vice-President and Actuary

Toronto, Canada
February 4, 1980

Auditors' Report to the policyholders and shareholders

We have examined the consolidated balance sheet of Crown Life Insurance Company as at December 31, 1979 and the consolidated statements of earnings and general 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.

In our opinion, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1979 and the results of its operations for the year then ended in accordance with accounting practices prescribed or permitted by the Department of Insurance of Canada, as explained in Note 1, applied on a basis consistent with that of the preceding year.



COOPERS & LYBRAND
Chartered Accountants

Toronto, Canada
February 4, 1980

Consolidated Summary of Premiums

Year Ended December 31, 1979	1979	1978	Increase (Decrease)
	\$000		%
Individual Life Insurance			
First year	31,291	24,384	28
Single	23,072	7,611	203
Renewal	141,677	135,039	5
	196,040	167,034	17
Group Life Insurance			
First year	9,637	10,156	(5)
Renewal	75,889	65,552	16
	85,526	75,708	13
Individual Annuity			
First year	5,728	3,051	88
Single	24,278	15,821	53
Renewal	8,240	8,023	3
	38,246	26,895	42
Group Annuity			
First year	66,193	44,729	48
Single	2,085	821	154
Renewal	34,872	38,083	(8)
	103,150	83,633	23
Health Insurance			
First year	59,071	47,244	25
Renewal	229,312	190,366	20
	288,383	237,610	21
Total premiums	711,345	590,880	20

Summary of Growth

	1979†	1978†	1977	1976	1975	1969
	\$000					
Revenue						
Life insurance premiums	281,566	242,742	223,664	200,058	180,290	91,020
Annuity premiums	141,396	110,528	93,202	56,995	47,157	16,804
Health insurance premiums	288,383	237,610	195,727	156,805	125,541	32,124
Investment and other income*	152,873	124,135	109,067	87,951	81,198	42,670
	864,218	715,015	621,660	501,809	434,186	182,618
Benefits and Expenses						
Life insurance and annuity benefits*	393,397	333,187	299,446	232,756	206,643	100,370
Health insurance benefits	249,394	195,099	164,665	135,368	107,788	28,054
Dividends to policyholders*	19,964	15,182	15,320	14,565	13,997	8,900
Life insurance and annuity expenses* ...	111,142	93,012	86,737	78,981	73,265	32,047
Health insurance expenses*	50,869	38,952	33,653	27,423	22,277	4,809
Taxes						
Income taxes	326	(40)	1,640	(495)	1,224	3,693
Premium and other taxes	11,545	10,277	10,266	8,061	6,885	2,734
	11,871	10,237	11,906	7,566	8,109	6,427
Total net earnings after taxes*	41,550	35,267	10,830	7,269	5,453	2,011
Dividends to shareholders	3,600	2,870	2,640	2,450	2,400	960
Total assets*	2,032,158	1,763,380	1,556,741	1,345,264	1,204,809	693,413
Reserves, surplus and share capital						
Participating reserves*	33,433	43,181	13,017	10,012	8,987	5,802
Participating general surplus*	63,773	38,816	15,085	10,534	8,162	26,148
Non-participating reserves*	170,301	124,922	23,087	23,007	22,513	6,898
Non-participating general surplus*	25,001	47,681	57,436	58,181	58,161	34,929
Shareholders' capital & surplus	3,634	3,592	3,569	3,533	3,530	3,259
	296,142	258,192	112,194	105,267	101,353	77,036
New business						
Individual life amounts	2,577,689	2,359,712	2,163,758	1,823,361	1,611,976	739,257
Group life amounts	2,965,838	3,139,584	2,518,358	2,325,021	1,913,259	506,203
	5,543,527	5,499,296	4,682,116	4,148,382	3,525,235	1,245,460
Annuity premiums, first year & single ..	98,284	64,422	61,603	27,429	22,589	9,402
Health premiums, first year	59,071	47,244	43,891	33,556	31,262	5,966
Business in force						
Individual life amounts	12,765,560	11,640,844	10,308,988	9,002,778	7,963,660	3,894,037
Group life amounts	19,444,369	16,872,868	14,540,644	12,562,792	10,460,805	2,884,738
	32,209,929	28,513,712	24,849,632	21,565,570	18,424,465	6,778,775
Annuity liabilities*	628,990	514,092	453,609	366,705	328,707	143,768
Health total premiums	288,383	237,610	195,727	156,805	125,541	32,124
Number of office staff	3,166	3,042	2,961	2,870	2,759	1,724
Number of sales offices	229	221	217	216	214	184

†*Revisions in accounting practices distort comparison with pre-1978 figures.



United States



James T. Blair III



Ken McElroy

James T. Blair III, General Agent, Eastern Missouri Agency; and Ken McElroy, Regional Group Superintendent, Pacific Coast Region, representing the leading sales outlets in the Company for 1979.

- Akron, Ohio** Dick Heuer & Associates
Albuquerque, New Mexico C.R. Brothers
Allentown, Pennsylvania D.P. Landgraf, CLU
Atlanta, Georgia Crown Associates, Inc.
Atlanta, Georgia (Group) H.S. Holcomb
Austin, Texas J.R. Hicks
 d/b/a Robert N. Hicks & Associates
Baltimore, Maryland The Jacobson Agency
Baltimore, Maryland Don Rizzo Associates of Maryland, Inc.
Billings, Montana J.L. Dubois & Associates, Inc.
Birmingham, Alabama Gannon & Associates
Birmingham, Alabama (Group) D. Marin
Boise, Idaho Crown Associates of Idaho
Boston, Massachusetts John Powers Insurance Agency, Inc.
Boston, Massachusetts (Group) P.F. Toland
Casper, Wyoming R.L. Suranyi
Charleston, South Carolina Crown Agencies, Inc. of South Carolina
Charleston, West Virginia Crown Associates of West Virginia, Inc.
Charlotte, North Carolina Jay Livingston Associates, Ltd.
Charlotte, North Carolina (Group) D. Peine
Chicago, Illinois Agency Holding Corporation
Cincinnati, Ohio William C. Riffle Associates, Inc.
Cleveland, Ohio Agency Holding Corporation
 of Cleveland, Ohio
Cleveland, Ohio White, Wilson, Merritt, Inc.
Columbia, South Carolina Crown Agencies, Inc. of South Carolina
Columbus, Ohio David F. Shama & Associates, Inc.
Columbus, Ohio (Group) E. Briggs
Coral Gables, Florida V. Cuervo
Corpus Christi, Texas Michael D. Harris & Associates
 of Corpus Christi, Inc.
Dallas, Texas Bill Waters & Associates, Inc.
Dallas, Texas (Group) A.H. Muhl, Jr.
Davenport, Iowa Don Carothers & Associates
Dayton, Ohio William C. Riffle Associates, Inc.
- Denver, Colorado** Crown Associates of Colorado, Inc.
Denver, Colorado (Group) C.M. Stevens
Des Moines, Iowa Crown Life Agency, Inc.
Detroit, Michigan Detroit Center Agency, Inc.
Detroit, Michigan (Group) B.A. Burns
El Paso, Texas Michael D. Harris & Associates
 of El Paso, Inc.
Erie, Pennsylvania Crown Life Associates, Inc.
Eugene, Oregon A.M. Whitaker Company
Fargo, North Dakota C.L. Wagner, CLU
Fresno, California The Rudy E. Facciani Co.
 Insurance Marketing, Inc.
Fresno, California (Group) L.E. Christoffersen
Grand Rapids, Michigan Irving O. Benson & Associates, Inc.
Grand Rapids, Michigan (Group) W. Chickering
Harrisburg, Pennsylvania John R. Smith & Associates
Hartford, Connecticut Crown Associates of New England, Inc.
Hartford, Connecticut (Group) R.L. Rowe
Hollywood, Florida (Group) J. Barker
Honolulu, Hawaii C.F. Cusack, Jr., CLU
 Robert E. Lee of Hawaii, Inc.
 A.K. Young
Houston, Texas Vern Gresso & Associates
Houston, Texas (Group) F. Brown
Indianapolis, Indiana Crown Life Associates, Inc.
Indianapolis, Indiana (Group) A. Sprunk
Jackson, Mississippi Crown Life Brokerage Agency Mississippi,
 Inc.
Jacksonville, Florida Crown Agencies, Inc.
Knoxville, Tennessee Crown Holdings Ltd., Inc.
Las Vegas, Nevada Michael D. Carothers Insurance Agency, Inc.
Lexington, Kentucky Agency Holding Corporation of Kentucky
Little Rock, Arkansas G.M. Johnston & Associates
Little Rock, Arkansas (Group) C. Carter
Los Angeles, California Dodd-Carroll, Inc.
 I.J. Weinrot & Son, Inc.
Los Angeles, California (Group) R.K. McElroy
Louisville, Kentucky (Group) J. Price
Lubbock, Texas J.P. Harris
Memphis, Tennessee P.J. Robb, Inc.
Memphis, Tennessee (Group) D. Breese
Milwaukee, Wisconsin J.A. O'Brien, Inc.
Milwaukee, Wisconsin (Group) R.E. Fortier
Minneapolis, Minnesota Crown Associates of Minneapolis, Inc.
 Robert E.A. Smith Associates, Inc.
Minneapolis, Minnesota (Group) G. Dorst
Mobile, Alabama J.L. Hart
Nashville, Tennessee Crown Life Agencies, Inc.
Newark, New Jersey David Malcolm Agency, Inc.
New Orleans, Louisiana Ray J. Artigues & Associates
New Orleans, Louisiana (Group) J. Stowe
Oak Brook, Illinois (Group) W. Hipskind
- Oklahoma City, Oklahoma** John M. Daly & Associates
Oklahoma City, Oklahoma (Group) J. Jewell
Omaha, Nebraska Crown Associates of Omaha
Orlando, Florida (Group) Wittner & Co.
Oxnard, California R.C. Shipley, CLU
Peoria, Illinois Kerry P. Craig & Associates
Philadelphia, Pennsylvania J. Ridge, CLU
Philadelphia, Pennsylvania (Group) P. Hopkinson
Phoenix, Arizona Crown Associates of Arizona, Inc.
Phoenix, Arizona (Group) S. Hinds
Pittsburgh, Pennsylvania Ehman, Ratini, Oglevee & Craig, Inc.
Pittsburgh, Pennsylvania (Group) F. Buccheri
Portland, Maine Crown Associates of New England, Inc.
Portland, Oregon A.M. Whitaker Company
Portland, Oregon (Group) G. Sanders
Providence, Rhode Island J.A. O'Neil
Rapid City, South Dakota O.M. Olsen
Richmond, Virginia L. Allen Jackson, Jr. & Associates
Sacramento, California Robert E. Lee, Northern California, Inc.
Sacramento, California (Group) K. Mitchell
Salt Lake City, Utah W. Parker Earl, Inc.
Salt Lake City, Utah (Group) S. Walker
San Antonio, Texas Robert N. Hicks & Associates
San Bernardino, California B.F. Jung
San Diego, California Donald L. Goode Insurance Agency, Inc.
San Francisco, California R.E. Lee (California), Inc.
San Francisco, California (Group) G.B. Smith
San Jose, California (Group) U. Feusi
Santa Ana, California (Group) F. Biane
Santa Ana, California Orange County Insurance Associates
Seattle, Washington Robert E. Lee of Washington, Inc.
Seattle, Washington (Group) T. Tabor
Shawnee Mission, Kansas Crown Associates Limited
Silver City, New Mexico F.A. Crawford
Sioux Falls, South Dakota Dovey E. Stafford & Associates
Springfield, New Jersey (Group) A.J. Marsala
State College, Pennsylvania A.F. Williams, CLU
St. Louis, Missouri James T. Blair III, Inc.
St. Louis, Missouri (Group) J. Niblock
St. Petersburg, Florida Wittner & Co.
Tampa, Florida (Group) F.P. Juster
Toledo, Ohio Crown Agency, Inc.
Tulsa, Oklahoma John Daly & Associates, Inc.
Wadley, Georgia W.C. McElreath
Washington, D.C. Don Rizzo Associates, Inc.
Washington, D.C. (Group) D.C. Cummins
West Palm Beach, Florida J.E. Hamm, Jr. & Associates, Inc.



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