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*The Empire Life Insurance Company*  
*for the year ending*  
*December 31, 1977*

# ANNUAL STATEMENT

DETAILED JOINT STOCK AND MUTUAL  
LIFE INSURANCE COMPANIES

Where there is insufficient space in any schedule or exhibit in this statement, additional sheets of exactly the same size and ruling should be used. All additional sheets used must be securely attached in their proper places.

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Revised - June, 1972

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The Empire Life Insurance Company

December 31, 1977

Company

Year

## GENERAL INFORMATION

1. Name of Company (in English)..... The Empire Life Insurance Company  
 In French (if applicable)..... L'Empire Compagnie D'Assurance-Vie

2. Address of Head Office..... 243 King Street East, Kingston, Ontario

## 3. Licensed to transact:

a) In Canada	Name and address of chief agent	Date commenced business	Par value of deposits \$
Newfoundland . . . . .	W. B. MacDonald,		
Prince Edward Island	152 Kent St., Charlottetown	1927	
Nova Scotia . . . . .			
New Brunswick . . . . .			30,000
Quebec . . . . .	G. E. Ouwendyk, 100 Alexis-Nihon Blvd., St. Laurent	Oct. 21, 1927	275,000
Ontario . . . . .	J.S.M. Wason, 243 King St. E., Kingston	Jan. 30, 1923	720,000
Manitoba . . . . .	R.H. Little, 491 Portage Ave., Winnipeg	Nov. 15, 1929	
Saskatchewan . . . . .	J.R. Kish, Empire Agencies Ltd., 833 Ave. "V" N., Saskatoon	Aug. 7, 1958	
Alberta . . . . .	D. A. Wight 1632 - 14th Ave. N.W., Calgary	Feb. 2, 1951	
British Columbia . . . . .	D. E. Bennett, 2525 Willow St., Vancouver	Nov. 3, 1926	
Yukon and N.W.T. . . . .			
b) Out of Canada			

## 4. DOCUMENT INCORPORATING COMPANY

Date

1 — Special law.....  
 2 — Letters patent..... 11 Jan. 1923

## 5. CHRONOLOGICAL ORDER OF SUBSEQUENT AMENDMENTS

1 — Special law.....  
 2 — Supplementary letters patent..... 1/10/29; 27/6/35; 12/2/51; 1/8/63; 8/6/65; 30/5/66;  
 3 — Order-in-Council.....  
 4 — Amalgamation.....  
 5 — Other (specify).....

The Empire Life Insurance Company  
Company

December 31, 1977  
Year

General Information (Cont'd)

Honourable L.P. Beaubien - Ottawa, March 11, 1977  
C. E. Bennett - Toronto, March 11, 1977

- 6. \*Directors (Names, addresses and date of election)
  - E. K. Cork- Toronto, March 11, 1977
  - J. V. Emory- Montreal, March 11, 1977
  - P. S. Gooderham- Toronto, March 11, 1977
  - W. B. Harris- Toronto, March 11, 1977
  - K. G. Hutchison- Toronto, March 11, 1977
  - H.N.R. Jackman- Toronto, March 11, 1977
  - W. L. Knowlton- Toronto, March 11, 1977
  - H. E. Langford- Toronto, March 11, 1977
  - R. M. MacIntosh- Toronto, March 11, 1977
  - B. R. B. Magee- Toronto, March 11, 1977
  - J. S. M. Wason- Kingston, March 11, 1977
  - T. S. Ripley- Toronto, March 11, 1977
  
- 7. \*Members of the Executive Committee N/A
  
- 8. Members of the Investment Committee N/A
  
- 9. Members of the Audit Committee (if any) P. S. Gooderham, E. K. Cork, H. E. Langford, B.R.B. Magee  
R. M. MacIntosh
  
- 10. \*Officers' names and offices held H.N.R. Jackman, Chairman; J.S.M. Wason, President;  
R. Baltruweit, Vice-Pres., Computer Services; J.N.Chesebrough, M.D., Medical Officer;  
G. D. De Ré, Vice-Pres., Group; A. G. Dragone, Exec. Ass't. Securities;  
E. Frost, Properties Executive; W. H. Merriam, Vice-Pres., Marketing;  
C. H. McElvaine, Vice-Pres., Individual Insurance; J. M. McInnis, Mortgage Officer;  
V. B. Reed, Corporate Secretary; D. C. Townsend, Corporate Actuary;  
D. J. Miano, Exec. Ass't., Securities;
  
- 11. Auditors Thorne, Riddell & Co.
  
- 12. Date of last Annual Meeting March 11, 1977
  
- 13. Amendments to by-laws since date of last return N/A
  
- 14. Supply list of investments or classes of investments not registered in the company's name NIL
  
- 15. Rate of interest charged on policy loans Majority 6% - some at 10½%
  
- 16. Supply list of investments in capital stock of other insurance companies (if permitted by Provincial Insurance or Corporations Act) NIL
  
- 17. Method of amortization of investments in bonds straight line  
Amount for current year \$24,911

\* As at December 31. Indicate if any change since year end and date of filing annual statement.

General Information (Cont'd)

18. Supply schedule of loans, advances or credits made to auditors, directors or members of the executive committee, investments committee and audit committee..... NIL

19. Supply list of amounts paid to directors or members of the executive committee, investment committee and audit committee, indicate to whom paid (other than directors fees, salaries and travelling expenses)..... NIL

20. What procedure has been set up to keep the board of directors aware of any activity or connection of the directors, members of the executive committee or officers that does or might create a conflict of interest? All persons in the grouping are polled personally, periodically, as to their activities. We try to keep them informed of any company actions that put them in the category of inside traders, and remind them of their responsibilities as set out by the Ontario Securities Commission.

21. Maximum to be written for own account on any one Life \$..... Ordinary \$155,000 - Group \$60,000 - Total \$215,000.

22. Indicate significant changes regarding reinsurance agreements..... None

23. Indicate significant changes in accounting procedures..... NIL

24. What basis is used in the calculation of unearned premiums? (e.g. annual or monthly factors)..... Pro Rata on 100% of gross

25. Have there been any changes in the capital stock or premium thereon, or other contributions to surplus by shareholders during the year?  
Yes  No  If yes, give full details.....

General Information (Concl'd)

26. Attendance of directors at meetings

NAME	MEETINGS									
	Feb. 16	Mar. 11	Apr. 21	May 27	July 28	Sept. 23	Oct. 28	Dec. 16		
L. P. Beaubien	X		X			X		X		
C. E. Bennett	X	X	X	X	X	X		X		
E. K. Cork	X		X	X	X	X		X		
J. V. Emory	X		X	X	X	X		X		
P. S. Gooderham	X	X	X	X	X	X		X		
W. B. Harris			X	X	X	X		X		
K. G. Hutchison	X	X	X	X	X	X		X		
H. N. R. Jackman	X	X	X	X	X	X		X		
W. L. Knowlton	X	X	X	X	X	X		X		
H. E. Langford	X	X	X	X	X	X		X		
R. M. MacIntosh	X	X	X	X	X	X		X		
B. R. B. Magee			X	X	X	X		X		
J. S. M. Wason	X	X	X	X	X	X		X		
T. S. Ripley	X	X	X	X	X	X		X		

27. Shareholders (attach schedule)

NAME AND ADDRESS	AMOUNT							
	No. OF SHARES		SUBSCRIBED		PAID IN CASH		ARREARS OF CALLS	
	PREFERRED	COMMON	PREFERRED	COMMON	PREFERRED	COMMON	PREFERRED	COMMON
(see separate schedule)	NIL	2,000,000	NIL	704,528	NIL	704,528	NIL	NIL

Company

Year

## I—COMPARATIVE BALANCE SHEET

SCHEDULE AND (PAGE)		CURRENT YEAR	PRIOR YEAR
	<b>ASSETS</b>		
	Investments:	\$ 900,000	\$ 450,000
I (20)	1. Short term deposits and money market securities . . . . .		
II (21)	2. Bonds . . . . .	47,507,643	40,324,699
III (23)	3. Stocks . . . . .	30,989,673	27,048,441
IV (24)	4. Mortgage loans . . . . .	78,840,368	75,653,591
		CURRENT	PRIOR
V (25)	5. Real Estate . . . . .	1,199,968	1,071,363
	6. Encumbrances . . . . .	-	-
VI (26)	7. Agreements of sale of real estate . . . . .		
VII (27)	8. Subsidiaries, associates and affiliates . . . . .		
	9. Policy loans . . . . .	10,966,115	10,386,288
IX (30)	10. Collateral loans . . . . .		
	11. . . . .		
	12. . . . .		
X (31)	13. Total investments (items 1 to 12) . . . . .	170,403,767	154,934,382
	14. . . . .		
	15. . . . .		
	16. . . . .		
XI (32)	17. Cash . . . . .	64,462	30,734
	18. . . . .		
	19. . . . .		
	20. . . . .		
	21. Investment income, due and accrued . . . . .	1,993,344	1,652,416
XII (32)	22. a) Outstanding life insurance premiums and annuity considerations . . . . .	1,114,696	848,907
	b) Accident and sickness premiums due and unpaid effective after September 30th of current year (net, commission deducted) . . . . .	152,711	138,806
XX (42)	23. Amounts due from other companies on reinsured contracts for claims paid . . . . .	45,940	7,166
	24. Overpayment & Recovery of Income Tax . . . . .	217,698	648,579
	25. Miscellaneous Assets . . . . .	16,134	54,530
	26. . . . .		
	27. . . . .		
	28. . . . .		
	29. . . . .		
	30. Sub-total (items 13 to 29) . . . . .	174,008,752	158,315,520
	31. . . . .		
	32. Segregated funds . . . . .	10,879,871	9,535,397
	33. TOTAL ASSETS . . . . .	184,888,623	167,850,917

Company

Year

## II—COMPARATIVE BALANCE SHEET

SCHEDULE AND (PAGE)		CURRENT YEAR	PRIOR YEAR
	<b>LIABILITIES AND EQUITY</b>	\$	\$
XIII (35)	1. a) Actuarial reserve for life insurance and annuity contracts in force . . . . .	138,625,607	125,367,466
XIV (36)	b) Aggregate reserve for accident and sickness insurance . . . . .	3,696,580	3,577,771
XVII (41)	2. Amounts on deposit with the company, pertaining to insurance and annuity contracts and including interest accumulations . . . . .	6,560,666	5,627,730
XXX (52)	3. Provision for dividends to policyholders (other than deferred dividends) payable in the following year . . . . .	1,822,000	2,206,000
XXX (52)	4. Provision for group experience refund . . . . .	211,161	164,383
XI (18)	5. Sub-total (items 1 to 4) . . . . .	150,916,014	136,943,350
XI (18)	6. Segregated funds (allocated from . . . . . Fund \$ . . . . .)	10,879,871	9,535,397
	7. Sub-total (item 5 plus item 6) . . . . .	161,795,885	146,478,747
XX (42)	8. Outstanding claims under insurance and annuity contracts, including provisions for unreported claims . . . . .	2,385,046	2,782,377
	9. Outstanding payments under settlement annuities . . . . .		
	10. Insurance premiums and annuity considerations received in advance . . . . .	9,105	12,264
	11. Dividends to policyholders, due but unpaid . . . . .		
	12. Other policy and contract liabilities, not included above . . . . .		
	For quinquennial dividends		
	13. †Provision for other accrued profits to policyholders . . . . .	120,000	407,000
	14. . . . .		
	15. Miscellaneous policyholders' liabilities . . . . .		
XVIII (41)	16. Accounts payable and accrued expenses . . . . .	441,240	348,504
XI (32)	17. Bank overdrafts and borrowed money . . . . .	722,884	827,774
	18. Amounts received but not yet allocated . . . . .	812,424	709,482
	19. Outstanding premium balances due reinsurers . . . . .	26,339	39,869
	20. †Miscellaneous liabilities <b>Accrued interest on claims</b> . . . . .	56,388	70,474
	21. <b>Provision for Agent's Convention</b> . . . . .	122,240	72,675
	22. Provision for income tax . . . . . <b>Interest</b>	193,101	
	23. <b>Provision for Agent's Continuing Commission</b> . . . . .	313,009	210,000
	24. Employees' pension and insurance funds . . . . .	4,914,872	4,370,499
	25. <b>TOTAL LIABILITIES (items 7 to 24)</b> . . . . .	171,912,533	156,329,665
	Policyholders' equity:		
	26. Surplus in par fund . . . . .	-1,011,791	-1,263,051
	27. *Surplus in non par fund . . . . .		
VI (11)	28. Investment reserve par fund . . . . .		
	29. Other special reserves par fund . . . . .		
VI (11)	30. Investment reserve non par fund . . . . .	3,000,000	3,000,000
	31. Other special reserves non par fund . . . . .		
	32. . . . .		
	Shareholders' equity:		
V (11)	33. Capital stock paid in . . . . .	704,528	704,528
	34. Surplus in shareholders' fund . . . . .		
	35. Surplus in non par fund . . . . .	10,283,353	9,079,775
	36. <b>TOTAL EQUITY (items 26 to 35)</b> . . . . .	12,976,090	11,521,252
	37. <b>TOTAL LIABILITIES AND EQUITY (item 25 plus item 36)</b> . . . . .	184,888,623	167,850,917

† Give details.

\* Mutual companies only.



## III—SUMMARY OF OPERATIONS (including segregated funds)

SCHEDULE AND (PAGE)		CURRENT YEAR	PRIOR YEAR
		\$	\$
XXIII (45)	1. Premiums and annuity considerations . . . . .	32,508,939	28,540,254
	2. Considerations for settlement annuities . . . . .	29,880	40,643
	3. Contributions to employees pension and insurance funds, including \$246,798 by employees . . . . .	558,829	512,480
XXV (48)	4. a) Net investment income . . . . .	12,636,260	11,156,613
	b) Net investment income, segregated fund . . . . .	349,981	322,364
	5. Miscellaneous revenue (give details) . . . . .	138,607	77,508
	6. Management Fee . . . . .	60,288	59,875
	7. . . . .		
	8. Realized gain (loss) segregated fund assets only . . . . .	271,808	237,970
	9. Unrealized gain (loss) segregated fund assets only . . . . .	1,225,541	366,060
	10. . . . .		
	11. TOTAL INCOME (items 1 to 10) . . . . .	47,780,133	41,313,767
XXVI (49)	12. Claims incurred under insurance and annuity contracts, other than under settlement annuities . . . . .	14,368,010	13,969,300
	13. Payments under settlement annuities . . . . .	100,265	130,704
	14. Payments from employees' pension and insurance funds . . . . .	345,837	145,264
	15. Normal increase in actuarial reserve (excluding increase due to changes in valuation bases) . . . . .	13,258,141	10,897,272
	16. Increase in segregated fund . . . . .	1,343,953	750,149
	17. Increase in aggregate reserve for accident and sickness insurance . . . . .	315,642	1,058,056
	18. Increase in employees' pension and insurance funds . . . . .	544,373	542,865
XVII (41)	19. Interest credited to amounts on deposit with the company . . . . .	360,664	314,066
	20. Interest on claims . . . . .	73,647	84,338
XXVII (50)	21. Taxes, licences and fees, excluding investment taxes and income tax . . . . .	514,768	457,612
XXIV (47)	22. Commissions on insurance premiums and annuity considerations . . . . .	4,493,181	3,889,761
XXIX (51)	23. General expenses (excluding investment expenses) . . . . .	9,122,313	7,914,863
	24. Miscellaneous expenses (give details) . . . . .		
	25. . . . .		
	26. TOTAL EXPENSES (items 12 to 25) . . . . .	44,840,794	40,154,250
	27. Profits before gains or losses on investments, dividends to policyholders and income tax (item 11 less item 26) . . . . .	2,939,339	1,159,517
XXX (52)	28. Dividends to policyholders . . . . .	1,418,995	1,376,293
XXX (52)	29. Group experience refund . . . . . Fund	67,375	186,103
	30. Withdrawal Dividends on Deposit, Segregated . . . . .	22,046	9,548
	31. PROFIT BEFORE GAINS OR LOSSES ON INVESTMENTS AND INCOME TAX (item 27 less items 28 to 30) . . . . .	1,430,923	-412,427
XXXI (52)	32. Net gains or losses on investments (other than segregated fund) . . . . .	179,910	- 1,198
	33. PROFIT BEFORE INCOME TAX (item 31 <del>less</del> <sup>plus</sup> item 32) . . . . .	1,610,833	-413,625
XXVIII (50)	34. Income tax . . . . .	193,264	-233,849
	35. NET PROFIT (item 33 <del>less</del> <sup>plus</sup> item 34) . . . . .	1,417,569	-179,776

Company

Year

## IV—SURPLUS ACCOUNT

	CURRENT YEAR	PRIOR YEAR
	\$	\$
1. Surplus, December 31, 1976:		
a) In shareholders' fund . . . . .	9,079,775	8,668,260
b) In insurance and annuity funds - shareholders . . . . .		
c) In insurance and annuity funds - policyholders . . . . .	-1,263,051	- 446,414
<b>INCREASES</b>		
2. Balance carried from summary of operations . . . . .	1,417,569	
3. Decrease in special reserves . . . . .		
4. Decrease in Actuarial Res. due to changes in val'n. basis . . . . .	196,833	121,009
5. TOTAL INCREASE (Items 2 to 4) . . . . .	1,614,402	121,009
<b>DECREASES</b>		
6. Balance carried from summary of operations . . . . .		179,776
7. Increase in special reserves . . . . .		
8. Income Taxes, Prior Years . . . . .	4,568	
9. Increase in actuarial reserves due to changes in valuation basis (Schedule XVI, page 50) . . . . .		
10. . . . .		
11. TOTAL DECREASE BEFORE DIVIDENDS TO SHAREHOLDERS (Items 6 to 10) . . . . .	4,568	179,776
12. NET INCREASE BEFORE DIVIDENDS TO SHAREHOLDERS (Item 5 less item 11) . . . . .	1,609,834	- 58,767
13. Dividends to shareholders . . . . .	154,996	366,355
14. NET INCREASE (Item 12 less item 13) . . . . .	1,454,838	- 425,122
15. SURPLUS, December 31, 1977: (Item 1 plus item 14):		
a) In shareholders' fund . . . . .	10,283,353	9,079,775
b) In insurance and annuity funds - shareholders . . . . .		
c) In insurance and annuity funds - policyholders . . . . .	-1,011,791	-1,263,051

V—CAPITAL STOCK

	Number	PREFERRED Par Value	Amount	Number	COMMON Par Value	Amount	TOTAL
Authorized . . . . .				2,000,000	\$ 1.00	\$ 2,000,000	\$ 2,000,000
				No. of shares		Amount subscribed	Amount paid in cash
2. At beginning of year . . . . .			Preferred		\$	\$	
			Common	704,528	\$	\$	704,528
3. Calls received during year . . . . .			Preferred	XXXXXXXXXX	XXXXXXXXXXXXXX		
			Common	XXXXXXXXXX	XXXXXXXXXXXXXX		
4. Shares issued during year . . . . .			Preferred				
			Common				
5. Total . . . . .			Preferred		\$	\$	
			Common	704,528	\$	\$	704,528
6. Deduct forfeitures or cancellations . . . . .			Preferred				
			Common				
7. At end of year . . . . .			Preferred		\$	\$	
(all shares fully paid up)			Common	704,528	\$	\$	704,528
8. Percentage of calls made to date: Preferred . . . . . %							
Common . . . . . %							
9. Amount of calls unpaid at end of year: Preferred \$ . . . . .							
Common \$ . . . . .							

PREMIUM ON CAPITAL STOCK

10. Total amount paid at beginning of year . . . . .	\$
11. Amount received during year . . . . .	
12. Total amount paid at end of year . . . . .	\$

VI—INVESTMENT RESERVE

	PAR FUND	NON PAR FUND
Balance, December 31, 19 <sup>76</sup> . . . . .	\$	\$ 3,000,000
Increase . . . . .		
Decrease . . . . .		
Balance, December 31, 19 <sup>77</sup> . . . . .	\$	\$ 3,000,000

VII-a) ANALYSIS OF OPERATIONS—PARTICIPATING

	INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL PARTICIPATING
	ORDINARY	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
1. Premiums and annuity considerations . . . . .	\$ 11,291,235	\$	\$ 1,413,201	\$	\$ 91,041	\$	\$ 12,795,477
2. Considerations for settlement annuities . . . . .	4,085						4,085
3. Contributions to employees pension and insurance funds . . . . .	4,407,805		520,262		22,540		4,950,607
4. Net investment income . . . . .	19,500		3,431		93		23,024
5. Miscellaneous revenue . . . . .							
6. Realized gain (loss) segregated fund assets only . . . . .							
7. Unrealized gain (loss) segregated fund assets only . . . . .							
8. Transfers of funds resulting from transfer of liabilities . . . . .	300						300
9. TOTAL (items 1 to 8) . . . . .	15,722,925		1,936,894		113,674		17,773,493
10. Claims incurred under insurance and annuity contracts . . . . .	3,828,138		633,536		38,190		4,499,864
11. Payments under settlement annuities . . . . .	30,789						30,789
12. Payments from employees' pension and insurance funds . . . . .							
13. Normal increase in actuarial reserve . . . . .	4,153,109		679,633				4,832,742
14. Increase in segregated fund . . . . .							
15. Increase in aggregate reserve for accident and sickness insurance . . . . .					3,540		3,540
16. Increase in employees' pension and insurance funds . . . . .							
17. Interest credited to amounts on deposit . . . . .	282,644		44,567		3,029		330,240
18. Interest on claims . . . . .	27,152		62				27,214
19. Taxes, licences and fees . . . . .	216,016		3,721		1,833		221,570
20. Commissions on insurance premiums and annuity considerations . . . . .	2,161,769		223,528		4,963		2,390,260
21. General expenses . . . . .	3,916,002		389,036		99,616		4,404,654
22. <del>XXXXXXXXXXXX</del> Withdrawal Dividends on Deposit . . . . .							
23. Dividends to policyholders . . . . .	1,292,848		114,681		11,466		1,418,995
24. Group experience refund . . . . .							
25. Net capital (gains) or losses on investments other than segregated fund . . . . .	-64,526		-7,616		-330		-72,472
26. Income tax . . . . .	-732,130		-99,432		-22,052		-853,614
27. Transfer to segregated fund . . . . .	19,400		-7,118				12,282
28. TOTAL (items 10 to 27) . . . . .	15,131,211		1,974,598		140,255		17,246,064
29. Balance to reconciliation of funds . . . . .	591,714		-37,704		-26,581		527,429

VII-a) ANALYSIS OF OPERATIONS—NON-PARTICIPATING

	SUMMARY OF OPERATIONS		INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL NON- PARTICIPATING
			ORDINARY	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
			\$	\$	\$	\$	\$	\$	
1. Premiums and annuity considerations . . . . .		8,465,132	2,080,929	4,838,181	2,611,342	19,813	1,698,065	19,713,462	
2. Considerations for settlement annuities . . . . .		25,795						25,795	
3. Contributions to employees' pension and insurance funds . . . . .			171,022	1,394,086	1,062,442	-1,986	251,128	7,281,918	
4. Net investment income . . . . .		4,405,226	706	34,348	28,286	-8	1,036	87,726	
5. Miscellaneous revenue . . . . .		23,358							
6. Realized gain (loss) segregated fund assets only . . . . .									
7. Unrealized gain (loss) segregated fund assets only . . . . .									
8. Transfers of funds resulting from transfer of liabilities . . . . .		17,098	-17,398					-300	
9. TOTAL (items 1 to 8) . . . . .		12,936,609	2,235,259	6,266,615	3,702,070	17,819	1,950,229	27,108,601	
10. Claims incurred under insurance and annuity contracts . . . . .		2,695,179	1,372,708	2,160,115	2,629,045	2,513	1,008,586	9,868,146	
11. Payments under settlement annuities . . . . .		65,475	4,001					69,476	
12. Payments from employees' pension and insurance funds . . . . .									
13. Normal increase in actuarial reserve . . . . .		2,610,512	52,759	4,362,342	1,399,786			8,425,399	
14. Increase in segregated fund . . . . .						-20,897	332,999	312,102	
15. Increase in aggregate reserve for accident and sickness insurance . . . . .									
16. Increase in employees' pension and insurance funds . . . . .									
17. Interest credited to amounts on deposit . . . . .		16,626		13,798				30,424	
18. Interest on claims . . . . .		28,534	16,793	1,106				46,433	
19. Taxes, licences and fees . . . . .		190,066	46,729	11,996	5,490	449	38,468	293,198	
20. Commissions on insurance premiums and annuity considerations . . . . .		1,751,045	106,357	124,799	44,540	-5,530	81,710	2,102,921	
21. General expenses . . . . .		3,272,841	360,182	514,012	104,185	58,060	408,379	4,717,659	
22. <del>Miscellaneous</del> Withdrawal Dividends on Deposit . . . . .		XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	
23. Dividends to policyholders . . . . .		XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	
24. Group experience refund . . . . .			-68,630				136,005	67,375	
25. Net capital (gains) or losses on investments other than segregated fund . . . . .		-64,488	-2,504	-20,408	-15,553	29	-3,677	-106,601	
26. Income tax . . . . .		1,126,917	166,261	-402,134	-61,787	-8,158	225,779	1,046,878	
27. Transfer to segregated fund . . . . .		40,882		-289,455	-348,100			-596,673	
28. TOTAL (items 10 to 27) . . . . .		11,733,589	2,054,656	6,476,171	3,757,606	26,466	2,228,249	26,276,737	
29. Balance to reconciliation of funds . . . . .		1,203,020	180,603	-209,556	-55,536	-8,647	-278,020	831,864	

VIII—ANALYSIS OF OPERATIONS—ALL FUNDS

SUMMARY OF OPERATIONS		PARTICIPATING	NON-PARTICIPATING	SHAREHOLDERS	EMPLOYEES' PENSION AND INSURANCE FUNDS	INVESTMENT RESERVE FUND	SEGREGATED FUNDS	TOTAL
		\$	\$	\$	\$	\$	\$	\$
1.	Premiums and annuity considerations . . . . .	12,795,477	19,713,462					32,508,939
2.	Considerations for settlement annuities . . . . .	4,085	25,795					29,880
3.	Contributions to employees pension and insurance funds . . . . .				502,876		55,953	558,829
4.	Net investment income . . . . .	4,950,607	7,281,918	57,203	346,532		349,981	12,986,241
5.	Miscellaneous revenue . . . . .	23,024	87,726	236			87,909	198,895
6.	Realized gain (loss) segregated fund assets only . . . . .						271,808	271,808
7.	Unrealized gain (loss) segregated fund assets only . . . . .						1,225,541	1,225,541
8.	Transfers of funds resulting from transfer of liabilities . . . . .	300	-300					0
9.	TOTAL (items 1 to 8) . . . . .	17,773,493	27,108,601	57,439	849,408		1,991,192	47,780,133
10.	Claims incurred under insurance and annuity contracts . . . . .	4,499,864	9,868,146					14,368,010
11.	Payments under settlement annuities . . . . .	30,789	69,476					100,265
12.	Payments from employees' pension and insurance funds . . . . .				305,035		40,802	345,837
13.	Normal increase in actuarial reserve . . . . .	4,832,742	8,425,399					13,258,141
14.	Increase in segregated fund . . . . .							1,343,953
15.	Increase in aggregate reserve for accident and sickness insurance . . . . .	3,540	312,102					315,642
16.	Increase in employees' pension and insurance funds . . . . .				544,373			544,373
17.	Interest credited to amounts on deposit . . . . .	330,240	30,424					360,664
18.	Interest on claims . . . . .	27,214	46,433					73,647
19.	Taxes, licenses and fees . . . . .	221,570	293,198					514,768
20.	Commissions on insurance premiums and annuity considerations . . . . .	2,390,260	2,102,921					4,493,181
21.	General expenses . . . . .	4,404,654	4,717,659					9,122,313
22.	<del>Dividends to policyholders</del> Deposit Segregated Fund . . . . .	1,418,995	67,375				22,046	22,046
23.	Dividends to policyholders . . . . .							1,418,995
24.	Group experience refund . . . . .							67,375
25.	Net capital (gains) or losses on investments other than segregated fund . . . . .	-72,472	-106,601	-837				-179,910
26.	Income tax . . . . .	-853,614	1,046,878					193,264
27.	Transfer to segregated fund . . . . .	12,282	-596,673				584,391	0
28.	TOTAL (items 10 to 27) . . . . .	17,246,064	26,276,737	-837	849,408		1,991,192	46,362,564
29.	Balance to reconciliation of funds . . . . .	527,429	831,864	58,276	0		0	1,417,569

The Empire Life Insurance Company  
 December 31, 1977  
 Year

IX-a) RECONCILIATION OF FUNDS—PARTICIPATING

	INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL PARTICIPATING
	ORDINARY*	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
	\$	\$	\$	\$	\$	\$	\$
1. Funds, from previous statement . . . . .	54,029,027		6,315,860		285,486		60,630,373
2. Balance carried from Analysis of Operations . . . . .	591,714		-37,704		-26,581		527,429
3. Normal increase in actuarial reserve . . . . .	4,153,109		679,633		3,540		4,836,282
4. Increase in employees' pension insurance and segregated funds . . . . .	814,700		91,815		10,249		916,764
5. Net increase in amounts on deposit . . . . .	-651,000		-20,000				-671,000
6. Increase in provision for dividends, group experience refund and accrued profits to policyholders . . . . .							
7. . . . .							
8. Transfers of surplus from other funds . . . . .							
9. . . . .							
10. . . . .							
11. . . . .							
12. TOTAL (items 2 to 11) . . . . .	58,937,550		7,029,604		272,694		66,239,848
13. . . . .							
14. Transfers of surplus to shareholders' fund . . . . .	215,983		14,965		1,274		232,222
15. Transfers of surplus to other funds . . . . .							
16. To Shareholders Fund . . . . .	37,950		3,170		2,827		43,947
17. Income Taxes, Prior Years . . . . .							
18. . . . .							
19. . . . .							
20. Dividends to shareholders . . . . .							
21. TOTAL (items 13 to 20) . . . . .	253,933		18,135		4,101		276,169
22. FUNDS, 31 December 1977 . . . . .	58,683,617		7,011,469		268,593		65,963,679

\* Includes industrial.

IX-b) RECONCILIATION OF FUNDS—NON-PARTICIPATING

	INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL NON- PARTICIPATING \$
	ORDINARY*	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
1. Funds, from previous statement . . . . .	54,458,509	1,991,413	15,810,620	12,954,461	-10,703	2,332,401	87,536,701
2. Balance carried from Analysis of Operations . . . . .	1,203,020	180,603	-209,556	-55,536	-8,647	-278,020	831,864
3. Normal increase in actuarial reserve . . . . .	2,610,512	52,759	4,362,342	1,399,786	-20,897	332,999	8,737,501
4. Increase in employees' pension insurance and segregated funds . . . . .	29,877		-13,705				16,172
5. Net increase in amounts on deposit . . . . .						136,005	46,778
6. Increase in provision for dividends, group experience refund and accrued profits to policyholders . . . . .		-89,227					
7. . . . .							
8. Transfers of surplus from other funds . . . . .							
9. . . . .							
10. . . . .							
11. . . . .							
12. TOTAL (items 2 to 11) . . . . .	58,301,918	2,135,548	19,949,701	14,298,711	-40,247	2,523,385	97,169,016
13. . . . .							
14. Transfers of surplus to shareholders' fund . . . . .							
15. Transfers of surplus to other funds . . . . .							
16. To Shareholders Fund . . . . .	-135,502						-135,502
17. Income Taxes, Prior Years . . . . .	-124,595	41,283	23,688	1,194	423	18,628	-39,379
18. . . . .							
19. . . . .							
20. Dividends to shareholders . . . . .	-260,097	41,283	23,688	1,194	423	18,628	-174,881
21. TOTAL (items 13 to 20) . . . . .	58,562,015	2,094,265	19,926,013	14,297,517	-40,670	2,504,757	97,343,897
22. FUNDS, 31 December 1977 . . . . .							

\* Includes industrial.



X-RECONCILIATION OF FUNDS

	PARTICIPATING	NON-PARTICIPATING	SHAREHOLDERS	EMPLOYEES' PENSION AND INSURANCE FUNDS	INVESTMENT RESERVE FUND	SEGREGATED FUNDS	TOTAL
	\$	\$	\$	\$	\$	\$	\$
1. Funds, from previous statement . . . . .	60,630,373	87,536,701	704,528	4,370,499		9,530,635	162,772,736
2. Balance carried from Analysis of Operations . . . . .	527,429	831,864	58,276	0		0	1,417,569
3. Normal increase in actuarial reserve . . . . .	4,836,282	8,737,501					13,573,783
4. Increase in employees' pension insurance and segregated funds . . . . .	916,764	16,172		544,373		1,343,953	1,888,326
5. Net increase in amounts on deposit . . . . .							932,936
6. Increase in provision for dividends, group experience refund and accrued profits to policyholders . . . . .	-671,000	46,778					-624,222
7. . . . .							
8. Transfers of surplus from other funds . . . . .							
9. . . . .							
10. . . . .							
11. . . . .							
12. TOTAL (items 2 to 11) . . . . .	66,239,848	97,169,016	762,804	4,914,872		10,874,588	179,961,128
13. . . . .	232,222		-232,222				0
14. Transfers of surplus to shareholders' fund . . . . .							
15. Transfers of surplus to other funds (give details below)		-135,502	135,502				0
16. To Shareholders Fund		-39,379					4,568
17. Income Taxes, Prior Years	43,947						
18. . . . .							
19. . . . .			154,996				154,996
20. Dividends to shareholders . . . . .	276,169	-174,881	58,276				159,564
21. TOTAL (items 13 to 20) . . . . .	65,963,679	97,543,897	704,528	4,914,872		10,874,588	179,801,564
22. FUNDS, 31 December 19.77 . . . . .							

XI—SUMMARY OF FUNDS AND AMOUNTS OWING BY THE COMPANY

1. Insurance and Shareholders Funds:	PARTICIPATING FUND	NON-PARTICIPATING FUND	SHAREHOLDERS' FUND	TOTAL
(1) a) Actuarial reserve for life insurance and annuity contracts in force	\$ 58,499,542	\$ 80,126,065	XXXXXXXX	\$ 138,625,607
b) Aggregate reserve for accident and sickness insurance	336,013	3,360,567	XXXXXXXX	3,696,580
(2) Amounts on deposit with the Company	6,197,915	362,751	XXXXXXXX	6,560,666
(3) Provision for dividends to policyholders	1,942,000		XXXXXXXX	1,942,000
(4) Provision for group experience refunds		211,161	XXXXXXXX	211,161
(5) Sub-totals (items 1 to 4)	\$66,975,470	\$84,060,544	XXXXXXXX	\$ 151,036,014
Special reserves:				
(6) Investment Reserve Fund & Contingency Fund		3,000,000		3,000,000
(7) Contingent Reserve Fund				
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15) Capital	XXXXXXXX	XXXXXXXX	704,528	704,528
(16) Surplus	-1,011,791	10,283,353		9,271,562
(17) Total, 31 December 1977 (items 5 to 16)	\$65,963,679	\$ 97,343,897	\$ 704,528	\$164,012,104
2. Segregated Funds				10,874,588
3. Employees' Pension and Insurance Fund				4,769,297
4. Agents' Pension Fund				145,575
Other Funds:				
5.				
6.				
7.				
8. Total funds (item 1 to item 7)				179,801,564
9. Amounts owing by the company (page 8, item 8 to item 12) and 14 to 23				5,081,776
10. TOTAL FUNDS AND AMOUNTS OWING (item 8 plus item 9)				184,883,340

Segregated Fund Expenses Due and Accrued

5,283  
184,888,623

**DESCRIPTION OF METHODS USED IN APPORTIONING ITEMS OF INCOME  
AND EXPENDITURE TO (1) THE SEVERAL FUNDS AND (2) BY LINES OF BUSINESS**

DESCRIPTION OF METHODS - 1977

Separate ledger accounts as to each of the several funds and lines of business funds were maintained for the following items: life, annuity, equity and health premiums, first year, renewal and single; supplementary contracts; amounts left on deposit; death claims; matured endowments; disability claims; cash surrender values; annuity payments; dividends to policyholders; payments on supplementary contracts; deposits withdrawn; commissions to agents.

The aggregate amount of (a) items of interest, dividends and rents, less investment expenses, (b) profit or loss from sale of securities and (c) miscellaneous income was divided among the life and health participating, life, health and group health non-participating, annuity participating, annuity non-participating, and the group insurance non-participating, group annuity non-participating and shareholders' fund in proportion to the respective funds at the beginning of the year adjusted to include one-half of the revenue for the year excepting those items being so distributed and less one-half of the disbursements for the year. The staff pension fund was credited with investment income based on the company's rate of investment income in the previous year. The investment expenses were determined by making an analysis of expenses by function before computing the net revenue interest earned during the year. The aggregate amount of the management fee was apportioned among all funds in accordance with the average number of units pertaining to each respective fund.

The interest on claims was divided among the life, participating and non-participating; annuity, participating and non-participating, and group insurance, non-participating in proportion to the respective amounts paid in death claims and matured endowments during the year.

The disposition of expenses (excluding investment expenses) was as follows: commissions were allocated in accordance with the ledger accounts; premium taxes were divided in proportion to the total premiums received less the total dividends paid on assurances subject to tax; investment and corporate income taxes were divided by investment and corporate earnings; other taxes, licenses and fees were divided in proportion to the total premiums received on life, health, and annuities. Other expenses were split into salaries, rent and other expenses which were then apportioned to Ordinary, Health and Group using the results of a functional cost analysis. The Ordinary expenses were further split by function using the same analysis and each functional total expense apportioned as follows:

- (i) Field acquisition expenses - in proportion to first year plus single commissions.
- (ii) Head Office acquisition expenses - in proportion to first year plus 10% single premiums.
- (iii) Selection - 50% in proportion to volume of new insurance policies and 50% in proportion to number of new insurance policies.
- (iv) Issue - in proportion to number of new policies.
- (v) Dividend processing - in proportion to par policies in force at the month end under consideration.
- (vi) Direct Maintenance - in proportion to policies in force at the month end under consideration.
- (vii) Residual expenses - in proportion to total premium income.

Group expenses were analysed further into Annuity, Health and Insurance with the aid of supplementary time analysis questionnaires.

The Pension Investment Certificate Plan is considered part of the ordinary annuity non-participating line. Health was split between par and non par by Total Gross Premium Income.

Schedule I—SHORT TERM DEPOSITS AND MONEY MARKET SECURITIES

WHERE/BY WHOM KEPT (1)	DESCRIPTION (2)	INTEREST RATE (3)	DATE OF MATURITY (4)	PAR VALUE (5)	BOOK VALUE (6)	INTEREST DUE AND ACCRUED (7)
Investment Office	Bank of Nova Scotia, Toronto, certificate of deposit	7.15	Jan. 11/78	\$	\$	\$
"	" " " " " " " "	7.15	Jan. 13/78	\$	200,000	744
Head Office	Bank of Nova Scotia, Kingston, certificate of deposit	7.15	Jan. 16/78	\$	200,000	666
"	" " " " " " " "	7.40	Dec. 22/77	\$	300,000	82
"	" " " " " " " "	7.35	Jan. 4/78	\$	100,000	470
					100,000	463
Totals (page 7, item 1)						2,425

Schedule II—BONDS†

WHERE/BY WHOM KEPT (1)	DESCRIPTION (2)	INTEREST		DATE OF MATURITY (5)	PAR VALUE (6) \$	RATE USED TO OBTAIN MARKET VALUE (7) \$	MARKET VALUE (8) \$	*BOOK VALUE (9) \$	INTEREST DUE AND ACCRUED (10) \$
		RATE (3) %	DUE DATE (4)						
SEPARATE SCHEDULES									
		Totals (page 7, item 2)							

† To be divided into two groups (a) Not in default, (b) In default; each Group to be classified in the following order (A) Government Bonds — (1) Federal, (2) Provincial, (3) Foreign; (B) Government Guarantees — (1) Federal, (2) Provincial, (3) Foreign; (C) (1) Canadian Municipalities, (2) School Commissions; (3) Public Utilities; (D) (1) Other Canadian bonds, (2) Other foreign bonds.  
\* Accrued interest paid at time of purchase of bonds must not be included here.









Schedule V—REAL ESTATE OWNED BY THE COMPANY, NOT UNDER AGREEMENT OF SALE, LESS ENCUMBRANCES

SHORT DESCRIPTION OF PROPERTY (1)	DATE ACQUIRED (2)	ACTUAL COST AT TIME ACQUIRED (3)	ADDITIONAL AND PERMANENT IMPROVEMENTS (incl. in Col. 6) (4)	AMOUNT OF ENCUMBRANCES (5)	BOOK VALUE (6)	LAST VALUATION LANDS AND BUILDINGS (7)	TAXES DUE AND UNPAID (8)	OPERATIONS DURING THE YEAR		
								GROSS INCOME (9)	TAXES, REPAIRS AND RUNNING EXPENSES (10)	NET INCOME (11)
a) Head Office premises 243-251 King St.E. Kingston 140-148 Ont. St., Kingston 134 Ont.St.,Kingston Cor.Ont.St.& Earl, " 154-58 Ont.St.,Kingston 152-152A Ont.St., " 168 Ont.St., Kingston 32 Johnson St., " 1962 1963 1963 1968 1974 1974 1974		420,693	609,165	\$	645,407	\$	\$	208,500	127,572	80,928
d) Royal Bank of Canada 2290 Lawrence Ave.E. Toronto (100% Interest) 250-252 King, Kingston 244 King St., " 259 King St., " 128 Ontario St., " 44 Johnson St., " 40-42 Johnson St., " 1957 1961 1968 1974 1974 1974 1974		62,000 29,784 37,380 212,660 110,463 23,845 48,407	43,250 8,609 46,769 28,000		58,422 21,250 51,514 240,660 110,463 23,845 48,407	49,000		8,147 16,270 16,562 4,250 7,890 1,050 680	2,259 12,538 11,865 4,993 — 338 2,174	5,888 3,732 4,697 (743) 7,890 712 (1,494)
TOTALS (page 7, item 6)		945,232	735,793		1,199,968	49,000		263,349	161,739	101,610

The items should be classified as follows:

a) Office premises, b) held for sale, c) held under power of sale, d) held for production of income.

Company

Year

Schedule VI--AGREEMENTS OF SALE OF REAL ESTATE

SHORT DESCRIPTION OF PROPERTY UNDER AGREEMENT OF SALE (1)	DATE OF AGREEMENT (2)	AMOUNT FOR WHICH SOLD (3)	INSTALLMENTS OF PRINCIPAL PAID DURING THE YEAR (4)	AMOUNT OWING AT END OF CURRENT YEAR (5)	LAST VALUATION LANDS AND BUILDINGS (6)	INTEREST DUE (7)	INTEREST ACCRUED (8)	INSTALLMENTS OF PRINCIPAL DUE AND UNPAID (9)
		\$	\$	\$	\$	\$	\$	\$
			NIL					
Totals (page 2, item 7)								

Schedule VII—SUBSIDIARIES, ASSOCIATES AND AFFILIATES  
 (A) BONDS, LOANS AND ADVANCES

WHERE/By WHOM KEPT (1)	DESCRIPTION (2)	INTEREST		DATE OF MATURITY (5)	PAR VALUE (6)	RATE USED TO OBTAIN MARKET VALUE (7)	MARKET VALUE (8)	BOOK VALUE (9)	INTEREST DUE AND ACCRUED (10)
		RATE (3)	DUE DATES (4)						
		\$			\$	\$	\$	\$	\$
				NIL					
SUB-TOTALS . . . . .									

(B) STOCKS

WHERE/By WHOM KEPT (1)	DESCRIPTION (2)	RATE OF DIVIDENDS FOR THE PREVIOUS THREE YEARS (3)		PAR VALUE PER SHARE (4)	NUMBER OF SHARES (5)	RATE USED TO OBTAIN MARKET VALUE (6)	MARKET VALUE (7)	BOOK VALUE (8)	DIVIDENDS DECLARED AND UNPAID (9)
		19.....	19.....						
		19.....	19.....	\$		\$	\$	\$	\$
				NIL					
SUB-TOTALS . . . . .									
TOTAL (page 7, item 8) . . . . .									



Schedule VIII—(2) SUMMARY OF ALL REAL ESTATE SOLD OR OTHERWISE DISPOSED OF DURING THE YEAR

SHORT DESCRIPTION OF PROPERTY (1)	DATE SOLD (2)	PURCHASER (3)	BOOK VALUE AT DATE OF SALE (4)	AMOUNT FOR WHICH SOLD (5)	AMOUNT RECEIVED IN CASH (6)	BALANCE UNPAID		PROFIT OR LOSS ON SALE	
						AMOUNT (7)	GIVE DETAILS OF MORTGAGE ASSUMED (8)	AMOUNT (9)	ACCOUNT CHARGED OR CREDITED (10)
			\$	\$	\$	\$		\$	
				NIL					
								TOTALS	

Schedule IX—COLLATERAL LOANS\*

NAME OF BORROWER AND DESCRIPTION OF SECURITY PLEDGED (1)	PAR VALUE OF SECURITY (2)	RATE USED TO OBTAIN MARKET VALUE (3)	MARKET VALUE OF SECURITY (4)	DATE OF LOAN (5)	RATE OF INTEREST ON LOAN (6)	DATE OF MATURITY (7)	AMOUNT OF LOAN (8)	INTEREST DUE (9)	INTEREST ACCRUED (10)
	\$		\$	NIL	%		\$	\$	\$
TOTALS (page 7, item 10)									

\* If security pledged is a bond or debenture, give date of maturity and rate of interest; if stock, give number of shares, class and dividend rate.

Schedule X—SUMMARY OF INVESTMENTS

Year

	PAR VALUE	BOOK VALUE	MARKET VALUE
	\$	\$	\$
1. Short term deposits and money market securities . . . . .		900,000	900,000
<b>BONDS</b>			
2. A(1) Federal government . . . . .	7,190,000	7,157,215	7,143,400
3. A(2) Provincial governments . . . . .	4,555,000	4,512,671	4,267,450
4. A(3) Foreign governments . . . . .			
5. B(1) Guaranteed by Federal government . . . . .			
6. B(2) Guaranteed by Provincial governments . . . . .	12,042,000	11,704,594	10,608,930
7. B(3) Guaranteed by Foreign governments . . . . .			
8. C(1) Canadian municipalities . . . . .	533,500	526,859	446,890
9. C(2) School commissions . . . . .	67,000	66,809	61,140
10. D Public utilities . . . . .	10,290,090	10,248,019	9,406,291
11. E(1) Other Canadian bonds . . . . .	13,194,026	13,141,643	12,341,996
12. E(2) Other Foreign bonds . . . . .	150,000	149,833	144,000
13. F In default . . . . .			
14. TOTAL BONDS . . . . .	48,021,616	47,507,643	44,420,097
<b>STOCK</b>			
15. A Preferred . . . . .		990,577	1,126,266
16. B Common . . . . .		29,999,096	41,917,237
17. C Relating to bonds in default . . . . .			
18. TOTAL STOCK . . . . .		30,989,673	43,043,503
<b>MORTGAGE LOANS AND SALES AGREEMENTS</b>			
19. A First mortgage . . . . .		78,840,368	78,840,368
20. B Second mortgage . . . . .			
21. C Sales agreements . . . . .			
22. TOTAL MORTGAGE LOANS AND SALES AGREEMENTS . . . . .		78,840,368	78,840,368
<b>REAL ESTATE</b>			
23. A For own use . . . . .		645,407	645,407
24. B For sale . . . . .			
25. C Held for production of income . . . . .		554,561	554,561
26. TOTAL REAL ESTATE . . . . .		1,199,968	1,199,968
27. Subsidiary companies . . . . .			
28. Associated and affiliated companies . . . . .			
29. Policy loans . . . . .		10,966,115	10,966,115
30. Collateral loans . . . . .			
31. GRAND TOTAL OF INVESTMENTS (page 7, item 13) . . . . .		170,403,767	179,370,051
32. Excess of book value over market value . . . . .		XXXXXXXXXX	
33. Excess of market value over book value . . . . .		8,966,284	XXXXXXXXXX

## Schedule XI—CASH ON HAND AND IN BANKS

NAME AND LOCATION OF DEPOSITORY	BALANCES AND (OVERDRAFTS)	NET BALANCE	NET OVERDRAFT
	(1)	(2)	(3)
	\$	\$	\$
Bank of Nova Scotia - Canada	(746,673)		
- U.S.A.	23,789		722,884
La Caisse Centrale Desjardin - Canada	49,566	49,566	
Bank of Montreal - Canada	13,631	13,631	
Total of cash in depositories . . . . .		63,197	
Cash on hand: a) Head office \$ 250			
b) Branch offices \$ 1,015		1,265	
TOTALS (page 7, item 17) (page 8, item 17) . . . . .		64,462	722,884

Schedule XII—OUTSTANDING LIFE INSURANCE PREMIUMS AND ANNUITY CONSIDERATIONS  
GROSS

	SINGLE	FIRST YEAR	RENEWAL	TOTAL
	\$	\$	\$	\$
1. Life insurance:				
a) Gross . . . . .		113,529	1,087,954	1,201,483
b) Deduct commissions and estimated loss in collection . . . . .		46,268	108,794	155,062
c) NET TOTALS . . . . .		67,261	979,160	1,046,421
2. Annuities:				
a) Gross . . . . .		2,373	74,544	76,917
b) Deduct commissions and estimated loss in collection . . . . .		1,187	7,455	8,642
c) NET TOTALS . . . . .		1,186	67,089	68,275
3. NET TOTALS - Life insurance and annuities (page 7, item 22a) . . . . .		68,447	1,046,249	1,114,696



Schedule XIII—STATEMENT OF ACTUARIAL LIABILITIES  
LIFE INSURANCE SECTION

BASIS OF EVALUATION			DESCRIPTION OF VALUATION CLASS	GROSS IN FORCE		REINSURANCE CEDED	
Mortality	Interest	Method	Ordinary Participating	AMOUNT	RESERVE	AMOUNT	RESERVE
				\$	\$	\$	\$
			<u>LIFE &amp; ENDOWMENT</u>				
H.M.	3½	N.L.	H.M. 3½% C.V. Basis	445,119	332,868		
AM(5)	3½	N.L.	AM(5) 3½% C.V. Basis	2,416,597	1,513,428		
OM(5)	3	N.L.	OM(5) 3% C.V. Basis	300,191	226,295	15,000	12,397
CM(5)	3	N.L.	CM(5) 3% C.V. Basis	6,486,439	3,679,875	41,629	26,078
A24-29	3	CanMod	A24-29 3% C.V. Issues to 1959	26,421,240	10,954,654	116,218	12,941
A24-29	3½	CanMod	A24-29 3% C.V. Issues after 1959	32,972,658	8,402,813	601,260	3,231
58 CSO	3½	CanMod	CA52-56 4% C.V. Basis	317,239,047	18,511,920	18,148,461	39,196
58 CSO	3½	CanMod	58CSO 3% C.V. Basis	7,134,868	590,047	888,013	2,631
A24-29	3½	N.L.	Coinsurance	19,000	12,781		
	3	N.L.	3% C.V. Basis (PRSP)	21,292,413	4,591,933	461,219	920
			<u>SUPPLEMENTARY BENEFITS</u>				
58CSO	3½	N.L.	Dividend Bonus Addition	47,153,073	3,023,103		
½Gross Premium			Term Rider	95,206,851	167,242		
Page 38j			Family Protection Rider	6,124,110	846,615		
58ADB	3½		Accidental Death Benefits		197,210		843
Page 38f	(I)		Disability Benefits Active		704,234		6,435
	(II)		Disability Benefits Disabled		211,699		
Page 38e			Extra Premiums		28,978		6,103
1937SA	4		Settlement Annuities		228,381		
Page 38j			Child's Savings Provision	122,491	57,457		
Page 38l			Return of prem. Inc. Term		10,252		
Page 38k			Guaranteed Insurability		215,125		
Page 38f			Homemakers' Provision		12,220		
Reserve Re: Extra Mortality			on Term Conversions		9,234		
			Mortality Fluctuation Res.		75,000		
TOTAL ORDINARY PAR				563,334,097	54,603,364	20,271,800	110,775
			<u>ORDINARY NON-PARTICIPATING</u>				
			<u>LIFE AND ENDOWMENT</u>				
A24-29	4	N.L.	Fraternal	316,218	263,729		
HM	3½	N.L.	HM 3½% C.V. Basis	424,093	287,531		
AM(5)	3½	N.L.	AM(5) 3½% C.V. Basis	328,428	223,022	13,782	6,599
OM(5)	3	N.L.	OM(5) 3% C.V. Basis	234,965	190,146		
CM(5)	3	N.L.	CM(5) 3% C.V. Basis	3,154,863	1,681,520	150,748	74,610
A24-29	3	N.L.	A24-29 3% C.V. Issues to 1959	31,190,693	12,504,580	756,002	68,495
A24-29	3	CanMod	A24-29 3% C.V. Issues after 1959	23,698,128	6,978,078	1,509,841	15,266
58 CSO	3½	CanMod	CA52-56 4% C.V. Basis	190,918,684	16,416,203	39,322,825	634,520
58 CSO	3½	CanMod	CA52-56 5% C.V. Basis SP	955,439	535,328	8,808	31
58 CSO	2½	CanMod	58 CSO 3½% C.V. Basis	177,800	32,449		
58 CSO	3½	CanMod	58 CSO 3% C.V. Basis	612,244	51,458	217,688	530
58 CSO	3½	CanMod	CA 58-64 4½% C.V. Basis	484,392	242,863	68,190	669
58 CSO	3½	CanMod	C.V. Protector 58 CSO	2,580,489	49,838	799,633	1,716
			3½%				
58 CSO	3	CanMod	Multi-Life CA58-64 3½% C.V.	6,720,000	29,244	1,311,246	3,571
A24-29	3½	N.L.	Coinsurance	85,000	34,558		
58 CSO	3½	N.L.	CA58-64 4½% C.V. Basis	485,000	11,151		
A24-29	3½	N.L.	No C.V.	1,000	643		
			Reserve for Liability Option		190,066		
	3	N.L.	3% C.V. Basis (PRSP)	47,000	36,129		
	3½	N.L.	4½% C.V. Basis (PIB)	14,412	8,989		
			<u>TERM PLANS</u>				
58 CSO	3½	CanMod	CA52-56 4% C.V. Basis	23,053,848	480,592	4,298,524	12,963
A24-29	3	N.L.	A24-29 3% C.V. Issues to 1959	266,165	8,321		
A24-29	3	CanMod	A24-29 3% C.V. Issues after 1959	2,955,823	108,657	148,307	896
A24-29	3½	N.L.	No C.V.	241,787,516	1,416,213	79,721,179	322,550
A24-29	3½	N.L.	Reinsurance Y.R.T.	70,210,628	268,827	113,639	1,047

Company

Year

**Schedule XIII—STATEMENT OF ACTUARIAL LIABILITIES**  
**LIFE INSURANCE SECTION (continued)**

BASIS OF EVALUATION			DESCRIPTION OF VALUATION CLASS	GROSS IN FORCE		REINSURANCE CEDED	
Mortality	Interest	Method		AMOUNT	RESERVE	AMOUNT	RESERVE
			<u>SUPPLEMENTARY BENEFITS</u>	\$	\$	\$	\$
½ Gross Premium			Term Riders	219,368,044	492,281	12,968,250	27,836
Page 38j			Family Protection Rider	3,399,252	588,801		
58 ADB	3½		Accidental Death Benefits		133,995		4,805
Page 38f		(1)	Disability Benefits-Active		507,845		12,219
		(11)	Disability Benefits-Disabled		113,029		
Page 38e			Extra Premiums		114,197		48,203
1937SA	4		Settlement Annuities		477,996		
Page 38j			Child's Savings Provision	35,768	19,068		
Page 38l			Return of prem.Inc.Term		55,266		
Page 38k			Guaranteed Insurability		72,141		
Page 38f			Homemaker Provision		4,291		
		Mortality	Fluctuation Reserve		193,000		
		Reserve re	Extra Mortality on		45,810		
		Term	Conversions				
			TOTAL ORDINARY NON-PAR	823,505,892	44,867,855	141,408,662	1,236,526
			<u>GROUP NON-PAR</u>				
			Yearly Renewable Term	585,379,269	181,487	58,269,406	518
A24-29	3	CanMod	W.L. A24-29 3% C.V.Basis	225,000	59,972		
58 CSO	3½	CanMod	W.L.CA52-56 4% C.V.Basis	505,000	49,255		
			Disability Claims		229,718		
			Claim Fluctuation and Contingency Reserve		355,000		
			Settlement Annuities		26,859		
			TOTAL GROUP NON-PAR	586,109,269	902,291	58,269,406	518
			TOTAL NON-PAR LIFE	1,409,615,161	45,770,146	199,678,068	1,237,044
			TOTAL LIFE INSURANCE	1,972,949,258	100,373,510	219,949,868	1,347,819

Divided by classes of business: ordinary, group, par and non-par.

## ANNUITY SECTION

BASIS OF EVALUATION			DESCRIPTION OF VALUATION CLASS	GROSS IN FORCE		REINSURANCE CEDED	
Mortality	Interest	Method		ANNUAL PAYMENT	RESERVE	ANNUAL PAYMENT	RESERVE
				\$	\$	\$	\$
1937SA	4		Vested	26,993	274,130		
	2½	N.L.	Deferred 2½% C.V. Basis	3,799,917	5,883,158		
	3	N.L.	Deferred 3% C.V. Basis	22,572	249,071		
	3½	N.L.	Deferred 3½% C.V. Basis	6,752	74,706		
			TOTAL ORDINARY PAR	3,856,234	6,481,065		
			<u>ORDINARY NON-PARTICIPATING</u>				
A49(10)	7(75-77 issues)		Income Averaging	326,658	1,882,408		
	6½(all other)		Income Averaging	302,304	1,445,441		
	5½		Pension Investment Certificates		7,410,841		
A49(10)	7(75-77 issues)		Vested	205,652	1,853,026		
	6½(72-74 issues)		"	216,707	1,513,679		
	4 (before 1967)		"	38,464	283,001		
	5½ (all others)		"	212,502	1,935,027		
	2½	N.L.	Deferred 2½% C.V. Basis	15,945	117,927		
	3	N.L.	" 3% C.V. Basis	799	3,979		
	3½	N.L.	" 3½% C.V. Basis	1,520	14,425		
	4	N.L.	" 4% C.V. Basis	3,159	18,803		
	4	N.L.	" 4½% C.V. Basis	42,598	224,852		
	4½	N.L.	" 4½% C.V. Basis	269,697	824,600		

Schedule XIII—STATEMENT OF ACTUARIAL LIABILITIES  
ANNUITY SECTION (continued)

BASIS OF EVALUATION			DESCRIPTION OF VALUATION CLASS	GROSS IN FORCE		REINSURANCE CEDED	
Mortality	Interest	Method		ANNUAL PAYMENT	RESERVE	ANNUAL PAYMENT	RESERVE
				\$	\$	\$	\$
	4	N.L.	Deferred 5% C.V. Basis	25,476	201,446		
	4½	N.L.	" 5% C.V. Basis	20,448	103,625		
	4	N.L.	" 5½% C.V. Basis	7,341	50,743		
	4½	N.L.	" 5½% C.V. Basis	153	1,090		
	4	N.L.	" 6% C.V. Basis	18,851	76,781		
	4½	N.L.	" 6% C.V. Basis	27,640	139,096		
	4	N.L.	" 6½% C.V. Basis	25,642	148,474		
	4½	N.L.	" 6½% C.V. Basis	34,722	180,852		
	4	N.L.	" 7% C.V. Basis	26,117	140,987		
	4½	N.L.	" 7% C.V. Basis	72,476	416,269		
	4	N.L.	" 7½% C.V. Basis	89,038	523,881		
	4½	N.L.	" 7½% C.V. Basis	111,102	672,716		
	4	N.L.	" 8% C.V. Basis	14,170	107,960		
	4½	N.L.	" 8% C.V. Basis	62,425	381,484		
	4½	N.L.	" Non Guar. C.S.V.	86,109	485,211		
			Reserve for minimum benefit guarantees in Segregated Fund		23,640		
			TOTAL ORDINARY NON-PAR	2,257,715	21,182,264		
			GROUP NON-PAR				
A49(10)	5½		Vested	275,687	2,458,659		
GA51(c)	5½		Deferred	2,327,205	7,237,295		
Accumulation of Funds			Deposit Administration		5,739,333		
Special Contingency Reserve					535,800		
			TOTAL GROUP NON-PAR	2,602,892	15,971,087		
			TOTAL ANNUITIES	8,716,841	43,634,416		

Divided by classes of business: ordinary and group, par and non-par.

## SUMMARY OF RESERVE

	PARTICIPATING	NON-PARTICIPATING	TOTAL
	\$	\$	\$
1. Reserve for policies and contracts in force:			
a) Life insurance . . . . .	54,603,364	45,770,146	100,373,510
b) Annuity . . . . .	6,481,065	37,153,351	43,634,416
c) . . . . .			
2. TOTAL . . . . .	61,084,429	82,923,497	144,007,926
3. Deduct reserve for reinsured contracts:			
a) Life insurance . . . . .	110,775	1,237,044	1,347,819
b) Annuity . . . . .			
c) . . . . .			
4. TOTAL REINSURANCE . . . . .	110,775	1,237,044	1,347,819
5. Reserve — net of all reinsurance . . . . .	60,973,654	81,686,453	142,660,107
6. Deduct deferred life insurance premiums and annuity considerations less loading (Schedule XXII, page 43) . . . . .	2,474,112	1,560,388	4,034,500
7. NET TOTALS . . . . .	58,499,542	80,126,065	138,625,607
8. Add reserve for contracts reinsured with unregistered companies (Exhibit 2, page 54) . . . . .			
9. NET RESERVE CARRIED IN LIABILITIES (page 8, item 1a) . . . . .	58,499,542	80,126,065	138,625,607

Schedule XIV—AGGREGATE RESERVE FOR ACCIDENT AND SICKNESS INSURANCE

December 31, 1977

Year

	ORDINARY				GROUP	TOTAL
	ACCIDENT ONLY	ACCIDENT AND SICKNESS	NON-CANCELLABLE ACCIDENT AND SICKNESS			
<b>PARTICIPATING</b>						
1. Net of reinsurance						
a) Unearned premium reserve \$						\$
b) Additional reserve for non-cancellable policies			315,753			315,753
c) Present value of amounts not yet due on claims			19,202			19,202
d) Reserve for contingent benefits ( <i>maternity and others</i> )			538			538
e) <b>Extra Reserve re Group Conversions</b>						
f) Net totals			335,493			335,493
2. Add total reserve for contracts reinsured in unregistered companies ( <i>Exhibit 3, page 55</i> )						
3. NET TOTALS — Participating			335,493			335,493
4. TOTAL REINSURANCE CEDED			57,681			57,681
5. NET PREMIUMS IN FORCE AT END OF YEAR						
<b>NON-PARTICIPATING</b>						
6. Net of reinsurance:						
a) Unearned premium reserve \$, 022				2,022		2,022
b) Additional reserve for non-cancellable policies			(-20,897)			(-20,897)
c) Present value of amounts not yet due on claims			520			2,961,442
d) Reserve for contingent benefits ( <i>maternity and others</i> )						
e) <b>Claims Fluctuation Reserve</b>						
f) Net totals			(-20,377)	418,000		418,000
7. Add total reserve for contracts reinsured in unregistered companies ( <i>Exhibit 3, page 55</i> )				3,381,464		3,361,087
8. NET TOTALS — Non-participating			(-20,377)	3,381,464		3,361,087
9. TOTAL REINSURANCE CEDED			37,550	80,432		117,982
10. NET PREMIUMS IN FORCE AT END OF YEAR						
11. GRAND TOTALS ( <i>net</i> ) ( <i>item 3 plus item 8</i> ) ( <i>page 8, item 1b</i> )			315,116	3,381,464		3,696,580

## Schedule XV—MISCELLANEOUS STATEMENT

The answers should give sufficient information to indicate clearly the practices of the company. Recognized actuarial and valuation basic symbols may be used. The order and reference number of the answers should correspond to that of the questions.

## I—STATEMENT OF ACTUARIAL LIABILITIES

1. VALUATION OF INSURANCE POLICIES AND ANNUITY CONTRACTS — State the general principles followed in valuation with specific reference to the following:
  - a) Policies with rated up age;
  - b) Policies with lien or subject to contingent debt;
  - c) Policies on any other substandard lives;
  - d) Policies on special lives;
  - e) Policies with an extra premium, single or annual;
  - f) Policies providing for disability benefits, waiver of premiums and other benefits: (1) before the occurrence of disability; (2) after the occurrence of disability;
  - g) Policies providing for additional accidental death benefits;
  - h) Settlement annuities;
  - i) Amount reported for policies with decreasing amount of insurance;
  - j) Any other special classes of policies.
2. SPECIAL RESERVE — State the general principles followed and the methods used in the calculation of the following reserves:
  - a) For future expenses on single premium or limited payment contracts of insurance or annuity;
  - b) For benefits granted under contracts which may at any duration be in excess of the reserve computed in accordance with the basic method of valuation;
  - c) For any amount in excess of cash value held, which may be allowed upon the reinstatement of lapsed policies;
  - d) For the option of renewal under term policies;
  - e) For the option of conversion either during a fixed term or at the end thereof into higher premium policies, the premium for the new policy being fixed according to the age at entry or the age at date of conversion;
  - f) For any other contingency.

## II—ALLOCATION OF SURPLUS

1. State the basis of distribution of surplus as between shareholders and policyholders.
2. State the method by which dividends on insurance and annuity contracts were computed. If a contribution method is used, the factors by source of profits should be given. State also the method by which surplus was apportioned to quinquennial and deferred dividend policies during their accumulation period. Indicate the basis and conditions on which these dividends were convertible into premium reduction, reversionary bonus addition, reduction of premium term or endowment term or other benefit. Reference should be made to any distinction made between any class of policies and in particular to policies with or without disability benefits.

## III—ACCIDENT AND SICKNESS INSURANCE

AGGREGATE RESERVE — State for each class of contracts, the general principles followed, the tables of accident and sickness used and the rate of interest assumed. Specific reference should be made to contracts providing for contingent benefits.

ALLOCATION OF SURPLUS — State the bases of distribution of surplus as between shareholders and policyholders and of allocation of dividends to policyholders.

## IV—ANSWERS TO QUESTIONS

I - STATEMENT OF ACTUARIAL LIABILITIES

- (1) All Life, Endowment, Term and deferred annuities were calculated on a policy-by-policy basis by computer, including child's deferred assurances and conversion from the latter.
- (i) Prospective formulae were used in all cases to calculate the terminal reserve at the policy anniversary following the statement date which was then discounted for half-a-year interest and expected death strain.
- (ii) Reserves were calculated with proper allowance for immediate payment of claims and the frequency of premium payments.
- (iii) Each policy was valued on the mortality table used to calculate cash values except where such table was not shown in Schedule D of the Ontario Insurance Act in which case 1958 CSO 3½% Canadian modification was generally used for assurance policies and 4% for deferred annuities, issued up to 1972 inclusive and 4½% thereafter, except for group deferred annuities and Pension Investment Certificates which were valued at 5½%.
- (iv) Each policy was valued either on a net level premium basis or the Canadian modified basis as per Schedule XIII.
- (v) Reserves on policies issued on age 0 allowed for a reduced death benefit in the first policy year.

## Schedule XV—MISCELLANEOUS STATEMENT

## ANSWERS TO QUESTIONS

- (a) Policies issued at premiums corresponding to ages higher than the true ages were valued as at the rated-up age.
- (b) Policies issued subject to a lien or contingent debt were valued for the full amount of insurance.
- (c) Policies issued on lives which are classed as substandard are included in categories (a), (b), and (e).
- (d) Policies on special lives: none in force.
- (e) Policies issued at, or subject to, an extra premium payable either in one sum or annually; a reserve equal to 50% of the gross extra premium is provided in the valuation.
- (f) For policies providing for disability benefits (waiver of premiums, monthly incomes, Homemaker's Provision, payor death and disability) the addition liability was determined as follows:
- (1) Before the occurrence of disability, by the accumulation without interest of 50% of the gross extra premium from the date of issue on the policies in force as at the date of valuation; for paid up policies a reserve of \$20 per \$1000 was provided; for the waiver of premiums benefit, a deduction was made of the difference at 31.12.69 between reserves on the above basis and net level premium reserves on 1952 Dis. Period 2 Ben. 5 3½%.
- (11) After the occurrence of disability the reserve provided was the present value of future income payments and premiums to be waived on the basis of Hunter's disability table with interest at the rate of 3% per annum.
- (g) Policies providing for additional accidental death benefits were valued as follows: For all policies in force a reserve of .90 cents per \$1,000 for the benefits was computed less a deduction, this deduction being the difference at 31.12.69 between reserves on the above basis and net level premium reserves on 59 ADB-58CSO 3½%; for paid-up policies still providing this benefit, a reserve of \$10 per \$1000 was provided.
- (h) Settlement annuities: Reserves were computed on the basis of 4% interest with mortality on the 1937 Standard Annuitants Table.
- (i) Policies with decreasing amount of insurance included for amount in force of 75% initial amount and reserve of 50% gross annual premium.
- (j) Family Protection: Reserves were computed on the basis of 55% of gross premiums for benefit accumulated at 3%.  
Child's Savings Provision: 87% of gross premium for benefit accumulated at 3%.
- (k) Guaranteed Insurability: Reserves were computed on the basis of 75% of gross premiums for benefit accumulated at 3%.
- (1) Return of premiums benefit: Reserves were computed on the basis of 75% gross premium accumulated without interest.
- (2) Items of Special Reserves:
- (a) No reserve was provided.
- (b) Suitable provision was made to cover any C. V. deficiency.
- (c) No provision for this item was made as the volume of policies lapsing always exceeds the amount of reinstatement.
- (d) No reserve was provided.

## Schedule XV—MISCELLANEOUS STATEMENT

## ANSWERS TO QUESTIONS

- (f) (i) Items described on Page 8 and Schedules XIII and XIV.  
(ii) The reserve figures shown for ordinary vested annuities and settlement annuities include reserves computed at 6-3/4% for guarantees of interest in excess of 6-3/4% funds on deposit.

II—ALLOCATION OF SURPLUS

1. A separation of funds of the Company as between participating policies, non-participating policies and shareholders has been made as described on page 19.
2. The chief component of each dividend is an excess interest factor times the Mean Cash Value per thousand. The Mean Cash Value is 50% of the sum of the two previous year cash values and 90% of the gross premium. This excess interest factor is 80% of the difference between the current earned interest rate of 6.35% (all policies) and the gross premium interest rate which is 2.75% for all premium paying life and endowment plans and 3.0% for protection retirement savings plan contracts. For paid-up policies an interest rate of 3.25% was assumed. An adjustment in respect of differences between past and present gross premiums is made on cases issued on past rate series.

The basis for conversion to, and surrender of, bonus additions is 58CS0 ultimate 3½%.

No distinction in dividend class is made between policies with and without disability benefits.

III—ACCIDENT AND SICKNESS INSURANCE

1. Reserve for non-cancellable policies (active Lives): the accumulation without interest of 50% of the gross annual premium from the date of issue on the policies in force at date of valuation: less a deduction of the difference at 31.12.69 of reserves on the above basis and net level premium reserves on the 1964 Commissioners Disability Table, 3%.

Present value of amounts not yet due on claims (disabled lives):

- (a) ordinary policies: 1964 Commissioners Disability Table, 5½%
  - (b) group long term disability policies: 1964 Commissioners Disability Table, 6½% (MODIFIED: 150% of reserves in respect of lives disabled ≤ 1 year, 108% of reserves in respect of lives disabled > 1 year).
  - (c) group weekly indemnity policies: individual assessment.
2. Dividends to policyholders for non-cancellable disability policies: 5% of second year premium, 10% of third year premium and 15% thereafter.

Schedule XVI—CHANGES IN BASES OF VALUATION FROM PREVIOUS YEAR

DESCRIPTION	VALUATION BASES		INCREASE IN ACTUARIAL RESERVE DUE TO CHANGE
	CHANGED FROM	CHANGED TO	
<p><u>Aggregate Reserve for Accident and Sickness Insurance - Group Non-Par</u></p> <p>Present value of amounts not yet due on Claims (Disabled Lives): Long Term Disability Policies - Disabled before Dec. 31, 1975</p>	<p>1964 CDT 5½%</p> <p>130% of Reserves in respect of Lives Disabled ≤ 1 year. 105% of Reserves in respect of Lives Disabled &gt; 1 year</p>	<p>1964 CDT 6½%</p> <p>150% of Reserves in respect of Lives Disabled ≤ 1 year. 108% of Reserve in respect of Lives Disabled &gt; 1 year</p>	<p>\$</p> <p>-196,833</p>
<p>- Disabled after Dec. 31, 1975</p>	<p>1964 CDT 3%</p> <p>130% of Reserves in respect of Lives Disabled ≤ 1 year. 105% of Reserves in respect of Lives Disabled &gt; 1 year</p>	<p>1964 CDT 6½%</p> <p>150% of Reserves in respect of Lives Disabled ≤ 1 year. 108% of Reserves in respect of Lives Disabled &gt; 1 year</p>	
TOTALS (page 10, item 9)			-196,833

Changes in basic evaluation to be made at end of year only.

CERTIFICATE OF ACTUARY

I, D.C. Townsend, Actuary of The Empire Life Insurance Company,  
Company Declare:

1. That I am the above described actuary of the said company;
2. That the reserves shown in the valuation summaries, Schedules XIII and XIV of this statement, are not less than the reserves required by the provisions of the Ontario Insurance Act and its amendments, and in my opinion, make good and sufficient provision for all unmatured obligations of the company under its contracts;
3. That, to the best of my knowledge, the information given in Schedules XV and XVI is exact;
4. That, the unreported and outstanding claims reserve make good and sufficient provision for all obligations of the company under its contracts.

(Signature of actuary and qualification)



The Empire Life Insurance Company  
Company

December 31, 1977  
Year

**Schedule XVII—AMOUNTS ON DEPOSIT WITH THE COMPANY**  
pertaining to insurance and annuity contracts and including interest accumulations  
**MOVEMENT IN THE ACCOUNT DURING THE YEAR**

	PROCEEDS OF CONTRACTS	DIVIDENDS	AMOUNTS ON DEPOSIT TO PAY FUTURE PREMIUMS	OTHER	TOTAL
	\$	\$	\$	\$	\$
1. Liability, 31 December 19 <sup>76</sup>	967,393	4,374,244	286,093		5,627,730
2. Deposits . . . . .	167,587	1,466,466	61,547		1,695,600
3. . . . .					
4. Interest credited (page 9, item 19) . . . . .	48,528	289,302	22,834		360,664
5. DEDUCT: Withdrawals . . . . .	246,962	785,297	91,069		1,123,328
6. . . . .					
7. Net increase in liability . . . . .	-30,847	970,471	- 6,688		932,936
8. Liability, 31 December 19 <sup>77</sup> (page 8, item 2) . . . . .	936,546	5,344,715	279,405		6,560,666

**Schedule XVIII—ACCOUNTS PAYABLE AND ACCRUED EXPENSES**  
**GENERAL AND INVESTMENT**

	\$
Taxes, licences and fees (excluding income tax) . . . . .	162,255
Commission . . . . .	97,897
General and investment expenses . . . . .	181,088
TOTAL (page 8, item 16) . . . . .	441,240

**Schedule XIX—BORROWED MONEY**

NAME OF LENDER	RATE OF INTEREST	DATE OF MATURITY	AMOUNT
			\$
TOTAL (page 8, item 17) . . . . .			

Year

Schedule XX—OUTSTANDING CLAIMS UNDER INSURANCE AND ANNUITY CONTRACTS, INCLUDING PROVISION FOR UNREPORTED CLAIMS

	LIFE INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS INSURANCE			TOTAL
	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
<b>PARTICIPATING</b>										
1. Net of reinsurance ceded:										
a) Death . . . . .	\$ 325,323	\$	\$ 325,323	\$	\$	\$	\$	\$	\$	\$ 325,323
b) Accidental death . . . . .	90,000		90,000							90,000
c) Disability . . . . .							1,213			1,213
d) Matured endowments . . . . .	58,125		58,125							58,125
e) Annuity payments . . . . .										
f) Surrender values . . . . .										
g) Accident and sickness . . . . .										
h) . . . . .										
i) Provision for unreported claims . . . . .	75,000		75,000				10,000			85,000
j) Totals . . . . .	548,448		548,448				11,213			559,661
<b>NON-PARTICIPATING</b>										
2. Due from other companies on reinsured contracts for claims paid . . . . .										
3. Net of reinsurance ceded:										
a) Death . . . . .	486,068	241,577	727,645	12,185	17,928	30,113				757,758
b) Accidental death . . . . .	16,610		16,610							16,610
c) Disability . . . . .								21,612		21,612
d) Matured endowments . . . . .	6,583		6,583							6,583
e) Annuity payments . . . . .										
f) Surrender values . . . . .					6,822	6,822				6,822
g) Accident and sickness . . . . .										
h) . . . . .										
i) Provision for unreported claims . . . . .	115,000	108,000	223,000					793,000		1,016,000
j) Totals . . . . .	624,261	349,577	973,838	12,185	24,750	36,935		814,612		1,825,385
4. Due from other companies on reinsured contracts for claims paid . . . . .	3,500	36,000	39,500					3,320		45,940
5. GRAND TOTALS — Net of reinsurance ceded (page 8, item 8) . . . . .	1,172,709	349,577	1,522,286	12,185	24,750	36,935		11,213		2,385,046
6. GRAND TOTALS — Due from other companies on reinsured contracts for claims paid (page 7, item 23) . . . . .	3,500	36,000	39,500					3,320		45,940
7. Reserve for unreported claims previous year . . . . .	229,785	84,527	314,312		13,632	13,632		12,461		524,729
8. Payments made during the current year for claims incurred but unreported during the previous years . . . . .	288,701	93,342	382,043	6,957	4,728	11,685		4,770		409,477

## Schedule XXI—INVESTMENT RESERVE

	\$
Stocks at book value, December 31:	
Preferred . . . . .	990,577
Common . . . . .	29,999,096
TOTAL BOOK VALUE . . . . .	30,989,673
Stocks at market value, December 31:	
Preferred . . . . .	1,126,266
Common . . . . .	41,917,237
TOTAL MARKET VALUE . . . . .	43,043,503
Excess of <del>book value</del> market value over book value . . . . .	12,053,830
Investment reserve end of previous year . . . . .	3,000,000
*Increase in current year . . . . .	0
INVESTMENT RESERVE END OF CURRENT YEAR . . . . .	3,000,000

\* Minimum increase: 20% of excess of book value over market unless total reserve is maximum required.

Schedule XXII—DEFERRED LIFE INSURANCE PREMIUMS AND ANNUITY CONSIDERATIONS  
(NET OF REINSURANCE CEDED)

	PARTICIPATING		NON-PARTICIPATING		TOTAL
	FIRST YEAR	RENEWAL	FIRST YEAR	RENEWAL	
	\$	\$	\$	\$	\$
Life insurance:					
a) Gross . . . . .	434,464	2,139,640	325,872	1,523,266	4,423,242
b) Deduct loading . . . . .	217,232	213,964	162,936	152,327	746,459
c) Net totals . . . . .	217,232	1,925,676	162,936	1,370,939	3,676,783
Annuities:					
a) Gross . . . . .	161,906	278,057	4,802	26,791	471,556
b) Deduct loading . . . . .	80,953	27,806	2,401	2,679	113,839
c) Net totals . . . . .	80,953	250,251	2,401	24,112	357,717
NET TOTALS — Life insurance and annuities . . . . .	298,185	2,175,927	165,337	1,395,051	4,034,500

Schedule XXIII—INSURANCE PREMIUMS  
INCLUDING

	LIFE INSURANCE		
	ORDINARY*	GROUP	TOTAL
	PAR		
	\$	\$	\$
1. Direct:			
a) Single . . . . .	524,433		524,433
b) First year . . . . .	2,072,519		2,072,519
c) Renewal . . . . .	8,781,365		8,781,365
d) Totals . . . . .	11,378,317		11,378,317
2. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .			
c) Renewal . . . . .	258		258
d) Totals . . . . .	258		258
3. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	13,620		13,620
c) Renewal . . . . .	73,720		73,720
d) Totals . . . . .	87,340		87,340
4. TOTAL — Net of reinsurance . . . . .	11,291,235		11,291,235
	NON-PAR		
5. Direct:			
a) Single . . . . .	18,805		18,805
b) First year . . . . .	2,054,691	373,029	2,427,720
c) Renewal . . . . .	6,864,178	1,883,149	8,747,327
d) Totals . . . . .	8,937,674	2,256,178	11,193,852
6. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .	11,910		11,910
c) Renewal . . . . .	409,660	1,305	410,965
d) Totals . . . . .	421,570	1,305	422,875
7. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	121,259	44,440	165,699
c) Renewal . . . . .	772,853	132,114	904,967
d) Totals . . . . .	894,112	176,554	1,070,666
8. TOTAL — Net of reinsurance . . . . .	8,465,132	2,080,929	10,546,061
9. GRAND TOTALS PAR AND NON-PAR — Net of reinsurance (page 9, item 1) . . . . .	19,756,367	2,080,929	21,837,296
10. GRAND TOTALS — Reinsurance ceded . . . . .	981,452	176,554	1,158,006

\* Includes industrial.

## AND ANNUITY CONSIDERATIONS

## SEGREGATED FUNDS

ANNUITIES			ACCIDENT AND SICKNESS INSURANCE			TOTAL
ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	

## PARTICIPATING

\$	\$	\$	\$	\$	\$	\$
12,318		12,318				536,751
401,031		401,031	(947)		(947)	2,472,603
999,852		999,852	110,302		110,302	9,891,519
1,413,201		1,413,201	109,355		109,355	12,900,873
						258
						258
			(221)		(221)	13,399
			18,535		18,535	92,255
			18,314		18,314	105,654
1,413,201		1,413,201	91,041		91,041	12,795,477

## PARTICIPATING

4,390,639	122,628	4,513,267				4,532,072
35,789		35,789	39,835	201,051	240,886	2,704,395
411,753	2,488,714	2,900,467	23,901	1,548,366	1,572,267	13,220,061
4,838,181	2,611,342	7,449,523	63,736	1,749,417	1,813,153	20,456,528
						11,910
				5,185	5,185	416,150
				5,185	5,185	428,060
			26,245		26,245	191,944
			17,678	56,537	74,215	979,182
			43,923	56,537	100,460	1,171,126
4,838,181	2,611,342	7,449,523	19,813	1,698,065	1,717,878	19,713,462
6,251,382	2,611,342	8,862,724	110,854	1,698,065	1,808,919	32,508,939
			62,237	56,537	118,774	1,276,780

## Schedule XXIV—COMMISSIONS ON INSURANCE

	LIFE INSURANCE		
	ORDINARY*	GROUP	TOTAL
	PAR		
	\$	\$	\$
1. Direct:			
a) Single . . . . .	978		978
b) First year . . . . .	1,730,901		1,730,901
c) Renewal . . . . .	430,404		430,404
d) Totals . . . . .	2,162,283		2,162,283
2. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .			
c) Renewal . . . . .	8		8
d) Totals . . . . .	8		8
3. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	47		47
c) Renewal . . . . .	475		475
d) Totals . . . . .	522		522
4. TOTAL — Net of reinsurance . . . . .	2,161,769		2,161,769
	NON-PAR		
5. Direct:	929		929
a) Single . . . . .			
b) First year . . . . .	1,454,469	43,236	1,497,705
c) Renewal . . . . .	306,959	58,920	365,879
d) Totals . . . . .	1,762,357	102,156	1,864,513
6. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .			
c) Renewal . . . . .	200	4,201	4,401
d) Totals . . . . .	200	4,201	4,401
7. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	5,748		5,748
c) Renewal . . . . .	5,764		5,764
d) Totals . . . . .	11,512		11,512
8. TOTAL — Net of reinsurance . . . . .	1,751,045	106,357	1,857,402
9. GRAND TOTALS PAR AND NON-PAR — Net of reinsurance (page 9, item 22) . . . . .	3,912,814	106,357	4,019,171
10. GRAND TOTALS — Reinsurance ceded . . . . .	12,034		12,034

\* Includes industrial.

## PREMIUMS AND ANNUITY CONSIDERATIONS

ANNUITIES			ACCIDENT AND SICKNESS INSURANCE			TOTAL
ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
\$ 1,463		\$ 1,463				\$ 2,441
183,594		183,594	(103)		(103)	1,914,392
38,471		38,471	7,555		7,555	476,430
223,528		223,528	7,452		7,452	2,393,263
						8
						8
			(39)		(39)	8
			2,528		2,528	3,003
			2,489		2,489	3,011
223,528		223,528	4,963		4,963	2,390,260
TICIPATING						
107,807	8,289	116,096				117,025
5,633	2,052	7,685	12,937	39,017	51,954	1,557,344
11,359	34,199	45,558	2,783	42,693	45,476	456,913
124,799	44,540	169,339	15,720	81,710	97,430	2,131,282
						4,401
						4,401
			17,038		17,038	22,786
			4,212		4,212	9,976
			21,250		21,250	32,762
124,799	44,540	169,339	(5,530)	81,710	76,180	2,102,921
348,327	44,540	392,867	(567)	81,710	81,143	4,493,181
			23,739		23,739	35,773

The Empire Life Insurance Company

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## Schedule XXV—(a) INVESTMENT INCOME

## EXCLUSIVE OF SEGREGATED FUNDS

	EARNED DURING YEAR	INTEREST AND DIVIDENDS DUE AND ACCRUED AT END OF YEAR
	\$	
1. Short term deposits . . . . .	172,999	2,425
2. Interest on bonds . . . . .	3,647,281	994,670
3. Dividends on stocks . . . . .	1,611,046	69,854
4. Interest on mortgage loans . . . . .	6,886,773	573,776
5. Income from real estate, including \$ 208,500 . . . . . for company's occupancy of its own buildings . . . . .	263,349	482
6. Interest on agreements of sale of real estate . . . . .		
7. Interest and dividends from associates and affiliates . . . . .		
8. Interest on policy loans . . . . .	676,165	352,137
9. Interest on collateral loans . . . . .		
10. Interest on bank deposits . . . . .		
11. Interest on overdue premiums . . . . .	65	
12. Interest from miscellaneous sources . . . . .	6,847	
13. . . . .		
14. . . . .		
15. . . . .		
16. . . . .		
17. . . . .		
18. . . . .		
19. TOTAL GROSS INVESTMENT INCOME . . . . .	13,264,525	1,993,344
20. General investment expenses, including \$ 89,780 . . . . . for real estate (Schedule XXIX, page 51) . . . . .	535,557	
21. Interest on borrowed money and bank overdrafts . . . . .	14,849	
22. Investment taxes, including \$ 40,517 . . . . . on real estate (Schedule XXVII, page 50) . . . . .	46,417	
23. Regular annual depreciation of real estate . . . . .	31,442	
24. TOTAL INVESTMENT EXPENSES . . . . .	628,265	
25. TOTAL NET INVESTMENT INCOME (item 19 less item 24) (page 9, item 4a) . . . . .	12,636,260	

## Schedule XXV—(b) AVERAGE NET RATE OF INVESTMENT INCOME EARNED DURING THE YEAR

1. Net investment income (Schedule XXV (a), item 25) . . . . .	=	I	=	\$ 12,636,260
2. Income-yielding assets (including cash and investment income due and accrued):				
a) At beginning of year . . . . .				
(items. 1-21 . . . . ., page 7, statement for previous year) . . . . .	=	A	=	\$156,617,532
b) At end of year . . . . .				
(items. 1-21 . . . . ., page 7, statement of current year) . . . . .	=	B	=	\$172,461,573
3. Net rate of investment income earned . . . . .	=	21	=	7.99
		A + B - I		



Schedule XXVI—CLAIMS INCURRED UNDER INSURANCE AND ANNUITY CONTRACTS  
INCLUDING SEGREGATED FUNDS

	LIFE INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS INSURANCE			TOTAL
	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
PARTICIPATING										
1. Net of reinsurance ceded:										
a) Death . . . . .	1,152,038		1,152,038	2,895		2,895				1,154,933
b) Accidental death . . . . .	99,000		99,000							99,000
c) Disability . . . . .	8,913		8,913					38,190		47,103
d) Matured endowments . . . . .	628,362		628,362							628,362
e) Annuity payments . . . . .				20,902		20,902				20,902
f) Surrender values . . . . .	1,939,825		1,939,825	609,739		609,739				2,549,564
g) Accident and sickness . . . . .										
h) . . . . .										
i) Totals . . . . .	3,828,138		3,828,138	633,536		633,536		38,190		4,499,864
Reinsurance ceded . . . . .	20,000		20,000					19,836		39,836
NON-PARTICIPATING										
3. Net of reinsurance ceded:										
a) Death . . . . .	1,307,888	1,361,208	2,669,096	51,387	52,084	103,471				2,772,567
b) Accidental death . . . . .	16,610	11,500	28,110							28,110
c) Disability . . . . .	2,298		2,298					2,513	1,008,586	1,013,397
d) Matured endowments . . . . .	92,933		92,933							92,933
e) Annuity payments . . . . .				1,131,529	274,833	1,406,362				1,406,362
f) Surrender values . . . . .	1,275,450		1,275,450	977,199	2,302,128	3,279,327				4,554,777
g) Accident and sickness . . . . .										
h) . . . . .										
i) Totals . . . . .	2,695,179	1,372,708	4,067,887	2,160,115	2,629,045	4,789,160		2,513	1,008,586	9,868,146
Reinsurance ceded . . . . .	43,500	163,868	207,368					3,458	31,003	241,829
4. Reinsurance ceded . . . . .										
5. GRAND TOTALS — Net of reinsurance ceded (page 9, item 12) . . . . .	6,523,317	1,372,708	7,896,025	2,793,651	2,629,045	5,422,696		40,703	1,008,586	14,368,010
6. GRAND TOTALS — Reinsurance ceded . . . . .	63,500	163,868	227,368					23,294	31,003	281,665

The Empire Life Insurance Company  
Company

December 31, 1977  
Year

**Schedule XXVII—TAXES, LICENCES AND FEES**  
(INCLUDING SEGREGATED FUNDS)

	LIFE*	ACCIDENT AND SICKNESS	INVESTMENT	TOTAL
	\$	\$	\$	\$
1. Premium taxes:				
a) Provincial . . . . .	388,793	35,372		424,165
b) Other . . . . .	5,990	545		6,535
c) Totals . . . . .	394,783	35,917		430,700
2. Supervision and examination:				
a) Federal . . . . .				
b) Provincial . . . . .	3,289	201		3,490
c) Other . . . . .				
d) Totals . . . . .	3,289	201		3,490
3. Licenses and fees:				
a) Provincial . . . . .				
b) Other . . . . .	2,762	168		2,930
c) Totals . . . . .	2,762	168		2,930
4. Real estate taxes . . . . .			40,517	40,517
5. Other taxes (give details):				
Business Tax . . . . .	70,888	4,324	5,900	81,112
Provincial Sales Tax . . . . .	1,445	88		1,533
Provincial Corporation Capital Tax . . . . .	851	52		903
6. GRAND TOTALS (page 9, item 21) (page 48, item 22). XX                                        †	474,018 XX	40,750 XX	46,417 †	561,185

\* Segregated Funds Expenses to be included in Life column.

**Schedule XXVIII—INCOME TAX**

Federal . . . . .	-1,877	159,277		157,400
Provincial . . . . .	-428	36,292		35,864
Other . . . . .				
TOTALS (page 9, item 34) . . . . .	-2,305	195,569		193,264

Company

Year

**Schedule XXIX—GENERAL AND INVESTMENT EXPENSES  
(INCLUDING SEGREGATED FUNDS)**

	LIFE*	ACCIDENT AND SICKNESS	INVESTMENT	TOTAL
	\$	\$	\$	\$
<b>RENT</b>				
1. Head office rents . . . . .	153,080	10,127	33,995	197,202
2. Branch office rents . . . . .	469,752	31,078	4,140	504,970
3. . . . .				
4. TOTAL RENT . . . . .	622,832	41,205	38,135	702,172
<b>SALARIES, WAGES AND ALLOWANCES</b>				
5. Head office employees' salaries and wages . . . . .	2,029,102	134,239	228,900	2,392,241
6. Branch office employees' salaries and wages . . . . .	726,995	48,096	22,700	797,791
7. Managers' and agents' salaries . . . . .	1,650,371	109,183		1,759,554
8. Directors' fees . . . . .	21,479	1,421		22,900
9. Agents' expense allowances . . . . .	1,118,199	73,976		1,192,175
10. Advances to agents . . . . .	119,042	7,876		126,918
11. . . . .				
12. TOTAL SALARIES, WAGES AND ALLOWANCES . . . . .	5,665,188	374,791	251,600	6,291,579
<b>CONTRIBUTIONS TO EMPLOYEES' AND AGENTS' WELFARE</b>				
13. Pension and insurance funds for employees . . . . .	257,180	17,014	13,221	287,415
14. Pension and insurance funds for agents . . . . .	124,538	8,239		132,777
15. Unemployment insurance . . . . .	44,881	2,969	1,974	49,824
16. Canada and Quebec Pension Plans . . . . .	39,735	2,629	1,310	43,674
17. <del>xxxxxx</del> Misc. contributions to employees . . . . .	17,224	1,139		18,363
18. Contributions to provincial health insurance plans . . . . .	7,344	486		7,830
19. TOTAL CONTRIBUTIONS TO EMPLOYEES' AND AGENTS' WELFARE . . . . .	490,902	32,476	16,505	539,883
<b>PROFESSIONAL AND SERVICE FEES AND EXPENSES</b>				
20. Legal fees and expenses . . . . .	18,178	1,202	1,000	20,380
21. Medical examination fees . . . . .	112,378	7,435		119,813
22. Inspection report fees . . . . .	109,274	7,229	8	116,511
23. Auditors' fees . . . . .	10,786	714	11,500	23,000
24. Consultant fees not included above . . . . .	63,924	4,229		68,153
25. TOTAL PROFESSIONAL AND SERVICE FEES AND EXPENSES . . . . .	314,540	20,809	12,508	347,857
<b>MISCELLANEOUS EXPENSES</b>				
26. Advertising and sales promotion . . . . .	271,228	17,944		289,172
27. Agency conventions . . . . .	54,436	3,601		58,037
28. Books and periodicals . . . . .	4,725	313	1,666	6,704
29. Bureau and association dues . . . . .	33,099	2,190	1,683	36,972
30. Collection and bank charges . . . . .	2,575	170	774	3,519
31. Commissions on mortgages . . . . .			49,743	49,743
32. Custody of securities . . . . .			20,260	20,260
33. Insurance, except on real estate . . . . .	10,573	700	560	11,833
34. Postage, telegraph, telephone, express . . . . .	311,491	20,607	11,631	343,729
35. Printing and stationery . . . . .	203,806	13,483	4,946	222,235
36. Office furniture . . . . .	77,875	5,152	416	83,443
37. Rental of equipment, tabulating and miscellaneous services . . . . .	118,074	7,811	5,823	131,708
38. Travelling expenses, head office . . . . .	141,583	9,367	12,487	163,437
39. Travelling expenses, branch office . . . . .	80,724	5,340		86,064
40. Sundry General Expenses . . . . .	152,607	10,096	17,040	179,743
41. TOTAL MISCELLANEOUS EXPENSES . . . . .	1,462,796	96,774	127,029	1,686,599
<b>REAL ESTATE EXPENSES, EXCLUDING TAXES</b>				
42. Held for Company use . . . . .			69,664	69,664
43. Held for Production of Income . . . . .			20,116	20,116
44. TOTAL REAL ESTATE EXPENSES (excluding taxes) . . . . .			89,780	89,780
45. GRAND TOTALS . . . . .	8,556,258	566,055	535,557	9,657,870
46. Less amount received from reinsurer as expense allowance . . . . .				
47. TOTAL GENERAL EXPENSES (page 9, item 23) plus (page 48, item 20) . . . . .	8,556,258	566,055	535,557	9,657,870

\* Segregated Funds Expenses to be included in Life column.

Investment Expenses of General Fund  
Investment Expenses of Segregated Fund

535,557  
-69,288  
60,288

Schedule XXX—DIVIDENDS TO POLICYHOLDERS AND EXPERIENCE RATING REFUNDS

	LIFE INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS INSURANCE			TOTAL
	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
<b>PART I—DIVIDENDS TO POLICYHOLDERS</b>										
Net of reinsurance ceded:	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
1. Paid or payable in cash . . . . .	230,775		230,775	6,706		6,706	287		287	237,768
2. Left with company at interest . . . . .	1,192,836		1,192,836	127,975		127,975	11,179		11,179	1,331,990
3. Applied as single premium . . . . .	520,237		520,237							520,237
4. TOTAL . . . . .	1,943,848		1,943,848	134,681		134,681	11,466		11,466	2,089,995
5. Provisions for previous year . . . . .	2,527,000		2,527,000	65,000		65,000	21,000		21,000	2,613,000
6. Provisions for present year (page 8, item 3) . . . . .	1,876,000		1,876,000	45,000		45,000	21,000		21,000	1,942,000
7. TOTAL DIVIDENDS: (4 - 5 + 6) (page 9, item 28) . . . . .	1,292,848		1,292,848	114,681		114,681	11,466		11,466	1,418,995
<b>PART II—EXPERIENCE RATING REFUNDS</b>										
1. Paid or payable in cash . . . . .		20,597	20,597							20,597
2. Provisions for previous year . . . . .		92,106	92,106							164,383
3. Provisions for present year (page 8, item 4) . . . . .		2,879	2,879							211,161
4. TOTAL: (1 - 2 + 3) (page 9, item 29) . . . . .		-68,630	-68,630						136,005	67,375

Schedule XXXI—VALUATION OF CAPITAL GAINS AND LOSSES ON INVESTMENTS

	GAINS			LOSSES			NET GAINS 5%
	WRITING UP OF BOOK VALUE	RECOVERIES	EXCESS OF SALE PRICE OR MATURED VALUE OVER BOOK VALUE	WRITING DOWN OF BOOK VALUE	DEFICIENCY OF SALE PRICE OR MATURED VALUE UNDER BOOK VALUE		
1. Bonds . . . . .	\$	\$	\$	\$	\$	\$	\$
2. Stocks . . . . .			74,718			74,718	74,718
3. Mortgage loans on real estate . . . . .			112,918			112,918	105,192
4. Agreements of sale of real estate . . . . .							
5. Real estate owned not under agreement of sale . . . . .							
6. Collateral loans . . . . .							
7. . . . .							
8. . . . .							
9. . . . .							
10. . . . .							
11. TOTALS (page 9, item 32) . . . . .			187,636		7,726		179,910

## Exhibit 1—EXPENSES DETAILS

NAME	ADDRESS	OFFICIAL POSITION	AMOUNT
SEE ATTACHED EXHIBIT			\$

This exhibit is to contain the following information:

- a) Any amounts paid to directors.
- b) All payments in excess of \$1,000 to each Trade Association, Service Organization, Statistical, Actuarial, or Rating Bureau.
- c) All payments to management company or affiliated companies.
- d) Salaries in excess of \$12,000, excepting agents' commissions.

- i) Amount in the case of individuals should be the same as the compensation shown in the income tax report.
- ii) This exhibit may be filed as a separate exhibit if the company so desires.

Exhibit 2—REINSURANCE EXHIBIT  
1—LIFE AND ANNUITIES

	NAME OF COMPANY	REGISTERED IN PROVINCE OR NOT	TYPE OF REINSURANCE	AMOUNT CEDED	RESERVE	REINSURANCE PREMIUM
Life and annuities:	Alliance Mutual		YRT	\$ 1,173,625	\$ 3,859	\$ 7,222
	Canadian Reassurance		YRT & Coins.	28,047,517	361,545	204,239
	Confederation		YRT & Coins.	34,049	15,035	(1,191)
	Crown		YRT & Coins.	13,478,763	141,242	109,291
	Dominion Life		YRT & COINS.	244,318	134,275	4,875
	Dominion of Canada General		YRT	57,920,851	-	137,976
	Empire Life		YRT	-	-	18,195
	Equitable		YRT	16,942,863	62,596	99,831
	Gerling Global		YRT	215,445	762	1,336
	Great West		YRT	359,182	5,570	9,770
	Guy Carpenter		Catastrophe	140,518	1,529	11,016
	Lincoln National		YRT	17,842	70	356
	Manufacturers		YRT & Coins.	6,179,740	53,271	58,339
	Mercantile & General		YRT & Coins.	73,936,963	419,345	360,727
	Montreal		YRT	2,702	43	-
	Munich Reinsurance		YRT & Coins.	19,410,445	142,525	125,559
	Northern Life		YRT	1,620,325	5,146	8,593
	Storebrand		YRT	224,720	1,006	1,872
TOTAL — registered companies						
					(1)	
TOTAL — unregistered companies						
GRAND TOTAL — registered and unregistered				219,949,868	(21,347,819)	(31,158,006)

N.B. — Types of reinsurance:

YRT — Co-insurance — Catastrophe — Stop loss, etc.

(1) — To agree with total of Schedule XIII, page 35, line 8 of summary.

(2) — To agree with total of Schedule XIII, page 35, line 4 of summary.

(3) — To agree with Schedule XXIII, page 45, line 10.

Reserve credit allowed only for registered companies.

Exhibit 3—REINSURANCE EXHIBIT  
2—ACCIDENT AND SICKNESS

Accident and sickness:	NAME OF COMPANY	REGISTERED IN PROVINCE OR NOT	TYPE OF REINSURANCE	RESERVE	REINSURANCE PREMIUM
	Canadian Reassurance Laurier Life Mercantile & General		Coinsurance Coinsurance Coinsurance	\$ 10,495 80,432 84,736	\$ 6,387 11,980 100,407
TOTAL — registered companies				(1) (2)175,663	(3)118,774
TOTAL — unregistered companies					
GRAND TOTAL — registered and unregistered					

N.B. — Types of reinsurance:

- YRT — Catastrophe — Stop loss, etc.
  - (1) — To agree with total of Schedule XIV, page 36, line 2 and line 7.
  - (2) — To agree with total of Schedule XIV, page 36, line 4 and line 9.
  - (3) — To agree with Schedule XXIII, page 45, line 10.
- Reserve credit allowed only for registered companies.

The Empire Life Insurance Company

Company

December 31, 1977

Year

## Exhibit 4—(a) LIFE INSURANCE POLICIES (GROSS) (Additional accidental death

	ORDINARY	
	NUMBER	AMOUNT
		\$
1. IN FORCE, December 31, 19 <sup>76</sup>	88,417	1,200,809,711
2. New effected	13,198	318,804,502
3. Old revived	1,579	33,960,964
4. New bonus additions		5,433,417
5. Old increased		
Adjustment from 1976		
6. <del>Recovered from disability</del>	(326)	(1,171,676)
7. Converted from Group Insurance	37	183,570
8. TOTALS	102,905	1,558,020,488
9. Less ceased by:		
Death	451	2,847,317
10. Maturity	381	681,130
11. Disability		
12. Expiry	1,147	34,618,025
13. Surrender	1,736	16,331,541
14. Lapse	5,016	106,324,012
15. Withdrawal		
16. Decrease		10,177,161
Converted to Ordinary Deferred Annuities	45	201,313
17. Converted to Ordinary Insurance		
18. TOTAL CEASED	8,776	171,180,499
19. IN FORCE, December 31, 19 <sup>77</sup>	94,129	1,386,839,989

Number of group insurance certificates in force if the number under shared groups is counted on a prorata basis:

## Exhibit 4—(b) ANALYSIS OF AMOUNTS OF LIFE INSURANCE

	NEW EFFECTED			
	DIRECT WRITTEN	REINSURANCE ASSUMED	REINSURANCE CEDED	NET
	\$	\$	\$	\$
1. Ordinary	310,808,213	8,179,859	48,027,253	270,960,819
2. Group	121,289,710	-	33,310,710	87,979,000
3.				
4. TOTALS	432,097,923	8,179,859	81,337,963	358,939,819

/ Includes Group Conversions



benefit provided in life policies must not be included in this exhibit)

GROUP			TOTAL	
NUMBER OF POLICIES	NUMBER OF CERTIFICATES	AMOUNT	NUMBER OF POLICIES	AMOUNT
		\$		\$
234	78,218	472,438,500	88,651	1,673,248,211
65	5,384	121,289,710	13,263	440,094,212
			1,579	33,960,964
				5,433,417
	8,114	74,747,929		74,747,929
			(326)	(1,171,676)
			37	183,570
299	91,716	668,476,139	103,204	2,226,496,627
	323	1,462,608	451	4,309,925
			381	681,130
			1,147	34,618,025
	6	27,500	1,736	16,359,041
43	6,206	29,880,757	5,059	136,204,769
×××××	3,985	50,812,435		50,812,435
				10,177,161
	37	183,570	45	384,883
43	10,557	82,366,870	8,819	253,547,369
256	81,159	586,109,269	94,385	1,972,949,258

## EFFECTED AND IN FORCE

IN FORCE			
DIRECT WRITTEN	REINSURANCE ASSUMED	REINSURANCE CEDED	NET
\$	\$	\$	\$
1,316,512,334	70,327,655	161,680,462	1,225,159,527
585,648,769	460,500	58,269,406	527,839,863
1,902,161,103	70,788,155	219,949,868	1,752,999,390

Company

Year

Exhibit 4-(c) GROSS AMOUNT OF LIFE INSURANCE EFFECTED, CLASSIFIED BY PLAN OF POLICY

	PARTICIPATING		NON-PARTICIPATING		TOTAL
	ORDINARY	GROUP	ORDINARY	GROUP	
1. Life . . . . .	\$ 48,139,487	\$	\$ 57,474,021	\$	\$ 105,613,508
2. Endowment . . . . .	42,428,532		8,301,394		50,729,926
3. Term . . . . .			119,235,010	121,289,710	240,524,720
4. Temporary additions to sums insured . . . . .	17,490,851		25,918,777		43,409,628
5. . . . .					
6. . . . .					
7. TOTALS . . . . .	108,058,870		210,929,202	121,289,710	440,277,782

Exhibit 4-(d) GROSS AMOUNT OF LIFE INSURANCE IN FORCE, CLASSIFIED BY PLAN OF POLICY

	PARTICIPATING		NON-PARTICIPATING		TOTAL
	ORDINARY	GROUP	ORDINARY	GROUP	
1. Life . . . . .	\$ 238,454,325	\$	\$ 240,021,793	\$ 730,000	\$ 479,206,118
2. Endowment . . . . .	176,273,247		22,407,055		198,680,302
3. Term . . . . .			338,273,980	585,379,269	923,653,249
4. Temporary additions to sums insured . . . . .	101,453,452		222,803,064		324,256,516
5. Dividend Additions to Sums Insured . . . . .	47,153,073				47,153,073
6. . . . .					
7. TOTALS . . . . .	563,334,097		823,505,892	586,109,269	1,972,949,258

Exhibit 4-(e) GROSS AMOUNT OF LIFE INSURANCE IN FORCE, CLASSIFIED BY DIVIDEND PLAN

	ANNUAL	QUINQUENNIAL	DEFERRED	NON-PARTICIPATING	TOTAL
	\$	\$	\$	\$	\$
1. Ordinary . . . . .	495,050,196	68,283,901		823,505,892	1,386,839,989
2. Group . . . . .				586,109,269	586,109,269
3. . . . .					
4. TOTALS . . . . .	495,050,196	68,283,901		1,409,615,161	1,972,949,258

Company

Year

**Exhibit 4—(f) GROSS AMOUNT OF GROUP LIFE INSURANCE IN FORCE, CLASSIFIED BY NATURE OF THE GROUP COVERED**

NATURE OF GROUP COVERED	AMOUNT
	\$
1. Employees	389,895,995
2. Members of unions, associations, etc.	53,629,500
3. Borrowers from banks, small loan companies or other money-lenders making insured personal loans	134,660,565
4. Others	7,923,209
5. Total	586,109,269

**Exhibit 4—(g) ADDITIONAL ACCIDENTAL DEATH BENEFITS (NET OF REINSURANCE CEDED) INCLUDED IN ORDINARY LIFE INSURANCE POLICIES**

	PREMIUM INCOME	CLAIMS INCURRED	AMOUNT OF ADDITIONAL ACCIDENTAL DEATH BENEFITS	
			EFFECTED	IN FORCE
Ordinary	\$ 334,026	\$ 115,610	\$ 81,276,316	\$ 363,665,034

**Exhibit 4—(h) DISABILITY BENEFITS IN FORCE (NET OF REINSURANCE CEDED) INCLUDED IN LIFE INSURANCE POLICIES**

	NATURE OF DISABILITY BENEFITS										TOTAL		
	WAIVER OF PREMIUMS AND										AMOUNT		
	PREMIUM INCOME		WAIVER OF PREMIUMS ONLY		SUM INSURED PAYABLE IN INSTALMENTS		DISABILITY ANNUITY WITHOUT REDUCTION IN SUM INSURED		TEMPORARY DISABILITY ANNUITY FOLLOWED BY PAYMENT OF SUM INSURED				No.
BEFORE OCCURRENCE OF DISABILITY													
1. Ordinary	\$ 517,232	57,349	\$ 651,293,736				398	5,027,912	979	12,360,754	58,726	668,682,402	
AFTER OCCURRENCE OF DISABILITY													
2. Ordinary	35,051 *Prem. waived.	157	1,077,648				8	43,721			165	1,121,369	
3. Group	1,988	42	358,000								42	358,000	
4. TOTALS	554,271	57,548	652,729,384	406	5,071,633	979	12,360,754	58,933	670,161,771				

\* Not to be included in revenue account.

Exhibit 5—ANNUITIES (GROSS)

	ORDINARY ANNUITIES				GROUP ANNUITIES				SETTLEMENT ANNUITIES		DISABILITY ANNUITIES	
	DEFERRED		VESTED		DEFERRED		VESTED		NUMBER	ANNUAL PAYMENT	NUMBER	ANNUAL PAYMENT
	NUMBER	ANNUAL PAYMENT	NUMBER	ANNUAL PAYMENT	NUMBER OF CONTRACTS	NUMBER OF CERTIFICATES	ANNUAL PAYMENT	NUMBER OF CERTIFICATES				
1. IN FORCE, December 31, 1976 . . . . .	5,751	\$ 4,179,674	584	\$ 1,038,081	174	2,979	159	\$ 200,242	102	\$ 104,449	8	\$ 5,806
2. New effected . . . . .	1,163	1,475,022	142	303,796	3	197			6	5,074		
3. Old revived . . . . .	84	77,172										
4. Old increased: Trans. From Ord. Ins. . . . .	XXX	XXXXXXXXXX	XXX	XXXXXXXXXX		67			XXX	XXXXXXXXXX	XXX	XXXXXXXXXX
5. Transfers From Deferred . . . . .	45	24,158	34	53,917			73	81,054			1	1,200
6. . . . .												
7. TOTALS . . . . .	7,043	5,756,026	760	1,395,794	177	3,243	232	281,296	108	109,523	9	7,006
Less ceased by:												
8. Death . . . . .	25	7,905	13	16,682		12		2,986	7	15,791		
9. Recovery from disability . . . . .												
10. Expiry . . . . .	209	78,955	11	28,048			1	1,699	1	1,449	1	600
11. Surrender . . . . .	393	401,963	4	1,692		484						
12. Lapse . . . . .	134	208,000			17							
13. Decrease . . . . .		220,617		20,092								
14. Withdrawal . . . . .												
15. Transfers TO Vested . . . . .	34	53,917				73		81,054				
16. . . . .												
17. TOTAL CEASED . . . . .	795	971,357	28	66,514	17	569	4	5,609	8	17,240	1	600
18. IN FORCE, December 31, 1977 . . . . .	6,248	4,784,669	732	1,329,280	160	2,674	228	275,687	100	92,283	8	6,406
REINSURANCE												
19. IN FORCE, December 31, 1977 . . . . .												
a) Assumed . . . . .												
b) Ceded . . . . .												

Exhibit 6—ANALYSIS OF ACCIDENT AND SICKNESS INSURANCE CLAIMS

December 31, 1977  
Year

	YEAR OF OCCURRENCE					TOTAL
	19..... AND PREVIOUS	19.....	19.....	19.....	19..... (CURRENT YEAR)	
a) NET CLAIMS AND ADJUSTMENT EXPENSES PAID IN THE YEAR 19.....						
	\$	\$	\$	\$	\$	\$
PARTICIPATING						
1. Accident only . . . . .						
2. Accident and sickness . . . . .						
3. Non-cancellable accident and sickness . . . . .						
4. Group accident and sickness . . . . .						
5. . . . .						
6. TOTALS — Participating . . . . .						
NON-PARTICIPATING						
7. Accident only . . . . .						
8. Accident and sickness . . . . .						
9. Non-cancellable accident and sickness . . . . .						
10. Group accident and sickness . . . . .						
11. . . . .						
12. TOTALS — Non-participating . . . . .						
13. GRAND TOTALS . . . . .						
14. Line 13 of exhibit 6b, previous years . . . . .					XXXXXXX	XXXXXXX
15. Development — Favourable (Unfavourable) . . . . .					XXXXXXX	XXXXXXX*
b) PROVISION FOR UNPAID CLAIMS AND ADJUSTMENT EXPENSES AS OF DECEMBER 31, 19.....						
PARTICIPATING						
1. Accident only . . . . .						
2. Accident and sickness . . . . .						
3. Non-cancellable accident and sickness . . . . .						
4. Group accident and sickness . . . . .						
5. . . . .						
6. TOTALS — Participating . . . . .						
NON-PARTICIPATING						
7. Accident only . . . . .						
8. Accident and sickness . . . . .						
9. Non-cancellable accident and sickness . . . . .						
10. Group accident and sickness . . . . .						
11. . . . .						
12. TOTALS — Non-participating . . . . .						
GRAND TOTALS . . . . .						

\* Cross added items only. THIS EXHIBIT LEFT UNCOMPLETED PENDING AGREEMENT OVER CONTENT.

The Empire Life Insurance Company

December 31, 1977

Company

Year

**Exhibit 7—CLAIMS RESISTED OR COMPROMISED DURING THE YEAR AND CLAIMS  
RESISTED AT END OF CURRENT YEAR**

YEAR OF NOTICE OF CLAIM	POLICY NUMBER	AMOUNT CLAIMED	AMOUNT PAID DURING THE YEAR	AMOUNT RESISTED AT THE END OF CURRENT YEAR	WHY COMPROMISED OR RESISTED
		\$	\$	\$	
(a) Claims compromised during the year:					
<u>Life Ordinary</u>					
1974	275,936	69,650	Nil	-	Material misrepresentation
1976	297,312	15,000	Nil	-	" " "
1976	276,876	30,000	Nil	-	Not accidental
1976	90,838	2,000	Nil	-	" "
1977	195,497	8,000	4,000	-	" "
1977	312,908	2,500	Nil	-	Material misrepresentation
1977	291,186	73,222	Nil	-	" "
1977	321,879	5,000	Nil	-	" "
1977	335,660	54,551	30,000	-	Limited amount under Conditional Interim Insurance
		259,923	34,000		
(b) Claims resisted at end of year:					
<u>Life Ordinary</u>					
1976	141,886	10,000	-	5,000	Accidental death exclusion
1976	227,645	10,000	-	5,000	" " "
1976	158,698	10,000	-	5,000	" " "
1976	213,946	10,000	-	5,000	" " "
1976	300,868	23,860	-	23,860	Material change in insurability before policy delivered
1977	313,149	8,000	-	8,000	" " " " "
		71,860		51,860	
<u>Life Group</u>					
1975	G-724	17,000	Nil	17,000	No proof of accidental death
TOTALS . . . . .		348,783	34,000	68,860	

Classify the claims as follows: a) claims compromised during the year; b) claims resisted at the end of the year. In each of the sections list the claims according to class of claims and give subtotals for each class.

**Exhibit 8—ILLUSTRATIVE DIVIDENDS TO POLICYHOLDERS**  
Cash dividends declared during the year of account at the durations shown, per \$1,000 of insurance

ANNUAL DIVIDENDS

KIND OF POLICY	AGE AT ENTRY	DURATION											
		3 YEARS		6 YEARS		9 YEARS		12 YEARS		15 YEARS			
		PREMIUM \$	DIVIDEND \$	PREMIUM \$	DIVIDEND \$	PREMIUM \$	DIVIDEND \$	PREMIUM \$	DIVIDEND \$	PREMIUM \$	DIVIDEND \$		
Whole life . . . . .	25	13.54	.91	13.54	1.63	13.54	2.55	13.54	3.63	13.54	4.85	13.54	6.55
	35	18.90	1.06	18.90	2.14	18.90	3.45	18.90	4.92	18.90	6.55	18.90	8.42
	45	27.86	1.27	27.86	2.82	27.86	4.53	27.86	6.39	27.86	8.42	27.86	10.65
	55	42.90	1.71	42.90	3.87	42.90	6.01	42.90	8.26	42.90	10.65	42.90	13.10
20 payment life . . . . .	25	23.78	1.39	23.78	2.72	23.78	4.42	23.78	6.38	23.78	8.63	23.78	10.86
	35	30.10	1.65	30.10	3.42	30.10	5.59	30.10	8.05	30.10	10.86	30.10	13.10
	45	39.22	1.92	39.22	4.17	39.22	6.80	39.22	9.76	39.22	13.10	39.22	17.64
	55	52.14	2.18	52.14	4.96	52.14	7.93	52.14	11.21	52.14	17.64	52.14	23.78
20 year endowment . . . . .	25	44.16	1.58	44.16	4.59	44.16	8.31	44.16	12.63	44.16	17.64	44.16	23.78
	35	45.02	1.61	45.02	4.64	45.02	8.36	45.02	12.65	45.02	17.63	45.02	23.78
	45	48.01	1.64	48.01	4.75	48.01	8.39	48.01	12.60	48.01	17.51	48.01	23.78
	55	55.42	1.72	55.42	4.94	55.42	8.46	55.42	12.46	55.42	17.18	55.42	23.78

Exhibit 9—QUINQUENNIAL DIVIDENDS

KIND OF POLICY	AGE AT ENTRY	DURATION													
		5 YEARS			10 YEARS			15 YEARS			20 YEARS				
		PREMIUM	DIVIDEND	TOTAL DIVIDENDS	PREMIUM	DIVIDEND	TOTAL DIVIDENDS	PREMIUM	DIVIDEND	TOTAL DIVIDENDS	PREMIUM	DIVIDEND	TOTAL DIVIDENDS		
\$	¢	\$	¢	\$	¢	\$	¢	\$	¢	\$	¢	\$	¢		
Whole life	25														
	35														
	45														
	55														
20 payment life	25														
	35														
	45														
	55														
20 year endowment	25														
	35														
	45														
	55														

- Quinquennial Dividends on Expanded Protection plans only -





Company

**Exhibit 11--(a) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS (ORDINARY\*)  
INCLUDING SEGREGATED FUNDS**

PROVINCE	Is Company licensed in province? (Yes or No)	INSURANCE PREMIUMS				DIVIDENDS TO INSURANCE POLICYHOLDERS			
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		DIRECT WRITTEN	REINSURANCE ACCEPTED	REINSURANCE CEDED	NET OF REINSURANCE CEDED (2) + (3) - (4)	DIRECT WRITTEN	REINSURANCE ACCEPTED	REINSURANCE CEDED	NET OF REINSURANCE CEDED (6) + (7) - (8)
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Newfoundland . . . . .	No	8,443	502	263	8,682	2,063			2,063
Prince Edward Island . . . . .	Yes	229,932	942	2,517	228,357	52,714			52,714
Nova Scotia . . . . .	No	33,373	846	66	34,153	7,031			7,031
New Brunswick . . . . .	No	23,674	2,501	253	25,922	4,296			4,296
Quebec . . . . .	Yes	5,759,207	52,064	405,388	5,405,883	474,231			474,231
Ontario . . . . .	Yes	9,870,414	92,706	395,095	9,568,025	1,057,017		1,124	1,055,893
Manitoba . . . . .	Yes	547,223	13,996	26,483	534,736	34,521		585	33,936
Saskatchewan . . . . .	Yes	224,596	7,041	17,704	213,933	9,683			9,683
Alberta . . . . .	Yes	2,300,012	26,092	87,905	2,238,199	169,183			169,183
British Columbia . . . . .	Yes	897,949	22,488	29,487	890,950	76,605			76,605
Territories (Alaska) . . . . .	No	1,466	9		1,475	106			106
Miscellaneous (Greenland) . . . . .		2,070			2,070	147			147
<b>TOTALS IN CANADA . . . . .</b>		19,898,359	219,187	965,161	19,152,385	1,887,597		1,709	1,885,888
<b>OUT OF CANADA . . . . .</b>		417,631	202,642	16,291	603,982	57,688	272		57,960
<b>GRAND TOTALS . . . . .</b>		20,315,990	421,829	981,452	19,756,367	1,945,285	272	1,709	1,943,848

\* Includes industrial

Exhibit 11-(b) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS (GROUP)  
INCLUDING SEGREGATED FUNDS

PROVINCE	Is Company licensed in province? (Yes or No) (1)	INSURANCE PREMIUMS				DIVIDENDS TO INSURANCE POLICYHOLDERS			
		DIRECT WRITTEN (2)	REINSURANCE ACCEPTED (3)	REINSURANCE CEDED (4)	NET OF REINSURANCE CEDED (2) + (3) - (4) (5)	DIRECT WRITTEN (6)	REINSURANCE ACCEPTED (7)	REINSURANCE CEDED (8)	NET OF REINSURANCE CEDED (6) + (7) - (8) (9)
Newfoundland		\$ 21,465	\$	\$	\$ 21,465	\$	\$	\$	\$
Prince Edward Island		30,437		1,144	29,293				
Nova Scotia		39,799		1	39,798				
New Brunswick		33,406			33,406				
Quebec		636,063	21	9,291	626,793				
Ontario		1,146,990	491	157,878	989,603				
Manitoba		70,813		751	70,062				
Saskatchewan		35,088		-4	35,092				
Alberta		79,386		1,299	78,087				
British Columbia		140,330	793	6,184	134,939				
Territories									
Miscellaneous									
TOTALS IN CANADA		2,233,777	1,305	176,544	2,058,538				
OUT OF CANADA		22,401		10	22,391				
GRAND TOTALS		2,256,178	1,305	176,554	2,080,929				

Exhibit 11—(c) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS (ORDINARY\*)  
 INCLUDING SEGREGATED FUNDS

PROVINCE	Is Company licensed in province? (YES OR NO)	ANNUITY PREMIUMS				DIVIDENDS TO ANNUITY POLICYHOLDERS			
		DIRECT WRITTEN (2)	REINSURANCE ACCEPTED (3)	REINSURANCE CEDED (4)	NET OF REINSURANCE CEDED (2) + (3) - (4) (5)	DIRECT WRITTEN (6)	REINSURANCE ACCEPTED (7)	REINSURANCE CEDED (8)	NET OF REINSURANCE CEDED (6) + (7) - (8) (9)
Newfoundland		\$ 359	\$	\$	\$ 359	\$	\$	\$	\$
Prince Edward Island		32,360			32,360	510			510
Nova Scotia		729			729	16			16
New Brunswick		10,191			10,191				
Quebec		1,088,991			1,088,991	20,605			20,605
Ontario		3,135,778			3,135,778	64,831			64,831
Manitoba		279,911			279,911	4,442			4,442
Saskatchewan		126,021			126,021	691			691
Alberta		918,906			918,906	25,401			25,401
British Columbia		462,404			462,404	15,657			15,657
Territories		1,000			1,000				
Miscellaneous						52			52
TOTALS IN CANADA		6,056,650			6,056,650	132,205			132,205
OUT OF CANADA		194,732			194,732	2,476			2,476
GRAND TOTALS		6,251,382			6,251,382	134,681			134,681

\* Includes industrial.

Exhibit 11—(d) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS (GROUP)  
INCLUDING SEGREGATED FUNDS

PROVINCE	Is Company licensed in province? (Yes or No) (1)	ANNUITY PREMIUMS				DIVIDENDS TO ANNUITY POLICYHOLDERS			
		DIRECT WRITTEN (2)	REINSURANCE ACCEPTED (3)	REINSURANCE CEDED (4)	NET OF REINSURANCE CEDED (2) + (3) - (4) (5)	DIRECT WRITTEN (6)	REINSURANCE ACCEPTED (7)	REINSURANCE CEDED (8)	NET OF REINSURANCE CEDED (6) + (7) - (8) (9)
Newfoundland		\$	\$	\$	\$	\$	\$	\$	\$
Prince Edward Island		1,560			1,560				
Nova Scotia		40			40				
New Brunswick		77,449			77,449				
Quebec		746,168			746,168				
Ontario		1,338,252			1,338,252				
Manitoba		163,773			163,773				
Saskatchewan									
Alberta		96,208			96,208				
British Columbia		187,892			187,892				
Territories									
Miscellaneous									
TOTALS IN CANADA		2,611,342			2,611,342				
OUT OF CANADA									
GRAND TOTALS		2,611,342			2,611,342				

Exhibit 11—(e) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS

PROVINCE	Is Company licensed in province? (YES OR NO)	ACCIDENT AND SICKNESS PREMIUMS				DIVIDENDS TO ACCIDENT AND SICKNESS POLICYHOLDERS			
		DIRECT WRITTEN (2)	REINSURANCE ACCEPTED (3)	REINSURANCE CEDED (4)	NET OF REINSURANCE CEDED (2) + (3) - (4) (5)	DIRECT WRITTEN (6)	REINSURANCE ACCEPTED (7)	REINSURANCE CEDED (8)	NET OF REINSURANCE CEDED (6) + (7) - (8) (9)
	(1)	\$	\$	\$	\$	\$	\$	\$	\$
Newfoundland . . . . .	No								
Prince Edward Island . . . . .	Yes	713		255	458	49		22	27
Nova Scotia . . . . .	No	1,440		68	1,372	71		10	61
New Brunswick . . . . .	No	2,743			2,743	23			23
Quebec . . . . .	Yes	330,317		41,288	289,029	2,453		764	1,689
Ontario . . . . .	Yes	559,430	5,185	48,338	516,277	9,164		999	8,165
Manitoba . . . . .	Yes	28,973		5,085	23,888	329		82	247
Saskatchewan . . . . .	Yes	802,634		162	802,472	18			18
Alberta . . . . .	Yes	76,043		9,824	66,219	997		276	721
British Columbia . . . . .	Yes	118,254		12,561	105,693	559		188	371
Territories . . . . .	No								
Miscellaneous . . . . .									
TOTALS IN CANADA . . . . .		1,920,547	5,185	117,581	1,808,151	13,663		2,341	11,322
OUT OF CANADA . . . . .		1,961		1,193	768	176		32	144
GRAND TOTALS . . . . .		1,922,508	5,185	118,774	1,808,919	13,839		2,373	11,466

Exhibit 12—CLAIMS AND DIVIDENDS UNDER INSURANCE AND ANNUITY CONTRACTS (DIRECT) — INCLUDING SEGREGATED FUNDS

	INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS			TOTAL
	ORDINARY*	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Newfoundland</b>										
a) Death . . . . .		14,973	14,973					458	458	14,973
b) Disability . . . . .										458
c) Matured endowments . . . . .										
d) Annuity payments . . . . .	835		835	2,141		2,141				2,141
e) Surrender values . . . . .	2,063		2,063				49		49	2,112
f) Dividends . . . . .										
g) Accident and sickness . . . . .		14,973	17,871	2,141		2,141	49	458	507	20,519
h) TOTALS . . . . .										
<b>Prince Edward Island</b>										
a) Death . . . . .	18,623	12,805	31,428					1,310	1,310	31,428
b) Disability . . . . .										1,310
c) Mat-red endowments . . . . .	41,558		41,558							41,558
d) Annuity payments . . . . .				1,160		1,160				1,160
e) Surrender values . . . . .	32,596		32,596	1,274		1,274				33,870
f) Dividends . . . . .	40,996		40,996	510		510				41,506
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	133,773	12,805	146,578	2,944		2,944		1,310	1,310	150,832
<b>Nova Scotia</b>										
a) Death . . . . .		7,647	7,647							7,647
b) Disability . . . . .							-244	2,970	2,726	2,726
c) Matured endowments . . . . .	2,051		2,051		603	603				2,051
d) Annuity payments . . . . .				800		800				1,403
e) Surrender values . . . . .	5,655		5,655	2,089		2,089				7,744
f) Dividends . . . . .	7,031		7,031	16		16	71		71	7,118
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	14,737	7,647	22,384	2,905	603	3,508	-173	2,790	2,797	28,689
<b>New Brunswick</b>										
a) Death . . . . .	2,000	9,059	11,059							11,059
b) Disability . . . . .								2,737	2,737	2,737
c) Matured endowments . . . . .										
d) Annuity payments . . . . .	1,968		1,968	511	210	721				2,699
e) Surrender values . . . . .	4,296		4,296				23		23	4,319
f) Dividends . . . . .										
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	8,264	9,059	17,323	511	210	721	23	2,737	2,760	20,804

\* Includes industrial.

Company

Year

Exhibit 12—CLAIMS AND DIVIDENDS UNDER INSURANCE AND ANNUITY CONTRACTS (DIRECT) — INCLUDING SEGREGATED FUNDS (continued)

	INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS			TOTAL
	ORDINARY*	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Quebec</b>										
a) Death . . . . .	1,031,130	346,524	1,377,654	3,106	11,631	14,737	13,733	257,018	270,751	1,392,391
b) Disability . . . . .	2,613		2,613							273,364
c) Matured endowments . . . . .	212,764		212,764							212,764
d) Annuity payments . . . . .	1,071,129		1,071,129	122,887	74,709	197,596				197,596
e) Surrender values . . . . .	322,353		322,353	277,689	392,452	670,141				1,741,270
f) Dividends . . . . .				16,181		16,181	2,453		2,453	340,987
g) Accident and sickness . . . . .										
<b>h) TOTALS . . . . .</b>	<b>2,639,989</b>	<b>346,524</b>	<b>2,986,513</b>	<b>419,863</b>	<b>478,792</b>	<b>898,655</b>	<b>16,186</b>	<b>257,018</b>	<b>273,204</b>	<b>4,158,372</b>
<b>Ontario</b>										
a) Death . . . . .	1,046,756	998,596	2,045,352	30,201	26,328	56,529	40,815	318,518	359,333	2,101,881
b) Disability . . . . .	4,990		4,990							364,323
c) Matured endowments . . . . .	387,271		387,271							387,271
d) Annuity payments . . . . .				502,580	141,759	644,339				644,339
e) Surrender values . . . . .	1,533,562		1,533,562	667,011	1,356,915	2,023,926				3,557,488
f) Dividends . . . . .	711,531		711,531	55,059		55,059	9,164		9,164	775,754
g) Accident and sickness . . . . .										
<b>h) TOTALS . . . . .</b>	<b>3,684,110</b>	<b>998,596</b>	<b>4,682,706</b>	<b>1,254,851</b>	<b>1,525,002</b>	<b>2,779,853</b>	<b>49,979</b>	<b>318,518</b>	<b>368,497</b>	<b>7,831,056</b>
<b>Manitoba</b>										
a) Death . . . . .	24,408	38,708	63,116	2,376		2,376				65,492
b) Disability . . . . .										10,998
c) Matured endowments . . . . .	3,000		3,000							3,000
d) Annuity payments . . . . .				99,476	3,084	102,560				102,560
e) Surrender values . . . . .	50,387		50,387	81,000	29,779	110,779				161,166
f) Dividends . . . . .	20,069		20,069	4,442		4,442	329		329	24,840
g) Accident and sickness . . . . .										
<b>h) TOTALS . . . . .</b>	<b>97,864</b>	<b>38,708</b>	<b>136,572</b>	<b>187,294</b>	<b>32,863</b>	<b>220,157</b>	<b>329</b>	<b>10,998</b>	<b>11,327</b>	<b>368,056</b>
<b>Saskatchewan</b>										
a) Death . . . . .	4,250	34,273	38,523	4,175	3,004	7,179				45,702
b) Disability . . . . .										303,908
c) Matured endowments . . . . .	9,480		9,480							9,480
d) Annuity payments . . . . .				149,953	632	150,585				150,585
e) Surrender values . . . . .	6,946		6,946	53,853		53,853				60,799
f) Dividends . . . . .	5,777		5,777	691		691	18		18	6,486
g) Accident and sickness . . . . .										
<b>h) TOTALS . . . . .</b>	<b>26,453</b>	<b>34,273</b>	<b>60,726</b>	<b>208,672</b>	<b>3,636</b>	<b>212,308</b>	<b>18</b>	<b>303,908</b>	<b>303,926</b>	<b>576,960</b>

\* Includes industrial.



Exhibit 12—CLAIMS AND DIVIDENDS UNDER INSURANCE AND ANNUITY CONTRACTS (DIRECT) — INCLUDING SEGREGATED FUNDS (continued)

	INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS			TOTAL
	ORDINARY*	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Alberta</b>										
a) Death	181,102	9,647	190,749		11,121	11,121	1,033	13,407	14,440	201,870
b) Disability	2,050		2,050							16,490
c) Matured endowments	24,381		24,381							24,381
d) Annuity payments	188,956		188,956	163,452	12,626	176,078				176,078
e) Surrender values	85,985		85,985	236,677	92,087	328,764				517,720
f) Dividends				22,031		22,031	997		997	109,013
g) Accident and sickness										
<b>TOTALS</b>	482,474	9,647	492,121	422,160	115,834	537,994	2,030	13,407	15,437	1,045,552
<b>British Columbia</b>										
a) Death	47,874	64,247	112,121	14,424		14,424	8,660	127,747	136,407	126,545
b) Disability										136,407
c) Matured endowments	23,307		23,307	83,468	39,288	122,756				23,307
d) Annuity payments	248,479		248,479	243,378	430,895	674,273				122,756
e) Surrender values	45,422		45,422	13,223		13,223	559		559	922,752
f) Dividends										59,204
g) Accident and sickness										
<b>TOTALS</b>	365,082	64,247	429,329	354,493	470,183	824,676	9,219	127,747	136,966	1,390,971
<b>Territories and Miscellaneous</b>										
a) Death										
b) Disability										
c) Matured endowments										
d) Annuity payments										
e) Surrender values	253		253	777		777				777
f) Dividends				52		52				305
g) Accident and sickness										
<b>TOTALS</b>	253		253	829		829				1,082
<b>TOTALS IN CANADA</b>										
a) Death	2,356,143	1,536,479	3,892,622	54,282	52,084	106,366	63,997	1,039,071	1,103,068	3,998,988
b) Disability	9,653		9,653							1,112,721
c) Matured endowments	703,812		703,812	1,126,428	272,911	1,399,339				703,812
d) Annuity payments	3,140,513		3,140,513	1,563,748	2,302,128	3,865,876				1,399,339
e) Surrender values	1,245,776		1,245,776	112,205		112,205	13,663		13,663	7,006,389
f) Dividends										1,371,644
g) Accident and sickness										
<b>TOTALS</b>	7,455,897	1,536,479	8,992,376	2,856,663	2,627,123	5,483,786	77,660	1,039,071	1,116,731	15,592,893

\* Includes industrial.

Exhibit 12—CLAIMS AND DIVIDENDS UNDER INSURANCE AND ANNUITY CONTRACTS (DIRECT) — INCLUDING SEGREGATED FUNDS (concluded)

	INSURANCE			ANNUITIES			ACCIDENT AND SICKNESS			TOTAL
	ORDINARY*	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>OUT OF CANADA</b>										
a) Death . . . . .	22,311	97	22,408							22,408
b) Disability . . . . .	1,200		1,200					518	518	1,718
c) Matured endowments . . . . .	17,483		17,483							17,483
d) Annuity payments . . . . .	74,762		74,762	26,003	1,922	27,925				27,925
e) Surrender values . . . . .	48,509		48,509	23,190		23,190				97,952
f) Dividends . . . . .				2,476		2,476	176		176	51,161
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	164,265	97	164,362	51,669	1,922	53,591	176	518	694	218,647
<b>GRAND TOTALS</b>										
a) Death . . . . .	2,378,454	1,536,576	3,915,030	54,282	52,084	106,366				4,021,396
b) Disability . . . . .	10,853		10,853				63,997	1,039,589	1,103,586	1,114,439
c) Matured endowments . . . . .	721,295		721,295							721,295
d) Annuity payments . . . . .	3,215,275		3,215,275	1,152,431	274,833	1,427,264				1,427,264
e) Surrender values . . . . .	1,294,285		1,294,285	1,586,938	2,302,128	3,889,066				7,104,341
f) Dividends . . . . .				114,681		114,681	13,839		13,839	1,422,805
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	7,620,162	1,536,576	9,156,738	2,908,332	2,629,045	5,537,377	77,836	1,039,589	1,117,425	15,811,540
Reinsurance assumed . . . . .	261,212		261,212							261,212
Total gross . . . . .	7,881,374	1,536,576	9,417,950	2,908,332	2,629,045	5,537,377	77,836	1,039,589	1,117,425	16,072,752
Reinsurance ceded . . . . .	65,209	163,868	229,077				25,667	31,003	56,670	285,747
Net claims and dividends incurred . . . . .	7,816,165	1,372,708	9,188,873	2,908,332	2,629,045	5,537,377	52,169	1,008,586	1,060,755	15,787,005

\* Includes industrial.

Exhibit 13—POLICIES (DIRECT)

	NEWFOUNDLAND		PRINCE EDWARD ISLAND		NOVA SCOTIA		NEW BRUNSWICK		QUEBEC	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
AT BEGINNING OF YEAR . . . . . *										
New effected . . . . .	56	\$ 468,253	1,853	\$ 12,901,220	236	\$ 1,829,607	170	\$ 1,766,558	23,009	\$ 297,449,881
All other additions . . . . .			100	1,411,010	5	25,500	2	29,000	3,342	61,698,245
TOTALS . . . . .	56	468,253	1,961	14,675,137	260	2,034,399	177	1,957,458	26,351	359,148,126
LESS CEASED BY:										
Death . . . . .			8	362,907	19	179,292	5	161,900		
Maturity . . . . .			8	18,000			2	2,000	129	1,151,693
Surrender . . . . .	1	10,000	30	37,369	2	1,618			104	212,270
Lapse . . . . .	1	2,000	40	288,504	4	23,894	3	38,515	468	4,919,923
All other deductions . . . . .		42,518	32	391,266	8	137,192	3	12,000	1,156	21,627,194
TOTAL CEASED . . . . .	2	54,518	110	735,139	14	162,704	8	52,515	81	5,708,007
AT END OF YEAR . . . . .	54	413,735	1,851	13,939,998	246	1,871,695	169	1,904,943	24,413	325,529,039
NET INFORCE . . . . .	63	642,980	1,851	13,654,317	262	2,252,814	177	2,126,657	24,701	287,700,495
AT BEGINNING OF YEAR . . . . . *										
New effected . . . . .			3	4,299,024					67	124,937,875
All other additions . . . . .									18	9,003,310
TOTALS . . . . .			3	4,299,024					85	19,906,997
LESS CEASED BY:										
Death . . . . .				7,217						
Maturity . . . . .										
Surrender . . . . .									10	2,650,898
Lapse . . . . .				100,037						
All other deductions . . . . .				107,254						
TOTAL CEASED . . . . .				217,291						
AT END OF YEAR . . . . .			3	4,191,770					10	2,970,398
NET INFORCE . . . . .			3	4,191,770					75	150,877,784
									76	150,046,365

A) ORDINARY\*

B) GROUP

\* Includes industrial. \* In prior years this exhibit was completed on a gross basis. It is now being corrected and completed on a direct basis.

Exhibit 13—POLICIES (DIRECT) (continued)

	NEWFOUNDLAND		PRINCE EDWARD ISLAND		NOVA SCOTIA		NEW BRUNSWICK		QUEBEC	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
AT BEGINNING OF YEAR . . . *	56	\$ 468,253	1,856	\$ 17,200,244	236	\$ 1,829,607	170	\$ 1,766,558	23,076	\$ 422,387,756
New effected . . . . .			100	1,411,010	5	25,500	2	29,000	3,360	70,701,555
All other additions . . . . .			8	362,907	19	179,292	5	161,900		19,906,997
TOTALS . . . . .	56	468,253	1,964	18,974,161	260	2,034,399	177	1,957,458	26,436	512,996,308
LESS CEASED BY										
Death . . . . .			8	25,217			2	2,000	129	1,471,193
Maturity . . . . .			30	37,369	2	1,618			104	212,270
Surrender . . . . .	1	10,000	40	288,504	4	23,894	3	38,515	468	4,919,923
Lapse . . . . .	1	2,000	32	391,266	8	137,192	3	12,000	1,166	24,278,092
All other deductions . . . . .		42,518		100,037					81	5,708,007
TOTAL CEASED . . . . .	2	54,518	110	842,393	14	162,704	8	52,515	1,948	36,589,485
AT END OF YEAR . . . . .	54	413,735	1,854	18,131,768	246	1,871,695	169	1,904,943	24,488	476,406,823
NET INFORCE . . . . .	63	642,980	1,854	17,846,087	262	2,252,814	177	2,126,657	24,777	437,746,860

(C) ALL CLASSES COMBINED

\* In prior years this exhibit was done on a gross basis. It is now being corrected and completed on a direct basis.

Exhibit 13—POLICIES (DIRECT) (continued)

Company

Year

	ONTARIO		MANITOBA		SASKATCHEWAN		ALBERTA		BRITISH COLUMBIA	
	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$
AT BEGINNING OF YEAR . . . . . *	47,392	569,108,857	1,645	33,371,939	444	10,021,932	6,848	135,307,142	2,757	49,848,899
New effected . . . . .	6,737	157,744,474	351	8,610,417	82	3,104,727	1,515	53,042,184	588	17,335,215
All other additions . . . . .	242	653,212	14		26	393,714	55	2,039,789	76	
TOTALS . . . . .	54,371	727,506,543	2,010	41,982,356	552	13,520,373	8,418	190,389,115	3,421	67,184,114
LESS CEASED BY:										
Death . . . . .	255	1,253,623	7	33,550	3	4,250	14	173,759	13	45,258
Maturity . . . . .	201	356,701	3	3,000	3	7,500	10	22,104	14	23,085
Surrender . . . . .	948	7,640,071	24	257,778	5	131,000	86	973,217	114	1,591,524
Lapse . . . . .	2,727	54,449,805	171	3,179,407	22	728,839	397	11,331,245	335	9,566,033
All other deductions . . . . .				1,158,990						875,981
TOTAL CEASED . . . . .	4,131	63,700,200	205	4,632,725	33	871,589	507	12,500,325	476	12,101,881
AT END OF YEAR . . . . .	50,240	663,806,343	1,805	37,349,631	519	12,648,784	7,911	177,888,790	2,945	55,082,233
NET INFORCE . . . . .	50,882	610,821,225	1,993	36,438,502	546	10,877,162	8,106	161,855,388	3,097	53,104,968
AT BEGINNING OF YEAR . . . . . *	117	310,497,375	6	15,817,884	1	528,000	8	2,703,442	31	13,096,900
New effected . . . . .	40	109,008,400					1	300,000	6	2,978,000
All other additions . . . . .				3,959,864		40,500				1,026,000
TOTALS . . . . .	157	419,505,775	6	19,777,748	1	568,500	9	3,003,442	37	17,100,900
LESS CEASED BY:										
Death . . . . .		1,055,891		56,000						21,500
Maturity . . . . .										
Surrender . . . . .		27,500								
Lapse . . . . .	24	23,850,459					3	547,000	6	2,782,400
All other deductions . . . . .		976,458						57,442		
TOTAL CEASED . . . . .	24	25,910,308		56,000		2,500	3	604,442	6	2,803,900
AT END OF YEAR . . . . .	133	393,595,467	6	19,721,748	1	566,000	6	2,399,000	31	14,297,000
NET INFORCE . . . . .	133	337,076,535	6	19,281,748	1	566,000	6	2,380,445	31	14,297,000

A) ORDINARY\*

B) GROUP

\* Includes industrial. \* In prior years this exhibit was done on a gross basis. It is now being corrected and completed on a direct basis.

Exhibit 13—POLICIES (DIRECT) (continued)

	ONTARIO		MANITOBA		SASKATCHEWAN		ALBERTA		BRITISH COLUMBIA	
	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$
AT BEGINNING OF YEAR *	47,509	879,606,232	1,651	49,189,823	445	10,549,932	6,856	138,010,584	2,788	62,945,799
New effected	6,777	266,752,874	351	8,610,417	82	3,104,727	1,516	53,342,184	594	20,313,215
All other additions	242	653,212	14	3,959,864	26	434,214	55	2,039,789	76	1,026,000
TOTALS	54,528	1,147,012,318	2,016	61,760,104	553	14,088,873	8,427	193,392,557	3,458	84,285,014
LESS CEASED BY:										
Death	255	2,309,514	7	89,550	3	6,750	14	173,759	13	66,758
Maturity	201	356,701	3	3,000	3	7,500	10	22,104	14	23,085
Surrender	948	7,667,571	24	257,778	5	131,000	86	973,217	114	1,591,524
Lapse	2,751	78,300,264	171	3,179,407	22	728,839	400	11,878,245	341	12,348,433
All other deductions		976,458		1,158,990				57,442		875,981
TOTAL CEASED	4,155	89,610,508	205	4,688,725	33	874,089	510	13,104,767	482	14,905,781
AT END OF YEAR	50,373	1,057,401,810	1,811	57,071,379	520	13,214,784	7,917	180,287,790	2,976	69,379,233
NET INFORCE	51,015	947,897,760	1,999	55,720,250	547	11,443,162	8,112	164,235,833	3,128	67,401,968

(C) ALL CLASSES COMBINED

\* In prior years this exhibit was done on a gross basis. It is now being corrected and completed on a direct basis.

Exhibit 13—POLICIES (DIRECT) (continued)

	TERRITORIES AND MISCELLANEOUS		TOTALS IN CANADA		OUT OF CANADA		GRAND TOTALS	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
		\$		\$		\$		\$
AT BEGINNING OF YEAR *	1,680	16,405,420	86,090	1,128,479,708			86,090	1,128,479,708
New effected	341	7,807,441	13,063	310,808,213			13,063	310,808,213
All other additions	133	3,617,893	578	7,408,707			578	7,408,707
TOTALS	2,154	27,830,754	99,731	1,446,696,628			99,731	1,446,696,628
LESS CEASED BY:								
Death	18	148,161	449	2,830,294			449	2,830,294
Maturity	14	17,483	381	681,130			381	681,130
Surrender	43	457,115	1,736	16,331,541			1,736	16,331,541
Lapse	68	1,130,852	4,920	102,555,833			4,920	102,555,833
All other deductions			81	7,785,496			81	7,785,496
TOTAL CEASED	143	1,753,611	7,567	130,184,294			7,567	130,184,294
AT END OF YEAR	2,011	26,077,143	92,164	1,316,512,334			92,164	1,316,512,334
NET INFORCE	2,451	45,685,019	94,129	1,225,159,527			94,129	1,225,159,527
<b>B) GROUP</b>								
AT BEGINNING OF YEAR *			233	471,880,500			233	471,880,500
New effected			65	121,289,710			65	121,289,710
All other additions				24,933,361				24,933,361
TOTALS			298	618,103,571			298	618,103,571
LESS CEASED BY:								
Death				1,462,608				1,462,608
Maturity								
Surrender			43	29,830,757			43	29,830,757
Lapse								
All other deductions								
TOTAL CEASED			43	32,454,802			43	32,454,802
AT END OF YEAR			255	585,648,769			255	585,648,769
NET INFORCE			256	527,839,863			256	527,839,863

\* Includes industrial. \*In prior years this exhibit was done on a gross basis. It is now being corrected and completed on a direct basis.

† Figures shown in this column are now correctly entered in Territories and Miscellaneous.

Exhibit 13—POLICIES (DIRECT) (concluded)

	TERRITORIES AND MISCELLANEOUS		TOTALS IN CANADA		OUT OF CANADA		GRAND TOTALS	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
		\$		\$		\$		\$
AT BEGINNING OF YEAR *	1,680	16,405,420	86,323	1,600,360,208			86,323	1,600,360,208
New effected	341	7,807,441	13,128	432,097,923			13,128	432,097,923
All other additions	133	3,617,893	578	32,342,068			578	32,342,068
TOTALS	2,154	27,830,754	100,029	2,064,800,199			100,029	2,064,800,199
LESS CEASED BY:								
Death	18	148,161	449	4,292,902			449	4,292,902
Maturity	14	17,483	381	681,130			381	681,130
Surrender	43	457,115	1,736	16,359,041			1,736	16,359,041
Lapse	68	1,130,852	4,963	132,386,590			4,963	132,386,590
All other deductions			81	8,919,433			81	8,919,433
TOTAL CEASED	143	1,753,611	7,610	162,639,096			7,610	162,639,096
AT END OF YEAR	2,011	26,077,143	92,419	1,902,161,103			92,419	1,902,161,103
NET INFORCE	2,451	45,685,019	94,385	1,752,999,390			94,385	1,752,999,390

(3) ALL CLASSES COMBINED

\* In prior years this exhibit was done on a gross basis. It is now being corrected and completed on a direct basis.

† Figures previously shown in this column are now correctly entered in Territories and Miscellaneous.



Exhibit 14—INVESTMENTS HELD UNDER THE "BASKET CLAUSE" FOR THE YEAR ENDED 1977

The Ontario Insurance Act, Section 383(4)

Quebec Insurance Act, Section 158g

(or similar sections to other Provincial Acts)

DATE ACQUIRED (1)	DESCRIPTION OF INVESTMENT (2)	OPENING BOOK VALUE (3)	ADDITIONS AT COST + (4)	REALIZATIONS + (5)	PROFIT/LOSS ON REALIZATIONS (6)	CLOSING BOOK VALUE (7)	ESTIMATED MARKET VALUE (8)
FEB. 22, 1967	TRANSALPINE FINANCE HOLDINGS	\$ 49,792	\$	\$ 41 AMORTIZATION	\$	49,833	49,000
FEB. 28, 1966	" "	100,000				100,000	95,000
JULY 7, 1977	ITO YOKADO COMPANY LTD.	105,441				105,441	102,000
JAN. 15, 1965	GREAT NORTHERN GAS UTILITIES	50,000				50,000	41,000
MAY 9, 1977	MAKITA ELECTRIC	91,482				91,482	80,430
TOTALS		396,715		41		396,756	367,430
		Admitted assets \$ 174,008,752	at	7		12,180,613	
						11,783,857	
							Balance available or (over-invested)

+ All additions or realizations in year to be included.

Company

Year

# Affidavit

Province of ONTARIO County of FRONTENAC

President J. S. M. WASON Secretary V. B. REED

Treasurer \_\_\_\_\_ of the \_\_\_\_\_

being duly sworn, each for himself deposes and says:

That they are the above described officers of the said company and that they have, each of them, the means of verifying the correctness of the statement hereto annexed; that, on the thirty-first day of December 1977, all the assets described therein were the absolute property of the said company free and clear from any liens or claims thereon except as therein stated, and that the foregoing statement, with the schedules and explanations therein contained, annexed or referred to, is a complete and correct exhibit of all the assets, liabilities, operations, and of the general condition and affairs of the said company on the thirty-first day of December 1977, and for the year ended on that date, according to the best of their information, knowledge and belief respectively.

In witness whereof they have signed.

severally Sworn before me in the CITY OF KINGSTON \_\_\_\_\_ President

in the County of FRONTENAC \_\_\_\_\_ Secretary

in the Province of ONTARIO \_\_\_\_\_ Treasurer

this \_\_\_\_\_ day of FEBRUARY

A.D. 19 78

(A commissioner, etc.)  
A NOTARY PUBLIC in and for THE PROVINCE of ONTARIO

# Certificate of Auditors

We, the undersigned auditors of the THE EMPIRE LIFE INSURANCE COMPANY hereby certify that:

- a) We have examined the statements shown on pages 7, 8, 9, 10 and 11 hereto attached and found them in agreement with the accounting records of the company;
- b) We have audited the books of the company and have verified the cash, bank balances and securities by personal inspection or by certificates obtained from depositories;
- c) We have examined the provisions for unpaid claims and we are of the opinion that they are adequate;
- d) The balance sheet does not include as assets items prohibited by the ONTARIO Insurance Act from being shown in the annual statement required to be filed thereunder;
- e) The actuarial liabilities of the company under the various life insurance and annuity contracts and the aggregate reserve for accident and sickness insurance have been certified to by the actuary of the company and accepted by us;
- f) All the transactions of the company that have come within our notice have been within its powers and we have obtained all the information and explanations that we have required;
- g) After due consideration we have formed an independent opinion as to the position of the company and that with our independent opinion so formed and according to the best of our information and the explanations given us, it is our opinion that the financial information contained on pages 7 to 11 inclusive set forth fairly and truly the state of the affairs of the company as at December 31, 1977, and the results of its operations for the year then ended.



