

*The Empire Life Insurance Company*  
*for the year ending*  
*December 31, 1978*

# ANNUAL STATEMENT

DETAILED JOINT STOCK AND MUTUAL  
LIFE INSURANCE COMPANIES

HOWARD ROSS LIBRARY  
OF MANAGEMENT

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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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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. 192

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, 1978  
Year

General Information (Cont'd)

6. \*Directors (Names, addresses and date of election) C. E. Bennett, Toronto, March 10, 1978  
 E. K. Cork, Toronto, March 10, 1978,  
 F. G. Elliot, Toronto, March 10, 1978  
 J. V. Emory, Toronto, March 10, 1978  
 P. S. Gooderham, Toronto, March 10, 1978  
 W. B. Harris, Toronto, March 10, 1978  
 K. G. Hutchison, Toronto, March 10, 1978  
 H.N.R. Jackman, Toronto, March 10, 1978  
 W.L. Knowlton, Toronto, March 10, 1978  
 H. E. Langford, Toronto, March 10, 1978  
 R. M. MacIntosh, Toronto, March 10, 1978  
 B.R.B. Magee, Toronto, March 10, 1978  
 J.S.M. Wason, Kingston, March 10, 1978  
 T. S. Ripley, Toronto, March 10, 1978
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;  
 W. H. Merriam, Vice-Pres., Marketing; C. H. McElvaine, Vice-Pres., Individual  
 Insurance; J. M. McInnis, Mortgage Officer; V. B. Reed, Vice-President &  
 Secretary; D. C. Townsend, Vice-Pres. & Corporate Actuary; D. M. Miano, Exec.  
 Ass't., Securities, A. L. Farley (January 1, 1979), Comptroller  
 Thorne, Riddell & Co.
11. Auditors.....
12. Date of last Annual Meeting..... March 10, 1978
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 \$27,758

\* 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 \$ 155,000 - Ordinary; \$60,000 - Group; 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 [x] If yes, give full details

General Information (Concl'd)

26. Attendance of directors at meetings

NAME	MEETINGS													
	DATE Feb. 17	DATE Mar. 10	DATE April 21	DATE May 26	DATE July 27	DATE Sept. 29	DATE Oct. 27	DATE Dec. 15						
L. P. Beaubien	X													
C. E. Bennett	X		X	X	X	X	X	X	X	X	X	X	X	X
E. K. Cork	X		X	X	X	X	X	X	X	X	X	X	X	X
F. G. Elliott		X	X	X	X	X	X	X	X	X	X	X	X	X
J. V. Emory	X		X	X	X	X	X	X	X	X	X	X	X	X
P. S. Gooderham	X	X	X	X	X	X	X	X	X	X	X	X	X	X
W. B. Harris	X	X	X	X	X	X	X	X	X	X	X	X	X	X
K. G. Hutchison	X	X	X	X	X	X	X	X	X	X	X	X	X	X
H.N.R. Jackman	X		X	X	X	X	X	X	X	X	X	X	X	X
W. L. Knowlton	X		X	X	X	X	X	X	X	X	X	X	X	X
H. E. Langford			X	X	X	X	X	X	X	X	X	X	X	X
R. M. MacIntosh	X	X	X	X	X	X	X	X	X	X	X	X	X	X
B.R.B. Magee	X	X	X	X	X	X	X	X	X	X	X	X	X	X
T. S. Ripley				X	X	X	X	X	X	X	X	X	X	X
J.S.M. Wason	X	X	X	X	X	X	X	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	\$ NIL

## I--COMPARATIVE BALANCE SHEET

SCHEDULE AND (PAGE)		CURRENT YEAR	PRIOR YEAR
	<b>ASSETS</b>		
	Investments:	\$	\$
I (20)	1. Short term deposits and money market securities . . . . .	6,100,000	900,000
II (21)	2. Bonds . . . . .	52,577,446	47,507,643
III (23)	3. Stocks . . . . .	33,981,079	30,989,673
IV (24)	4. Mortgage loans . . . . .	81,122,780	78,840,368
V (25)	5. Real Estate . . . . .	CURRENT      PRIOR	
		3,073,845	1,199,968
	6. Encumbrances . . . . .	-      -	3,073,845      1,199,968
VI (26)	7. Agreements of sale of real estate . . . . .		
VII (27)	8. Subsidiaries, associates and affiliates . . . . .		
	9. Policy loans . . . . .	11,380,336	10,966,115
IX (30)	10. Collateral loans . . . . .		
	11. . . . .		
	12. . . . .		
X (31)	13. Total investments (items 1 to 12) . . . . .	188,235,486	170,403,767
	14. . . . .		
	15. . . . .		
	16. . . . .		
XI (32)	17. Cash . . . . .	87,956	64,462
	18. . . . .		
	19. . . . .		
	20. . . . .		
	21. Investment income, due and accrued . . . . .	2,278,781	1,993,344
XII (32)	22. a) Outstanding life insurance premiums and annuity considerations . . . . .	1,086,135	1,114,696
	b) Accident and sickness premiums due and unpaid effective after September 30th of current year (net, commission deducted) . . . . .	23,103	152,711
XX (42)	23. Amounts due from other companies on reinsured contracts for claims paid . . . . .	19,283	45,940
	24. Overpayment & Recovery of Income Tax . . . . .	271,966	217,698
	25. Miscellaneous Assets . . . . .	78,580	16,134
	26. . . . .		
	27. . . . .		
	28. . . . .		
	29. . . . .		
	30. Sub-total (items 13 to 29) . . . . .	192,081,290	174,008,752
	31. . . . .		
	32. Segregated funds . . . . .	12,549,826	10,879,871
	33. TOTAL ASSETS . . . . .	204,631,116	184,888,623

## 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 . . . . .	153,605,826	138,625,607
XIV (36)	b) Aggregate reserve for accident and sickness insurance . . . . .	3,625,513	3,696,580
XVII (41)	2. Amounts on deposit with the company, pertaining to insurance and annuity contracts and including interest accumulations . . . . .	7,118,888	6,560,666
XXX (52)	3. Provision for dividends to policyholders (other than deferred dividends) payable in the following year . . . . .	1,502,000	1,822,000
XXX (52)	4. Provision for group experience refund . . . . .	454,212	211,161
XI (18)	5. Sub-total (items 1 to 4) . . . . .	166,306,439	150,916,014
XI (18)	6. Segregated funds (allocated from . . . . . Fund \$ . . . . .)	12,549,826	10,879,871
	7. Sub-total (item 5 plus item 6) . . . . .	178,856,265	161,795,885
XX (42)	8. Outstanding claims under insurance and annuity contracts, including provisions for unreported claims . . . . .	2,773,826	2,385,046
	9. Outstanding payments under settlement annuities . . . . .		
	10. Insurance premiums and annuity considerations received in advance . . . . .	14,922	9,105
	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	120,000
	14. . . . .		
	15. Miscellaneous policyholders' liabilities . . . . .		
XVIII (41)	16. Accounts payable and accrued expenses . . . . .	583,040	441,240
XI (32)	17. Bank overdrafts and borrowed money . . . . .	230,804	722,884
	18. Amounts received but not yet allocated . . . . .	801,653	821,424
	19. Outstanding premium balances due reinsurers . . . . .	39,525	26,339
	20. †Miscellaneous liabilities Accrued Interest on Claims . . . . .	57,852	56,388
	21. Provision for Agents' Convention . . . . .	49,000	122,240
	22. Provision for income tax . . . . .	44,000	193,101
	23. Provision for Agents' Continuing Commission Int. . . . .	380,906	313,009
	24. Employees' pension and insurance funds . . . . .	5,520,138	4,914,872
	25. TOTAL LIABILITIES (items 7 to 24) . . . . .	189,471,931	171,912,533
	Policyholders' equity:		
	26. Surplus in par fund . . . . .	(447,985)	(1,011,791)
	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 . . . . .	11,902,642	10,283,353
	36. TOTAL EQUITY (items 26 to 35) . . . . .	15,159,185	12,976,090
	37. TOTAL LIABILITIES AND EQUITY (item 25 plus item 36) . . . . .	204,631,116	184,888,623

† 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 . . . . .	35,637,474	32,508,939
	2. Considerations for settlement annuities . . . . .	20,036	29,880
	3. Contributions to employees pension and insurance funds, including \$257,685 by employees . . . . .	598,122	558,829
XXV (48)	4. a) Net investment income . . . . .	14,424,798	12,636,260
	b) Net investment income, segregated fund . . . . .	526,856	349,981
	5. Miscellaneous revenue (give details) . . . . .	149,800	138,607
	6. Management Fee . . . . .	70,601	60,288
	7. Profit Sharing Refund . . . . .	29,978	
	8. Realized gain (loss) segregated fund assets only . . . . .	422,981	271,808
	9. Unrealized gain (loss) segregated fund assets only . . . . .	2,128,119	1,225,541
	10. . . . .		
	11. TOTAL INCOME (items 1 to 10) . . . . .	54,008,765	47,780,133
XXVI (49)	12. Claims incurred under insurance and annuity contracts, other than under settlement annuities . . . . .	17,918,498	14,368,010
	13. Payments under settlement annuities . . . . .	89,287	100,265
	14. Payments from employees' pension and insurance funds . . . . .	393,900	345,837
	15. Normal increase in actuarial reserve (excluding increase due to changes in valuation bases) . . . . .	14,980,219	13,258,141
	16. Increase in segregated fund . . . . .	1,668,963	1,343,953
	17. Increase in aggregate reserve for accident and sickness insurance . . . . .	(71,067)	315,642
	18. Increase in employees' pension and insurance funds . . . . .	605,266	544,373
XVII (41)	19. Interest credited to amounts on deposit with the company . . . . .	409,768	360,664
	20. Interest on claims . . . . .	86,989	73,647
XXVII (50)	21. Taxes, licences and fees, excluding investment taxes and income tax . . . . .	568,332	514,768
XXIV (47)	22. Commissions on insurance premiums and annuity considerations . . . . .	3,836,487	4,493,181
XXIX (51)	23. General expenses (excluding investment expenses) . . . . .	9,630,029	9,122,313
	24. Miscellaneous expenses (give details) . . . . .		
	25. . . . .		
	26. TOTAL EXPENSES (items 12 to 25) . . . . .	50,116,671	44,840,794
	27. Profits before gains or losses on investments, dividends to policyholders and income tax (item 11 less item 26) . . . . .	3,892,094	2,939,339
XXX (52)	28. Dividends to policyholders . . . . .	1,512,266	1,418,995
XXX (52)	29. Group experience refund . . . . .	379,524	67,375
	30. Withdrawal Dividends on Deposit, Segregated Fund . . . . .	28,153	22,046
	31. PROFIT BEFORE GAINS OR LOSSES ON INVESTMENTS AND INCOME TAX (item 27 less items 28 to 30) . . . . .	1,972,151	1,430,923
XXXI (52)	32. Net gains or losses on investments (other than segregated fund) . . . . . plus	622,577	179,910
	33. PROFIT BEFORE INCOME TAX (item 31 less item 32) . . . . .	2,594,728	1,610,833
XXVIII (50)	34. Income tax . . . . .	174,000	193,264
	35. NET PROFIT (item 33 less item 34) . . . . .	2,420,728	1,417,569

## IV—SURPLUS ACCOUNT

	CURRENT YEAR	PRIOR YEAR
	\$	\$
1. Surplus, December 31, 19 <sup>77</sup> :		
a) In shareholders' fund . . . . .		
b) In insurance and annuity funds - shareholders . . . . .	10,283,353	9,079,775
c) In insurance and annuity funds - policyholders . . . . .	-1,011,791	-1,263,051
<b>INCREASES</b>		
2. Balance carried from summary of operations . . . . .	2,420,728	1,417,569
3. Decrease in special reserves . . . . .		
4. Decrease in Actuarial Res. due to changes in Val'n. Basis . . . . .		196,833
5. TOTAL INCREASE (items 2 to 4) . . . . .	2,420,728	1,614,402
<b>DECREASES</b>		
6. Balance carried from summary of operations . . . . .		
7. Increase in special reserves . . . . .		
8. Income Taxes, Prior Years . . . . .	82,637	4,568
9. Increase in actuarial reserves due to changes in valuation basis (Schedule XVI, page 40) . . . . .		
10. . . . .		
11. TOTAL DECREASE BEFORE DIVIDENDS TO SHAREHOLDERS (items 6 to 10) . . . . .	82,637	4,568
12. NET INCREASE BEFORE DIVIDENDS TO SHAREHOLDERS (item 5 less item 11) . . . . .	2,338,091	1,609,834
13. Dividends to shareholders . . . . .	154,996	154,996
14. NET INCREASE (item 12 less item 13) . . . . .	2,183,095	1,454,838
15. SURPLUS, December 31, 19 <sup>78</sup> . . . . . (item 1 plus item 14):		
a) In shareholders' fund . . . . .		
b) In insurance and annuity funds - shareholders . . . . .	11,902,642	10,283,353
c) In insurance and annuity funds - policyholders . . . . .	-447,985	-1,011,791

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 . . . . . (All shares fully paid up)				Preferred		\$	\$
				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>77</sup> . . . . .	\$	\$ 3,000,000
Increase . . . . .		
Decrease . . . . .		
Balance, December 31, 19 <sup>78</sup> . . . . .	\$	\$ 3,000,000

VII-a) ANALYSIS OF OPERATIONS—PARTICIPATING

SUMMARY OF OPERATIONS	INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL PARTICIPATING
	ORDINARY	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
1. Premiums and annuity considerations . . . . .	11,882,871		1,372,753		86,395		13,342,019
2. Considerations for settlement annuities . . . . .							
3. Contributions to employees pension and insurance funds . . . . .	4,951,774		591,096		23,319		5,566,189
4. Net investment income . . . . .	22,382		3,973		95		26,450
5. Miscellaneous revenue . . . . .							
6. Realized gain (loss) segregated fund assets only . . . . .	450						450
7. Unrealized gain (loss) segregated fund assets only . . . . .							
8. Transfers of funds resulting from transfer of liabilities . . . . .							
9. TOTAL (Items 1 to 8) . . . . .	16,857,477		1,967,822		109,809		18,935,108
10. Claims incurred under insurance and annuity contracts . . . . .	4,334,440		691,555		28,045		5,054,040
11. Payments under settlement annuities . . . . .	29,511						29,511
12. Payments from employees' pension and insurance funds . . . . .							
13. Normal increase in actuarial reserve . . . . .	4,219,358		565,260				4,784,618
14. Increase in segregated fund . . . . .							
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 . . . . .	327,394		57,137		21,987		21,987
18. Interest on claims . . . . .	25,117		118				388,059
19. Taxes, licenses and fees . . . . .	244,295		3,907		3,528		25,235
20. Commissions on insurance premiums and annuity considerations . . . . .	1,838,475		147,194		1,780		249,982
21. General expenses . . . . .	4,021,660		332,340		3,688		1,989,357
22. Withdrawals . . . . .					62,921		4,416,921
23. Dividends to policyholders . . . . .	1,367,230		132,590		12,446		1,512,266
24. Group experience refund . . . . .	(219,874)		(26,246)		(1,035)		(247,155)
25. Net capital (gain) or losses on investments other than segregated fund . . . . .	(242,000)		(21,000)		(11,000)		(274,000)
26. Income tax . . . . .	18,402		8,164				26,566
27. Transfer to segregated fund . . . . .							
28. TOTAL (Items 10 to 27) . . . . .	15,964,008		1,891,019		122,360		17,977,387
29. Balance to reconciliation of funds . . . . .	893,469		76,803		(12,551)		957,721

VII-a) ANALYSIS OF OPERATIONS—NON-PARTICIPATING

	INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL NON- PARTICIPATING
	ORDINARY	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
	\$	\$	\$	\$	\$	\$	
<b>SUMMARY OF OPERATIONS</b>							
1. Premiums and annuity considerations . . . . .	8,897,630	2,201,692	6,753,227	2,949,182	1,442	1,492,282	22,295,455
2. Considerations for settlement annuities . . . . .	20,036						20,036
3. Contributions to employees' pension and insurance funds . . . . .	4,874,887	178,043	1,845,221	1,229,642	(4,710)	272,540	8,395,623
4. Net investment income . . . . .	26,461	725	42,716	30,041	(19)	1,110	101,034
5. Miscellaneous revenue . . . . .							
6. Realized gain (loss) segregated fund assets only . . . . .							
7. Unrealized gain (loss) segregated fund assets only . . . . .	38,030	(38,480)					(450)
8. Transfers of funds resulting from transfer of liabilities . . . . .	13,857,044	2,341,980	8,641,164	4,208,865	(3,287)	1,765,932	30,811,698
9. TOTAL (items 1 to 8) . . . . .	3,956,806	1,895,232	2,825,014	3,268,798	6,526	912,082	12,864,458
10. Claims incurred under insurance and annuity contracts . . . . .	56,200	3,576					59,776
11. Payments under settlement annuities . . . . .	1,983,488	114,766	6,292,324	1,805,023	1,897	(94,951)	10,195,601
12. Payments from employees' pension and insurance funds . . . . .							(93,054)
13. Normal increase in actuarial reserve . . . . .							
14. Increase in segregated fund . . . . .	9,728		11,981				21,709
15. Increase in aggregate reserve for accident and sickness insurance . . . . .	33,869	26,777	1,108				61,754
16. Increase in employees' pension and insurance funds . . . . .	207,929	51,990	18,510	7,598	34	32,289	318,350
17. Interest credited to amounts on deposit . . . . .	1,496,502	99,589	177,326	32,288	(15,239)	56,664	1,847,130
18. Interest on claims . . . . .	3,453,860	348,364	834,216	103,033	73,609	400,026	5,213,108
19. Taxes, licences and fees . . . . .	×	×	×	×	×	×	×
20. Commissions on insurance premiums and annuity considerations . . . . .	×	×	×	×	×	×	×
21. General expenses . . . . .	×	×	×	×	×	×	×
22. Withdrawal Dividends on Deposit Segregated Fund . . . . .	×	×	×	×	×	×	×
23. Dividends to policyholders . . . . .	×	×	×	×	×	×	×
24. Group experience refund . . . . .	(216,459)	6,018	(81,933)	(54,600)	209	373,506	379,524
25. Net capital (gains) or losses on investments other than segregated fund . . . . .	1,048,000	(100,000)	(477,000)	(100,000)	(33,000)	110,000	(372,791)
26. Income tax . . . . .	26,266		(493,820)	(1,065,194)			448,000
27. Transfer to segregated fund . . . . .	12,056,189	2,438,406	9,107,726	3,996,946	34,036	1,777,514	(1,532,748)
28. TOTAL (items 10 to 27) . . . . .	1,800,855	(96,426)	(466,562)	211,919	(37,323)	(11,582)	29,410,817
29. Balance to reconciliation of funds . . . . .							1,400,891

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 . . . . .	13,342,019		22,295,455																	35,637,474
2. Considerations for settlement annuities . . . . .			20,036																	20,036
3. Contributions to employees' pension and insurance funds . . . . .																				598,122
4. Net investment income . . . . .	5,566,189		8,395,623		59,254															14,951,654
5. Miscellaneous revenue . . . . .	26,450		101,034		241															250,379
6. Realized gain (loss) segregated fund assets only . . . . .																				422,981
7. Unrealized gain (loss) segregated fund assets only . . . . .																				2,128,119
8. Transfers of funds resulting from transfer of liabilities . . . . .	450		(450)																	0
9. TOTAL (Items 1 to 8) . . . . .	18,935,108		30,811,698		59,495															54,008,765
10. Claims incurred under insurance and annuity contracts . . . . .	5,054,040		12,864,458																	17,918,498
11. Payments under settlement annuities . . . . .	29,511		59,776																	89,287
12. Payments from employees' pension and insurance funds . . . . .																				393,900
13. Normal increase in actuarial reserve . . . . .	4,784,618		10,195,601																	14,980,219
14. Increase in segregated fund . . . . .																				1,668,963
15. Increase in aggregate reserve for accident and sickness insurance . . . . .	21,987		(93,054)																	(71,067)
16. Increase in employees' pension and insurance funds . . . . .	388,059		21,709																	605,266
17. Interest credited to amounts on deposit . . . . .	25,235		61,754																	409,768
18. Interest on claims . . . . .	249,982		318,350																	86,989
19. Taxes, licenses and fees . . . . .	1,989,357		1,847,130																	568,332
20. Commissions on insurance premiums and annuity considerations . . . . .	4,416,921		5,213,108																	3,836,487
21. General expenses . . . . .	1,512,266		379,524																	9,630,029
22. <del>Withdrawal</del> Dividends on Segregated Fund Deposit . . . . .	(247,155)		(372,791)		(2,631)															28,153
23. Dividends to policyholders . . . . .	(274,000)		448,000																	1,512,266
24. Group experience refund . . . . .	26,566		(1,532,748)																	379,524
25. Net capital (gains) or losses on investments other than segregated fund . . . . .	17,977,387		29,410,817																	(622,577)
26. Income tax . . . . .																				174,000
27. Transfer to segregated fund . . . . .																				0
28. TOTAL (Items 10 to 27) . . . . .	957,721		1,400,881		(2,631)															51,588,037
29. Balance to reconciliation of funds . . . . .					62,126															2,420,728

IX-a) RECONCILIATION OF FUNDS—PARTICIPATING

	INSURANCE		ANNUITIES		ACCIDENT AND SICKNESS		TOTAL PARTICIPATING
	ORDINARY*	GROUP	ORDINARY	GROUP	ORDINARY	GROUP	
	\$	\$	\$	\$	\$	\$	\$
1. Funds, from previous statement . . . . .	58,683,617		7,011,469		268,593		65,963,679
2. Balance carried from Analysis of Operations . . . . .	893,469		76,803		(12,551)		957,721
3. Normal increase in actuarial reserve . . . . .	4,219,358		565,260		21,987		4,806,605
4. Increase in employees' pension insurance and segregated funds . . . . .							
5. Net increase in amounts on deposit . . . . .	630,528		12,753		6,985		650,266
6. Increase in provision for dividends, group experience refund and accrued profits to policyholders . . . . .	(320,000)						(320,000)
7. . . . .							
8. Transfers of surplus from other funds . . . . .							
9. . . . .							
10. . . . .							
11. . . . .							
12. TOTAL (items 2 to 11) . . . . .	64,106,972		7,666,285		285,014		72,058,271
13. . . . .							
14. Transfers of surplus to shareholders' fund . . . . .	187,470		14,732		1,383		203,585
15. Transfers of surplus to other funds . . . . .							
16. To Shareholders' Fund . . . . .							
17. Income Taxes, prior years . . . . .	181,565		8,242		523		190,330
18. . . . .							
19. . . . .							
20. Dividends to shareholders . . . . .							
21. TOTAL (items 13 to 20) . . . . .	369,035		22,974		1,906		393,915
22. FUNDS, 31 December 1978 . . . . .	63,737,937		7,643,311		283,108		71,664,356

\* 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 . . . . .	58,562,015	2,094,265	19,926,013	14,297,517	(40,670)	2,504,757	97,343,897
2. Balance carried from Analysis of Operations . . . . .	1,800,855	(96,426)	(466,562)	211,919	(37,323)	(11,582)	1,400,881
3. Normal increase in actuarial reserve . . . . .	1,983,488	114,766	6,292,324	1,805,023	1,897	(94,951)	10,102,547
4. Increase in employees' pension insurance and segregated funds . . . . .	(59,833)		(32,211)				(92,044)
5. Net increase in amounts on deposit . . . . .		9,617				233,434	243,051
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) . . . . .	62,286,525	2,122,222	25,719,564	16,314,459	(76,096)	2,631,658	108,998,332
13. . . . .							
14. Transfers of surplus to shareholders' fund . . . . .							
15. Transfers of surplus to other funds . . . . .							
16. To Shareholders' Fund . . . . .	(110,715)						(110,715)
17. Income Taxes, prior years . . . . .	(18,392)	(4,073)	15,912	(5,800)	968	(96,308)	(107,693)
18. . . . .							
19. . . . .							
20. Dividends to shareholders . . . . .							
21. TOTAL (Items 13 to 20) . . . . .	(129,107)	(4,073)	15,912	(5,800)	968	(96,308)	(218,408)
22. FUNDS, 31 December 1978 . . . . .	62,415,632	2,126,295	25,703,652	16,320,259	(77,064)	2,727,966	109,216,740

\* 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 . . . . .	65,963,679	97,343,897	704,528	4,914,872		10,874,588	179,801,564
2. Balance carried from Analysis of Operations . . . . .	957,721	1,400,881	62,126				2,420,728
3. Normal increase in actuarial reserve . . . . .	4,806,605	10,102,547					14,909,152
4. Increase in employees' pension insurance and segregated funds . . . . .				605,266		1,668,963	2,274,229
5. Net increase in amounts on deposit . . . . .	650,266	(92,044)					558,222
6. Increase in provision for dividends, group experience refund and accrued profits to policyholders . . . . .	(320,000)	243,051					(76,949)
7. . . . .							
8. Transfers of surplus from other funds . . . . .							
9. . . . .							
10. . . . .							
11. . . . .							
12. TOTAL (items 2 to 11) . . . . .	72,058,271	108,998,332	766,654	5,520,138		12,543,551	199,886,946
13. . . . .							
14. Transfers of surplus to shareholders' fund . . . . .	203,585		(203,585)				0
15. Transfers of surplus to other funds (give details below) . . . . .							
16. To Shareholders' Fund . . . . .		(110,715)	110,715				0
17. Income Taxes, prior years . . . . .	190,330	(107,693)					82,637
18. . . . .							
19. . . . .							
20. Dividends to shareholders . . . . .			154,996				154,996
21. TOTAL (items 13 to 20) . . . . .	393,915	(218,408)	62,126				237,633
22. FUNDS, 31 December 1978 . . . . .	71,664,356	109,216,740	704,528	5,520,138		12,543,551	199,649,313

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 . . . . .	\$ 63,284,160	\$ 90,321,666	\$ ××××××	\$ 153,605,826
b) Aggregate reserve for accident and sickness insurance . . . . .	358,000	3,267,513	××××××	3,625,513
(2) Amounts on deposit with the Company . . . . .	6,848,181	270,707	××××××	7,118,888
(3) Provision for dividends to policyholders . . . . .	1,622,000		××××××	1,622,000
(4) Provision for group experience refunds . . . . .		454,212	××××××	454,212
(5) Sub-totals (items 1 to 4) . . . . .	\$ 72,112,341	\$ 94,314,098	\$ ××××××	\$ 166,426,439
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 . . . . .	××××××	××××××	704,528	704,528
(16) Surplus . . . . .	(447,985)	11,902,642		11,454,657
(17) Total; 31 December 1978 (items 5 to 16) . . . . .	\$ 71,664,356	\$ 109,216,740	\$ 704,528	\$ 181,585,624
2. Segregated Funds . . . . .				12,543,551
3. Employees' Pension and Insurance Fund . . . . .				5,355,816
4. Agents' Pension Fund . . . . .				164,322
Other Funds:				
5. . . . .				
6. . . . .				
7. . . . .				
8. Total funds (item 1 to item 7) . . . . .				199,649,313
9. Amounts owing by the company (page 8, item 8 to item 13) . . . . .				4,975,528
10. TOTAL FUNDS AND AMOUNTS OWING (item 8 plus item 9) . . . . .				204,624,841
			Segregated Fund Expenses due and accrued	6,275
				204,631,116

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 - 1978

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 assigning 150% of gross first year commissions to each and then apportioning the balance 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)
		%		\$	\$	\$
Head Office	Bank of Nova Scotia, Kingston, Certificate of Deposit	9.90	Dec. 27/78		200,000	2,821
"	" " " " " "	10.00	Dec. 27/78		100,000	1,096
"	" " " " " "	10.00	Jan. 5/79		200,000	2,246
"	" " " " " "	9.75	Jan. 12/79		200,000	1,229
"	" " " " " "	9.85	Jan. 19/79		100,000	540
"	" " " " " "	10.15	Jan. 29/79		100,000	1,835
"	" " " " " "	10.15	Jan. 31/79		200,000	723
Investment Office	Bank of Nova Scotia, Toronto, Certificate of Deposit	9.80	Jan. 5/79		400,000	2,685
"	" " " " " "	9.40	Jan. 8/79		1,450,000	30,621
"	" " " " " "	9.85	Jan. 10/79		150,000	809
"	" " " " " "	9.85	Jan. 10/79		100,000	540
"	" " " " " "	10.00	Jan. 15/79		500,000	2,192
"	" " " " " "	10.00	Jan. 15/79		800,000	3,726
"	" " " " " "	10.00	Jan. 15/79		450,000	1,973
"	" " " " " "	10.15	Jan. 17/79		350,000	1,265
"	" " " " " "	10.15	Jan. 17/79		200,000	723
"	" " " " " "	10.25	Jan. 26/79		300,000	570
"	" " " " " "	10.25	Jan. 26/79		300,000	2,766
Totals (page 7, item 1)						58,360

Schedule II—BONDS†

(1) WHERE/BY WHOM KEPT	(2) DESCRIPTION	(3) INTEREST		(4) DUE DATE	(5) DATE OF MATURITY *	(6) PAR VALUE	(7) RATE USED TO OBTAIN MARKET VALUE	(8) MARKET VALUE	(9) *BOOK VALUE	(10) INTEREST DUE AND ACCRUED
		(3) RATE	(4) DUE DATE							
		%				\$	\$	\$	\$	\$
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 III STOCKS  
Schedule III a) STOCKS—PREFERRED**

(1) WHERE / BY WHOM KEPT	(2) DESCRIPTION	(3) PAR VALUE PER SHARE	(4) NUMBER OF SHARES	(5) RATE USED TO OBTAIN MARKET VALUE	(6) MARKET VALUE	(7) BOOK VALUE	(8) DIVIDEND DECLARED AND UNPAID
		\$		\$	\$	\$	\$
SEPARATE SCHEDULES							
							SUB-TOTALS



Schedule IV—MORTGAGE LOANS ON REAL ESTATE

ACCOUNT NO.	NAME OF MORTGAGOR AND SHORT DESCRIPTION OF PROPERTY (1)	APPRAISED VALUE (2) \$	ORIGINAL PRINCIPAL (3) \$	*AMOUNT OF CHARGES OUTSTANDING INCLUDING CAPITALIZED INTEREST (4) \$	TOTAL AMOUNT AT WHICH CARRIED IN COMPANY'S BOOKS (5) \$	INTEREST DUE OR ACCRUED (6) \$	INTEREST RATE (7) %	AMOUNT OF ANY PRIOR CHARGES OR MORTGAGES (8) \$
SEPARATE SCHEDULES								
Totals (page 7, item 4) . . . . .								

\* Supply full detail of all mortgages where interest or capital re-payments are 3 months or more in arrears.



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)
* Properties of 32, 40-42, 44 Johnson & 152, 154-158 & 168 Ontario Streets have been combined under 259 King Street and a new building is near completion at 259 King.		\$	\$	\$	\$	\$	\$	\$	\$	\$
a) Head Office premises: 243-251 King St. E., Kingston 140-148 Ontario St., Kingston 134 Ontario St., Kingston Corner of Ontario & Earl Sts., Kingston * 259 King St., Kingston	1962 1963 1963 1978	705,605	2,538,538		2,834,854			208,590	129,040	79,550
d) Royal Bank of Canada 2290 Lawrence Ave. E., Toronto	1957	62,000	43,250		55,929	49,000		8,824	2,493	6,331
d) 250-252 King St., Kingston	1961	29,784	8,609		20,575			17,270	13,369	3,901
d) 244 King St., Kingston	1968	37,380	46,769		49,024			17,526	10,445	7,081
d) 128 Ontario St., Kingston	1974	110,463			113,463			4,600	1,313	3,287
TOTALS (page 7, item 5)		945,232	2,637,166		3,073,845	49,000		256,810	156,660	100,150

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.

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)	INSTALMENTS OF PRINCIPAL PAID DURING THE YEAR (4)	AMOUNT OWING AT END OF CURRENT YEAR (5)	LAST VALUATION OF LANDS AND BUILDINGS (6)	INTEREST DUE (7)	INTEREST ACCRUED (8)	INSTALMENTS OF PRINCIPAL DUE AND UNPAID (9)
		\$	\$	\$	\$	\$	\$	\$

NIL

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

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

(B) STOCKS

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

Schedule VIII—(1) SUMMARY OF ALL REAL ESTATE PURCHASED OR ACQUIRED DURING THE YEAR

DATE ACQUIRED (1)	SHORT DESCRIPTION OF PROPERTY FROM WHOM ACQUIRED (2)	DATE LOAN WAS MADE (3)	ORIGINAL VALUATION (4)	ORIGINAL PRINCIPAL OF LOAN (5)	CONDITION OF ACCOUNT WHEN TAKEN OVER				TOTAL COST AT TIME ACQUIRED (10)	AMOUNT OF UNPAID TAXES OR OTHER CHARGES NOT INCLUDED IN COLUMN 7 (11)
					BALANCE OF PRINCIPAL UNPAID (6)	TAXES AND OTHER CHARGES (7)	INTEREST (8)	COSTS (9)		
				NIL	\$	\$	\$	\$	\$	\$
TOTALS . . . . .										

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

	PAR VALUE	BOOK VALUE	MARKET VALUE
	\$	\$	\$
1. Short term deposits and money market securities . . . . .		6,100,000	6,100,000
<b>BONDS</b>			
2. A(1) Federal government . . . . .	10,070,000	9,994,363	9,429,100
3. A(2) Provincial governments . . . . .	4,680,000	4,639,848	4,207,450
4. A(3) Foreign governments . . . . .			
5. B(1) Guaranteed by Federal government . . . . .			
6. B(2) Guaranteed by Provincial governments . . . . .	12,792,000	12,462,726	10,714,260
7. B(3) Guaranteed by Foreign governments . . . . .			
8. C(1) Canadian municipalities . . . . .	614,000	608,180	502,180
9. C(2) School commissions . . . . .	56,000	55,867	50,460
10. D Public utilities . . . . .	10,267,100	10,228,238	9,011,561
11. E(1) Other Canadian bonds . . . . .	14,492,210	14,438,349	13,247,522
12. E(2) Other Foreign bonds . . . . .	150,000	149,875	170,500
13. F In default . . . . .			
14. TOTAL BONDS . . . . .	53,121,310	52,577,446	47,333,033
<b>STOCK</b>			
15. A Preferred . . . . .		921,257	1,221,534
16. B Common . . . . .		33,059,822	51,468,536
17. C Relating to bonds in default . . . . .			
18. TOTAL STOCK . . . . .		33,981,079	52,690,070
<b>MORTGAGE LOANS AND SALES AGREEMENTS</b>			
19. A First mortgage . . . . .		81,122,780	81,122,780
20. B Second mortgage . . . . .			
21. C Sales agreements . . . . .			
22. TOTAL MORTGAGE LOANS AND SALES AGREEMENTS . . . . .		81,122,780	81,122,780
<b>REAL ESTATE</b>			
23. A For own use . . . . .		2,834,854	2,834,854
24. B For sale . . . . .			
25. C Held for production of income . . . . .		238,991	238,991
26. TOTAL REAL ESTATE . . . . .		3,073,845	3,073,845
27. Subsidiary companies . . . . .			
28. Associated and affiliated companies . . . . .			
29. Policy loans . . . . .		11,380,336	11,380,336
30. Collateral loans . . . . .			
31. GRAND TOTAL OF INVESTMENTS (page 7, item 13) . . . . .		188,235,486	201,700,064
32. Excess of book value over market value . . . . .		XXXXXXXXXX	
33. Excess of market value over book value . . . . .		13,464,578	XXXXXXXXXX

Company

Year

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	(237,770)		
- U.S.A.	6,966		230,804
La Caisse Centrale Desjardin - Canada	55,066	55,066	
Bank of Montreal - Canada	31,530	31,530	
Total of cash in depositories . . . . .		86,596	
Cash on hand: a) Head office \$.....250.....			
b) Branch offices \$.....1,110.....		1,360	
TOTALS (page 7, item 17) (page 8, item 17) . . . . .		87,956	230,804

Schedule XII—OUTSTANDING LIFE INSURANCE PREMIUMS AND ANNUITY CONSIDERATIONS  
GROSS

	SINGLE	FIRST YEAR	RENEWAL	TOTAL
	\$	\$	\$	\$
1. Life insurance:		61,020	1,094,762	1,155,782
a) Gross . . . . .				
b) Deduct commissions and estimated loss in collection . . . . .		28,710	109,477	138,187
c) NET TOTALS . . . . .		32,310	985,285	1,017,595
2. Annuities:		2,681	74,665	77,346
a) Gross . . . . .				
b) Deduct commissions and estimated loss in collection . . . . .		1,340	7,466	8,806
c) NET TOTALS . . . . .		1,341	67,199	68,540
3. NET TOTALS - Life insurance and annuities (page 7, item 22a) . . . . .		33,651	1,052,484	1,086,135



Schedule XIII—STATEMENT OF ACTUARIAL LIABILITIES

LIFE INSURANCE SECTION

BASIS OF EVALUATION			DESCRIPTION OF VALUATION CLASS	GROSS IN FORCE		REINSURANCE CEDED	
Mortality	Interest	Method		AMOUNT	RESERVE	AMOUNT	RESERVE
			<u>Ordinary Participating</u>				
			<u>LIFE &amp; ENDOWMENT</u>	\$	\$	\$	\$
H.M.	3½	N.L.	H.M. 3½% C.V. Basis	400,869	302,826		
AM(5)	3½	N.L.	AM(5) 3½% C.V. Basis	2,311,168	1,473,630		
OM(5)	3	N.L.	OM(5) 3% C.V. Basis	284,191	216,994	15,000	12,529
CM(5)	3	N.L.	CM(5) 3% C.V. Basis	6,112,166	3,515,495	12,494	7,045
A24-29	3	CanMod	A24-29 3% C.V. Issues to 1959	25,215,972	10,698,026	94,183	13,490
A24-29	3½	CanMod	A-24-29 3% C.V. Issues after 1959	33,501,660	8,838,737	491,904	2,474
58 CSO	3½	CanMod	CA52-56 4% C.V. Basis	349,008,644	22,186,451	17,861,422	39,814
58 CSO	3½	CanMod	58CSO 3% C.V. Basis	7,039,550	747,076	953,674	2,918
A24-29	3½	N.L.	Coinsurance	19,000	13,066		
	3	N.L.	3% C.V. Basis (PRSP)	20,723,581	4,822,323	436,868	813
			<u>SUPPLEMENTARY BENEFITS</u>				
58CSO	3½	N.L.	Dividend Bonus Addition	48,602,711	3,220,582		
½ Gross Premium			Term Rider	100,108,789	172,826		
Page 38j			Family Protection Rider	6,234,214	920,032		
58ADB	3½		Accidental Death Benefits		221,026		843
Page 38f	(I)		Disability Benefits Active		790,105		6,435
	(II)		Disability Benefits Disabled		251,044		
Page 38e			Extra Premiums		30,843		6,103
1937SA	4		Settlement Annuities		208,509		
Page 38j			Child's Savings Provision	115,491	58,547		
Page 381			Return of prem. Inc. Term		11,413		
Page 38k			Guaranteed Insurability		248,632		
Page 38f			Homemakers' Provision		13,303		
Reserve	Re: Extra Mor		mortality on Term Conversions		7,376		
			Mortality Fluctuation Res.		64,000		
TOTAL ORDINARY PAR				599,678,006	59,032,862	19,865,545	92,464
			<u>ORDINARY NON-PARTICIPATING</u>				
			<u>LIFE AND ENDOWMENT</u>				
A24-29	4	N.L.	Fraternal	273,251	230,142		
HM	3½	N.L.	HM 3½% C.V. Basis	406,919	280,024		
AM(5)	3½	N.L.	AM(5) 3½% C.V. Basis	312,355	215,608	13,656	6,783
OM(5)	3	N.L.	OM(5) 3% C.V. Basis	202,881	164,081		
CM(5)	3	N.L.	CM(5) 3% C.V. Basis	3,039,077	1,664,208	150,509	76,882
A24-29	3	N.L.	A24-29 3% C.V. Issues to 1959	29,595,206	12,330,861	703,665	59,645
A24-29	3	CanMod	A24-29 3% C.V. Issues after 1959	22,736,944	7,127,512	1,262,465	14,500
58 CSO	3½	CanMod	CA52-56 4% C.V. Basis	196,195,816	17,984,970	35,255,077	655,640
58 CSO	3½	CanMod	CA52-56 5% C.V. Basis SP	938,221	539,114		
58 CSO	2½	CanMod	58 CSO 3½% C.V. Basis	160,370	34,432		
58 CSO	3½	CanMod	58 CSO 3% C.V. Basis	618,741	69,375	212,187	550
58 CSO	3½	CanMod	CA 58-64 4½% C.V. Basis	484,392	258,991	63,628	689
58 CSO	3½	CanMod	C.V. Protector 58 CSO 3½%	2,586,192	103,115	798,800	2,031
58 CSO	3	CanMod	Multi-Life CA58-64 3½% CV	8,458,000	90,331	1,757,597	5,163
A24-29	3½	N.L.	Coinsurance	85,000	35,570		
58 CSO	3½	N.L.	CA58-64 4½% C.V. Basis	25,672,706	81,641	4,061,548	14,077
A24-29	3½	N.L.	No C.V.	1,000	657		
			Reserve for Liability Option		190,066		
	3	N.L.	3% C.V. Basis (PRSP)	46,000	39,324		
	3½	N.L.	4½% C.V. Basis (PIB)	14,412	11,037		
			<u>TERM PLANS</u>				
58 CSO	3½	CanMod	CA52-56 4% C.V. Basis	21,427,949	533,230	4,312,733	13,546
A24-29	3	N.L.	A24-29 3% C.V. Issues to 1959	228,000	6,948		
A24-29	3	CanMod	A24-29 3% C.V. Issues after 1959	2,674,323	93,397	88,133	617
A24-29	3½	N.L.	No C.V.	286,754,940	1,657,378	91,811,561	367,888
A24-29	3½	N.L.	Reinsurance Y.R.T.	63,522,396	259,299	109,663	1,064

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>	\$	\$	\$	\$
Page 38j	Gross Premium		Term Riders	252,418,580	566,076	15,584,846	34,582
Page 38f	3 1/2	(1)	Family Protection Rider	3,646,802	629,708		4,805
Page 38e		(11)	Accidental Death Benefits		156,000		12,219
Page 38j			Disability Benefits-Active		576,031		48,203
Page 38k			Disability Benefits-Disabled		166,349		
Page 38f			Extra Premiums		113,539		
			Settlement Annuities		439,555		
			Child's Savings Provision	33,768	18,843		
			Return of prem. Inc. Term		67,807		
			Guaranteed Insurability		82,190		
			Homemaker Provision		4,406		
	Mortality		Fluctuation Reserve		210,000		
	Reserve re		Extra Mortality on		72,388		
			Term Conversions				
TOTAL ORDINARY NON-PAR				922,534,241	47,104,203	156,186,068	1,318,884
<u>GROUP NON-PAR</u>							
A24-29	3	CanMod	Yearly Renewable Term	561,242,901	202,874	62,596,754	70
58 CSO	3 1/2	CanMod	W.L. A24-29 3% C.V. Basis	225,000	64,707		
			W.L. CA52-56 4% C.V. Basis	497,500	55,397		
			Disability Claims		260,000		
			Claim Fluctuation and		409,000		
			Contingency Reserve				
			Settlement Annuities		24,631		
TOTAL GROUP NON-PAR				561,965,401	1,016,609	62,596,754	70
TOTAL NON-PAR LIFE				1,484,499,642	48,120,812	218,782,822	1,318,954
TOTAL LIFE INSURANCE				2,084,177,648	107,153,674	238,648,367	1,411,418

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	29,476	302,119		
	2 1/2	N.L.	Deferred 2 1/2% C.V. Basis	3,468,808	6,466,791		
	3	N.L.	Deferred 3% C.V. Basis	20,573	234,557		
	3 1/2	N.L.	Deferred 3 1/2% C.V. Basis	4,926	52,140		
TOTAL ORDINARY PAR				3,523,783	7,055,607		
<u>ORDINARY NON-PARTICIPATING</u>							
A49(10)	7(75-78 issues)		Income Averaging	613,711	3,725,581		
	6 1/4 (all other)		Income Averaging	264,846	1,232,338		
	5 1/2		Pension Investment Certificates		10,355,942		
A49(10)	7(75-78 issues)		Vested	432,043	3,914,403		
	6 1/4(72-74 issues)		"	204,137	1,337,813		
	4(before 1967)		"	36,063	297,827		
	5 1/2 (all others)		"	203,313	1,731,715		
	2 1/2	N.L.	Deferred 2 1/2% C.V. Basis	15,305	116,478		
	3	N.L.	" 3% C.V. Basis	721	3,442		
	3 1/2	N.L.	" 3 1/2% C.V. Basis	1,192	12,271		
	3 1/2	N.L.	" 8% C.V. Basis	88,950	141,038		
	4	N.L.	" 4% C.V. Basis	2,109	15,690		
	4	N.L.	" 4 1/2% C.V. Basis	44,099	250,810		
	4 1/2	N.L.	" 4 1/2% C.V. Basis	329,698	1,030,390		

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	21,656	187,232		
	4½	N.L.	" 5% C.V. Basis	7,918	56,816		
	4	N.L.	" 5½% C.V. Basis	7,341	52,909		
	4½	N.L.	" 5½% C.V. Basis	153	1,139		
	4	N.L.	" 6% C.V. Basis	18,505	77,621		
	4½	N.L.	" 6% C.V. Basis	26,465	135,351		
	4	N.L.	" 6½% C.V. Basis	21,070	124,771		
	4½	N.L.	" 6½% C.V. Basis	29,896	149,159		
	4	N.L.	" 7% C.V. Basis	19,886	97,239		
	4½	N.L.	" 7% C.V. Basis	65,881	401,532		
	4	N.L.	" 7½% C.V. Basis	85,985	525,121		
	4½	N.L.	" 7½% C.V. Basis	81,837	549,625		
	4	N.L.	" 8% C.V. Basis	9,491	72,514		
	4½	N.L.	" 8% C.V. Basis	56,521	358,955		
	4½	N.L.	" Non Guar. C.S.V.	84,511	492,941		
			Reserve for minimum benefit guarantees in Segregated Fund		23,640		
			TOTAL ORDINARY NON-PAR	2,773,303	27,472,303		
			GROUP NON-PAR				
A49(10)	5½		Vested	367,555	3,210,516		
GA51(c)	5½		Deferred	2,107,439	7,018,376		
Accumulation of Funds,			Deposit Administration		7,100,718		
Special Contingency Reserve					446,500		
			TOTAL GROUP NON-Par	2,474,994	17,776,110		
			TOTAL ANNUITIES	8,772,080	52,304,020		

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 . . . . .	59,032,862	48,120,812	107,153,674
b) Annuity . . . . .	7,055,607	45,248,413	52,304,020
c) . . . . .			
2. TOTAL . . . . .	66,088,469	93,369,225	159,457,694
3. Deduct reserve for reinsured contracts:			
a) Life insurance . . . . .	92,464	1,318,954	1,411,418
b) Annuity . . . . .			
c) . . . . .			
4. TOTAL REINSURANCE . . . . .	92,464	1,318,954	1,411,418
5. Reserve — net of all reinsurance . . . . .	65,996,005	92,050,271	158,046,276
6. Deduct deferred life insurance premiums and annuity considerations less loading (Schedule XXII, page 48) . . . . .	2,711,845	1,728,605	4,440,450
7. NET TOTALS . . . . .	63,284,160	90,321,666	153,605,826
8. Add reserve for contracts reinsured with unregistered companies (Exhibit 2, page 64) . . . . .			
9. NET RESERVE CARRIED IN LIABILITIES (page 8, item 1a) . . . . .	63,284,160	90,321,666	153,605,826

Schedule XIV—AGGREGATE RESERVE FOR ACCIDENT AND SICKNESS INSURANCE

	ORDINARY				GROUP	TOTAL
	ACCIDENT ONLY	ACCIDENT AND SICKNESS	NON-CANCELLABLE ACCIDENT AND SICKNESS			
PARTICIPATING						
1. Net of reinsurance						
a) Unearned premium reserve \$						\$
b) Additional reserve for non-cancellable policies			346,525			346,525
c) Present value of amounts not yet due on claims			11,071			11,071
d) Reserve for contingent benefits (maternity and others)			404			404
e) Extra reserve re Group Conversions						
f) Net totals			358,000			358,000
2. Add total reserve for contracts reinsured in unregistered companies (Exhibit 3, page 55)						
3. NET TOTALS — Participating			358,000			358,000
4. TOTAL REINSURANCE CEDED			58,549			58,549
5. NET PREMIUMS IN FORCE AT END OF YEAR						
NON-PARTICIPATING						
6. Net of reinsurance:						
a) Unearned premium reserve \$ 1,788					1,788	1,788
b) Additional reserve for non-cancellable policies			(19,000)			(19,000)
c) Present value of amounts not yet due on claims					2,789,725	2,789,725
d) Reserve for contingent benefits (maternity and others)					495,000	495,000
e) Claims Fluctuation Reserve						
f) Net totals			(19,000)		3,286,513	3,267,513
7. Add total reserve for contracts reinsured in unregistered companies (Exhibit 3, page 55)						
8. NET TOTALS — Non-participating			(19,000)		3,286,513	3,267,513
9. TOTAL REINSURANCE CEDED			54,250		80,066	134,316
10. NET PREMIUMS IN FORCE AT END OF YEAR						
11. GRAND TOTALS (net) (item 3 plus item 8) (page 8, item 1b)			339,000		3,286,513	3,625,513

## 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

1. 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.
2. 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 3/2%.
- (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 3 1/2%; 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.
- (e) 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.





The Empire Life Insurance Company

December 31, 1978

Company

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. 77 . . . . .	936,546	5,344,715	279,405		6,560,666
2. Deposits . . . . .	117,764	1,107,073	57,587		1,282,424
3. . . . .					
4. Interest credited (page 9, item 19) . . . . .	54,358	341,028	14,382		409,768
5. DEDUCT: Withdrawals . . . . .	331,631	693,563	108,776		1,133,970
6. . . . .					
7. Net increase in liability . . . . .	(159,509)	754,538	(36,807)		558,222
8. Liability, 31 December 19. 78 (page 8, item 2) . . . . .	777,037	6,099,253	242,598		7,118,888

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

	\$
Taxes, licences and fees (excluding income tax) . . . . .	134,463
Commission . . . . .	75,650
General and investment expenses . . . . .	372,927
TOTAL (page 8, item 16) . . . . .	583,040

**Schedule XIX—BORROWED MONEY**

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

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 . . . . .	186,510	186,510	186,510							186,510
b) Accidental death . . . . .	70,507	70,507	70,507							70,507
c) Disability . . . . .							332		332	332
d) Matured endowments . . . . .	27,803	27,803	27,803							27,803
e) Annuity payments . . . . .										
f) Surrender values . . . . .										
g) Accident and sickness . . . . .										
h) . . . . .										
Provision for unreported claims . . . . .	75,000	75,000	75,000				10,000		10,000	85,000
Totals . . . . .	359,820	359,820	359,820				10,332		10,332	370,152
2. Due from other companies on reinsured contracts for claims paid . . . . .										1,083
3. Net of reinsurance ceded:										
a) Death . . . . .	845,465	400,357	1,245,822	61,883	24,149	86,032				1,331,854
b) Accidental death . . . . .	14,000		14,000							14,000
c) Disability . . . . .								16,039	16,039	16,039
d) Matured endowments . . . . .	5,781		5,781							5,781
e) Annuity payments . . . . .										
f) Surrender values . . . . .										
g) Accident and sickness . . . . .										
h) . . . . .										
i) Provision for unreported claims . . . . .	115,000	165,000	280,000					756,000	756,000	1,036,000
Totals . . . . .	980,246	565,357	1,545,603	61,883	24,149	86,032		772,039	772,039	2,403,674
4. Due from other companies on reinsured contracts for claims paid . . . . .		13,065	13,065					5,135	5,135	18,200
5. GRAND TOTALS — Net of reinsurance ceded (page 8, item 8) . . . . .	1,340,066	565,357	1,905,423	61,883	24,149	86,032	10,332	772,039	782,371	2,773,826
6. GRAND TOTALS — Due from other companies on reinsured contracts for claims paid (page 7, item 28) . . . . .	190,000	13,065	13,065				1,083	5,135	6,218	19,283
7. Reserve for unreported claims previous year . . . . .		108,000	298,000				10,000	793,000	803,000	1,101,000
8. Payments made during the current year for claims incurred but unreported during the previous years . . . . .	191,152	147,073	338,225	9,992	48,866	58,858	23,256	471,239	494,495	891,578
<b>NON-PARTICIPATING</b>										

## Schedule XXI—INVESTMENT RESERVE

Stocks at book value, December 31:	\$
Preferred . . . . .	921,257
Common . . . . .	33,059,822
<b>TOTAL BOOK VALUE . . . . .</b>	<b>33,981,079</b>
Stocks at market value, December 31:	
Preferred . . . . .	1,221,534
Common . . . . .	51,468,536
<b>TOTAL MARKET VALUE . . . . .</b>	<b>52,690,070</b>
Excess of book value over market value over book value . . . . .	18,708,991
Investment reserve end of previous year . . . . .	3,000,000
*Increase in current year . . . . .	0
<b>INVESTMENT RESERVE END OF CURRENT YEAR . . . . .</b>	<b>3,000,000</b>

\* 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 . . . . .	348,614	2,441,169	337,464	1,706,272	4,833,519
b) Deduct loading . . . . .	174,307	244,117	168,732	170,627	757,783
c) Net totals . . . . .	174,307	2,197,052	168,732	1,535,645	4,075,736
Annuities:					
a) Gross . . . . .	189,358	273,119	1,878	25,877	490,232
b) Deduct loading . . . . .	94,679	27,312	939	2,588	125,518
c) Net totals . . . . .	94,679	245,807	939	23,289	364,714
<b>NET TOTALS — Life insurance and annuities . . . . .</b>	<b>268,986</b>	<b>2,442,859</b>	<b>169,671</b>	<b>1,558,934</b>	<b>4,440,450</b>

Schedule XXIII—INSURANCE PREMIUMS  
INCLUDING

	LIFE INSURANCE		
	ORDINARY*	GROUP	TOTAL
	PAR		
	\$	\$	\$
1. Direct:	418,473		418,473
a) Single . . . . .			
b) First year . . . . .	1,779,065		1,779,065
c) Renewal . . . . .	9,806,751		9,806,751
d) Totals . . . . .	12,004,289		12,004,289
2. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .			
c) Renewal . . . . .	258		258
d) Totals . . . . .	258		258
3. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	23,407		23,407
c) Renewal . . . . .	98,269		98,269
d) Totals . . . . .	121,676		121,676
4. TOTAL — Net of reinsurance . . . . .	11,882,871		11,882,871
	NON-PAR		
5. Direct:	6,596		6,596
a) Single . . . . .			
b) First year . . . . .	1,860,572	146,423	2,006,995
c) Renewal . . . . .	7,530,291	2,333,121	9,863,412
d) Totals . . . . .	9,397,459	2,479,544	11,877,003
6. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .	2,326		2,326
c) Renewal . . . . .	454,180	944	455,124
d) Totals . . . . .	456,506	944	457,450
7. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	117,338	17,241	134,579
c) Renewal . . . . .	838,997	261,555	1,100,552
d) Totals . . . . .	956,335	278,796	1,235,131
8. TOTAL — Net of reinsurance . . . . .	8,897,630	2,201,692	11,099,322
9. GRAND TOTALS PAR AND NON-PAR — Net of reinsurance (page 9, item 1) . . . . .	20,780,501	2,201,692	22,982,193
10. GRAND TOTALS — Reinsurance ceded . . . . .	1,078,011	278,796	1,356,807

\* Includes industrial.

AND ANNUITY CONSIDERATIONS  
SEGREGATED FUNDS

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

TICIPATING

\$ 26,378		\$ 26,378				\$ 444,851
267,428		267,428	(15)		(15)	2,046,478
1,078,947		1,078,947	102,063		102,063	10,987,761
1,372,753		1,372,753	102,048		102,048	13,479,090
						258
						258
						23,407
			15,653		15,653	113,922
			15,653		15,653	137,329
1,372,753		1,372,753	86,395		86,395	13,342,019

TICIPATING

6,347,270	177,531	6,524,801				6,531,397
34,652	5,122	39,774	39,656	149,902	189,558	2,236,327
371,305	2,766,529	3,137,834	46,507	1,387,271	1,433,778	14,435,024
6,753,227	2,949,182	9,702,409	86,163	1,537,173	1,623,336	23,202,748
						2,326
				1,567	1,567	456,691
				1,567	1,567	459,017
			42,113		42,113	176,692
			42,608	46,458	89,066	1,189,618
			84,721	46,458	131,179	1,366,310
6,753,227	2,949,182	9,702,409	1,442	1,492,282	1,493,724	22,295,455
8,125,980	2,949,182	11,075,162	87,837	1,492,282	1,580,119	35,637,474
			100,374	46,458	146,832	1,503,639

## Schedule XXIV—COMMISSIONS ON INSURANCE

	LIFE INSURANCE		
	ORDINARY*	GROUP	TOTAL
	PAR		
	\$	\$	\$
1. Direct:	266		266
a) Single . . . . .			
b) First year . . . . .	1,376,043		1,376,043
c) Renewal . . . . .	462,751		462,751
d) Totals . . . . .	1,839,060		1,839,060
2. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .			
c) Renewal . . . . .	8		8
d) Totals . . . . .	8		8
3. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	36		36
c) Renewal . . . . .	557		557
d) Totals . . . . .	593		593
4. TOTAL — Net of reinsurance . . . . .	1,838,475		1,838,475
	NON-PAR		
5. Direct:	211		211
a) Single . . . . .			
b) First year . . . . .	1,167,269	28,427	1,195,696
c) Renewal . . . . .	356,507	67,305	423,812
d) Totals . . . . .	1,523,987	95,732	1,619,719
6. Reinsurance assumed:			
a) Single . . . . .			
b) First year . . . . .			
c) Renewal . . . . .	6	3,857	3,863
d) Totals . . . . .	6	3,857	3,863
7. Reinsurance ceded:			
a) Single . . . . .			
b) First year . . . . .	16,059		16,059
c) Renewal . . . . .	11,432		11,432
d) Totals . . . . .	27,491		27,491
8. TOTAL — Net of reinsurance . . . . .	1,496,502	99,589	1,596,091
9. GRAND TOTALS PAR AND NON-PAR — Net of reinsurance (page 9, item 22) . . . . .	3,334,977	99,589	3,434,566
10. GRAND TOTALS — Reinsurance ceded . . . . .	28,084		28,084

\* Includes industrial.

The Empire Life Insurance Company  
Company

December 31, 1978  
Year

PREMIUMS AND ANNUITY CONSIDERATIONS

ANNUITIES			ACCIDENT AND SICKNESS INSURANCE			TOTAL
ORDINARY	GROUP	TOTAL	ORDINARY	GROUP	TOTAL	
\$ 728		\$ 728				\$ 994
109,125		109,125				1,485,168
37,341		37,341	6,078		6,078	506,170
147,194		147,194	6,078		6,078	1,992,332
						8
						8
						36
			2,390		2,390	2,947
			2,390		2,390	2,983
147,194		147,194	3,688		3,688	1,989,357

TICIPATING

161,729	1,217	162,946				163,157
5,571	3,547	9,118	13,655	19,329	32,984	1,237,798
10,026	27,524	37,550	5,303	37,335	42,638	504,000
177,326	32,288	209,614	18,958	56,664	75,622	1,904,955
						3,863
						3,863
			27,095		27,095	43,154
			7,102		7,102	18,534
			34,197		34,197	61,688
177,326	32,288	209,614	(15,239)	56,664	41,425	1,847,130
324,520	32,288	356,808	(11,551)	56,664	45,113	3,836,487
			36,587		36,587	64,671

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 . . . . .	515,049	58,360
2. Interest on bonds . . . . .	4,195,721	1,096,056
3. Dividends on stocks . . . . .	2,215,165	71,270
4. Interest on mortgage loans . . . . .	7,193,882	699,244
5. Income from real estate, including \$ 208,500 . . . . . for company's occupancy of its own buildings . . . . .	256,810	1,141
6. Interest on agreements of sale of real estate . . . . .		
7. Interest and dividends from associates and affiliates . . . . .		
8. Interest on policy loans . . . . .	699,666	352,710
9. Interest on collateral loans . . . . .		
10. Interest on bank deposits . . . . .		
11. Interest on overdue premiums . . . . .		
12. Interest from Miscellaneous Sources . . . . .	3,936	
13. . . . .		
14. . . . .		
15. . . . .		
16. . . . .		
17. . . . .		
18. . . . .		
19. TOTAL GROSS INVESTMENT INCOME . . . . .	15,080,229	2,278,781
20. General investment expenses, including \$ 100,101 . . . . . for real estate (Schedule XXIX, page 51) . . . . .	562,281	
21. Interest on borrowed money and bank overdrafts . . . . .	17,291	
22. Investment taxes, including \$ 41,952 . . . . . on real estate (Schedule XXVII, page 50) . . . . .	45,363	
23. Regular annual depreciation of real estate . . . . .	30,496	
24. TOTAL INVESTMENT EXPENSES . . . . .	655,431	
25. TOTAL NET INVESTMENT INCOME (item 19 less item 24) (page 9, item 4a) . . . . .	14,424,798	

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

1. Net investment income (Schedule XXV (a), item 25) . . . . .	=	I	=	\$ 14,424,798
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	=	\$ 172,461,573
b) At end of year (items 1-21 . . . . ., page 7, statement of current year) . . . . .	=	B	=	\$ 190,602,223
		2I		8.27
3. Net rate of investment income earned . . . . .	=	$\frac{A + B - I}{2I}$	=	



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
<b>PARTICIPATING</b>									
1. Net of reinsurance ceded:	\$	\$	\$	\$	\$	\$	\$	\$	\$
a) Death	1,255,299	1,255,299	7,387	7,387					1,262,686
b) Accidental death	198,163	198,163							198,163
c) Disability	22,054	22,054					28,045		50,099
d) Matured endowments	591,783	591,783							591,783
e) Annuity payments			20,475	20,475					20,475
f) Surrender values	2,267,141	2,267,141	663,693	663,693					2,930,834
g) Accident and sickness									
h) . . . . .									
i) Totals	4,334,440	4,334,440	691,555	691,555			28,045		5,054,040
2. Reinsurance ceded . . . . .	144,016	144,016					22,343		166,359
<b>NON-PARTICIPATING</b>									
3. Net of reinsurance ceded:									
a) Death	2,030,185	1,866,232	3,896,417	69,351	116,746	186,097			4,082,514
b) Accidental death	64,000	29,000	93,000						93,000
c) Disability	13,173	13,173					6,526	912,082	931,781
d) Matured endowments	126,741	126,741							126,741
e) Annuity payments			1,575,541	1,575,541	347,216	1,922,757			1,922,757
f) Surrender values	1,722,707	1,722,707	1,180,122	1,180,122	2,804,836	3,984,958			5,707,665
g) Accident and sickness									
h) . . . . .									
i) Totals	3,956,806	1,895,232	5,852,038	2,825,014	3,268,798	6,093,812	6,526	912,082	12,864,458
4. Reinsurance ceded . . . . .	382,702	183,886	566,588				6,516	27,570	600,674
5. GRAND TOTALS — Net of reinsurance ceded (page 9, item 12)	8,291,246	1,895,232	10,186,478	3,516,569	3,268,798	6,785,367	34,571	912,082	17,918,498
6. GRAND TOTALS — Reinsurance ceded . . . . .	526,718	183,886	710,604				28,859	27,570	767,033

December 31, 1978  
YearThe Empire Life Insurance Company  
CompanySchedule XXVII—TAXES, LICENCES AND FEES  
(INCLUDING SEGREGATED FUNDS)

	LIFE*	ACCIDENT AND SICKNESS	INVESTMENT	TOTAL
	\$	\$	\$	\$
1. Premium taxes:				
a) Provincial . . . . .	437,852	29,516		467,368
b) Other . . . . .	549	37		586
c) Totals . . . . .	438,401	29,553		467,954
2. Supervision and examination:				
a) Federal . . . . .				
b) Provincial . . . . .	5,083	241		5,324
c) Other . . . . .				
d) Totals . . . . .	5,083	241		5,324
3. Licenses and fees:				
a) Provincial . . . . .	2,289	109		2,398
b) Other . . . . .				
c) Totals . . . . .	2,289	109		2,398
4. Real estate taxes . . . . .			41,952	41,952
5. Other taxes (give details):				
Business Tax . . . . .	86,401	4,102	3,411	93,914
Provincial Sales Tax . . . . .	1,301	62		1,363
Provincial Corporation Capital Tax . . . . .	754	36		790
6. GRAND TOTALS (page 9, item 21) (page 48, item 22). XX   †	534,229 XX	34,103 XX	45,363 †	613,695

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

## Schedule XXVIII—INCOME TAX

Federal . . . . .	87,500	53,500		141,000
Provincial . . . . .	20,500	12,500		33,000
Other . . . . .				
TOTALS (page 9, item 54) . . . . .	108,000	66,000		174,000

Company

Year

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

	LIFE*	ACCIDENT AND SICKNESS	INVESTMENT	TOTAL
	\$	\$	\$	\$
<b>RENT</b>				
1. Head office rents . . . . .	174,197	10,278	34,651	219,126
2. Branch office rents . . . . .	455,233	26,861	4,635	486,729
3. . . . .				
4. TOTAL RENT . . . . .	629,430	37,139	39,286	705,855
<b>SALARIES, WAGES AND ALLOWANCES</b>				
5. Head office employees' salaries and wages . . . . .	2,402,877	141,780	255,178	2,799,835
6. Branch office employees' salaries and wages . . . . .	746,308	44,036	23,300	813,644
7. Managers' and agents' salaries . . . . .	1,521,266	89,762		1,611,028
8. Directors' fees . . . . .	23,465	1,385		24,850
9. Agents' expense allowances . . . . .	758,877	44,777		803,654
10. Advances to agents . . . . .	93,672	5,527		99,199
11. . . . .				
12. TOTAL SALARIES, WAGES AND ALLOWANCES . . . . .	5,546,465	327,267	278,478	6,152,210
<b>CONTRIBUTIONS TO EMPLOYEES' AND AGENTS' WELFARE</b>				
13. Pension and insurance funds for employees . . . . .	280,953	16,577	10,436	307,966
14. Pension and insurance funds for agents . . . . .	102,457	6,045		108,502
15. Unemployment insurance . . . . .	51,678	3,049	1,889	56,616
16. Canada and Quebec Pension Plans . . . . .	45,794	2,702	1,613	50,109
17. <del>Canada</del> Misc. Contributions to Employees . . . . .	23,830	1,406		25,236
18. Contributions to provincial health insurance plans . . . . .	7,262	429		7,691
19. TOTAL CONTRIBUTIONS TO EMPLOYEES' AND AGENTS' WELFARE . . . . .	511,974	30,208	13,938	556,120
<b>PROFESSIONAL AND SERVICE FEES AND EXPENSES</b>				
20. Legal fees and expenses . . . . .	30,479	1,798	2,000	34,277
21. Medical examination fees . . . . .	106,720	6,297		113,017
22. Inspection report fees . . . . .	107,457	6,340	55	113,852
23. Auditors' fees . . . . .	11,804	696	12,500	25,000
24. Consultant fees not included above . . . . .	131,150	7,740		138,890
25. TOTAL PROFESSIONAL AND SERVICE FEES AND EXPENSES . . . . .	387,610	22,871	14,555	425,036
<b>MISCELLANEOUS EXPENSES</b>				
26. Advertising and sales promotion . . . . .	256,978	15,163		272,141
27. Agency conventions . . . . .	131,779	7,776		139,555
28. Books and periodicals . . . . .	6,356	375	1,746	8,477
29. Bureau and association dues . . . . .	63,091	3,723	1,315	68,129
30. Collection and bank charges . . . . .	3,075	181	3,264	6,520
31. Commissions on mortgages . . . . .			21,468	21,468
32. Custody of securities . . . . .			23,338	23,338
33. Insurance, except on real estate . . . . .	20,229	1,194	1,190	22,613
34. Postage, telegraph, telephone, express . . . . .	343,469	20,265	13,261	376,995
35. Printing and stationery . . . . .	246,481	14,544	8,711	269,736
36. Office furniture . . . . .	112,475	6,637	1,380	120,492
37. Rental of equipment, tabulating and miscellaneous services . . . . .	149,135	8,800	7,252	165,187
38. Travelling expenses, head office . . . . .	156,085	9,210	14,796	180,091
39. Travelling expenses, branch office . . . . .	94,730	5,590		100,320
40. Sundry General Expenses . . . . .	434,111	25,613	18,202	477,926
41. TOTAL MISCELLANEOUS EXPENSES . . . . .	2,017,994	119,071	115,923	2,252,988
<b>REAL ESTATE EXPENSES, EXCLUDING TAXES</b>				
42. Held for Company use . . . . .			84,296	84,296
43. Held for Production of Income . . . . .			15,805	15,805
44. TOTAL REAL ESTATE EXPENSES (excluding taxes) . . . . .			100,101	100,101
45. GRAND TOTALS . . . . .	9,093,473	536,556	562,281	10,192,310
46. Less amount received from reinsurer as expense allowance . . . . .				
47. TOTAL GENERAL EXPENSES (page 9, item 23) plus (page 48, item 20) . . . . .	9,093,473	536,556	562,281	10,192,310
	xx	xx	†	

\* Segregated Funds Expenses to be included in Life column.  
Investment Expenses of General Fund  
Investment Expenses of Segregated Fund

562,281  
65,318

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 . . . . .	\$ 178,946		\$ 178,946	\$ 4,299		\$ 4,299	\$ 1,032		\$ 1,032	\$ 184,277
2. Left with company at interest . . . . .	1,093,202		1,093,202	128,291		128,291	11,414		11,414	1,232,907
3. Applied as single premium . . . . .	415,082		415,082							415,082
<b>TOTAL</b> . . . . .	1,687,230		1,687,230	132,590		132,590	12,446		12,446	1,832,266
Provisions for previous year . . . . .	1,876,000		1,876,000	45,000		45,000	21,000		21,000	1,942,000
6. Provisions for present year (page 8, item 3) . . . . .	1,556,000		1,556,000	45,000		45,000	21,000		21,000	1,622,000
<b>TOTAL DIVIDENDS: (4 - 5 + 6) (page 9, item 28)</b> . . . . .	1,367,230		1,367,230	132,590		132,590	12,446		12,446	1,512,266
<b>PART II—EXPERIENCE RATING REFUNDS</b>										
1. Paid or payable in cash . . . . .		(3,599)	(3,599)							136,473
2. Provisions for previous year . . . . .		2,879	2,879							211,161
3. Provisions for present year (page 8, item 4) . . . . .		12,496	12,496							454,212
<b>TOTAL: (1 - 2 + 3) (page 9, item 29)</b> . . . . .		6,018	6,018						373,506	379,524

Schedule XXXI—VALUATION OF CAPITAL GAINS AND LOSSES ON INVESTMENTS

	GAINS			LOSSES			NET GAINS OR NET LOSSES
	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 . . . . .			108,227			108,227	108,227
3. Mortgage loans on real estate . . . . .			562,943			562,943	514,350
4. Agreements of sale of real estate . . . . .							
5. Real estate owned not under agreement of sale . . . . .							
6. Collateral loans . . . . .							
7. . . . .							
8. . . . .							
9. . . . .							
10. . . . .							
<b>TOTALS (page 9, item 32)</b> . . . . .			671,170		48,593		622,577

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	\$ 906,919	\$ 3,379	\$ 6,308
	British & European Ins. Co.		YRT	136,742	1,589	3,394
	Canadian Reassurance		YRT & Coins.	26,776,394	373,746	216,915
	Confederation		YRT & Coins.	33,724	15,384	555
	Connecticut		Catastrophe	-	-	(84)
	Crown		YRT & Coins.	11,378,989	139,966	92,236
	Dominion Life		YRT & Coins.	200,125	108,036	4,555
	Dominion of Canada General		YRT & Coins.	55,717,101	-	172,757
	Empire Life		YRT	-	-	9,320
	Equitable		YRT	14,997,542	56,888	84,413
	Gerling - Global		YRT	208,605	617	1,033
	Great West		YRT	197,809	2,020	2,456
	I.N.A.		Catastrophe	-	-	(130)
	Lincoln National		YRT & Catast.	15,894	73	68
	Manufacturers		YRT & Coins.	5,052,606	51,445	56,991
	Mercantile & General		YRT & Coins.	99,161,590	489,968	552,083
	Montreal		YRT	2,598	46	160
	Munich Reinsurance		YRT & Coins.	19,325,535	148,088	134,372
	Northern Life		YRT	1,378,571	4,352	7,160
	Storebrand		YRT	3,157,623	15,821	12,245
Total -- registered companies				238,648,367	(1)	(2), 411,418
Total -- unregistered companies						(3), 356,807
GRAND TOTAL -- registered and unregistered						

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 43, line 10.  
Reserve credit allowed only for registered companies.

The Empire Life Insurance Company  
Company

December 31, 1978  
Year

Exhibit 3—REINSURANCE EXHIBIT  
2—ACCIDENT AND SICKNESS

	NAME OF COMPANY	REGISTERED IN PROVINCE OR NOT	TYPE OF REINSURANCE	RESERVE	REINSURANCE PREMIUM
Accident and sickness:	Canadian Reassurance Laurier Life Mercantile & General		Coinsurance Coinsurance Coinsurance	\$ 11,204 80,066 101,595	\$ 5,158 3,975 137,699
Total — registered companies				(1) (2) 192,865	(3) 146,832
Total — unregistered companies					
GRAND TOTAL — registered and unregistered					

N.B. — Types of reinsurance:  
YRT — Co-insurance — 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, 1978  
Year

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

	ORDINARY	
	NUMBER	AMOUNT
		\$
1. IN FORCE, December 31, 1977 . . . . .	94,129	1,386,839,989
2. New effected . . . . .	12,090	305,484,414
3. Old revived . . . . .	1,411	31,679,332
4. New bonus additions . . . . .		11,391,454
5. Old increased . . . . .		
6. Recovered from disability . . . . .		
7. Converted from Group Insurance . . . . .	49	296,000
8. TOTALS . . . . .	107,679	1,735,691,189
Less ceased by:		
9. Death . . . . .	506	3,642,892
10. Maturity . . . . .	359	717,560
11. Disability . . . . .		
12. Expiry . . . . .	1,259	41,042,281
13. Surrender . . . . .	1,847	19,469,948
14. Lapse . . . . .	5,253	128,922,165
15. Withdrawal . . . . .		
16. Decrease . . . . .		19,546,762
Converted to Ordinary Deferred Annuities . . . . .	25	137,334
17. Converted to Ordinary Insurance . . . . .		
18. TOTAL CEASED . . . . .	9,249	213,478,942
19. IN FORCE, December 31, 1978 . . . . .	98,430	1,522,212,247

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 . . . . .	‡ 304,786,354	994,060	46,354,493	259,425,921
2. Group . . . . .	23,125,500	-	474,184	22,651,316
3. . . . .				
4. TOTALS . . . . .	327,911,854	994,060	46,328,677	282,077,237

‡ 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
		\$		\$
256	81,159	586,109,269	94,385	1,972,949,258
57	2,280	23,125,500	12,147	328,609,914
			1,411	31,679,332
				11,391,454
	27,070	205,181,400		205,181,400
			49	296,000
313	110,509	814,416,169	107,992	2,550,107,358
	349	1,857,714	506	5,500,606
			359	717,560
			1,259	41,042,281
	2	7,500	1,847	19,477,448
43	2,860	82,216,880	5,296	211,139,045
XXXXXX	23,251	168,072,674		168,072,674
				19,546,762
			25	137,334
	49	296,000		296,000
43	26,511	252,450,768	9,292	465,929,710
270	83,998	561,965,401	98,700	2,084,177,648

## EFFECTED AND IN FORCE

IN FORCE			
DIRECT WRITTEN	REINSURANCE ASSUMED	REINSURANCE CEDED	NET
\$	\$	\$	\$
1,458,572,824	63,639,423	176,051,613	1,346,160,634
561,521,901	443,500	62,596,754	499,368,647
2,020,094,725	64,082,923	238,648,367	1,845,529,281

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

	PARTICIPATING		NON-PARTICIPATING		TOTAL
	ORDINARY	GROUP	ORDINARY	GROUP	
	\$	\$	\$	\$	
1. Life . . . . .	39,207,710		62,358,308		101,566,018
2. Endowment . . . . .	40,996,777		2,785,361		43,782,138
3. Term . . . . .			131,776,488	23,125,500	154,901,988
4. Temporary additions to sums insured . . . . .	11,500,055		17,155,715		28,655,770
5. . . . .					
6. . . . .					
7. TOTALS . . . . .	91,704,542		214,075,872	23,125,500	328,905,914

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 . . . . .	254,475,047		275,679,866	722,500	530,877,413
2. Endowment . . . . .	190,141,754		16,147,617		206,289,371
3. Term . . . . .			374,607,608	561,242,901	935,850,509
4. Temporary additions to sums insured . . . . .	106,458,494		256,099,150		362,557,644
5. Dividend additions to Sums Insured . . . . .	48,602,711				48,602,711
6. . . . .					
7. TOTALS . . . . .	599,678,006		922,534,241	561,965,401	2,084,177,648

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

	ANNUAL	QUINQUENNIAL	DEFERRED	NON-PARTICIPATING	TOTAL
	\$	\$	\$	\$	\$
1. Ordinary . . . . .	539,218,049	60,459,957		922,534,241	1,522,212,247
2. Group . . . . .				561,965,401	561,965,401
3. . . . .					
4. TOTALS . . . . .	539,218,049	60,459,957		1,484,499,642	2,084,177,648

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		370,131,323
2. Members of unions, associations, etc.		52,017,000
3. Borrowers from banks, small loan companies or other money-lenders making insured personal loans		131,726,344
4. Others		8,090,734
5. TOTAL		561,965,401

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	\$ 379,492	\$ 262,163	\$ 82,355,274	\$ 408,369,365

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

	PREMIUM INCOME	NATURE OF DISABILITY BENEFITS								TOTAL	
		WAIVER OF PREMIUMS ONLY				WAIVER OF PREMIUMS AND					
		No.	AMOUNT	No.	AMOUNT	SUM INSURED PAYABLE IN INSTALMENTS	DISABILITY ANNUITY WITHOUT REDUCTION IN SUM INSURED	TEMPORARY DISABILITY ANNUITY FOLLOWED BY PAYMENT OF SUM INSURED	No.		AMOUNT
BEFORE OCCURRENCE OF DISABILITY	\$										
1. Ordinary	561,319	61,540	706,048,122			370	4,551,273	911	11,188,973	62,821	721,788,368
2. Ordinary	53,410 *Prem. waived.	198	2,085,133			8	43,721			206	2,128,854
3. Group	3,108	54	599,775							54	599,775
4. Totals	617,837	61,792	708,733,030			378	4,594,994	911	11,188,973	63,081	724,516,997

\* Not to be included in revenue account.



Exhibit 6—ANALYSIS OF ACCIDENT AND SICKNESS INSURANCE CLAIMS

December 31, 1978  
Year

	YEAR OF OCCURRENCE					TOTAL
	1973 AND PREVIOUS	1974	1975	1976	1977	
a) NET CLAIMS AND ADJUSTMENT EXPENSES PAID IN THE YEAR 1978.						
	\$	\$	\$	\$	\$	\$
PARTICIPATING						
1. Accident only . . . . .						
2. Accident and sickness . . . . .		3,456	1,500	2,135	17,043	24,982
3. Non-cancellable accident and sickness . . . . .						49,116
4. Group accident and sickness . . . . .						
5. . . . .						
6. TOTALS — Participating . . . . .		3,456	1,500	2,135	17,043	24,982
NON-PARTICIPATING						
7. Accident only . . . . .						
8. Accident and sickness . . . . .						6,526
9. Non-cancellable accident and sickness . . . . .						1,333,412
10. Group accident and sickness . . . . .	1,401,757	73,133	663,117	316,003	670,385	4,457,807
11. . . . .						
12. TOTALS — Non-participating . . . . .	1,401,757	73,133	663,117	316,003	670,385	4,464,333
13. GRAND TOTALS . . . . .	1,401,757	76,589	664,617	318,138	687,428	4,513,449
14. Line 13 of exhibit 6b, previous years . . . . .	1,379,189	87,863	724,600	581,260	1,011,252	XXXXXXX
15. Development — Favourable (Unfavourable) . . . . .	(22,568)	11,274	59,983	263,122	323,824	XXXXXXX
						* 635,635
b) PROVISION FOR UNPAID CLAIMS AND ADJUSTMENT EXPENSES AS OF DECEMBER 31, 1978						
PARTICIPATING						
1. Accident only . . . . .						
2. Accident and sickness . . . . .		1,056			3,960	16,055
3. Non-cancellable accident and sickness . . . . .						21,071
4. Group accident and sickness . . . . .						
5. . . . .						
6. TOTALS — Participating . . . . .		1,056			3,960	16,055
NON-PARTICIPATING						
7. Accident only . . . . .						
8. Accident and sickness . . . . .						
9. Non-cancellable accident and sickness . . . . .						
10. Group accident and sickness . . . . .	1,165,010	58,635	543,747	248,927	569,158	3,545,725
11. . . . .						
12. TOTALS — Non-participating . . . . .	1,165,010	58,635	543,747	248,927	569,158	3,545,725
GRAND TOTALS . . . . .	1,165,010	59,691	543,747	248,927	573,118	3,566,796

\* Cross added items only.

The Empire Life Insurance Company  
Company

December 31, 1978  
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>				
1976	300,868	23,860	Nil	Nil	Change in health before delivery
1977	313,149	8,000	5,000	Nil	" " " "
(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	" " "
1977	225,234	20,000	-	10,000	Not accidental death
1978	294,813	100,000	-	100,000	Misrepresentation
	<u>Life Group</u>				
1975	G-724	17,000	Nil	17,000	No proof of accidental death
TOTALS		208,860	5,000	147,000	

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.

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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		
	35	18.90	1.06	18.90	2.14	18.90	3.45	18.90	4.92	18.90	6.55		
	45	27.86	1.27	27.86	2.82	27.86	4.53	27.86	6.39	27.86	8.42		
	55	42.90	1.71	42.90	3.87	42.90	6.01	42.90	8.26	42.90	10.65		
	20 payment life . . . . .	25	23.78	1.39	23.78	2.72	23.78	4.42	23.78	6.38	23.78	8.63	
20 year endowment . . . . .	35	30.10	1.65	30.10	3.42	30.10	5.59	30.10	8.05	30.10	10.86		
	45	39.22	1.92	39.22	4.17	39.22	6.80	39.22	9.76	39.22	13.10		
	55	52.14	2.18	52.14	4.96	52.14	7.93	52.14	11.21	52.14	14.97		
	25	44.16	1.58	44.16	4.59	44.16	8.31	44.16	12.63	44.16	17.64		
	35	45.02	1.61	45.02	4.64	45.02	8.36	45.02	12.65	45.02	17.63		
45	48.01	1.64	48.01	4.75	48.01	8.39	48.01	12.60	48.01	17.51			
55	55.42	1.72	55.42	4.94	55.42	8.46	55.42	12.46	55.42	17.18			

Company

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 -



The Empire Life Insurance Company  
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Exhibit 10—DEFERRED DIVIDENDS

KIND OF POLICY	AGE AT ENTRY	DURATION													
		10 YEARS				15 YEARS				20 YEARS					
		PREMIUM	DIVIDEND	TOTAL CASH VALUE		PREMIUM	DIVIDEND	TOTAL CASH VALUE		PREMIUM	DIVIDEND	TOTAL CASH VALUE			
Whole life	25	\$	¢	\$	¢	\$	¢	\$	¢	\$	¢	\$	¢	\$	¢
	35														
	45														
	55														
20 payment life	25	- No Deferred Dividend Plans -													
	35														
	45														
	55														
20 year endowment	25														
	35														
	45														
	55														

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	10,082	572	23	10,631	1,148			1,148
Prince Edward Island	Yes	243,509	(188)	2,745	240,576	44,840			44,840
Nova Scotia	No	31,773	962	11	32,724	5,378			5,378
New Brunswick	No	25,518	2,647	217	27,948	4,118			4,118
Quebec	Yes	5,896,363	50,615	405,792	5,541,186	405,865		331	405,534
Ontario	Yes	10,371,075	92,803	440,387	10,023,491	934,867		296	934,571
Manitoba	Yes	575,715	19,729	28,757	566,687	30,538		10	30,528
Saskatchewan	Yes	225,965	5,298	19,426	211,837	8,252			8,252
Alberta	Yes	2,560,410	27,862	115,695	2,472,577	140,274		39	140,235
British Columbia	Yes	961,701	20,312	36,117	945,896	65,220			65,220
Territories	No	3,256	40		3,296	226			226
Miscellaneous		2,463			2,463	313			313
<b>TOTALS IN CANADA</b>		<b>20,907,830</b>	<b>220,652</b>	<b>1,049,170</b>	<b>20,079,312</b>	<b>1,641,039</b>		<b>676</b>	<b>1,640,363</b>
<b>OUT OF CANADA</b>		<b>493,918</b>	<b>236,112</b>	<b>28,841</b>	<b>701,189</b>	<b>46,581</b>	<b>286</b>		<b>46,867</b>
<b>GRAND TOTALS</b>		<b>21,401,748</b>	<b>456,764</b>	<b>1,078,011</b>	<b>20,780,501</b>	<b>1,687,620</b>	<b>286</b>	<b>676</b>	<b>1,687,230</b>

\* Includes industrial

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

PROVINCE	Is Company licensed in province? (Yes or No)	INSURANCE PREMIUMS				DIVIDENDS TO INSURANCE POLICYHOLDERS			NET OF REINSURANCE CEDED (6) + (7) - (8)
		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)	
Newfoundland . . . . .		\$ 27,742	\$	\$	\$ 27,742	\$		\$	\$
Prince Edward Island . . . . .		31,495		2,120	29,375				
Nova Scotia . . . . .		51,841			51,841				
New Brunswick . . . . .		44,243			44,243				
Quebec . . . . .		723,029		20,630	702,399				
Ontario . . . . .		1,211,474	944	235,303	977,115				
Manitoba . . . . .		94,854		12,651	82,203				
Saskatchewan . . . . .		42,258			42,258				
Alberta . . . . .		88,400		2,312	86,088				
British Columbia . . . . .		141,635		5,758	135,877				
Territories . . . . .									
Miscellaneous . . . . .									
TOTALS IN CANADA . . . . .		2,456,971	944	278,774	2,179,141				
OUT OF CANADA . . . . .		22,573		22	22,551				
GRAND TOTALS . . . . .		2,479,544	944	278,796	2,201,692				

Exhibit 11—(c) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS (ORDINARY\*)  
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 . . . . .		\$ 358	\$	\$	\$ 358	\$	\$ 2	\$	2
Prince Edward Island . . . . .		25,637			25,637		512		512
Nova Scotia . . . . .		6,637			6,637		17		17
New Brunswick . . . . .		21,469			21,469		67		67
Quebec . . . . .		1,458,089			1,458,089		21,693		21,693
Ontario . . . . .		4,617,663			4,617,663		67,226		67,226
Manitoba . . . . .		341,450			341,450		6,083		6,083
Saskatchewan . . . . .		109,357			109,357		1,191		1,191
Alberta . . . . .		1,134,381			1,134,381		23,092		23,092
British Columbia . . . . .		382,965			382,965		10,972		10,972
Territories . . . . .		640			640		20		20
Miscellaneous . . . . .		358			358				
TOTALS IN CANADA . . . . .		8,099,004			8,099,004		130,875		130,875
OUT OF CANADA . . . . .		26,976			26,976		1,715		1,715
GRAND TOTALS . . . . .		8,125,980			8,125,980		132,590		132,590

\* Includes industrial.

Exhibit 11—(d) PREMIUMS AND DIVIDENDS PAID TO POLICYHOLDERS (GROUP)  
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)
	(1)	\$	\$	\$	\$	\$	\$	\$	
Newfoundland . . . . .									
Prince Edward Island . . . . .		1,560			1,560				
Nova Scotia . . . . .									
New Brunswick . . . . .		92,720			92,720				
Quebec . . . . .		1,323,676			1,323,676				
Ontario . . . . .		1,225,415			1,225,415				
Manitoba . . . . .		143,433			143,433				
Saskatchewan . . . . .									
Alberta . . . . .		103,461			103,461				
British Columbia . . . . .		58,917			58,917				
Territories . . . . .									
Miscellaneous . . . . .									
TOTALS IN CANADA . . . . .		2,949,182			2,949,182				
OUT OF CANADA . . . . .									
GRAND TOTALS . . . . .		2,949,182			2,949,182				

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 . . . . .		908		1,554	(646)				
Prince Edward Island . . . . .		820		423	397	49		22	27
Nova Scotia . . . . .		2,288		68	2,220	84		10	74
New Brunswick . . . . .		2,420			2,420	24			24
Quebec . . . . .		346,979		45,327	301,652	2,464		458	2,006
Ontario . . . . .		554,514	1,567	71,003	485,078	9,365		693	8,672
Manitoba . . . . .		32,630		7,916	24,714	297		65	232
Saskatchewan . . . . .		653,187		111	653,076	7			7
Alberta . . . . .		63,770		12,597	51,173	1,066		159	907
British Columbia . . . . .		66,436		6,709	59,727	531		113	418
Territories . . . . .		338		155	183				
Miscellaneous . . . . .									
TOTALS IN CANADA . . . . .		1,724,290	1,567	145,863	1,579,994	13,887		1,520	12,367
OUT OF CANADA . . . . .		1,094		969	125	111		32	79
GRAND TOTALS . . . . .		1,725,384	1,567	146,832	1,580,119	13,998		1,552	12,446

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	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Newfoundland										
a) Death . . . . .	5,000	25,100	30,100							30,100
b) Disability . . . . .								458	458	458
c) Matured endowments . . . . .										
d) Annuity payments . . . . .	548		548	2,141		2,141				2,141
e) Surrender values . . . . .	924		924	2		2				548
f) Dividends . . . . .										926
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	6,472	25,100	31,572	2,143		2,143		458	458	34,173
Prince Edward Island										
a) Death . . . . .	12,000	6,346	18,346							18,346
b) Disability . . . . .										
c) Matured endowments . . . . .	39,159		39,159							39,159
d) Annuity payments . . . . .				1,160		1,160				1,160
e) Surrender values . . . . .	26,601		26,601	4,558		4,558				31,159
f) Dividends . . . . .	39,368		39,368	512		512				1,160
g) Accident and sickness . . . . .									27	31,159
h) TOTALS . . . . .	117,128	6,346	123,474	6,230		6,230		352	352	39,907
Nova Scotia										
a) Death . . . . .	5,000	50,199	55,199							55,199
b) Disability . . . . .								4,246	4,246	4,246
c) Matured endowments . . . . .	9,000		9,000							9,000
d) Annuity payments . . . . .				1,619	603	2,222				2,222
e) Surrender values . . . . .	17,621		17,621	17		17				17,621
f) Dividends . . . . .	4,706		4,706						74	4,797
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	36,327	50,199	86,526	1,636	603	2,239		4,246	4,320	93,085
New Brunswick										
a) Death . . . . .	4,044	42,884	46,928							46,928
b) Disability . . . . .										
c) Matured endowments . . . . .										
d) Annuity payments . . . . .				1,925	360	2,285				2,285
e) Surrender values . . . . .	2,788		2,788	5,798		5,798				8,586
f) Dividends . . . . .	3,574		3,574	67		67			24	3,665
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	10,406	42,884	53,290	7,790	360	8,150		24	24	61,464

\* 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	TOTAL		
												\$
<b>Quebec</b>												
a) Death	1,383,565	547,199	1,930,764	7,701	15,946	23,647	10,640	220,592	231,232		1,954,411	
b) Disability	2,119		2,119								233,351	
c) Matured endowments	188,970		188,970	173,281	77,362	250,643					188,970	
d) Annuity payments	1,381,666		1,381,666	204,005	1,638,372	1,842,377					250,643	
e) Surrender values	332,542		332,542	21,693		21,693	2,006		2,006		3,224,043	
f) Dividends											356,241	
g) Accident and sickness												
h) TOTALS	3,288,862	547,199	3,836,061	406,680	1,731,680	2,138,360	12,646	220,592	233,238		6,207,659	
<b>Ontario</b>												
a) Death	1,976,263	1,087,804	3,064,067	31,243	27,548	58,791	42,404	359,363	401,767		3,122,858	
b) Disability	18,998		18,998								420,765	
c) Matured endowments	410,356		410,356	728,957	181,076	910,033					410,356	
d) Annuity payments	1,682,686		1,682,686	872,482	902,670	1,775,152					910,033	
e) Surrender values	768,235		768,235	67,226		67,226	8,672		8,672		3,457,838	
f) Dividends											844,133	
g) Accident and sickness												
h) TOTALS	4,856,538	1,087,804	5,944,342	1,699,908	1,111,294	2,811,202	51,076	359,363	410,439		9,165,983	
<b>Manitoba</b>												
a) Death	68,374	103,688	172,062		39,284	39,284	550	6,715	7,265		211,346	
b) Disability											7,265	
c) Matured endowments	10,219		10,219	114,689	7,245	121,934					10,219	
d) Annuity payments	37,960		37,960	200,435	79,798	280,233					121,934	
e) Surrender values	22,496		22,496	6,083		6,083	232		232		318,193	
f) Dividends											28,811	
g) Accident and sickness												
h) TOTALS	139,049	103,688	242,737	321,207	126,327	447,534	782	6,715	7,497		697,768	
<b>Saskatchewan</b>												
a) Death	4,000	32,200	36,200	2,360		2,360					38,560	
b) Disability											260,067	
c) Matured endowments	13,000		13,000	160,060	1,063	161,123					13,000	
d) Annuity payments	26,971		26,971	29,129		29,129					161,123	
e) Surrender values	6,364		6,364	1,191		1,191	7		7		56,100	
f) Dividends											7,562	
g) Accident and sickness												
h) TOTALS	50,335	32,200	82,535	192,740	1,063	193,803	7	260,067	260,074		536,412	

\* 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 . . . . .	198,184	76,899	275,083	29,969		29,969	2,920	7,889	10,809	305,052
b) Disability . . . . .	27,023		27,023							10,809
c) Matured endowments . . . . .				238,984	29,188	268,172				27,023
d) Annuity payments . . . . .	338,114		338,114	333,559	56,778	390,337				268,172
e) Surrender values . . . . .	97,259		97,259	23,092		23,092	907		907	728,451
f) Dividends . . . . .										121,258
g) Accident and sickness . . . . .										
<b>TOTALS</b> . . . . .	660,580	76,899	737,479	625,604	85,966	711,570	3,827	7,889	11,716	1,460,765
<b>British Columbia</b>										
a) Death . . . . .	62,994	86,799	149,793	5,465	33,968	39,433				189,226
b) Disability . . . . .	16,334		16,334				6,591	78,072	84,663	100,997
c) Matured endowments . . . . .	14,797		14,797							14,797
d) Annuity payments . . . . .	374,137		374,137	148,003	45,937	193,940				193,940
e) Surrender values . . . . .	50,884		50,884	192,126	127,218	319,344				693,481
f) Dividends . . . . .				10,972		10,972	418		418	62,274
g) Accident and sickness . . . . .										
<b>TOTALS</b> . . . . .	519,146	86,799	605,945	356,566	207,123	563,689	7,009	78,072	85,081	1,254,715
<b>Territories and Miscellaneous</b>										
a) Death . . . . .										
b) Disability . . . . .										
c) Matured endowments . . . . .										
d) Annuity payments . . . . .										
e) Surrender values . . . . .	379		379	20		20				399
f) Dividends . . . . .										
g) Accident and sickness . . . . .										
<b>TOTALS</b> . . . . .	379		379	20		20				399
<b>TOTALS IN CANADA</b>										
a) Death . . . . .	3,719,424	2,059,118	5,778,542	76,738	116,746	193,484	63,430	937,402	1,000,832	5,972,026
b) Disability . . . . .	37,451		37,451							1,038,283
c) Matured endowments . . . . .	712,524		712,524							712,524
d) Annuity payments . . . . .				1,570,819	342,834	1,913,653				1,913,653
e) Surrender values . . . . .	3,889,092		3,889,092	1,842,092	2,804,836	4,646,928				8,536,020
f) Dividends . . . . .	1,326,731		1,326,731	130,875		130,875	12,367		12,367	1,469,973
g) Accident and sickness . . . . .										
<b>TOTALS</b> . . . . .	9,685,222	2,059,118	11,744,340	3,620,524	3,264,416	6,884,940	75,797	937,402	1,013,199	19,642,479

\* 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 . . . . .	152,203	20,000	172,203							172,203
b) Disability . . . . .	1,200		1,200							1,200
c) Matured endowments . . . . .	6,000		6,000							6,000
d) Annuity payments . . . . .				25,197	4,382	29,579				29,579
e) Surrender values . . . . .	100,756		100,756	1,723		1,723				102,479
f) Dividends . . . . .	40,213		40,213	1,715		1,715	79		79	42,007
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	300,372	20,000	320,372	28,635	4,382	33,017	79		79	353,468
<b>GRAND TOTALS</b>										
a) Death . . . . .	3,871,627	2,079,118	5,950,745	76,738	116,746	193,484		63,430	937,402	6,144,229
b) Disability . . . . .	38,651		38,651							1,039,483
c) Matured endowments . . . . .	718,524		718,524							718,524
d) Annuity payments . . . . .				1,596,016	347,216	1,943,232				1,943,232
e) Surrender values . . . . .	3,989,848		3,989,848	1,843,815	2,804,836	4,648,651				8,638,499
f) Dividends . . . . .	1,366,944		1,366,944	132,590		132,590	12,446		12,446	1,511,980
g) Accident and sickness . . . . .										
h) TOTALS . . . . .	9,965,594	2,079,118	12,064,712	3,649,159	3,268,798	6,917,957	75,876	937,402	1,013,278	19,995,947
Reinsurance assumed . . . . .	199,600		199,600							201,850
Total gross . . . . .	10,185,194	2,079,118	12,264,312	3,649,159	3,268,798	6,917,957	75,876	939,652	1,015,528	20,197,797
Reinsurance ceded . . . . .	526,718	183,886	710,604				28,859	27,570	56,429	767,033
Net claims and dividends incurred . . . . .	9,658,476	1,895,232	11,553,708	3,649,159	3,268,798	6,917,957	47,017	912,082	959,099	19,430,764

\* 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 . . . . .	54	413,735	1,851	13,939,998	246	1,871,695	169	1,904,943	24,413	325,529,039
New effected . . . . .	3	55,000	91	1,197,915	6	25,000	4	27,421	2,539	51,380,584
All other additions . . . . .	11	111,767	6	62,950	31	386,823	32	254,432		=
TOTALS . . . . .	68	580,502	1,948	15,200,863	283	2,283,518	205	2,186,796	26,952	376,909,623
LESS CEASED BY:										
Death . . . . .	1	5,000	2	6,000	1	5,000	2	4,044	162	1,389,960
Maturity . . . . .			24	39,159	5	9,000			85	168,970
Surrender . . . . .	1	17,114	37	180,817	16	70,500	3	5,500	442	5,649,946
Lapse . . . . .	3	79,873	31	272,161	9	151,000	8	67,214	1,338	24,955,454
All other deductions . . . . .									36	7,106,864
TOTAL CEASED . . . . .	5	101,987	94	498,137	31	235,500	13	76,758	2,063	39,291,194
AT END OF YEAR . . . . .	63	478,515	1,854	14,702,726	252	2,048,018	192	2,110,038	24,889	337,618,429
NET INFORCE . . . . .	70	667,375	1,854	14,434,060	266	2,414,253	199	2,261,868	25,146	297,853,098
AT BEGINNING OF YEAR . . . . .			3	4,191,770					75	150,877,784
New effected . . . . .									12	3,061,500
All other additions . . . . .		5,593,224		11,064,593		11,186,447				26,242,576
TOTALS . . . . .		5,593,224	3	15,256,363		11,186,447			87	180,181,860
LESS CEASED BY:										
Death . . . . .				1,330						609,500
Maturity . . . . .										
Surrender . . . . .									14	5,688,000
Lapse . . . . .										
All other deductions . . . . .										
TOTAL CEASED . . . . .		-		1,330		-			14	6,297,500
AT END OF YEAR . . . . .		5,593,224	3	15,255,033		11,186,447			73	173,884,360
NET INFORCE . . . . .		5,593,224	3	14,699,972		11,186,447			74	169,712,463

A) ORDINARY\*

B) GROUP

\* Includes industrial.

The Empire Life Insurance Company  
Company

December 31, 1978  
Year

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 . . . . .	54	\$ 413,735	1,854	\$ 18,131,768	246	\$ 1,871,695	169	\$ 1,904,943	24,488	\$ 476,406,823
New effected . . . . .	3	55,000	91	1,197,915	6	25,000	4	27,421	2,551	54,442,084
All other additions . . . . .	11	5,704,991	6	11,127,543	31	11,573,270	32	254,432		26,242,576
TOTALS . . . . .	68	6,173,726	1,951	30,457,226	283	13,469,965	205	2,186,796	27,039	557,091,483
LESS CEASED BY										
Death . . . . .	1	5,000	2	7,330	1	5,000	2	4,044	162	1,999,460
Maturity . . . . .			24	39,159	5	9,000			85	188,970
Surrender . . . . .	1	17,114	37	180,817	16	70,500	3	5,500	442	5,649,946
Lapse . . . . .	3	79,873	31	272,161	9	151,000	8	67,214	1,352	30,643,454
All other deductions . . . . .									36	7,106,864
TOTAL CEASED . . . . .	5	101,987	94	499,467	31	235,500	13	76,758	2,077	45,588,694
AT END OF YEAR . . . . .	63	6,071,739	1,857	29,957,759	252	13,234,465	192	2,110,038	24,962	511,502,789
NET INFORCE . . . . .	70	6,260,599	1,857	29,134,032	266	13,600,700	199	2,261,868	25,220	467,565,561

(C) ALL CLASSES COMBINED

	ONTARIO		MANITOBA		SASKATCHEWAN		ALBERTA		BRITISH COLUMBIA	
	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$	NUMBER	AMOUNT \$
A) ORDINARY*										
AT BEGINNING 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
New effected . . . . .	6,805	165,494,180	277	6,497,087	62	2,314,266	1,474	54,061,520	473	15,619,049
All other additions . . . . .					26	805,348	55	1,163,597	140	2,344,412
TOTALS . . . . .	57,045	829,300,523	2,082	43,846,718	607	15,768,398	9,440	233,113,907	3,558	73,045,694
LESS CEASED BY:										
Death . . . . .	275	1,639,575	8	68,374	2	4,000	9	157,485	13	65,078
Maturity . . . . .	205	409,356	9	10,255	2	13,000	13	27,023	10	14,797
Surrender . . . . .	1,005	8,618,782	29	300,108	11	145,140	120	1,811,541	140	2,227,295
Lapse . . . . .	2,571	64,278,448	237	4,825,658	45	1,424,194	623	20,913,671	242	8,448,300
All other deductions . . . . .	96	8,939,888	2	1,646,860						
TOTAL CEASED . . . . .	4,152	83,886,049	285	6,851,255	60	1,586,334	765	22,909,720	405	10,755,470
AT END OF YEAR . . . . .	52,893	745,414,474	1,797	36,995,463	547	14,182,064	8,675	210,204,187	3,153	62,290,224
NET INFORCE . . . . .	53,477	683,542,860	1,961	36,788,713	568	11,904,668	8,853	186,167,652	3,292	59,878,436
B) GROUP										
AT BEGINNING OF YEAR . . . . .	133	393,595,467	6	19,721,748	1	566,000	6	2,399,000	31	14,297,000
New effected . . . . .	43	17,743,000		7,206,695		5,703,724	1	245,000	1	2,076,000
All other additions . . . . .								11,362,447		11,095,947
TOTALS . . . . .	176	411,338,467	6	26,928,443	1	6,269,724	7	14,006,447	32	27,468,947
LESS CEASED BY:										
Death . . . . .		1,147,096		72,288		2,500		25,000		
Maturity . . . . .										
Surrender . . . . .	21	64,854,880					1	1,241,000	7	10,433,000
Lapse . . . . .		52,625,927								
All other deductions . . . . .										
TOTAL CEASED . . . . .	21	118,635,403		72,288		2,500	1	1,266,000	7	10,433,000
AT END OF YEAR . . . . .	155	292,703,064	6	26,856,155	1	6,267,224	6	12,740,447	25	17,035,947
NET INFORCE . . . . .	155	241,227,586	6	21,309,745	1	6,267,224	6	12,560,560	25	16,811,426

\* Includes industrial.

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 . . . . .	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
New effected . . . . .	6,848	183,237,180	277	6,497,087	62	2,314,266	1,475	54,306,520	474	17,695,049
All other additions . . . . .				7,206,695	26	6,509,072	55	12,526,044	140	13,440,359
TOTALS . . . . .	57,221	1,240,638,990	2,088	70,775,161	608	22,038,122	9,447	247,120,354	3,590	100,514,641
LESS CEASED BY:										
Death . . . . .	275	2,786,671	8	140,662	2	6,500	9	182,485	13	65,078
Maturity . . . . .	205	409,356	9	10,255	2	13,000	13	27,023	10	14,797
Surrender . . . . .	1,005	8,626,282	29	300,108	11	145,140	120	1,811,541	140	2,227,295
Lapse . . . . .	2,592	129,133,328	237	4,825,658	45	1,424,194	624	22,154,671	249	18,881,300
All other deductions . . . . .	96	61,565,815	2	1,646,860						
TOTAL CEASED . . . . .	4,173	202,521,452	285	6,923,543	60	1,588,834	766	24,175,720	412	21,188,470
AT END OF YEAR . . . . .	53,048	1,038,117,538	1,803	63,851,618	548	20,449,288	8,681	222,944,634	3,178	79,326,171
NET INFORCE . . . . .	53,632	924,770,446	1,967	58,098,458	569	18,171,892	8,859	198,728,212	3,317	76,689,862

(C) ALL CLASSES COMBINED

	TERRITORIES AND MISCELLANEOUS		TOTALS IN CANADA		OUT OF CANADA		GRAND TOTALS	
	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT	NUMBER	AMOUNT
		\$		\$		\$		\$
AT BEGINNING OF YEAR . . . . .	2,011	26,077,143	92,164	1,316,512,334	92,164	1,316,512,334	92,164	1,316,512,334
New effected . . . . .	367	8,114,332	12,101	304,786,354	12,101	304,786,354	12,101	304,786,354
All other additions . . . . .	126	1,494,608	427	6,623,937	427	6,623,937	427	6,623,937
TOTALS . . . . .	2,504	35,686,083	104,692	1,627,922,625	104,692	1,627,922,625	104,692	1,627,922,625
LESS CEASED BY:								
Death . . . . .	18	91,780	493	3,436,296	493	3,436,296	493	3,436,296
Maturity . . . . .	6	6,000	359	717,560	359	717,560	359	717,560
Surrender . . . . .	43	443,203	1,847	19,469,946	1,847	19,469,946	1,847	19,469,946
Lapse . . . . .	123	2,616,414	5,230	128,032,387	5,230	128,032,387	5,230	128,032,387
All other deductions . . . . .			134	17,693,612	134	17,693,612	134	17,693,612
TOTAL CEASED . . . . .	190	3,157,397	8,063	169,349,801	8,063	169,349,801	8,063	169,349,801
AT END OF YEAR . . . . .	2,314	32,528,686	96,629	1,458,572,824	96,629	1,458,572,824	96,629	1,458,572,824
NET INFORCE . . . . .	2,744	50,247,651	98,430	1,346,160,634	98,430	1,346,160,634	98,430	1,346,160,634
A) ORDINARY *								
AT BEGINNING OF YEAR . . . . .			255	585,648,769			255	585,648,769
New effected . . . . .			57	23,125,500			57	23,125,500
All other additions . . . . .				89,455,653				89,455,653
TOTALS . . . . .			312	698,229,922			312	698,229,922
LESS CEASED BY:								
Death . . . . .				1,857,714				1,857,714
Maturity . . . . .								
Surrender . . . . .			43	7,500			43	7,500
Lapse . . . . .				82,216,880				82,216,880
All other deductions . . . . .				52,625,927				52,625,927
TOTAL CEASED . . . . .			43	136,708,021			43	136,708,021
AT END OF YEAR . . . . .			269	561,521,901			269	561,521,901
NET INFORCE . . . . .			270	499,368,647			270	499,368,647
B) GROUP								

\* Includes industrial.

The Empire Life Insurance Company  
Company

December 31, 1978  
Year

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 . . . . .	2,011	26,077,143	92,419	1,902,161,103			92,419	1,902,161,103
New effected . . . . .	367	8,114,332	12,158	327,911,854			12,158	327,911,854
All other additions . . . . .	126	1,494,608	427	96,079,590			427	96,079,590
TOTALS . . . . .	2,504	35,686,083	105,004	2,326,152,547			105,004	2,326,152,547
LESS CEASED BY:								
Death . . . . .	18	91,780	493	5,294,010			493	5,294,010
Maturity . . . . .	6	6,000	359	717,560			359	717,560
Sur-ender . . . . .	43	443,203	1,847	19,477,446			1,847	19,477,446
Lapse . . . . .	123	2,616,414	5,273	210,249,267			5,273	210,249,267
All other deductions . . . . .			134	70,319,539			134	70,319,539
TOTAL CEASED . . . . .	190	3,157,397	8,106	306,057,822			8,106	306,057,822
AT END OF YEAR . . . . .	2,314	32,528,686	96,898	2,020,094,725			96,898	2,020,094,725
NET INFORCE . . . . .	2,744	50,247,651	98,700	1,845,529,281			98,700	1,845,529,281

(C) ALL CLASSES COMBINED



Exhibit 14—INVESTMENTS HELD UNDER THE "BASKET CLAUSE" FOR THE YEAR ENDED 1978.

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	49,833		Amortization 42		49,875	57,500
Feb. 28, 1966	" "	100,000				100,000	113,000
Jan. 15, 1965	Great Northern Gas Utilities	50,000				50,000	41,500
June 14, 1978	Research Cottrell Inc.		269,296			269,296	189,800
July 7, 1977	Ito Yokado Company Ltd.	105,441		188,808	83,367		
May 9, 1977	Makita Electric	91,482		88,005	(3,477)		
TOTALS		396,756	269,296	276,855	79,890	469,171	401,800
		Admitted assets \$ 192,081,290		at	7%	(maximum allowable basket) =	
						13,445,690	
						12,976,519	
							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 19<sup>78</sup>, 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 19<sup>78</sup>, 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<sup>78</sup>

(A commissioner, etc.)

A Notary Public in and for the Province of Ontario.

# Certificate of Auditors

We, the undersigned auditors of 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, 19<sup>78</sup>, and the results of its operations for the year then ended.

January 26 19 79

Thorne Riddell & Company



