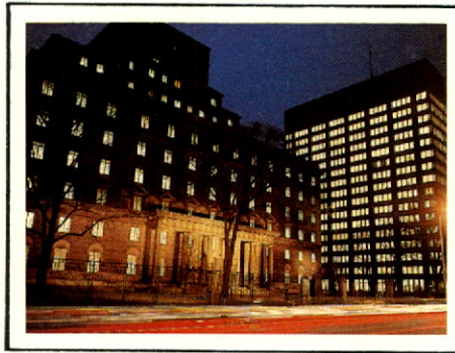
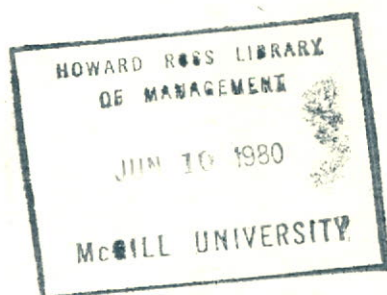


C

ninety-third



annual report





ninety  third

**The  
Manufacturers Life  
Insurance Company  
December 31, 1979**

annual report





# ninety third

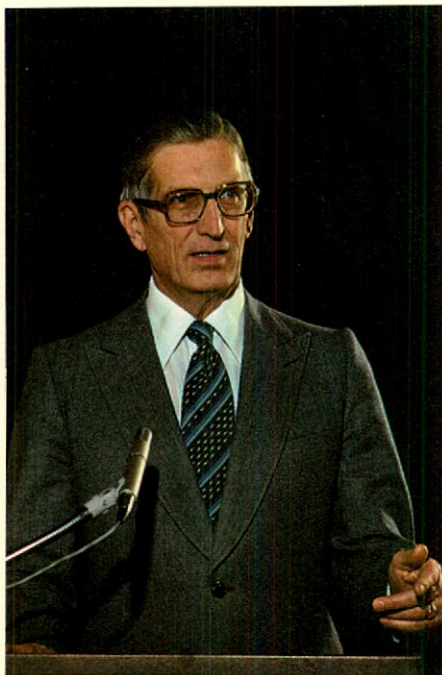
## CONTENTS

A Corporate Overview:	
President Jackson's Remarks	4
Marketing .....	8
Investments .....	10
Underwriting .....	12
Consolidated Financial Statements .....	16

# annual report

## A Corporate Overview

Excerpts from President E. S. Jackson's Remarks to the 93rd Annual Meeting at the Royal York Hotel, Toronto, February 21, 1980



In reviewing events of the past year, it is helpful to do so within the context of the decade which also ended on December 31st. The Seventies began with considerable hope and promise for even greater economic progress than we had experienced in the Sixties. Canadians entered the decade confident that our potential for growth and expansion was virtually unlimited. In our optimism, we assigned to government the task of solving our myriad social problems — but with little thought for the costs and priorities involved.

Given almost *carte blanche* and few constraints, government programs and spending inevitably increased at rates far beyond what was justified by the real growth in the economy. Our lack of fiscal discipline was further accentuated by new external forces — principally the formation of OPEC and the ensuing multifold increase in world oil prices. Thus we ended the Seventies with a per capita total federal deficit three times greater than the comparable American figure.

As a result, Canada now enters the Eighties carrying a severe double handicap: a stubborn and pernicious inflation which is attacking the very fiber of our society, coupled with the pressing need for a massive readjustment to address the critical problem of energy.

Inflation, in my view, is the most insidious, persistent and demoralizing

threat to Western democracy as we know it. If allowed to continue unchecked, inflation more than any other influence will prevent Canada from realizing her true economic potential, and will severely distort the shape and stability of our society.

The challenge of the Eighties for Canadians is to break inflation's stranglehold on the economy so that increased investment and improved productivity growth can be achieved. Huge amounts of investment capital will be needed over the near term to exploit our energy potential, and to replace obsolescent plant and equipment. But there is little hope for an investment upsurge as long as today's high levels of inflation continue. Inflation of this magnitude threatens the entire investment-productivity scenario by pushing up interest rates and adding to the cost of investment capital . . . by eroding the true profits of corporations . . . and by discouraging both the long-term borrower and the long-term lender from entering the investment field.

The cure for inflation is by no means simple — and it is further complicated by the need to face up to the realities of the current energy situation. Canada's controlled domestic price for crude oil is currently about half the world price. It is not surprising, therefore, that Canadians consume more energy per capita than any other major Western industrial nation. But as a result of our ever-increasing consumption, Canada is becoming more and more dependent on foreign oil — and our trade deficit in oil, presently \$1 billion, is forecast to be \$9 billion by 1990.

It is clearly time for us to take steps toward becoming more self-sufficient in energy. A move to higher domestic oil prices is an essential first step in reducing our dependence on foreign energy sources. Higher oil prices will encourage Canadians to practice energy conservation . . . and higher prices will provide the funding necessary to develop the potentials of our vast energy resources and reduce our reliance on world supplies.

If as a nation we can resolutely tackle the inflationary threat, Canada in the mid-Eighties should enter a period of encouraging growth — a period in which world demand for Canadian resources in mining, in energy and in food production is expected to be strong.

No industry has a greater interest in the defeat of inflation than the life insurance industry. This year the life insurance companies in the United States



are launching a nationwide anti-inflation program. ManuLife, through its employees and agents in the United States, is participating. This communications program is designed to stimulate public discussion and understanding of the causes of inflation, together with the steps necessary to bring it under control. The current issue of *Readers Digest*, for example, contains a pull-out insert addressing critical inflationary issues. It is an eight-page consumer's inflation handbook, complete with a ballot encouraging readers to show Congress the types of sacrifices they are willing to make in order to stop inflation.

These life insurance companies are encouraging their employees and agents to reach out to policyowners and to the general public. Their objective is to collect more than a million ballots and to present the results — representing a national consensus — to each member of Congress to enact the potentially unpopular legislation necessary to bring inflation under control.

If the results of this American program are as favorable as I anticipate, I hope the Canadian life insurance companies will mount a similar campaign in this country. Life insurance companies and other industries have a responsibility to show leadership and support for government restraint. One of the most effective anti-inflation measures available to us — whether in Canada or the United States — is a strong and renewed sense of national self-discipline, and I believe a life insurance industry campaign would make an important contribution.

## Operating Results

I am pleased to report that from almost every perspective, 1979 was a year of considerable achievement for ManuLife. In brief, the Company experienced low mortality, combined with significant increases in new business... business in force... assets... investment returns and — despite higher expense levels — an increase in operating income.

Before discussing these and other results in more detail, I would like to point out that there were some important currency revaluations during 1979. The United States dollar, which was carried on the books at par in 1978, was revalued to \$1.10 last year. Similarly, the pound sterling was carried at \$2.00 in 1978, and was revalued to \$2.15 in 1979.

For this reason, it is not always appropriate to make direct comparisons

between the two years. Therefore in my remarks I will refer to year-over-year percentage changes that are broad approximations only, but which eliminate the effect of currency revaluations.

New sales of life insurance products increased by approximately 18% to \$3.8 billion face amount during 1979, and total business in force now exceeds \$22 billion of Individual and Group protection.

Measured in terms of premium income, new sales were particularly strong last year, with new life insurance premiums up over 20% and new annuity premiums up approximately 50% over the previous year.

The Company's assets increased by 18% during 1979, and exceeded \$5 billion at year-end. Four percent of this increase resulted from currency revaluation.

The asset portfolio now includes bonds valued in excess of \$2 billion, and mortgages of more than \$1 billion. Net investment income grew by over 20% during 1979 — and the net rate of interest earned on invested assets rose 65 basis points to 8.8%. An important factor in this unusually large increase in the interest rate was the high yields we received on our investment in the short-term market.

The Company experienced a significant increase in general expenses last year, primarily as a result of a high volume of new business, inflationary pressures, and increased developmental activities. We are re-examining the corporate budgeting process in a concerted effort to improve our future productivity through the most cost-effective and controlled allocation of our resources.

ManuLife's mortality experience for 1979 was very favorable. In fact, it was well below the level which might reasonably have been expected for the year. However, this was largely a chance fluctuation, and should not be taken as an indication of what to expect in future. Twenty-five percent of the favorable difference between expected mortality and experienced mortality for 1979 has been included in earnings; the balance was charged to the mortality fluctuation reserve.

The Company's operating income, excluding unusual items, grew to \$52.9 million during 1979. After allowing for unusual items — including \$41 million resulting from currency revaluation — the net income for the year was \$97.9 million. Of this total, \$46.4 million has been transferred to the contingency

reserve. The balance was added to surplus, which totalled \$319 million at year-end.

We have increased our dividend scales substantially over the past three years — and our competitive position now places us very prominently among the industry leaders in North America. With the continuation of the Company's current performance, we have every expectation of maintaining this leadership position.

The results of the past year reflect in very large measure the dedication and skills of ManuLife's people at Head Office and throughout our worldwide marketing organization. I would like to convey my personal gratitude — and that of the Board — to all our people whose efforts contributed so much to the Company's progress of the year just ended.

## Investment Operations

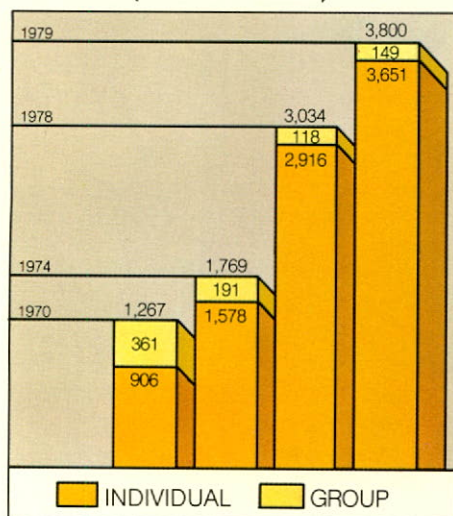
Within the investment markets in which the Company operates, 1979 continued the pattern of 1978 as worldwide interest rates rose sharply in response to inflationary trends, OPEC's higher energy prices, and weak North American currencies. Interest rates reached record levels in Canada and the United States. Long-term government bond yields rose in both countries — with corresponding and dramatic declines in the market value of such bonds by year-end.

Just since the end of the year, however, there was a further market decline in North America — in fact, the most dramatic drop ever recorded — in which long-term Canadian government bond yields hit a peak of 13%, and gold rose above \$800 an ounce. Certainly the markets are telling us — even if we are reluctant to listen — that inflation is a worldwide problem so severe that drastic solutions are called for... and that we continue to ignore the problem at our own peril.

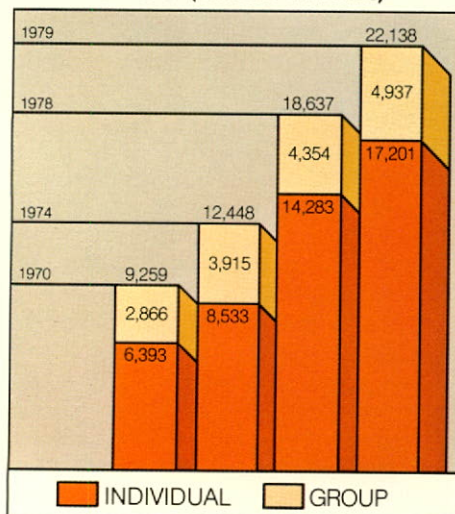
Despite the sharp rise in interest rates, the stock markets in which the Company invests remained very buoyant. Given the rise in the Canadian market, the Company was a disinvestor in Canadian common stocks, realizing large capital gains in the process. At the same time, the Company added to its U.S. equity portfolio. We believe the U.S. market now offers the best relative value for appreciation. In the United Kingdom, the stock market declined 12% on the year, and we were modest net purchasers of U.K. equities.



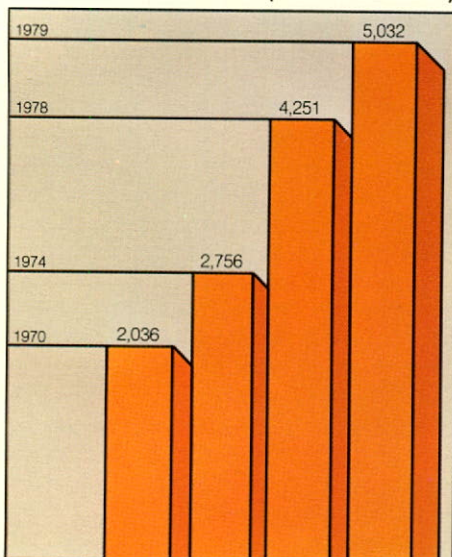
## New Life Insurance Sales (millions of dollars)



## Life Insurance in Force (millions of dollars)



## Total Assets (millions of dollars)



During 1979 the Company made mortgage approvals of \$105 million in Canada and \$72 million in the United States. The bulk of these commitments was made in the western areas of both countries where construction and development activity were growing rapidly.

Nineteen seventy-nine was a very active year for ManuLife's real estate operation. The Company now has U.S. real estate projects under construction in Chicago and Los Angeles representing the investment of over \$100 million of American policyowner funds. In Canada, in addition to several smaller projects, ManuLife has assembled a large tract of land in downtown Edmonton and currently is planning a two-stage development which when completed will represent a further investment of over \$100 million of Canadian policyowner funds.

### Group Organization

In the corporate planning process, one of the areas of the Company we have studied carefully is our Group operation. The reason for this is that, while we have developed a large and comprehensive individual insurance operation with an international reputation, our Group operation has remained relatively small, concentrated mainly in Canada, and has specialized in the small pension market. Only 25% of our total premium income and 22% of our insurance in force derive from the Group market. These are much smaller proportions than are usual for most large life insurance companies.

It is our intention to increase those Group ratios significantly over the next decade. Given that we do not intend to achieve this goal at the expense of slower growth in individual insurance and annuities, we have set ourselves a major challenge. However, the Group market is an attractive one which we intend to penetrate more deeply.

For the past three to four years we have been concentrating on the pension market in Canada, broadening our range of products, improving our administration, and extending our marketing and servicing abilities. The results of our efforts to date are encouraging. For the past two years our premium income from Canadian Group pensions has increased at a rate in excess of 40% per year. We are now beginning to develop a similar organization in the United States.

While our Group pension operation has been making good progress, our Group insurance operation has only

grown at a rate of approximately 5% per year. The reason is that ManuLife has not offered Group health products which are normally sold in conjunction with Group life insurance. We stayed out of the Group health field because few insurance companies were making money in it, and our priorities were elsewhere.

However, the Group health field has matured, and we have improved our performance and our management capacity. Today, companies are making money in the Group health business. Moreover, we are putting into position Group offices that can write Group life and health as well as Group pension business.

For these reasons, the Board of Directors decided in December that the Company should enter the Group health insurance market. Our plan involves a phased approach in Canada and the United States. The first two phases entail the introduction next year of health plans to employers in Canada with up to 200 employees. Later phases will focus on possible entry into the United States market in 1984.

This expansion will allow ManuLife to offer a complete and competitive range of Group life insurance, Group pension and Group health insurance products to the employee benefit market in North America. Through the initiative of the Group organization and with the support of the marketing divisions, I am confident that ManuLife will become an even more effective presence in the North American marketplace during the Eighties.

### Canadian Unity

At ManuLife, we take particular pride in being a multinational Canadian-based company. We are equally proud of our active role as a responsible corporate citizen, involved for more than ninety years in the many aspects of Canadian life. It is in this capacity that I wish to express some thoughts and concerns about Canadian unity.

The distinguished historian A.R.M. Lower has described Canada as a supreme act of faith... a country whose major problems are never solved. Author Peter Newman echoed these thoughts when he said: "... it's high time we realized that Canada is no mere accident of history or some earnest valedictorian's hazy dream. What we've got here is a daily miracle of a country."

These astute observations reveal not only what I believe to be the true nature of our country and its people — but also the substructure, the intricate web sup-



porting our sense of Canadian unity — the amalgam that binds together this country of contrasting parts. We survive and flourish as a nation both *because* of our differences and *in spite* of them. But the important thing is to recognize that Canada *is* a country of many regions, many populations, many differences. Not a melting pot so much as a tossed salad, as someone once said. Diversity of regional outlook, culture and interest makes Canada what it is; diversity is the subtle force that frequently tries to pull our nation apart, yet invariably keeps it together.

Perhaps the most important realization of all is that this state of affairs — this "daily miracle" — doesn't just happen. It evolves from and within the framework of our national constitution. To be successful, and to remain viable, our constitution obviously must provide for the harmonious co-existence of our many regional disparities. A question now facing us as a nation is whether the Canadian constitution, which has had no significant amendments since 1867, is in fact adequately flexible to continue to keep us together and strong in our diversity — or whether it has become too restrictive and is perhaps forcing us to conform to a single, pan-Canadian outlook.

I suggest that the latter is the case. I further suggest that the time is now ripe for a major overhaul of the constitutional machinery so that it more accurately and equitably reflects the facts of Canadian life for today and tomorrow. Specifically, we must adjust the constitution so that it can continue to embrace and build upon the various regional perceptions. These are Canada's national strength, and the constitution must not be allowed to reject, erode or downplay them. At the same time, the constitution must balance regional interests with the need for strong centralization in many other facets of national life.

The constitutional issues are diverse and complex. Among many others, they include rights of language and culture . . . the ownership and deployment of the nation's vast natural resources . . . and a free-market flow of unrestricted commerce and industry among the provinces of Canada.

Obviously, these and other critical issues can only be resolved within the context of a dynamic, relevant and flexible Canadian constitution. For this reason, I believe the constitutional blueprint put forward by Quebec's Claude Ryan represents an essential

first step toward strengthening Canadian unity at this time. In January the government of Ontario gave Mr. Ryan's proposals strong and generous support. I would urge the private sector to join me in giving Claude Ryan positive encouragement.

I am not suggesting blanket endorsement of all specific points contained in this document. Indeed, at this time it is merely a draft blueprint, not yet adopted by the full Quebec Liberal party. Furthermore, I feel that many Canadians will have serious reservations — as I do — about some of the ideas put forward in the paper . . . particularly the suggested restructuring of the Senate. Nevertheless, the Ryan proposals lie squarely in the mainstream of Canada's evolving consensus for constitutional change. The continuing involvement and support of the private sector is essential if, together, Canadians are to lay the groundwork for a new, meaningful and viable Confederation.

As we enter this new decade, it is on a more subdued and less optimistic note than was heard ten years ago. Admittedly, the Seventies were disappointing. The Eighties in turn appear to present some severe problems of their own. But where problems exist, opportunities are usually close at hand. I believe the Eighties *do* offer exciting opportunities for Canada — opportunities that are within our grasp *if* we can demonstrate the necessary maturity, responsibility and self-discipline.

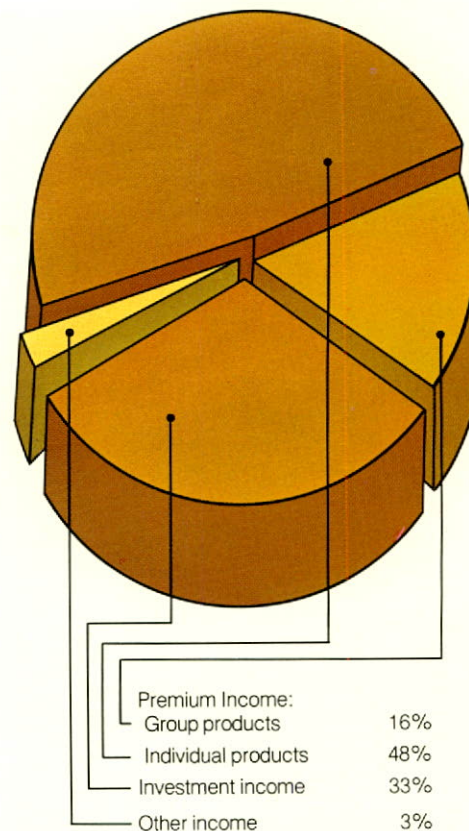
By concentrating on the root problems of inflation and energy, and by openly debating the subject of constitutional reform, Canadians will face up to many of the hard decisions about what we really want — and are willing to pay for — as a nation. In the process we will achieve not only a much higher level of fiscal and economic integrity, but a much greater sense of national self-purpose as well.

*E. S. Jackson*

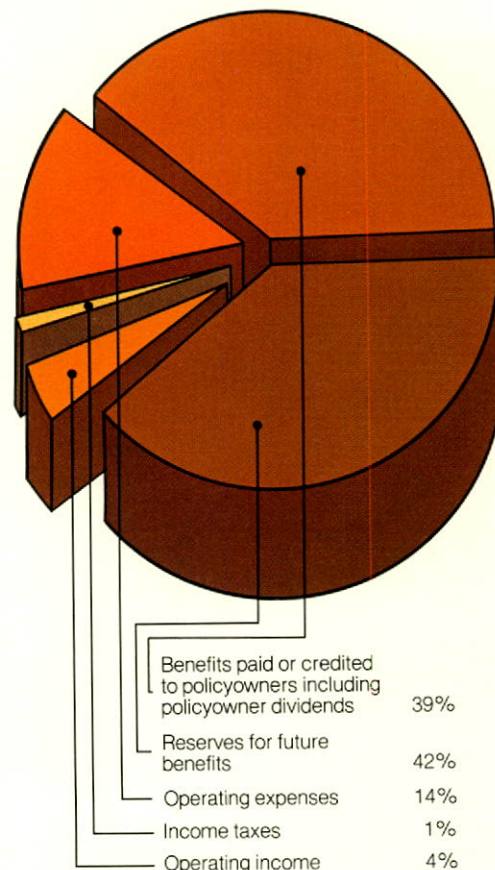
E. S. Jackson  
President

*The full text of Mr. Jackson's message is available on request. Please write: "Annual Meeting Remarks", ManuLife, 200 Bloor Street East, Toronto, Ontario M4W 1E5*

## 1979 Sources of Income



## 1979 Disposition of Income





# Marketing

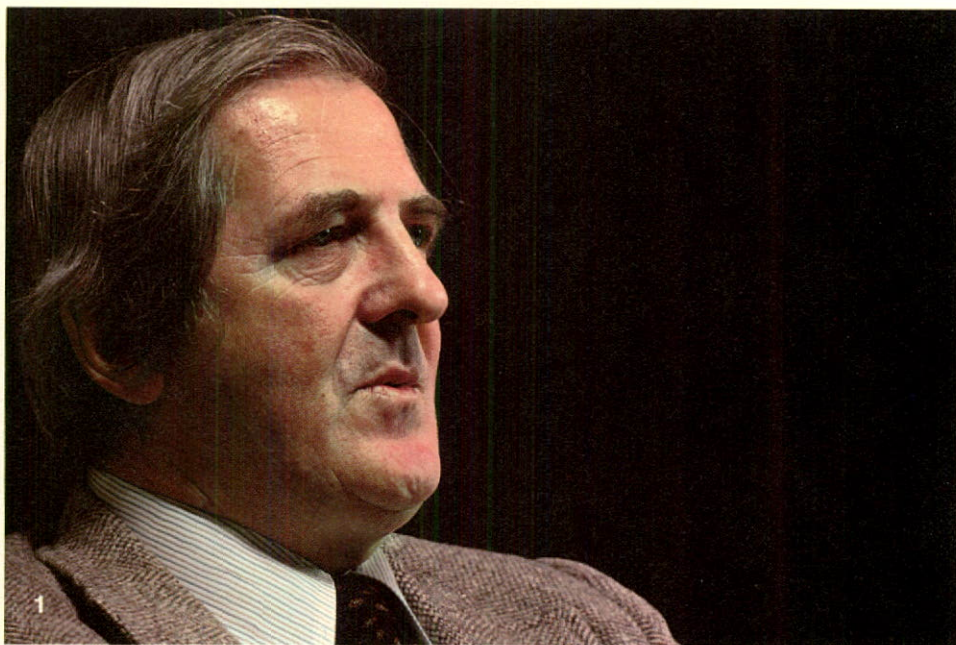
In the past, ManuLife concentrated its group marketing efforts around providing group life insurance and group pension plans for small businesses employing fewer than 50 people. This focus on the small-employer market has offered several advantages. It has meant strength in that particular market for the company: ManuLife is a major administrator of pension plans in Canada, and currently is acquiring 500 new pension clients a year in North America — a rate that is projected to double by 1981.

It has also let the typical ManuLife agent — whose main clientele consists of individuals and families — enter the group market without the heavy servicing commitments normally required by larger corporate group clients.

But this marketing strategy has also carried a number of disadvantages, according to Senior Vice President Joe Davin. "Most importantly," he says, "it has prevented us from entering the larger segments of the group market — businesses with 50 to 200 employees, for example. We would ultimately like to expand into those larger segments, but they will have to be addressed quite differently and we'll have to build up our facilities over a period of years.

"Right now, though, we're concentrating all our attention on becoming more effective in the small-employer market," Davin says. "After all, this is where we've built our strength and reputation; it's the market we know best. But to become more effective in it, we're making some pretty heavy changes. For one thing, we're expanding the range of products we offer to the small employer by adding group health insurance to our existing group life insurance and group pension products. We expect to be selling a complete line of new group health products — including major medical, dental and long-term disability coverage — in Canada by 1981, and soon after that in the United States."

Joe Davin discusses the rationale for expanding the group product line: "We examined the overall group market and concluded that the small-employer segment is the only place that has real, long-term growth potential. But at the moment we can only offer group life and group pension products to these small businesses. So a major step for us will be to introduce a competitive group health insurance line designed specifically for small employers. This will let us offer a complete life, health and pension



1. Senior Vice President Joe Davin: *Expanding the range of group products.*

2. Group Vice President David Bell (left) and Assistant Vice President John Neilson: *Exciting potential in the United States.*





3



4

3. Sam Palo (center), Manager, Toronto Group Field Office, with Toronto Central Branch Manager Wayne Kinnee (right) and agent Don Crawford, CLU: *Increased support from GFO staff people.*

4. Group Vice President Fred Simons (center) with Media Specialist Marna Garipey and Terry Wardrop, Director of Canadian Group Marketing: *Sales are up substantially.*

service to these clients, and eventually will lead us into the larger market segments where we also want to grow."

Davin stresses that going into the group health insurance business will be just about the biggest venture ManuLife has ever undertaken. "It's going to take a lot of resources," he says. "We're looking at a major mobilization effort. But the payoff will be substantial in the years ahead."

A second change — increased group marketing support for the ManuLife agent — is already well under way. "The group market has become very sophisticated and complex," Davin says. "Even in the small-employer market where our agents are extremely competent, it is really quite difficult for them to keep pace with changing technology and increasing service requirements while operating independently; they've got to have a reliable and effective support system." This is being provided through a network of new field offices staffed by group specialists. These group field offices — called GFO's — are already in place in nine Canadian cities, with a larger number to be opened in the United States where two are presently in operation.

The GFO staff specialist helps the agent to conduct group sales, providing a high level of technical expertise in such areas as legislation, taxation and administration. The GFO specialist also assumes full responsibility for all post-sale service required by the employer's group plan.

Introduction of the group field offices was very well accepted, according to Fred Simons, Group Vice President for Canada. "We had a few initial problems," he says, "but the GFO's are now functioning very well indeed. The agents are very positive about the increased support they're receiving from our GFO staff people, and the quality of support is increasing almost daily. Most significantly, perhaps, our sales are up substantially — premium income has grown by 40 percent a year in the past two years."

Group Vice President David Bell is equally enthusiastic about the future of group marketing in the United States. "We're patterning ourselves after the Canadian operation," he explains, "and we're virtually starting from scratch, so we have some way to go yet. But the potential is really very exciting, especially when you look at the new health insurance products being developed and the expansion of our GFO network in the United States."



## Investments

Measured in terms of its assets — \$5 billion at the end of 1979 — ManuLife is the second largest life insurance company in Canada, and ranks among the top 25 of the more than 1,800 life companies in North America. These assets, which guarantee policyowner life insurance and annuity contracts, are channeled into a variety of productive investments, including real estate, mortgages, stocks and bonds. Of these, the major form of investment comprises fixed income-producing instruments — bonds and mortgages. This does not mean, however, that the management of ManuLife's fixed income investments is a cut-and-dried affair.

"We look at the fixed income market as a total entity," says Tom Di Giacomo, Senior Vice President, Investments, "whereas I would say that most other companies treat mortgages and bonds as two distinct markets. They operate largely on an allocation basis — which means they sit down at the beginning of the year and decide to put so many dollars into mortgages this year, for instance, and then they go ahead on that predetermined basis.

"However we try to be more flexible than that," Di Giacomo says. "We evaluate the fixed income market every day, and we go with what will give us the best return at that time. We continually assess the relative yields of bonds and mortgages, and adjust our cash flow allocation accordingly. We're always playing the total market and jockeying for the most flexible position in order to take advantage of the best relative values."

Where a high degree of flexibility is the objective, freedom to act is essential — and ManuLife's mortgage department prides itself on its streamlined decision-making process. "We feel we have a strong competitive edge in our ability to act quickly," says Phil Hopewell, Financial Vice President. "In Canada we operate through a network of mortgage branch offices staffed by our own people; in the United States we work through independent mortgage correspondents in major centers. In each case these people are continually examining their local markets and assessing the viability of specific mortgage investments. Our field representatives are highly competent professionals, and we can rely very heavily on their recommendations. This, combined with a realistic distribution of approval authorities at Head Office, allows us to



1. Senior Vice President Tom Di Giacomo: *Jockeying for the most flexible position.*

2. Financial Vice President Phil Hopewell (center) with Assistant Vice Presidents Gary Chaplin (left) and Andy Bishop: *A strong competitive edge.*





respond promptly and efficiently to mortgage inquiries."

What position does ManuLife take in the mortgage market? Andy Bishop, Assistant Vice President in charge of new investments in Canada, explains: "The mortgage market is quite highly segmented. In Canada the financing of single-family housing is dominated by chartered banks and trust companies, largely because their extensive branch networks provide continuous contact at the local level. We are not a big factor in that market, but we are more heavily involved in commercial mortgages with office buildings, shopping developments, industrial buildings and apartments providing security for the loan."

According to Gary Chaplin, Assistant Vice President for new investments in the U.S., ManuLife pays close attention to two related factors when considering a proposed mortgage loan: the demand for the project and the strength of the borrower. "Project viability is based on an appraisal of the whole physical situation — the condition of the local mortgage market, together with the need for that particular development in that particular area at that particular time."

"The other half of the consideration is the financial soundness of the borrower," says Chaplin. "His cash flow is of vital interest to us — having paid mortgage principle and interest, plus taxes and operating expenses, how much cash flow is left for him? For instance, we would not enter into a situation where the financing left the borrower with a zero or negative cash flow; the success of such a development would be questionable, particularly at today's interest rates."

\*\*\*\*\*

The bond market is one of the most demanding but potentially rewarding forms of investment available to a large corporation today — a fact that few people realize. A company like ManuLife, for example, with \$2 billion or over 40 percent of its assets invested in the bond market, can gain or lose substantial sums on the slightest movements in bond prices and interest rates. For this reason, the company's investment department is extremely active and skilled in bond management.

"Most people relate trading with the stock market," says Tom Di Giacomo. "But in our company, bond trading is an enormous business. Our traders turn over tremendous volumes of money — last year the Canadian and U.S. desks traded on average over \$150 million a month. We're able to take advantage of

market anomalies because we are one of the few companies to delegate a high level of authority to our bond traders."

By this process ManuLife has been able to maintain a very high quality of bond portfolio. "And when you take our trading profits into account," adds Tom Di Giacomo, "we've been able to match the higher yield usually associated with a portfolio of much lower quality."

Financial Vice President Trevor Appleby is in charge of U.S. bond management. "Bond interest rates are constantly changing," he explains, "and in 1979 interest rates have been very volatile. What we try to do is anticipate the changes as early as possible, so that we can take the appropriate action. Sometimes that can mean buying and selling the same bond in the same day."

Directing the Canadian bond desk is Financial Vice President Joe Senecal. "It's our job as bond managers to develop a view on interest rates," he says, "and to position the bond portfolios to take best advantage of the anticipated movements in rates. We constantly monitor all the factors that may affect the future direction of interest rates, and buy or sell bonds accordingly."

The entire bond management operation relies heavily on two components: delegation of substantial authority to the bond manager on the desk, and rapid communication — particularly the telephone. For example, when Trevor Appleby found himself snowbound at home one morning during a recent Toronto blizzard, it was business pretty much as usual. He brewed up a pot of coffee, sat down at his kitchen telephone and proceeded to trade U.S. bonds. When he finally hung up at the end of the day and went out to shovel the driveway, he had completed \$20 million in trading for ManuLife.



3. Joe Senecal, Financial Vice President, Canadian Fixed Income: *Delegation of substantial authority to the bond manager.*

4. Trevor Appleby, Financial Vice President, U.S. Fixed Income: *Rapid communication and anticipating the changes.*

*A detailed summary of ManuLife's 1979 investments is available on request. Please write: "Invested Assets", ManuLife, 200 Bloor Street East, Toronto, Ontario M4W 1E5*



# Underwriting

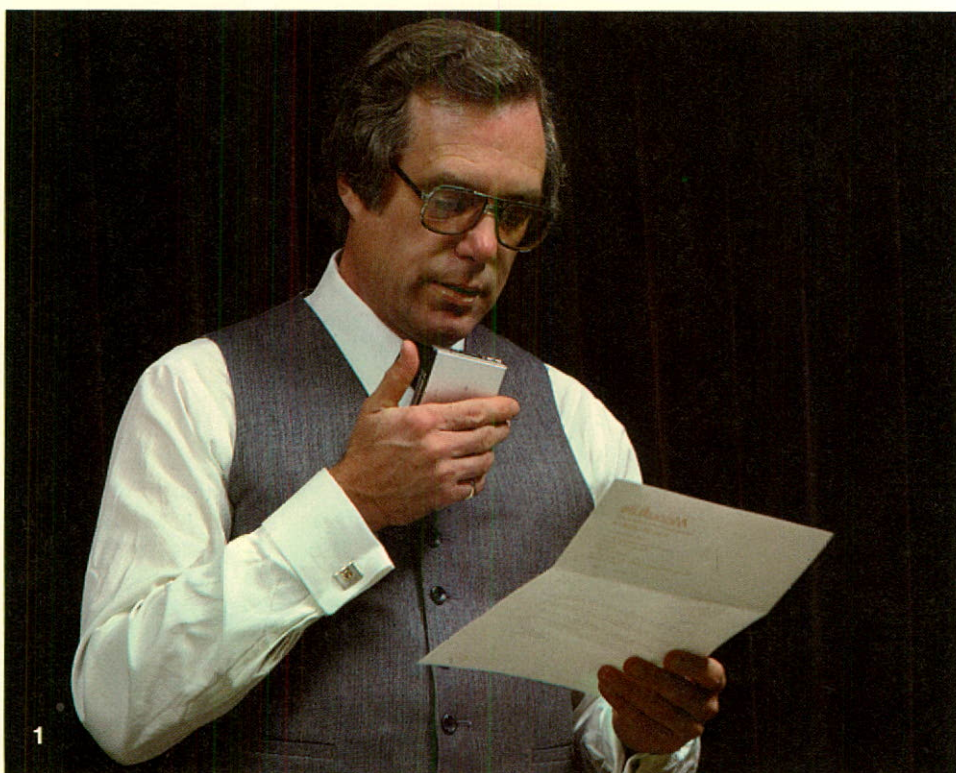
Underwriting is the process an insurance company uses to examine and assess the risks it is asked to insure. Legend has it that in the early days of life insurance, some 250 years ago, underwriting standards were often somewhat crude. One pioneer English company, for example, is said to have had an interesting requirement for anyone wishing to buy life insurance: the prospective policyowner went to the company's head office in London and appeared before the board of directors who reviewed the application for insurance. Then the applicant was asked to jump over the board room table. Those who complied, all other things being equal, were judged physically sound and were issued a policy at standard rates. Those who failed the challenge were often declined or had to pay an extra premium for their insurance.

From those rather basic beginnings, the art of underwriting lives has become quite sophisticated. Today it combines medical and actuarial science together with a high degree of empirical judgement. But the idea is still the same as it was 250 years ago: to determine the risk involved in insuring the applicant's life. And then, in light of the known facts, the underwriter must decide how to treat the risk.

Some life insurance companies view the underwriter as a watchdog who keeps the less desirable risks away from the door. However, this in turn can create a direct conflict or adversary relationship between the underwriter and the company's agents whose job it is to sell life insurance.

ManuLife's underwriting philosophy takes a much more positive approach. "We're in business to provide life insurance to the public," says Robin Leckie, Senior Vice President and Chief Actuary. "This means our head office underwriters have a very close relationship with the sales force and in many respects are an extension of it. We support and complement the agents' efforts; they in turn respect the underwriters' judgment — because we're all striving for the same thing. Quite simply, when an agent brings us an application for life insurance, our underwriters will make every attempt to provide coverage that is both suitable and acceptable to the applicant."

According to Dr. David Breithaupt, Vice President and Chief Medical Director, this positive attitude is a ManuLife tradition that has earned the company



1. Senior Vice President and Chief Actuary Robin Leckie: Coverage that is both suitable and acceptable to the applicant.

2. Grant Davidson (standing), Manager, New Business, and department members Angela Dickie (left) and Mary Mascard confer with Nashville Branch Manager Mike Kelly: A close relationship with the sales force.

3. Vice President Rae MacLeod (right), Director of Individual Insurance Administration: A privacy code for ManuLife policyowners.

4. Dr. David Breithaupt (right), Vice President and Chief Medical Director, with Assistant Vice President Jack Cummins: Combining medical and actuarial science.



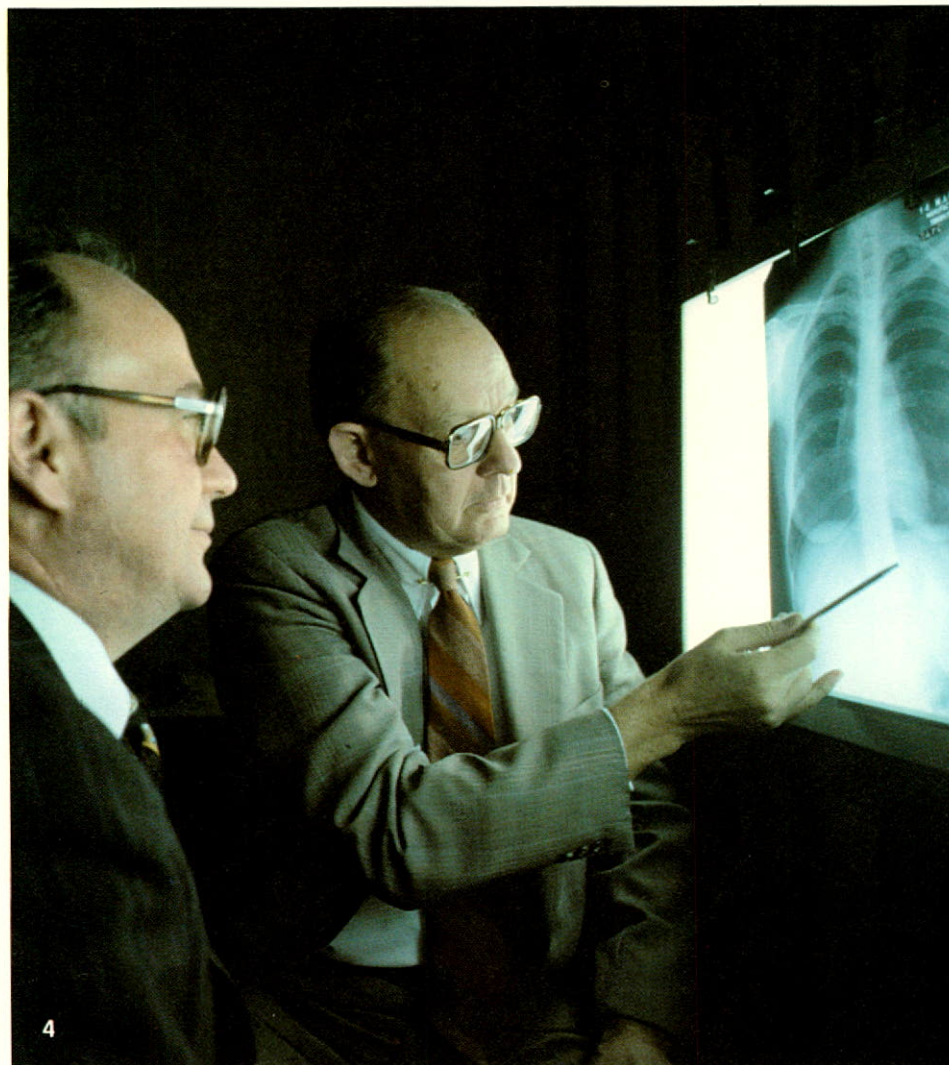


pioneering status in a number of medical underwriting fields. "Consider diabetes, for instance," he explains. "Before the discovery of insulin, the life expectancy of a diabetic was tragically short. But this prognosis improved dramatically with the advent of insulin in the early 1920's, and the possibilities caught the imagination of ManuLife's medical directors and actuaries. In 1941 the company took the unprecedented step of insuring the life of a known, controlled diabetic — the first insurance company in North America to do so."

Since that underwriting breakthrough almost forty years ago, ManuLife has continued to specialize in insuring the lives of substandard or impaired risks. As a result, it is now a definite part of the company's marketing strategy to successfully offer life insurance to people with such medical problems as obesity, heart murmurs, elevated blood pressure which is being adequately treated, and coronary artery disease, including those who have undergone coronary bypass surgery.

"In fact," says Dr. Breithaupt, "I think you'd find we are considered quite liberal in most areas of medical underwriting. As a result of our considerable experience, we will now classify as standard many people who would be considered borderline or substandard by the general industry. This same experience will often let us treat an impaired risk as substandard — meaning we will offer insurance for an increased premium — where the general industry would refuse to insure at all."

Privacy of medical and other personal information has become a major social issue for insurance companies, and one that directly affects ManuLife's underwriting team. Vice President Rae MacLeod explains: "Over the years we have become extremely sensitive to the issue of confidentiality, and have increased the level of security surrounding personal records in our possession. Now we are moving beyond confidentiality to the larger social issue of individual privacy; we have already established a corporate project to review and make recommendations for further improving the privacy of policyowner records. From this we expect to develop a formal published statement defining a privacy code for ManuLife policyowners and the personal information they entrust to us."





# Board of Directors

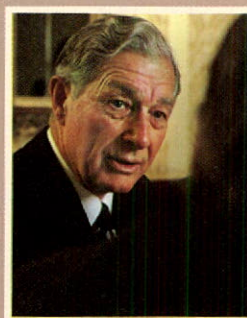
\*Executive Committee Member  
†Audit Committee Member



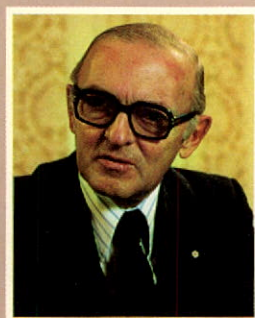
E. S. Jackson\*  
President



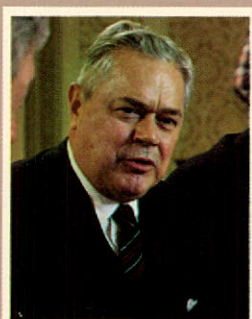
Gail C. A. Cook, Ph.D.  
Economic Consultant  
Toronto



R. E. Cross, J.D.,  
L.H.D., LL.D. \*  
Cross, Wrock, Miller  
& Vieson  
Detroit



Robert Després, O.C.  
President and Chief  
Executive Officer  
Cablevision Nationale Ltée.  
Quebec



J. W. Kerr\*†  
Consultant and Director  
TransCanada PipeLines  
Toronto



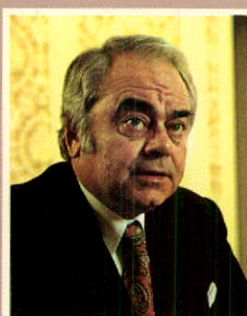
Hon. D.S. Macdonald, P.C.  
McCarthy & McCarthy  
Toronto



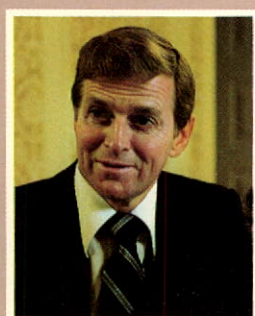
Senator E. C. Manning,  
P.C., C.C., LL.D.  
Chairman  
Manning Consultants Limited  
Edmonton



G. N. Quigley, Jr., C.L.U.  
President  
Management Development  
Services Inc.  
Los Angeles



J. M. Robertson, C.L.U.  
Executive Vice President  
ManuLife  
Toronto



W. S. Robertson  
President and Chief  
Executive Officer  
Maritime Telegraph  
& Telephone Company  
Halifax



# Executive Officers

E. S. Jackson  
*President*

J. M. Robertson, C.L.U.  
*Executive Vice President*

J. L. Davin  
*Senior Vice President*

T. A. Di Giacomo  
*Senior Vice President*

R. B. Leckie, F.S.A., F.C.I.A.  
*Senior Vice President and Chief Actuary*

D. J. Breithaupt, M.D., D.P.H.,  
F.R.C.P.(C)  
*Vice President and Chief Medical Director*

B. H. Buckles  
*Vice President*

J. E. Clark, F.L.M.I.  
*Vice President and General Manager  
United Kingdom*

L. E. Harris, C.L.U.  
*Vice President*

J. M. Kosiancic, C.L.U.  
*Vice President*

D. R. MacLeod, F.S.A., F.C.I.A.  
*Vice President*

H. E. Stephenson, F.S.A., F.C.I.A.  
*Vice President*

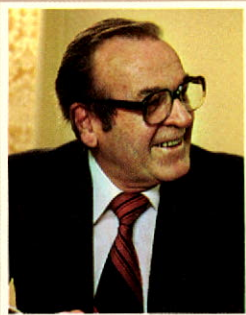
E. H. McVitty, Q.C.  
*Legal Vice President and Secretary*



J. S. Dewar\*  
*President  
Union Carbide  
Canada Limited  
Toronto*



L.Y. Fortier, Q.C.\*  
*Ogilvy, Renault  
Montreal*



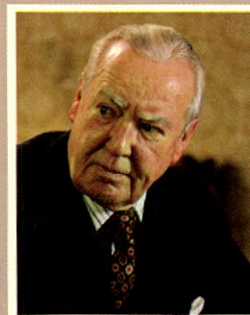
D. S. McGiverin \*†  
*President and Chief  
Executive Officer  
Hudson's Bay Company  
Toronto*



R. I. Nelson  
*Chairman and Chief  
Executive Officer  
British Columbia  
Packers Limited  
Vancouver*



Arthur J. R. Smith, Ph.D.†  
*President  
National Planning  
Association  
Washington*



George Williams \*  
*Toronto*



# Directors' Report Highlights

	(\$000's Omitted)	
	1979	1978*
<b>New Premium Income</b>		
Life Insurance	\$ 75,219	\$ 59,414
Annuities	306,329	203,363
Segregated Funds	29,153	30,305
Total	410,701	293,082
<b>Total Premium Income</b>		
Life Insurance	347,117	291,930
Annuities	388,969	268,515
Segregated Funds	44,142	47,460
Total	780,228	607,905
<b>New Life Insurance</b>		
Individual	3,651,186	2,916,316
Group	148,534	117,623
Total	3,799,720	3,033,939
<b>Life Insurance in Force</b>		
Individual	17,200,583	14,283,198
Group	4,937,446	4,353,841
Total	22,138,029	18,637,039
<b>Net Investment Income</b>	392,769	309,268
<b>Payments</b>		
To Policyholders	346,534	291,764
To Beneficiaries	70,143	75,449
Dividends	51,175	42,316
Total	467,852	409,529
<b>Expenses</b>	170,560	132,163
<b>Operating Income</b>	52,862	47,323
<b>Surplus and Contingency Reserve</b>	574,165	476,252
<b>Assets</b>	5,031,578	4,250,816
<b>Net Rate of Interest</b>	8.80%	8.15%

\*1978 figures have not been adjusted to reflect currency revaluation that took place during 1979.

# The Ninety-Third Annual Report 1979

Your Directors are pleased to present the Company's 93rd annual report to policyholders, together with the reports of the valuation actuary and the auditors. Highlights of the year ended December 31, 1979 are shown in the accompanying table, with comparative results for 1978.

During 1979, significant growth has been achieved in all categories, a portion of which is attributable to a change in currency values outside Canada.

## New Business

ManuLife experienced substantial growth in all major lines of business during 1979. Sales of individual life insurance and annuity products remained particularly strong.

Total premium income from new business increased by 40% for the year; new premiums from life insurance rose by 27% and from annuities by 51%. Total sales of Individual and Group life insurance provided policyholders with new coverage of \$3.8 billion.

## Business in Force

The increased sales of new life insurance, combined with successful retention of existing business, produced significant growth in the Company's life insurance in force at the end of 1979.

Total premium income from all lines of business increased by 28%. Insurance coverage in force at year-end was \$22.1 billion, including \$17.2 billion of Individual policy amounts and \$4.9 billion under Group contracts.

## Revenue

Total revenue exceeded \$1 billion in 1979. The year's revenue included \$393 million of investment income and \$780 million of premium income.

## Payments

Payments to living policyholders rose by 19% during the year, reflecting larger payments to ManuLife annuitants, as well as increased maturity and surrender values paid out under insurance contracts. Dividend payments to policyholders were 21% larger than in 1978.

Overall mortality experience was extremely favorable in 1979. A total of \$70 million of death benefits was paid to beneficiaries during the year.

## Operating Income

ManuLife's operating income, excluding unusual items, increased to \$52.9 million during the year. This excellent result is attributed to growth in investment income, favorable mortality experience and tax adjustments arising during the year.

## Surplus and Contingency Reserve

The Company's contingency funds were increased by \$46 million, largely as a result of currency revaluation. For example, during 1979, revaluation of the United States dollar resulted in a \$40 million increase in the Company's surplus and contingency funds. After providing for all policyholder reserves and other liabilities, the reserve for investments and other contingencies amounted to \$255 million and the Company's surplus to \$319 million.

## Assets

At the end of 1979, the assets of the Company exceeded \$5 billion. Of this 18% increase over the previous year's assets, 4% resulted from currency revaluation.

The net rate of interest on invested assets rose 65 basis points to 8.80% in 1979. This significant improvement resulted from increased yields obtained on a full range of the Company's invested assets.

The Directors welcomed two new members who were appointed to the Board during 1979. The Honourable Donald S. Macdonald, formerly Federal Minister of Finance, and now a senior partner in the Toronto firm of McCarthy & McCarthy, joined the Board in September. Mr. Robert Després, President and Chief Executive Officer of Cablevision Nationale Ltée., in Quebec City, joined the Board in December.

The Directors wish to express to the Company's Managers, Representatives and Head Office and Branch Office staffs their appreciation for the hard work and dedicated services which are reflected in the excellent results of the year under review.

All of which is respectfully submitted.



Toronto, Canada  
February 5, 1980

E. S. Jackson  
President



# Consolidated Balance Sheet

as at December 31, 1979  
(with comparative figures as at  
December 31, 1978)  
(\$000's Omitted)

<b>Assets</b>	<b>1979</b>	<b>1978</b>
Government Bonds (Note 3) . . . . .	<b>\$ 788,098</b>	\$ 635,846
Corporate Bonds (Note 3) . . . . .	<b>1,429,349</b>	1,129,323
Preferred Stocks (Note 4) . . . . .	<b>30,148</b>	21,999
Common Stocks (Note 4) . . . . .	<b>343,976</b>	307,868
Mortgages . . . . .	<b>1,071,067</b>	917,505
Real Estate Held for Investment (Note 5) . . . . .	<b>447,668</b>	406,942
Office Premises (Note 5) . . . . .	<b>23,239</b>	23,404
<i>Property required for company's own use</i>		
Policy Loans . . . . .	<b>327,922</b>	260,234
<i>Loans made to policyholders on the security of their policies in accordance with the provisions of their policy contracts</i>		
Cash . . . . .	<b>79,727</b>	101,651
<i>Includes cash and short-term deposits</i>		
Segregated Funds' Assets (Note 6) . . . . .	<b>388,113</b>	360,223
Accrued Investment Income . . . . .	<b>69,581</b>	54,112
Outstanding Premiums . . . . .	<b>21,140</b>	19,374
Other Assets (Note 8) . . . . .	<b>11,550</b>	12,335
	<b><u>\$5,031,578</u></b>	<b><u>\$4,250,816</u></b>

On behalf of the Board



E. S. Jackson  
President



J. M. Robertson  
Executive Vice President



<b>Liabilities</b>	<b>1979</b>	<b>1978</b>
Insurance and Annuity Reserves (Note 7) . . . . .	<b>\$3,653,498</b>	\$3,046,042
<i>Actuarial liabilities in respect of future benefits under insurance and annuity contracts</i>		
Policy Benefits in Course of Settlement and Provision for Unreported Claims . . . . .	<b>29,449</b>	27,020
Amounts on Deposit . . . . .	<b>184,108</b>	164,245
<i>Policy proceeds, dividends, premiums in advance and other benefits left on deposit by policyholders and beneficiaries together with accrued interest</i>		
Provision for Dividends to Policyholders . . . . .	<b>63,006</b>	52,417
<i>Dividends and group experience credits to be paid to policyholders during the following year</i>		
Company Retirement Plans (Note 9) . . . . .	<b>85,675</b>	75,956
Segregated Funds' Liabilities . . . . .	<b>386,375</b>	357,960
Other Liabilities . . . . .	<b>55,302</b>	50,924
Contingency Reserve (Notes 8 and 10) . . . . .	<b>255,130</b>	208,772
Surplus (Note 10) . . . . .	<b>319,035</b>	267,480
	<b><u>\$5,031,578</u></b>	<u>\$4,250,816</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Consolidated Statement of Operations

for the year ended December 31, 1979  
(with comparative figures for 1978)  
(\$000's Omitted)

<b>Revenue</b>	<b>1979</b>	<b>1978</b>
Insurance and Annuity Premiums . . . . .	<b>\$ 736,086</b>	\$560,445
Segregated Funds' Premiums . . . . .	<b>44,142</b>	47,460
Investment Income less Investment Expenses — General Funds . . . . .	<b>364,131</b>	287,017
Investment Income less Investment Expenses — Segregated Funds . . . . .	<b>28,638</b>	22,251
Net Realized and Unrealized Capital Gains from Segregated Funds . . . . .	<b>30,558</b>	15,765
Other Revenue (Note 10) . . . . .	<b>4,938</b>	3,374
	<b><u>1,208,493</u></b>	<u>936,312</u>

## Disposition of Revenue

To Policyholders and Beneficiaries		
Death and Disability Benefits . . . . .	<b>71,415</b>	76,597
Maturity and Surrender Benefits . . . . .	<b>220,033</b>	183,017
Annuity Payments . . . . .	<b>107,594</b>	92,206
Dividends . . . . .	<b>51,175</b>	42,316
Interest . . . . .	<b>17,635</b>	15,393
Increase in Reserve to Provide for Future Benefits (Note 7) . . . . .	<b>492,021</b>	310,379
Increase in Liability for Segregated Funds . . . . .	<b>17,858</b>	27,602
General Expenses, Commissions and Taxes Other Than Income Taxes (Note 12) . . . . .	<b>170,560</b>	132,163
	<b><u>1,148,291</u></b>	<u>879,673</u>
<b>Operating Income Before Income Taxes</b> . . . . .	<b>60,202</b>	56,639
Income Taxes (Note 12) . . . . .	<b>7,340</b>	9,316
<b>Operating Income</b> . . . . .	<b>52,862</b>	47,323
Unusual and Extraordinary Items (Note 11) . . . . .	<b>45,051</b>	11,476
<b>Net Income</b> . . . . .	<b><u>\$ 97,913</u></b>	<u>\$ 58,799</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# Consolidated Statements of Contingency Reserve and Surplus

for the year ended December 31, 1979  
(with comparative figures for 1978)  
(\$000's Omitted)

<b>Contingency Reserve</b>	<b>1979</b>	<b>1978</b>
Contingency Reserve at Beginning of Year . . . . .	<b>\$208,772</b>	\$175,000
Transfer From Surplus . . . . .	<b>46,358</b>	33,772
Contingency Reserve at End of Year (Note 8) . . . . .	<b><u>\$255,130</u></b>	<b><u>\$208,772</u></b>

<b>Surplus</b>	<b>1979</b>	<b>1978</b>
Surplus at Beginning of Year . . . . .	<b>\$267,480</b>	\$239,538
Net Income . . . . .	<b>97,913</b>	58,799
Island Life Restatement . . . . .	<b>—</b>	2,915
Transfer to Contingency Reserve . . . . .	<b>(46,358)</b>	(33,772)
Surplus at End of Year . . . . .	<b><u>\$319,035</u></b>	<b><u>\$267,480</u></b>

*The accompanying notes are an integral part of these consolidated financial statements.*



# Notes to Consolidated Financial Statements

December 31, 1979

## 1. Significant accounting policies

- a) The accounting principles followed by the Company are in accordance with those prescribed or permitted by the Department of Insurance of Canada.
- b) The Company consolidates the accounts of all its subsidiary companies and all significant inter-company balances and transactions are eliminated on consolidation.
- c) Investments in bonds are carried at average amortized cost plus or minus the unamortized balance of net losses or gains on the sale of such securities. The difference between the proceeds on the sale of a bond and its amortized cost is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of 20 years or the period to maturity of the security sold. The cost of bonds purchased prior to January 1, 1977 is defined as the lower of par or original cost.
- d) Investments in stocks are carried at average cost plus or minus an adjustment account with respect to realized and unrealized gains and losses. Each year 7% of net realized and unrealized gains or losses flow into income. The adjustment account represents the unamortized balance of net realized losses or gains plus the portion of unrealized gains or losses which has been included in income in respect of the current and prior years.
- e) Mortgages are carried at amortized cost less principal repayments plus or minus the unamortized balance of losses or gains on the sale of mortgages. The difference between the proceeds on the sale of a mortgage and its amortized cost is considered to be an adjustment of future portfolio yield, deferred on the balance sheet and amortized over the lesser of 20 years or the period to maturity of the mortgage sold.
- f) Real estate held for investment includes ground rents and is carried at cost less accumulated depreciation and mortgage liabilities. Head Office premises are carried at cost less accumulated depreciation. Depreciation on buildings and improvements is provided under the sinking fund method. Under this method, depreciation is charged to income in amounts which increase annually, consisting of fixed annual sums together with interest compounded at the rate of 5% per annum, so as to fully depreciate the buildings and improvements over their estimated useful lives. Realized gains and losses on the sale of real estate are recorded in income as an unusual and extraordinary item.
- g) Policy loans are carried at their unpaid balance and are fully secured by the cash surrender value of the policies on which the respective loans are made.
- h) Segregated funds are carried at market values.
- i) Computer equipment is carried at cost less accumulated depreciation computed on the straight line basis over 5 years. Furniture and other equipment is fully charged to income in the year of purchase. Recoverable advances to agents are carried at amounts due less an allowance for doubtful recoveries. In previous years, these advances were charged to income as made.
- j) Insurance and annuity reserves represent the amount required, together with future premiums and interest, to provide for future benefits on insurance and annuity contracts. These reserves are calculated on a modified net premium basis using interest and mortality assumptions appropriate to the policies in force with certain costs of acquiring policies being deferred and amortized over the policy terms. Included with these reserves is an amount to cover contracts where the cash surrender value exceeds the basic reserve. A mortality fluctuation reserve is included with the insurance and annuity reserves. It is intended to smooth out the fluctuation in net income caused by the statistical variations in mortality experience. Claims in excess of, or lower than, expected are charged 25% to income and 75% against the reserve. Each year 25% of previously unamortized balances are charged to income. The basic reserve is determined annually to meet prescribed statistical tests.
- k) Income tax expense is recorded on a taxes payable basis except for a provision made in 1979 for taxes payable in future years in respect of certain annuity contracts issued in the United States during the current year as described in Note 12. No comparable provision was made in 1978 because the amounts involved were not material. The taxes payable basis of accounting can lead to substantial variations from year to year between reported income and income tax expense because of differences, primarily of a timing nature, in the methods of determining income for financial reporting and income tax purposes. While a better matching of reported income and income tax expense can be achieved through the tax allocation method, the application of this method in the life insurance industry involves the resolution of a



# Notes to Consolidated Financial Statements

December 31, 1979

number of complex issues, the full impact of which has not yet been determined. The Company is continuing its review of this issue.

- l) Assets and liabilities held in foreign currencies have been translated at book rates established by management. These rates are altered when, in the opinion of management, a change has occurred which will not be reversed in the short term.
- m) In accordance with the revised regulations to the Canadian and British Insurance Companies Act, the Company classifies certain items in its financial statements as unusual and extraordinary. These include such items as currency revaluation, gains and losses on the sale of real estate and write-ups or write-downs of asset values.

## 2. Subsidiary companies

Subsidiary companies all of which are at least 99% owned as at December 31, 1979 are as follows:

Name	Nature of Business
A/PCS Limited	Pension Consulting Services (Canada)
ManuLife Computer Corporation Limited	Computer Service Company (Canada)
ManuLife Investment Management Corporation	Investment Management Company (Canada)
ManEquity Management Co.	Investment Management Company (United States)
ManuLife Service Corporation	Pension Consulting Services (United States)
Island Life Insurance Company Limited	Life Insurance (Jamaica)
The Manufacturers Life Insurance Company (U.K.) Limited	Equity-Linked Life Insurance (United Kingdom)
ManuLife Management Ltd.	Unit Trust Management Company (United Kingdom)

## 3. Bonds

Included in income is a charge of \$3,472,000 (a charge of \$1,508,000 in 1978) in respect of the amortization of net realized losses. The total book value of bonds at December 31, 1979 is comprised of the following:

	1979	1978
	(\$000's Omitted)	
Amortized cost	\$2,162,418	\$1,740,905
Unamortized realized losses	55,029	24,264
	<u>\$2,217,447</u>	<u>\$1,765,169</u>

## 4. Stocks

Included in income is \$8,795,000 (\$3,140,000 in 1978) in respect of net realized and unrealized gains. The total book value at December 31, 1979 is comprised of the following, where the adjustment account mainly consists of unamortized realized gains:

	1979	1978
	(\$000's Omitted)	
Original cost	\$ 428,677	\$ 340,524
Adjustment account	(54,553)	(10,657)
	<u>\$ 374,124</u>	<u>\$ 329,867</u>

## 5. Real estate

The book value for real estate held for investment is comprised of the following:

	1979	1978
	(\$000's Omitted)	
Original cost	\$ 525,490	\$ 484,454
Accumulated depreciation	(41,179)	(38,968)
Mortgage liabilities	(36,643)	(38,544)
	<u>\$ 447,668</u>	<u>\$ 406,942</u>

The book value for office premises is comprised of the following:

	1979	1978
	(\$000's Omitted)	
Original cost	\$ 28,476	\$ 28,379
Accumulated depreciation	(5,237)	(4,975)
	<u>\$ 23,239</u>	<u>\$ 23,404</u>

## 6. Segregated funds

Segregated funds are comprised of the following investments which are shown at year-end market values:

	1979	1978
	(\$000's Omitted)	
Government bonds	\$ 113,612	\$ 126,253
Corporate bonds	77,246	34,928
Preferred stocks	1,284	3,399
Common stocks	138,011	151,401
Mortgages	26,283	24,487
Cash and short-term deposits	25,794	15,134
Accrued investment income	4,507	4,344
Other assets	1,376	277
	<u>\$ 388,113</u>	<u>\$ 360,223</u>

# Notes to Consolidated Financial Statements

December 31, 1979

## 7. Insurance and annuity reserves

The insurance and annuity reserves are comprised of the following:

	1979	1978
	(\$000's Omitted)	
Net level premium reserves . . . . .	\$3,719,561	\$3,108,904
Unamortized deferred costs . . . . .	(126,156)	(109,200)
Cash value coverage . . . . .	30,676	27,075
Mortality fluctuation reserve . . . . .	29,417	19,263
	<u>\$3,653,498</u>	<u>\$3,046,042</u>

During the year the Company experienced lighter mortality than expected which caused an increase in the mortality fluctuation reserve and a corresponding decrease in income of \$8,947,000 (heavier mortality than expected in 1978 caused an increase in income of \$1,466,000).

## 8. Contingency reserve

The contingency reserve is comprised of the following:

	1979	1978
	(\$000's Omitted)	
Investment and currency fluctuation reserve . . . . .	\$ 140,000	\$ 115,000
Additional reserves set aside in respect of United States business . . . . .	110,252	91,863
Solvency reserve in respect of other assets . . . . .	4,878	1,909
	<u>\$ 255,130</u>	<u>\$ 208,772</u>

Of the contingency reserve \$27,346,000 (\$2,551,000 in 1978) is required by the Canadian and British Insurance Companies Act.

## 9. Employees' and agents' benefits

Amounts held for pensions and disability benefits to employees and agents, together with the accumulation of employee and agent contributions, are included in the consolidated balance sheet under the following headings:

	1979	1978
	(\$000's Omitted)	
Insurance and annuity reserves . . . . .	\$ 26,421	\$ 21,498
Company retirement plans . . . . .	85,675	75,956
Segregated funds . . . . .	24	174
	<u>\$ 112,120</u>	<u>\$ 97,628</u>

## 10. Foreign currency

On January 1, 1979, the Company changed certain rates of exchange used for translating foreign currency items. The most significant of these were the change in the rate for the United States dollar from \$1.00 to \$1.10 and the change in the rate for Sterling from \$2.00 to \$2.15. The impact on Net Income is shown in Note 11.

The use of the current rates of exchange for translating foreign currencies at December 31, 1979 would have caused the combination contingency reserve and surplus to increase by approximately \$27,830,000 (\$70,271,000 increase in 1978).

Included in other revenue is a net exchange gain of \$200,000 (loss of \$432,000 in 1978) representing the difference between the book rates and the actual rates at which foreign currency transactions took place.

## 11. Unusual and extraordinary items

Unusual and extraordinary items are comprised of the following:

	1979	1978
	(\$000's Omitted)	
Currency revaluation (Note 10) . . . . .	\$ 40,994	\$ (1,201)
Gain on sale of real estate and miscellaneous assets . . . . .	2,464	997
Net write-up of asset values . . . . .	1,593	57
Gain on sale of Liberty Life shares . . . . .	—	11,623
	<u>\$ 45,051</u>	<u>\$ 11,476</u>

## 12. Income and Other Taxes

The Company incurred a loss for tax purposes on its United States operations which will result in the recovery of approximately \$6,700,000 of tax paid in prior years. This recovery has been accounted for as a credit to income in 1979. The 1979 tax loss is primarily attributable to timing differences in respect of reserves on certain classes of annuity business claimed for tax purposes in 1979 which will not be charged to income until future years. A provision of \$9,000,000 has been made during the year for income taxes which the Company anticipates will be payable when these timing differences are reversed.

Income taxes payable in respect of current operations in Canada have been fully offset through the application of tax loss carry-forwards.

Premium tax expense in 1979 of \$6,580,000 (\$5,513,000 in 1978) is included with General Expenses, Commissions and Taxes Other than Income Taxes.



## Valuation Actuary's Opinion to the Directors and Policyholders

*I have made the valuation of the insurance and annuity reserves and other actuarial liabilities of The Manufacturers Life Insurance Company for its consolidated balance sheet at December 31, 1979 and its consolidated statement of operations for the year then ended.*

*In my opinion (i) the valuation for The Manufacturers Life Insurance Company*

*conforms to the Recommendations for Insurance Company Financial Reporting of the Canadian Institute of Actuaries, (ii) the amount of the actuarial liabilities makes proper provision for the obligations payable in the future under the Company's policies, and (iii) a proper charge on account of those liabilities has been made in the statement of operations.*

Toronto, Canada  
January 24, 1980



R. B. Leckie,  
F.S.A., F.C.I.A.  
Senior Vice President  
and Chief Actuary

## Auditors' Report to the Directors and Policyholders

*We have examined the consolidated balance sheet of The Manufacturers Life Insurance Company as at December 31, 1979 and the consolidated statements of operations, contingency reserve and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances. We have relied on the opinion of the company's valuation actuary as to the amount of the company's insurance and*

*annuity reserves and other actuarial liabilities.*

*In our opinion, based on our examination and the opinion of the company's valuation actuary, these consolidated financial statements present fairly the financial position of the company as at December 31, 1979 and the results of its operations for the year then ended in accordance with the accounting principles described in note 1 applied on a basis consistent with that of the preceding year.*

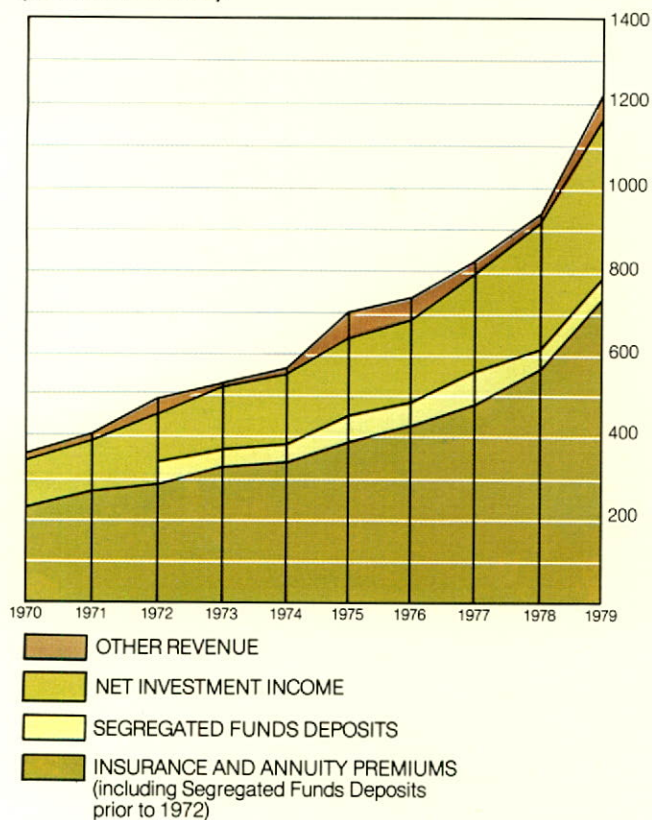
Toronto, Canada  
January 25, 1980



Clarkson Gordon  
Chartered  
Accountants

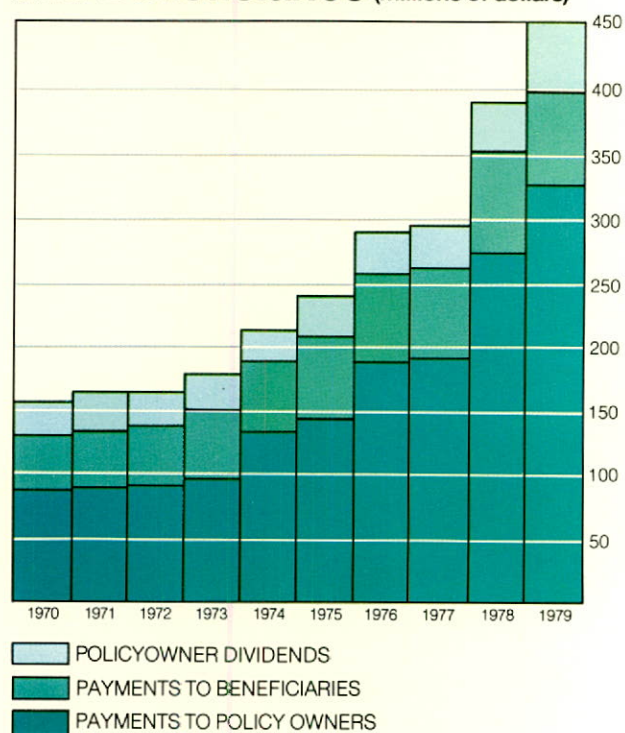
## Revenue

(millions of dollars)

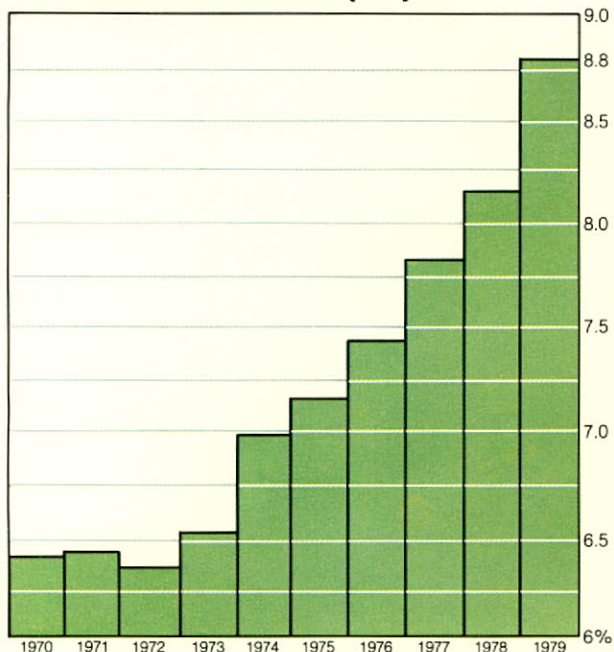


## Payments to Policyowners and Beneficiaries

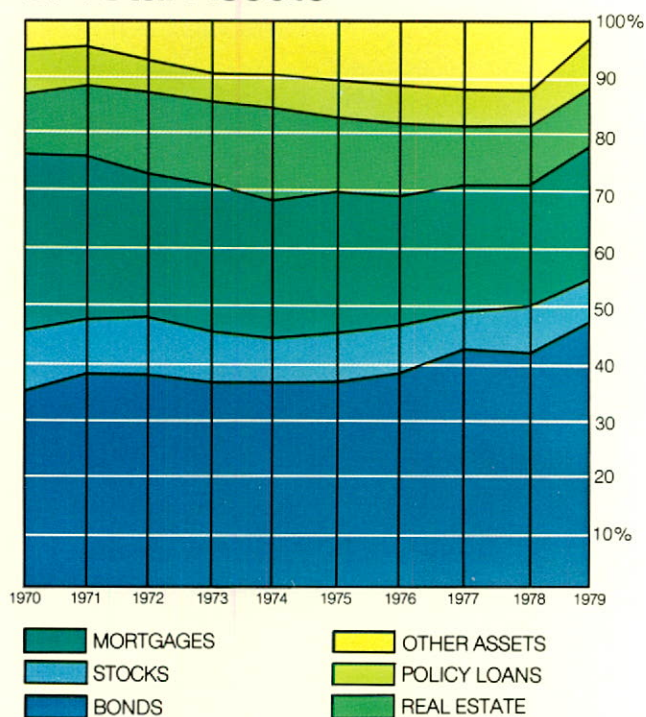
(millions of dollars)



## Net Return on Invested Assets (%)



## Percentage Composition of Total Assets





# New Business and Business in Force

## New Premiums 1979 (*000's Omitted*)

	Individual	Group	Total
Canada . . . . .	\$ 159,867	\$ 65,770	\$ 225,637
United States . . . . .	134,626	27,382	162,008
United Kingdom . . . . .	13,487	7	13,494
Other International . . . . .	7,961	1,601	9,562
<b>Total</b> . . . . .	<b>\$ 315,941</b>	<b>\$ 94,760</b>	<b>\$ 410,701</b>

## Total Premiums 1979 (*\$000's Omitted*)

	Individual	Group	Total
Canada . . . . .	\$ 224,927	\$ 127,315	\$ 352,242
United States . . . . .	279,961	57,267	337,228
United Kingdom . . . . .	48,482	26	48,508
Other International . . . . .	32,195	10,055	42,250
<b>Total</b> . . . . .	<b>\$ 585,565</b>	<b>\$ 194,663</b>	<b>\$ 780,228</b>

## New Life Insurance 1979 (*\$000's Omitted*)

	Individual	Group	Total
Canada . . . . .	\$ 1,105,868	\$ 63,318	\$ 1,169,186
United States . . . . .	1,844,805	76,824	1,921,629
United Kingdom . . . . .	354,530	0	354,530
Other International . . . . .	345,983	8,392	354,375
<b>Total</b> . . . . .	<b>\$ 3,651,186</b>	<b>\$ 148,534</b>	<b>\$ 3,799,720</b>

## Insurance in Force December 31, 1979 (*\$000's Omitted*)

	Individual	Group	Total
Canada . . . . .	\$ 5,390,744	\$2,227,674	\$ 7,618,418
United States . . . . .	8,694,493	2,545,659	11,240,152
United Kingdom . . . . .	1,608,808	916	1,609,724
Other International . . . . .	1,506,538	163,197	1,669,735
<b>Total</b> . . . . .	<b>\$17,200,583</b>	<b>\$4,937,446</b>	<b>\$22,138,029</b>

# Review of Financial Statistics

(\$000's Omitted)

	1979	1978
New Business Issued . . . . .	\$ 3,799,720	\$ 3,033,939
Business in Force . . . . .	22,138,029	18,637,039
Assets . . . . .	5,031,578	4,250,816
Revenue . . . . .	1,208,493	936,312
Payments to Policyholders and Beneficiaries . . . . .	467,852	409,529
Operating Income . . . . .	52,862	47,323
Provision for Dividends to Policyholders . . . . .	63,006	52,417
Surplus and Contingency Reserve . . . . .	574,165	476,252
Net Rate of Interest . . . . .	8.80%	8.15%

\*Not available. Basis not consistent with later years.

## Assets December 31, 1979

(\$000's Omitted)

By Category and By Currency in  
Canadian \$ Equivalents

Currency  Category	Canadian \$	
	Amount	% by Category
Bonds and Preferred Stocks . . . . .	982,984	39.6
Mortgages . . . . .	635,330	25.6
Real Estate . . . . .	287,368	11.6
*Equities . . . . .	83,347	3.3
Policy Loans . . . . .	79,966	3.2
Segregated Funds' Investments . . . . .	357,166	14.4
Other Assets . . . . .	57,013	2.3
	<u>2,483,174</u>	<u>100.0</u>
<b>% by Currency</b>	49.4	

\*Common Stocks and other securities convertible into Common Stocks.

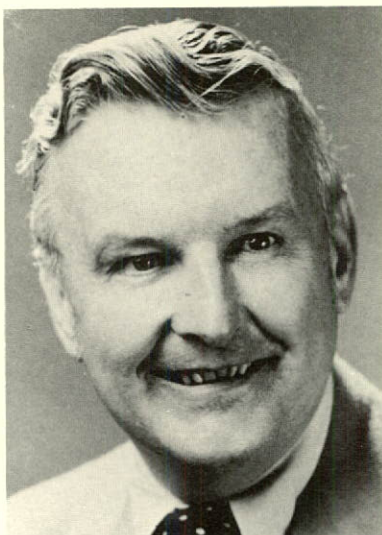
<b>1977</b> <i>(Restated)</i>	<b>1977</b> <i>(As previously reported)</i>	<b>1976</b>	<b>1975</b>	<b>1970</b>	<b>1965</b>	<b>1960</b>
\$ 2,669,452	\$ 2,669,452	\$ 2,516,993	\$ 2,271,358	\$1,266,500	\$ 869,921	\$ 562,656
16,629,150	16,629,150	15,228,530	13,625,601	9,258,679	5,723,245	3,544,563
3,789,417	3,772,679	3,387,194	3,083,250	2,036,223	1,498,279	964,263
818,085	813,030	705,380	657,411	350,495	262,846	170,574
309,015	309,015	302,880	260,186	166,250	111,529	66,608
29,175	17,139	*	*	*	*	*
44,960	43,805	39,782	37,207	25,608	15,842	9,939
414,538	269,757	237,545	226,999	163,732	116,742	66,321
7.82%	7.67%	7.44%	7.17%	6.40%	5.90%	5.41%

<b>U.S. \$</b>		<b>£ Sterling</b>		<b>Other</b>		<b>Total</b>	
<i>Amount</i>	<i>% by Category</i>	<i>Amount</i>	<i>% by Category</i>	<i>Amount</i>	<i>% by Category</i>	<i>Amount</i>	<i>% by Category</i>
976,859	46.6	156,255	53.3	75,897	48.0	2,191,995	43.6
415,325	19.8	10,965	3.8	9,447	6.0	1,071,067	21.3
152,360	7.3	30,589	10.4	590	0.4	470,907	9.4
251,949	12.0	30,158	10.3	34,122	21.6	399,576	7.9
209,167	10.0	21,642	7.4	17,147	10.8	327,922	6.5
11,583	0.5	19,364	6.6			388,113	7.7
80,100	3.8	24,064	8.2	20,821	13.2	181,998	3.6
2,097,343	100.0	293,037	100.0	158,024	100.0	5,031,578	100.0
41.7		5.8		3.1		100.0	

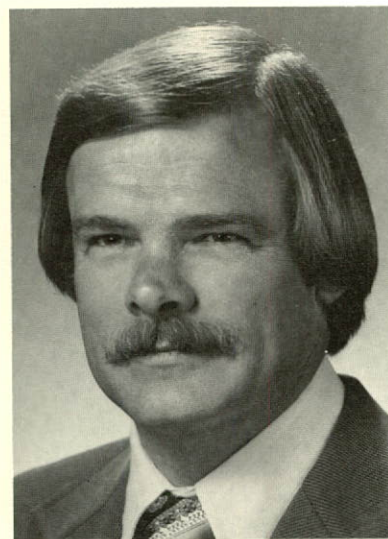


# International Leaders Group

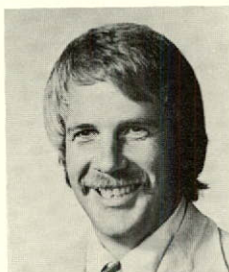
*ManuLife's leading Life Underwriters for the Year 1979*



**J. J. Brennan**  
Newark  
Sales Leader



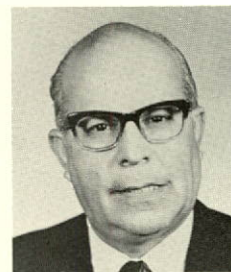
**J. Gaither, CLU**  
Sacramento  
President ManuLife  
Production Club



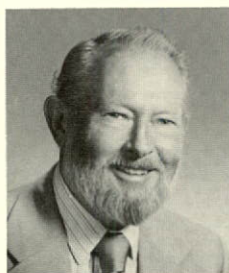
**C. R. Boggs**  
Sacramento



**D. D. Reaume, CLU**  
Troy (Mich.)



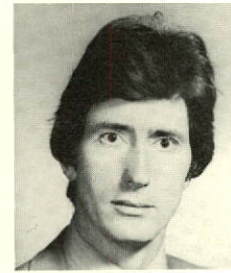
**N. L. Motwani**  
Hong Kong



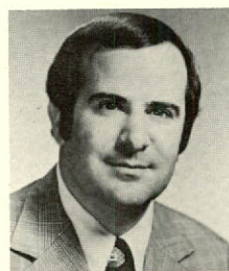
**W. F. Arnold, CLU**  
Phoenix



**G. Parsons**  
San Antonio



**R. S. Lane**  
Vancouver



**R. M. Rosenblum, CLU**  
Nashville

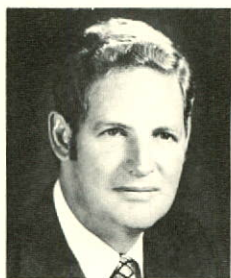


**W. D. Boggs**  
San Francisco



**L. Berman**  
San Francisco





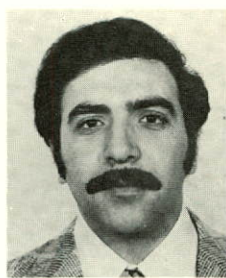
**M. E. Rosenberg**  
Miami



**R. Reber**  
Cincinnati



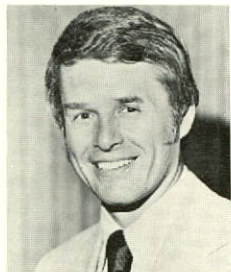
**D. Temple**  
Chicago



**B. Hagshenas**  
Chicago



**P. Agouri**  
Montreal St. James



**H. D. Trueblood, CLU**  
Orange County



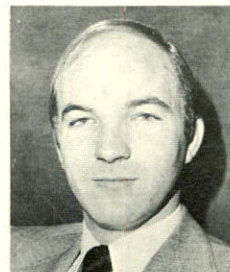
**C. H. Sonnenberg**  
Chicago



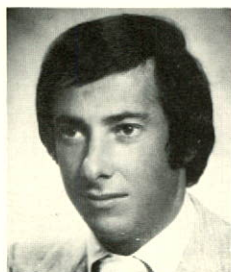
**W. M. Best, CLU**  
Greensboro



**R. E. Leve, CLU**  
San Fernando Valley



**D. B. Trodd**  
Bristol



**L. H. Goodman**  
Toronto Bay



**P. McKenna**  
Chicago



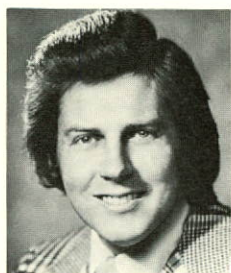
**J. R. Tardif**  
Sherbrooke



**E. McBane, CLU**  
Hamilton



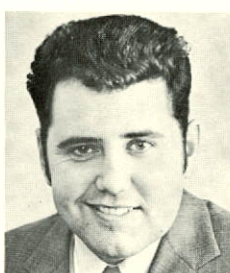
**J. Sam**  
South London



**R. O. Gann**  
Sacramento



**D. Mouat**  
Calgary North



**D. J. Westlake**  
Central Ontario



**G. S. Gilchrist**  
Edmonton South



**F. Scott**  
Indianapolis



**R. A. Schiendler, CLU**  
Los Angeles Plaza



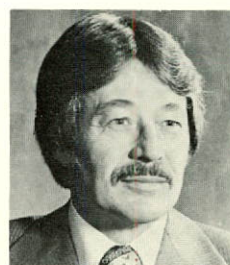
**C. R. Oehrle, CLU**  
Indianapolis



**J. T. Thorne, CLU**  
Greensboro



**C. L. Paull, CLU**  
Edmonton North



**H. J. Flower**  
Grand Rapids

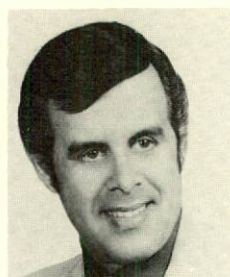


# International Leaders Group

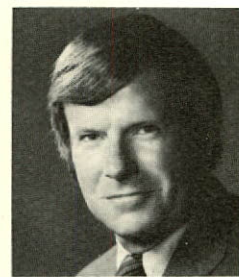
*ManuLife's leading Life Underwriters for the Year 1979*



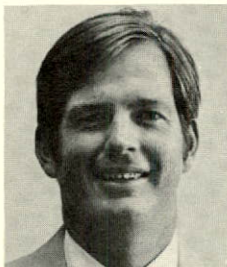
**A. J. McLeod**  
Calgary North



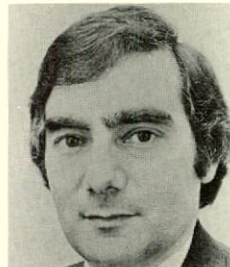
**S. Ryback, CLU**  
San Fernando Valley



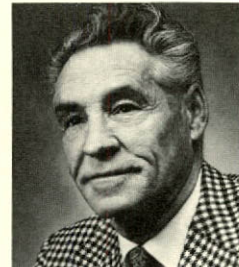
**L. H. Parker, CLU**  
Orange County



**J. R. Halstead**  
Orange County



**G. Langley**  
Oxford



**J. V. Gilkes, CLU**  
Calgary North



**P. C. Tasker, CLU**  
Toronto Bay



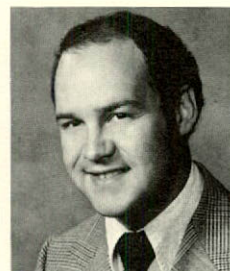
**E. W. Polci, CLU**  
Toronto Bay



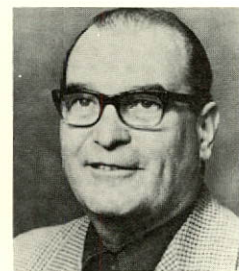
**H. L. Warren, CLU**  
Winnipeg East



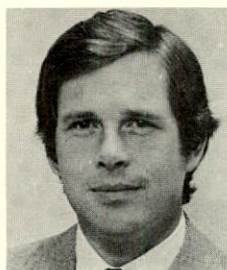
**K. R. Hartstein, CLU**  
Newark



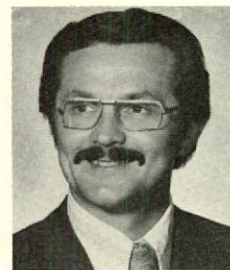
**D. M. Johnson**  
Prince George



**J. Y. McFaul**  
Saskatoon



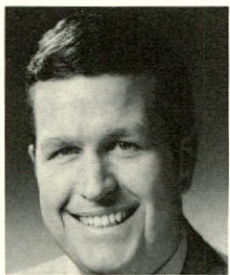
**N. W. Schlaff, Jr.**  
Troy (Mich.)



**P. R. Shelemey, CLU**  
Edmonton North



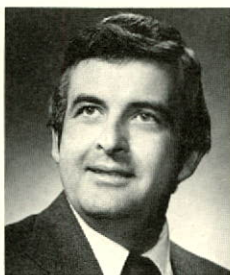
**G. W. Edgelow, CLU**  
Edmonton South



**J. D. Bailey**  
Toronto Bay



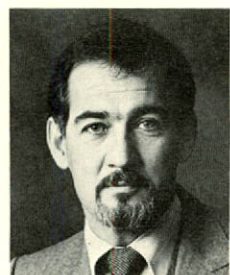
**R. K. Brown**  
Philadelphia



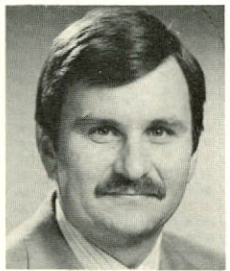
**D. F. Stearns**  
Calgary South



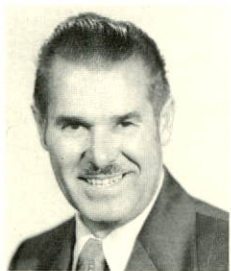
**H. Sorokin**  
Edmonton North



**B. C. McNamee**  
Central Ontario



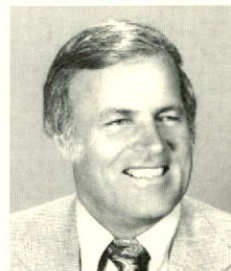
**P. A. Deeks, CLU**  
Toronto York



**V. F. Savino, CLU**  
Northern Ontario



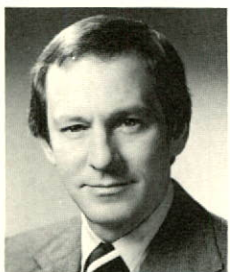
**A. P. Lindsay**  
Vancouver



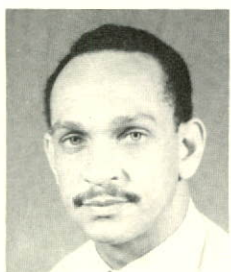
**R. A. Skinner, CLU**  
Orange County



**J. A. Bowden, CLU**  
Toronto Bay



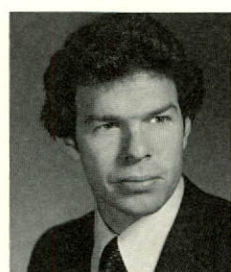
**P. D. Gery, CLU**  
Toronto York



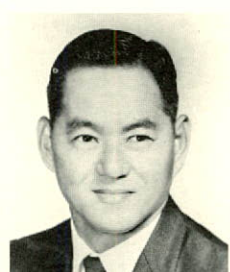
**G. V. Hirschfeld**  
Surinam



**D. S. Poxon**  
Calgary North



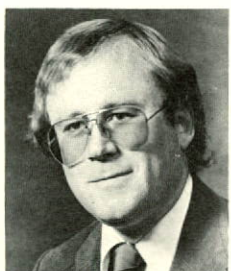
**R. W. Subber, CLU**  
Newark



**B. H. Watanabe, CLU**  
Hawaii



**L. Yeung**  
Hong Kong



**R. J. Jackson**  
Saskatoon



**Y. T. Sun**  
Hong Kong



**M. P. Maxwell, CLU**  
Nashville

*Also Qualified*

**H. Beattie**  
Chicago



# ManuLife Branch Offices, Agencies and Service Offices

## Canada

Calgary, Alta.		
Calgary North Branch	ManuLife House, 603-7th Ave. S. W., Calgary T2P 2T5, Tel. (403) 264-6000	P. L. Williams, CLU, Branch Manager
Calgary South Branch	Suite 560, Calgary Place, 355-4th Ave. S. W., Calgary T2P QJ1, Tel. (403) 264-6014	W. R. Hobbs, CLU, Branch Manager
Chatham, Ont. N7M 4R1	2nd floor, 59 Adelaide St. S., Tel. (519) 352-8670	R. L. Haddock, CLU, Branch Manager
Edmonton, Alta. T5J 3L8		
Edmonton North Branch	Ste. 1005, 10010-106th St., Tel. (403) 423-7979	J. T. Sheehan, CLU, Branch Manager
Edmonton South Branch	926 Centennial Bldg., 10015-103rd Ave., Tel. (403) 424-8081	R. E. Newman, CLU, Branch Manager
Halifax, N.S. B3J 2P8	P.O. Box 457, 6024 Quinpool Rd., Tel. (902) 429-2410	R. Hanoski, Branch Manager
Hamilton, Ont. L8P 4S6	P.O. Box 560, 650-110 King St. W., Tel. (416) 522-1194	R. E. Henderson, CLU, Branch Manager
Kamloops, B.C. V2C 2J6		
B.C. Interior Branch	Suite 102, 418 Paul St., Tel. (604) 374-6641	G. B. McKay, CLU, Branch Manager
Kingston, Ont. K7L 1G1	Suite 306, 797 Princess St., Tel. (613) 549-2122	J. D. Hagerman, CLU, Branch Manager
London, Ont. N6A 3H2	Suite 201, 743 Richmond St., Tel. (519) 434-1641	T. Barber, CLU, Branch Manager
Mississauga, Ont. L5B 1M3	7th floor, 55 City Centre Dr. Tel. (416) 270-8450	J. A. Zoppas, CLU, Branch Manager
Moncton, N.B. E1C 1E9		
New Brunswick Branch	Ste. 501, 777 Main St., Tel. (506) 854-1770	R. B. Dow, CLU, Branch Manager
Oshawa, Ont. L1J 2K5		
Central Ontario Branch	Suite 501, Bell Tower, Oshawa Centre, Tel. (416) 728-7391	D. J. Cunningham, CLU, Branch Manager
Ottawa, Ont. K1P 5Z9	Suite 500, ManuLife Bldg., 220 Laurier Ave. W., Tel. (613) 232-3531	D. R. Congram, CLU, Branch Manager
Prince George, B.C. V2M 1G7	P.O. Box 1060, Suite 201, 1940 Third Ave., Tel. (604) 563-3661	B. R. Ironside, CLU, Branch Manager
Regina, Sask. S4P 3V2	Suite 1610, Chateau Tower, 1920 Broad St., Tel. (306) 527-4171	V. Chanady, Branch Manager
Saskatoon, Sask. S7K 0B8	Suite 1004, Canadian Imperial Bank of Commerce Bldg., 201-21st St. E., Tel. (306) 652-3471	F. S. Cluff, Branch Manager
St. Catharines, Ont. L2R 6Y3		
Niagara Branch	Suite 200, CorBloc Bldg., 80 King St., Tel. (416) 688-5554	G. Peever, CLU, Branch Manager
St. John's, Nfld. A1C 5W4		
Newfoundland Branch	P.O. Box 5520, 7th floor, Royal Trust Bldg., Water St., Tel. (709) 722-0162	O. G. L. Antle, Branch Manager
Sudbury, Ont. P3E 1B1		
Northern Ontario Branch	Suite 602, 127 Cedar St., Tel. (705) 674-5203	R. Russell, Branch Manager
Thunder Bay, Ont. P7C 4Y2	P.O. Box 1163, Postal Station F, Suite 702, 1265 East Arthur St., Tel. (807) 622-3939	C. W. Lockyer, Branch Manager
Toronto, Ont.		
Toronto Bay Branch	Suite 1306, National Trust Bldg., 7 King St. E., M5C 1A2, Tel. (416) 363-7373	R. A. Fraser, CLU, Branch Manager
Toronto Central Branch	Suite 1600, 11 King St. W., M5H 3N4, Tel. (416) 868-6511	W. C. Kinnee, Branch Manager
Toronto Parkway Branch	Suite 201, 6 Lansing Square, Willowdale M2J 1T5, Tel. (416) 493-1464	D. Walker, Branch Manager
Toronto Special Services	Suite 1203, 250 Bloor St. E., M4W 1E5, Tel. (416) 928-5981	B. H. Barrett, CLU, Branch Manager
Toronto University Branch	Suite 1304, 250 Bloor St. E., M4W 1E5, Tel. (416) 961-4481	G. E. Chapman, CLU, FLMI, Branch Manager
Toronto York Branch	Suite 605, 1075 Bay St., M5S 2B1 Tel. (416) 960-9200	A. L. Fagan, Branch Manager
Vancouver, B.C.		
Vancouver Branch	Suite 400, Oceanic Plaza, 1066 W. Hastings St., V6E 3X1, Tel. (604) 681-6136	C. B. Bertram, CLU, Branch Manager
Vancouver Burrard Branch	Suite 1000, 700 W. Pender St., V6C 1G8, Tel. (604) 681-5411	D. R. Hildreth, Branch Manager
Waterloo, Ont. N2L 2R5		
Kitchener-Waterloo Branch	Suite 217, Westmount Place, 50 Westmount Rd. N., Tel. (519) 886-7710	A. A. Schooley, CLU, Branch Manager
Windsor, Ont. N9A 5K6	500 Riverside Dr., W. Canada Square, Tel. (519) 256-8236	G. Popovich, Branch Manager
Winnipeg, Man.		
Winnipeg East Branch	1224 Richardson Bldg., One Lombard Place, R3B 0X3, Tel. (204) 942-0041	M. Lomow, CLU, Branch Manager
Winnipeg West Branch	Suite 805, 386 Broadway, R3C 3R6, Tel. (204) 944-9945	W. J. Burns, Branch Manager
<b>Principal Office for Quebec</b>	Suite 650, 1140 deMaisonnette Blvd. W., Montreal H3A 1M8, Tel. (514) 288-7171	J. A. Y. Habel, Regional Vice President
Branches:		
Montreal, P.Q.		
Mtl. Brokerage Development	Suite 625, 1140 deMaisonnette Blvd. W. H3A 1M8, Tel. (514) 288-7171	G. J. Mullie, CLU, Brokerage Manager
Mtl. St. Catherine	9th floor, 2015 Peel St. H3A 1T8, Tel. (514) 842-6464	G. Routhier, CLU, Branch Manager
Mtl. St. James	Suite 900, 1140 deMaisonnette Blvd. W. H3A 1M8, Tel. (514) 288-7171	R. Delude, Branch Manager
Mtl. University	Suite 910, 1140 deMaisonnette Blvd. W. H3A 1M8, Tel. (514) 288-7171	R. Lafond, CLU, Branch Manager
Quebec City, P.Q. G1R 3P4	Suite 1901, 800 Place d'Youville, Tel. (418) 692-4290	J. G. Breault, Act. Branch Manager
Sherbrooke, P.Q. J1H 5B1	Suite 604, 25 Wellington St. N., Tel. (819) 562-4787	
<b>Group Field Offices</b>		
Calgary, Alta. T2P 2T5	Suite 405, ManuLife House, 603-7th Ave. S. W., Tel. (403) 265-5080	G. Chetcuti, Manager/Group
Edmonton, Alta. T5J 0H3	930 Centennial Bldg., 10015-103rd Ave., Tel. (403) 424-1151	B. Boisvenue, Manager/Group
Halifax, N.S. B3J 3K1		
Atlantic Group Field Office	Suite 912, 2000 Barrington St., Cogswell Tower, Tel. (902) 429-7405	V. Robson, Manager/Group
Hamilton, Ont. L8P 1A2	Jackson Square Bldg., Suite 655, 110 King St. West, Tel. (416) 528-4277	K. K. Palo, Manager/Group
London, Ont. N6A 3H2	Suite 202, 743 Richmond St. Tel. (519) 432-2681	
Montreal, P.Q. H3A 1M8	Suite 650, 1140 deMaisonnette Blvd. W. Tel. (514) 288-7171	T. A. Guay, Manager/Group
Toronto, Ont. M4W 1A5	Suite 512, 55 Bloor St. W., Tel. (416) 928-8480	K. K. Palo, Manager/Group
Vancouver, B.C. V6E 3V6	Suite 1020, 1111 Melville St., Tel. (604) 681-4104	D. King, Manager/Group
Winnipeg, Man. R3C 3R6	Suite 806, 386 Broadway Ave., Tel. (204) 942-4591	J. H. Wignall, Manager/Group
<b>International Field Service Office</b>		
Toronto, Ont. M4W 1E5	13th Floor East, 250 Bloor St. E., Tel. (416) 928-4442	J. W. Gray, Regional Agency Director, International Div.



## United States

Atlanta, Ga. 30305	Suite 500, Three Piedmont Center, 3565 Piedmont Road, N.E., Tel. (404) 261-4071	R. E. Penny, Jr., CLU, Branch Manager
Baltimore, Md. 21202	World Trade Center, Suite 2424, Tel. (301) 752-2203	P. S. McCarthy, CLU, Branch Manager
Birmingham, Ala. 35209	Suite 404, 4 Metroplex Drive, Tel. (205) 871-5851	T. A. Donovan, CLU, Branch Manager
Boston, Mass. 02108	15th Floor, One Washington Mall, Tel. (617) 723-4000	W. W. Fenniman, CLU, Branch Manager
Chicago, Ill. 60606	Suite 6030, Sears Tower, 233 South Wacker Drive, Tel. (312) 876-7010	E. H. Chapman, Jr., CLU, Branch Manager
Cincinnati, Ohio 45202	Suite 940, Formica Building, 120 East Fourth Street, Tel. (513) 762-3700	R. E. Grace, CLU, Branch Manager
Cleveland, Ohio 44107	1300 Lakewood Center North, 14600 Detroit Avenue, Lakewood, Ohio Tel. (216) 228-8000	T. A. Bray, CLU, Branch Manager
Columbus, Ohio 43085	Suite 340, Executive House, 6797 North High Street, Worthington, Ohio, Tel. (614) 846-3650	W. A. Edwards, CLU, Branch Manager
Dallas, Texas 75240	Suite 290, 5580 LBJ Freeway, Tel. (214) 386-7100	J. W. McKinley, CLU, Branch Manager
Denver, Colo. 80210		
Colorado Branch	Suite 711, Executive Club Building, 1776 South Jackson Street, Tel. (303) 758-1173	J. M. Costello, CLU, Branch Manager
U.S. Market Support	P. O. Box 1557, Plaza Colorado, 5889 South Syracuse Circle, Englewood, Colorado 80110, Tel. (303) 770-4863	M. P. Greenberg, CLU, Advanced Underwriting Director and Counsel
ManEquity, Inc.	P.O. Box 1557, Plaza Colorado, 5889 South Syracuse Circle, Englewood, Colorado 80110, Tel. (303) 770-2283	J. Kokjer, C.F.P., President
Detroit, Mich. 48098		
Troy Branch	Northfield Financial Building, 11th Floor, 900 Tower Drive, Tel. (313) 879-9000	T. A. Pickett, Jr., CLU, Branch Manager
Encino, Ca. 91316		
San Fernando Valley Branch	P.O. Box 547, Suite 600, 16130 Ventura Boulevard, Tel. (213) 981-5650	M. R. Hebert, CLU, Branch Manager
Grand Rapids, Mich. 49502	Suite 409A, Waters Building, 161 Ottawa Street North West, Tel. (616) 451-0653	R. A. Congdon, CLU, Branch Manager
Greensboro, N.C. 27405	808 Summit Avenue, P.O. Box 6728, Tel. (919) 378-1238	D. B. Cole, CLU, Branch Manager
Hartford, Conn. 06101	111 Founders Plaza, P.O. Box 1080, Tel. (203) 289-9301	J. C. Brinsfield, CLU, Branch Manager
Honolulu, Hawaii 96813		
Hawaii Branch	Suite 1600, Hawaii Building, Amfac Center, 745 Fort Street, Tel. (808) 521-5311	J. T. Dunn, CLU, Branch Manager
Houston, Texas 77027	Suite 835, East Tower, Executive Plaza Building, 4615 Southwest Freeway, Tel. (713) 629-9180	W. F. Thorne, Jr., CLU, Branch Manager
Indianapolis, Ind. 46205	2021 East 52nd Street, P.O. Box 55690, Tel. (317) 257-1261	E. H. Brooks, CLU, Branch Manager
Kansas City, Mo. 64105	Suite 1600, City Center Square, 1100 Main Street, Tel. (816) 421-5757	J. Barber, CLU, Branch Manager
Los Angeles, Ca. 90010		
Los Angeles Branch	Suite 500, Ahmanson Center West, 3731 Wilshire Boulevard, Tel. (213) 487-7620	A. T. Horton, CLU, Branch Manager
Los Angeles Plaza Branch	3250 Wilshire Boulevard, Tel. (213) 385-1500	J. J. Sullivan, CLU, Branch Manager
Miami, Fla. 33131	11th Floor, 1111 South Bayshore Drive, Tel. (305) 358-2828	J. O'Rourke, CLU, Branch Manager
Milwaukee, Wis. 53202	Suite 3230, First Wisconsin Center, 777E Wisconsin Avenue, Tel. (414) 276-5556	F. M. Spencer, III, CLU, Branch Manager
Minneapolis, Minn. 55435		
Minnesota Branch	Suite 178, 6800 France Avenue South, Tel. (612) 920-0343	L. Brown, III, CLU, Branch Manager
Nashville, Tenn. 37239	Suite 1825, 1 Commerce Place, Tel. (615) 259-2527	M. P. Kelly, Branch Manager
Newark, N.J.		
Newark Branch	288 Main Street, Milburn, N.J. 07041, Tel. (201) 467-2180	W. Q. Meeker, CLU, Branch Manager
New Orleans, La. 70112	Suite 222, The Saratoga Building, 212 Loyola Avenue, Tel. (504) 581-9073	W. S. Hatchett, III, Branch Manager
Oklahoma City, Okla. 73106	2000 Classen Boulevard, Suite 126 S., Tel. (405) 525-7591	D. J. Klaassen, CLU, Branch Manager
Omaha, Neb. 68124	Suite 690, Omaha Tower, 2120 South 72nd Street, Tel. (402) 393-6310	R. P. Pfeil, Branch Manager
Philadelphia, Pa. 19102	Suite 600, Two Penn Center, Tel. (215) 241-8100	L. V. Day, Jr., CLU, Branch Manager
Phoenix, Ariz. 85012	Suite 600, South Tower, Financial Center, 3443 North Central Avenue, Tel. (602) 264-6667	G. Wilhelmy, Branch Manager
Pittsburgh, Pa. 15222	10th Floor, West Wing, Two Gateway Center, Tel. (412) 471-4880	J. J. Anderson, Branch Manager
Portland, Ore. 97232	500 N.E. Multnomah, Suite 905, Tel. (503) 234-9831	J. R. Greene, CLU, Branch Manager
Richmond, Va. 23219	8th & Main Street Building, Suite 450, 707 East Main Street, Tel. (804) 644-4546	R. S. Burns, CLU, Branch Manager
Sacramento, Ca. 95825	Suite 360, 2233 Watt Avenue, P.O. Box 255348, Tel. (916) 481-6400	W. D. Daniels, CLU, Branch Manager
Saginaw, Mich. 48603	Suite 101, 5090 State Street, Building D, Tel. (517) 793-0080	D. J. Makuch, CLU, Branch Manager
San Antonio, Texas 78201	Suite 900, First National Bank Building, 6243 Interstate Highway 10N, Tel. (512) 736-1731	J. D. Maxwell, CLU, Branch Manager
San Diego, Ca. 92108	Suite 509, 1660 North Hotel Circle Drive, Tel. (714) 299-5220	L. P. Ukrainetz, CLU, Branch Manager
San Francisco, Ca. 94105	Suite 1010, Steuart Street Tower, One Market Plaza, Tel. (415) 543-8030	D. W. Heatherington, CLU, FLMI, Branch Manager
Santa Ana, Ca. 92702		
Orange County Branch	P.O. Box 1983, Suite 300, 2323 North Broadway, Tel. (714) 558-1500	J. L. Nix, CLU, Branch Manager
St. Louis, Mo. 63105	Suite 600, 200 South Hanley, Clayton, Mo., Tel. (314) 727-7077	W. C. Haney, Branch Manager
Seattle, Wash. 98101	610 Skinner Building, 1326-5th Avenue, Tel. (206) 623-3992	J. B. Allan, CLU, Branch Manager
Tampa, Fla. 33609	495 Kennedy Center, 5100 West Kennedy Boulevard, Tel. (813) 877-2937	P. J. Klingler, CLU, Branch Manager
Toledo, Ohio. 43606	People's Westgate Building, 7th Floor, 3130 Executive Parkway, Tel. (419) 535-8761	L. L. Hibbs, CLU, Branch Manager
Washington, D.C. 20036	Suite 310, 1140 Connecticut Avenue N.W., Tel. (202) 833-2780	R. J. Wherry, CLU, Branch Manager
<b>Group Field Offices</b>		
Los Angeles, Ca. 90010		
Southern California GFO	Suite 1314, One Park Plaza, 3250 Wilshire Blvd., Tel. (213) 387-5175	W. D. MacDougall, Manager/Group
Philadelphia, Pa. 19102	Suite 306, Three Penn Center, Tel. (215) 563-6655	P. J. McCloskey, Manager/Group



## United Kingdom

Chief Office	ManuLife House, St. George's Way, Stevenage, Herts, SG1 1HP, Tel. Stevenage 56101	J. E. Clark, FLMI, Vice-President and General Manager
Belfast BT2 8AA	Yorkshire House, 5 Linenhall Street, Tel. 0232-27792	J. McC. Irwin, ACII, Branch Manager
Birmingham B5 4LJ	Norfolk House, Smallbrook Queensway, Tel. 021-643 9581	L. R. B. Greenhalgh, Branch Manager
Bournemouth BH2 5QA	ManuLife House, 34 Poole Hill, Tel. 0202-24646	K. R. Donald, Branch Manager
Brighton BN1 1UF	ManuLife House, 22 New Road, Tel. 0273-692666	W. R. Bayliss, Branch Manager
Bristol BS1 3NU	ManuLife House, Marlborough Street, Tel. 0272-28871	D. Farrar, Branch Manager
Cardiff CF1 9LJ	14 Cathedral Road, Tel. 0222-44711	F. Hutchinson, Branch Manager
Glasgow G1 2NX	54 West Nile Street, Tel. 041-221 0082	J. Phillips, Branch Manager
Ipswich IP1 2AB	Elm Court, Elm Street, Tel. 0473-219444	G. L. Pyatt, Branch Manager
Leeds LS6 2AD	Liverpool Victoria House, 8 Otley Road, Headingley, Tel. 0532-783301	N. D. Earl, Branch Manager
Leicester LE1 1HB	Halford House, Charles Street, Tel. 0533-29646	F. C. Peters, Branch Manager
Liverpool L3 9QY	Richmond House, 1 Rumford Place, Tel. 051-227 5611	D. Latchford, Branch Manager
London		
City Branch	ManuLife House, 16 Sun Street, London EC2M 3PN, Tel. 01-247 3465	J. B. Northover, Branch Manager
South London	40 The Broadway, Cheam, Sutton, Surrey SM3 8BD, Tel. 01-643 1251	R. B. Easton, ACII, Branch Manager
Manchester M33 1XZ	Six Acre House, 17 Town Square, Sale, Tel. 061-969 1121	F. Taylor, Branch Manager
Newcastle-on-Tyne NE3 4PF	Northern Rock House, Regent Farm Road, Gosforth Tel. 0632-853951	R. B. Davies, Branch Manager
Nottingham NG1 6GG	Newton House, Maid Marian Way, Tel. 0602-46091	J. A. C. Shaw, Branch Manager
Oxford OX2 7DE	Mayfield House, 256 Banbury Road, Tel. 0865-52991	K. P. Charman, Branch Manager
Plymouth PL1 1HZ	Abbey House, Armada Way, Tel. 0752-68464	A. J. Feltham, Branch Manager
Reading RG1 4LJ	Norman House, 201 Kings Road, Tel. 0734-61441	I. C. Swindley, Branch Manager
St. Albans AL1 1E2	19 Holywell Hill, Tel. 96-64437	L. Levy, Branch Manager
Sheffield S1 2EY	St. James House, Vicar Lane, Tel. 0742-25226	G. H. Ellis, Branch Manager
Southampton SO2 0AB	Clifford House, 52-74 New Road, Tel. 0703-22361	D. Pollard, Branch Manager

## International

Barbados	P.O. Box 144, Canadian Imperial Bank of Commerce Bldg., Broad Street, Bridgetown, Tel. 65141	M. DeL. Jordan, Branch Manager
Bermuda	P.O. Box 1259, Motoblock Bldg., Gorham Road, Hamilton 5, Tel. (809) 295-3255	R. A. D. Pengelly, Branch Manager
Cayman Islands	P.O. Box 1087, Grand Cayman, West Indies, Tel. (809) 949-2068	G. H. Bodden, CLU
Cyprus	P.O. Box 1655, 2nd Floor, 6 Pantheon Bldg., 40 Evagoras Avenue, Nicosia, Tel. 42044	L. Prodromou, Manager for Cyprus
Hong Kong	P.O. Box 201, 2005 Connaught Centre, Tel. 5-251321	D. J. Hancock, CLU, General Manager for Hong Kong
Israel	P.O. Box 2007, Migdal Shalom, 7 to 9 Achad Haam St., Tel Aviv, Tel. 6-50201	Mrs. M. Ben-Zimra, Manager for Israel
Philippines	M.C.C.P.O. Box 2227, Makati, Metro Manila, Tel. 852976	R. J. Morris, General Agent for the Philippines
Puerto Rico	P.O. Box 2159, 808 Pan Am Bldg., Hato Rey, Tel. (809) 759-8155	F. Collazo, Branch Manager
Surinam	P.O. Box 1392, Watermolenstraat 43, Paramaribo, Tel. 75567	R. Hermelijn, Branch Manager

### Service Offices

Cuba	Apartado No. 1961, Habana 1	O. Martinez, Manager for Cuba
Haiti	Rue Ferrou, Port-au-Prince	Phipps & Co., Management Agent
Rhodesia	P.O. Box 2043, 7th Floor, Chancellor House, Jameson Avenue, Salisbury	D. Findlater, FLMI, Secretary for Rhodesia
Sri Lanka	P.O. Box 24, Colombo	Messrs. Carson Cumberbatch & Co. Ltd., Agents

### Subsidiary

Jamaica	Island Life Insurance Company, P.O. Box 423, 4 St. Lucia Avenue, Kingston 5, Tel. (809) 926-1430	O. E. Jones, CLU, President and Agency Officer
---------	--	--

## Mortgage & Real Estate

Calgary, Alta. T2P0K4	Suite 1035, 808-4th Ave. S.W., Tel. (403) 264-4980	J. N. Lucas, MAI, AACI, Branch Manager
Edmonton, Alta. T5J2Y2	Suite 1280, 10055-106th St., Tel. (403) 428-0861	B. K. French, Branch Manager
Ottawa, Ont. K1P5Z9	Suite 1630, 220 Laurier Ave. W., Tel. (613) 233-6309	L. V. McPherson, MAI, AACI, BA, Branch Manager
Vancouver, B.C. V7X1G9	Suite 1415, 2 Bentall Centre, 555 Burrard St., Tel. (604) 683-7746	C. M. Henry, CPM, FRI, FLMI, Branch Manager
Winnipeg, Man. R3C3R6	Suite 801, 386 Broadway Ave., Tel. (204) 943-2431	A. E. Hanson, AACI, Branch Manager

### Mortgage

Hamilton, Ont. L8P1H1	Suite 2201, IBM Bldg., 25 Main St. W., Tel. (416) 528-1494	P. G. Thoen, Manager
Montreal, P.Q. H3A1M8	Suite 625, 1140 de Maisonneuve Blvd. W., Tel. (514) 288-7172	G. Lachance, Branch Manager
Toronto, Ont. M4W3G6	ManuLife Centre, Suite 1218, 55 Bloor Street W., Tel. (416) 923-3699	R. M. Paterson, SRA, Branch Manager

### Real Estate

Halifax, N.S. B3J3K1	806 Cogswell Tower, Scotia Square, 2000 Barrington St., Tel. (902) 422-9636	G. W. Sutherland, Manager
Kitchener, Ont. N2C2J9	600 Greenfield Ave., Tel. (519) 578-5407	J. Cameron, Manager
Toronto, Ont.		
ManuLife Centre M4W1A5	Suite 502, 55 Bloor Street W., Tel. (416) 928-4403	J. R. Grimm, Branch Manager
Toronto Real Estate Office		
Office, M4Y2L8	P.O. Box 512, Postal Station "F", 250 Bloor St. E., Tel. (416) 928-8454	P. G. Maher, BA, CPM, Branch Manager
Chicago Real Estate Office		
Oak Brook, Ill. 60521	Oak Brook Executive Plaza, Suite 211, 1301 West 22nd St., Tel. (312) 887-0250	S. J. Fitzgerald, Branch Manager
Dallas Real Estate Office		
Dallas, Texas 75207	706 Stemmons Tower West, 2730 Stemmons Freeway, Tel. (214) 631-1970	S. R. Griffin, Branch Manager
Los Angeles Real Estate Office		
Long Beach, Ca. 90802	Suite 603, 444 West Ocean Blvd. Tel. (213) 432-7986	H. Wiese, Branch Manager
San Diego Real Estate Office		
San Diego, Ca. 92111	7910 Convoy Ct., Tel. (714) 292-1667	R. Schaefer, Branch Manager
Washington Real Estate Office		
Langley Park, Md. 20783	Suite 401, 7676 New Hampshire Ave., Tel. (301) 439-7722	

## International Investment Office

United Kingdom		
London EC2M 1TL	55 Old Broad Street, Tel. 01-638-6611, Telex 885650	J. B. Mounsey, Financial Vice President







The Manufacturers Life Insurance Company