



**NORTH AMERICAN LIFE  
ASSURANCE COMPANY  
ANNUAL REPORT**

**1978**



# The President's message

This past year has seen the Company establish many new production records.

For the first time in the Company's history new life insurance protection purchased by individuals amounted to more than one billion dollars.

Group life and health insurance programs sold reached a record new premium level of \$5.5 million.

The Company's new deferred annuity program — Nal-Account — gained a larger share of the rapidly growing retirement savings market in Canada. New savings deposits to Nal-Account and Blueprint for Retirement Security, a similar program sold through associations, amounted to \$28 million.

Total deposits for Annuity and Pension products of all types in 1978 amounted to \$109 million, an increase of 44 per cent over the previous year.

These sales results were achieved despite slower growth in the economy and against strong competition in the industry. They stand as a tribute to our sales representatives, supported by the staff efforts in Branch, Group and Home Offices.

Reorganization of systems and services at Home Office also contributed to 1978's results. For example, a new underwriting and issue system was installed without interruption of service during the installation period. Results have been satisfying and further refinements to the system will provide faster, more useful information to our branches, and added controls to verify new insurance commitments and contracts.

A new dental insurance policy was introduced by the Canadian Group Division last summer. The Company now offers Canadian employers a full range of health insurance benefits to supplement provincial hospital and medical plans. The new dental plan has been well received and already 35 cases have been sold.

There was intense development of our individual products in both marketing divisions during 1978. In the United States we restructured our permanent insurance portfolio providing substantial reductions in premium rates and improved value to the purchasers. In Canada we have introduced a series of new products designed for the business insurance markets. These pricing changes and product introductions have made the Company highly competitive in the markets we serve.

A significant development to benefit existing policyholders was the increase in our dividend scale, effective January 1, 1979. The increase reflects improved investment earnings and improved mortality levels at older ages, offset in part by higher expense charges and a modest increase in mortality expectations at younger ages.

Our most attractive and successful product offered over the last twenty years has been our Enhanced Protection policy. Policyholders own over \$2 billion of insurance through this product. As a result of the dividend scale improvement, the portion of the insurance under the policies represented by the Enhancement will be increased for all policyholders at their anniversaries in 1979. The increase ranges from 5 per cent to 35 per cent, with the majority receiving increases of 20 per cent or more.

During the year, the Canadian and British Insurance Companies Act was amended. The most significant change relates to the treatment of reporting our actuarial liabilities. In prior years we have charged against income all expenses relating to the acquisition of new business in the year that it was acquired. Commencing in 1978 a portion of this acquisition expense has been deferred and we will continue to follow this valuation method in the future. In addition there has been an important change in accounting for investment income. The result is that gains or losses on sales of bonds are brought into income over a period of years and dividend income is adjusted by

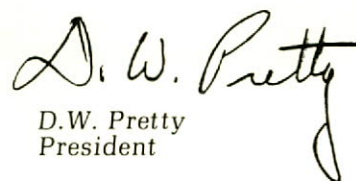
formula to take into consideration both realized and unrealized gains or losses on the common stock portfolio. Information concerning these changes are described in Note 1 of the Financial Statements.

The work involved in preparing these new calculations along with the revision of our dividend scale and new policy series has required a major commitment of resources and a great deal of dedicated work by those directly involved.

What is ahead? Even with an economic outlook that calls for slower growth and perhaps a mild recession, we believe we are entering 1979 in a strong position with the outlook for the early 1980's equally favourable. We are making basic changes in methods and practices to allow further strong growth. Examples of the changes underway in 1979 include:

- installation in mid-1979 of expanded computer facilities
- a detailed study of the administrative practices and services provided by branch offices of the Company
- a new strategic plan for marketing individual insurance in the United States to prepare for expansion and sound growth in this large, dynamic and complex market.

Our optimism for the future is based on our faith in our sales organization. The Company is fortunate to have a capable, motivated, knowledgeable group of professionals. They perform the critical task of fulfilling customers' needs from the wide array of programs and services which the Company offers through its various marketing divisions. We have plans to expand the sales organization and to help our professionals find opportunities for growth through training, market information, seminars, and improved technical services.

  
D.W. Pretty  
President

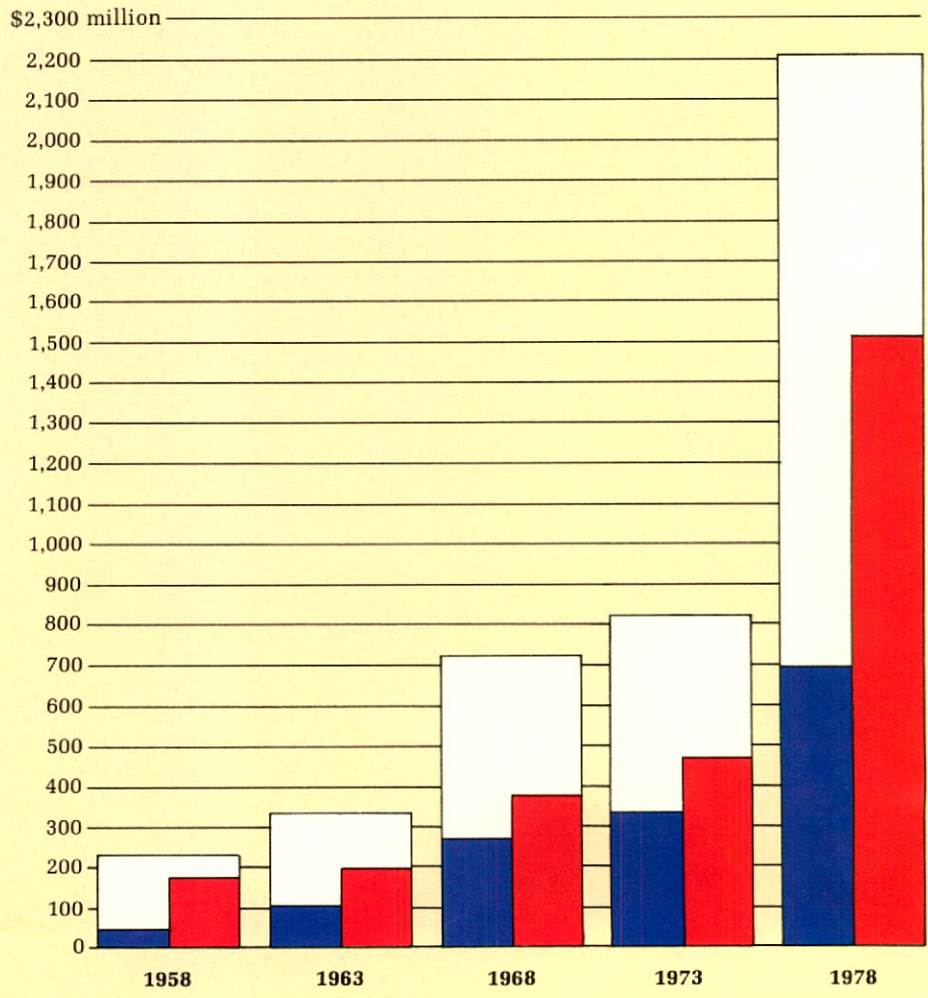
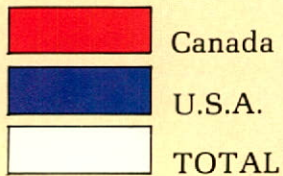
“When I started my own business, at times I had these feelings of uncertainty. If something happened to me, would my wife lose everything? I’m determined to work hard and make my business successful, and with some good financial counselling I’m sure that my family will be comfortably provided for, no matter what happens.”



There are a lot of potential risks in starting a business. North American Life has eased the mind of many a young businessman about some of those risks with a tailored business insurance plan — that leaves him free to concentrate on success.

## NEW BUSINESS

Operations at a glance, in millions of dollars.



More than \$2,209 million of new life insurance business was written during the year. Of this total, 68.3% was written in Canada, 31.3% in the United States.

Total new life insurance sold was divided among \$1,091 million of individual insurance, \$502 million of Group, and \$616 million of Group Association Insurance.

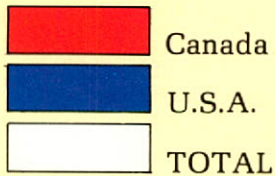
"I also grew up as one of four children. Sometimes, late at night, I used to hear my mother and father talking and I could tell they were worried about money for our future. Raising and providing for kids wasn't easy in those days. I'm glad Paul and I don't have to stay up nights worrying."

Nalaco feels that parents shouldn't have to spend the most precious years of their children's lives worrying about money for their children's future. With the help of North American Life, parents can be sure their children will have the kind of future they deserve.

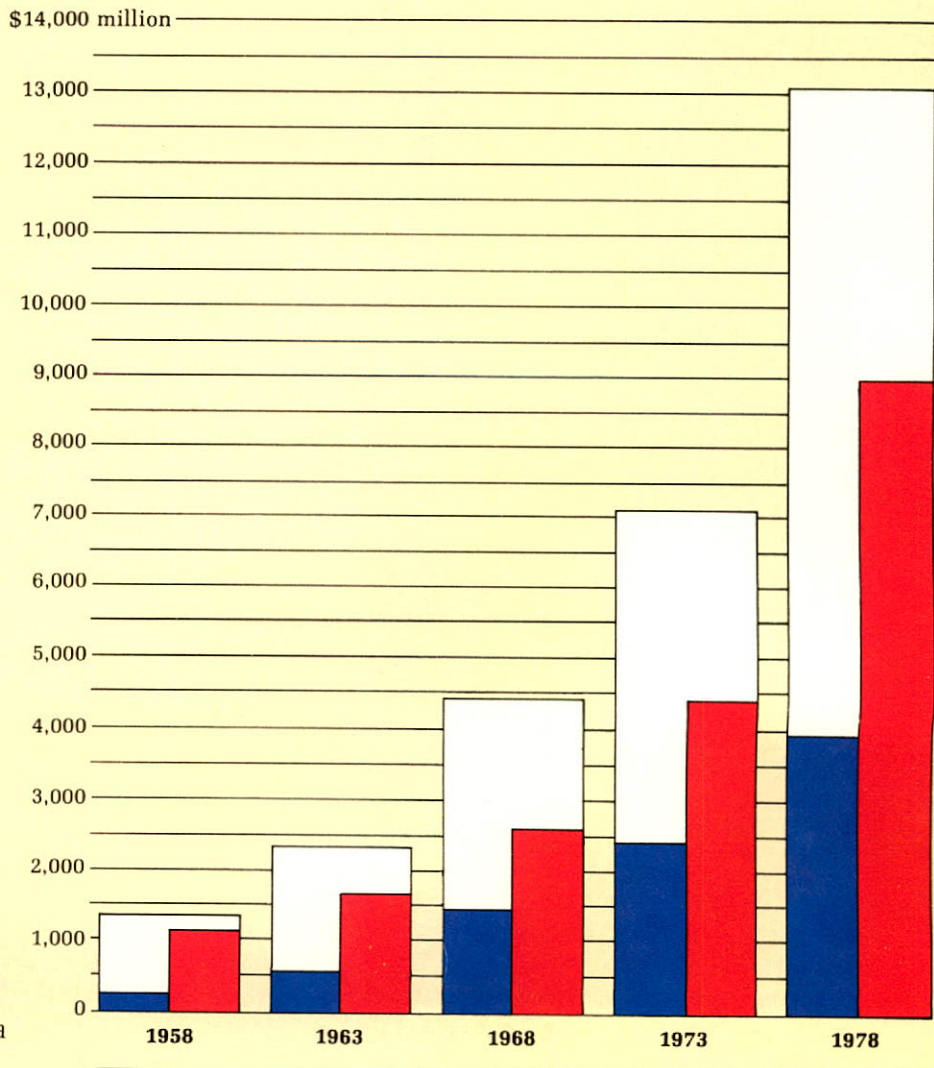


## LIFE INSURANCE IN FORCE

Operations at a glance, in millions of dollars.



Individual life insurance in force amounted to \$6.1 billion, Group insurance in force totalled \$3.3 billion and Group Association totalled \$3.7 billion. Of the total amount, 68.0% is in force in Canada and 30.4% in the United States.



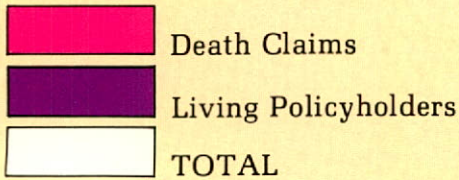
“Owning this tennis club was always Dad’s dream, and when we were old enough, he made us partners in that dream. My brother and I were determined to keep the business going after Dad died. But we sure needed help, and Dad’s life insurance allowed us to avoid an immediate financial crisis at a time that we knew a lot more about tennis than we did about management.”



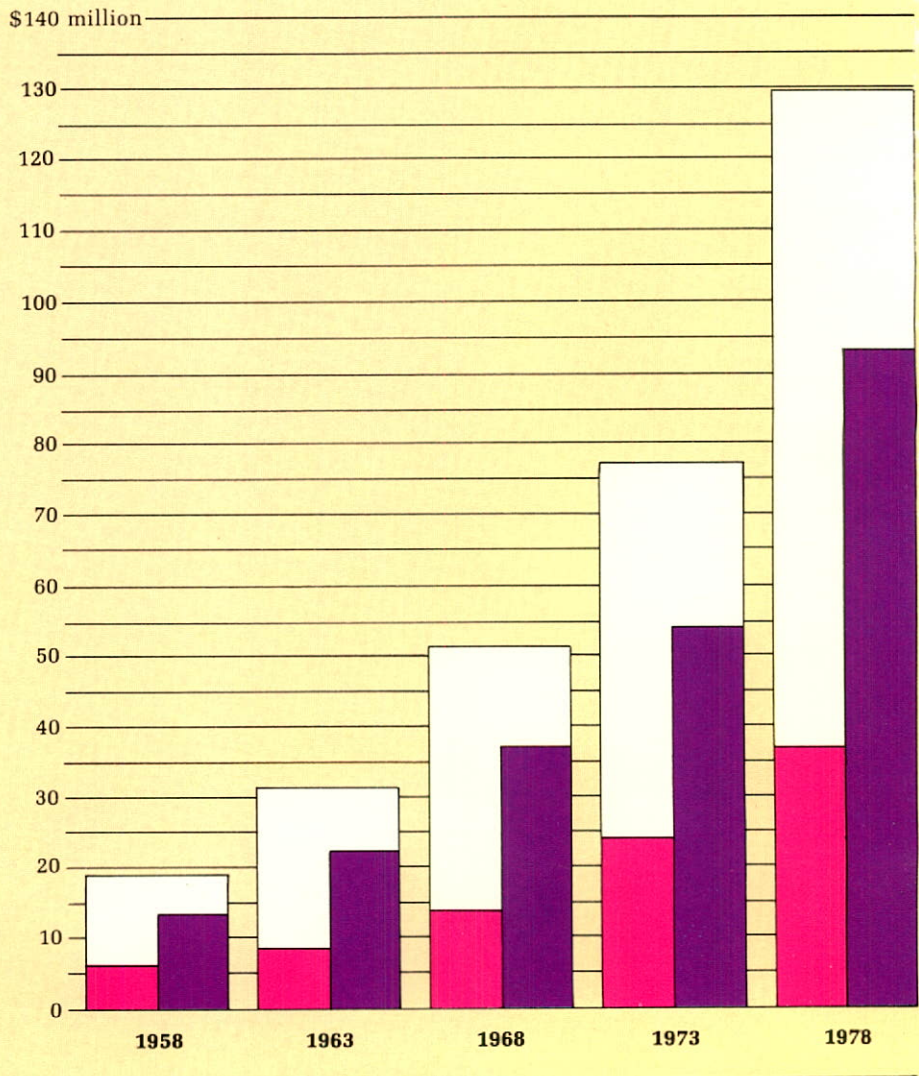
Business partners deserve the same peace of mind you give your family when you buy life insurance. North American Life can help ensure that the loss of one of the partners doesn't mean the loss of the business.

## BENEFIT PAYMENTS

Operations at a glance,  
in millions of dollars.



Of the \$129.5 million of benefits paid to policyholders and their beneficiaries, 71.6% was paid to living policyholders in the form of annuities, dividends, maturities and surrender payments.



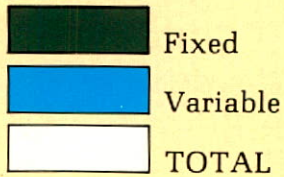
"Now that Bill's retired, we're closer than ever. We're together practically every minute. Why, I've become his regular golfing buddy. His only worry now is that I might beat him at his own game. And don't think I'm not trying."



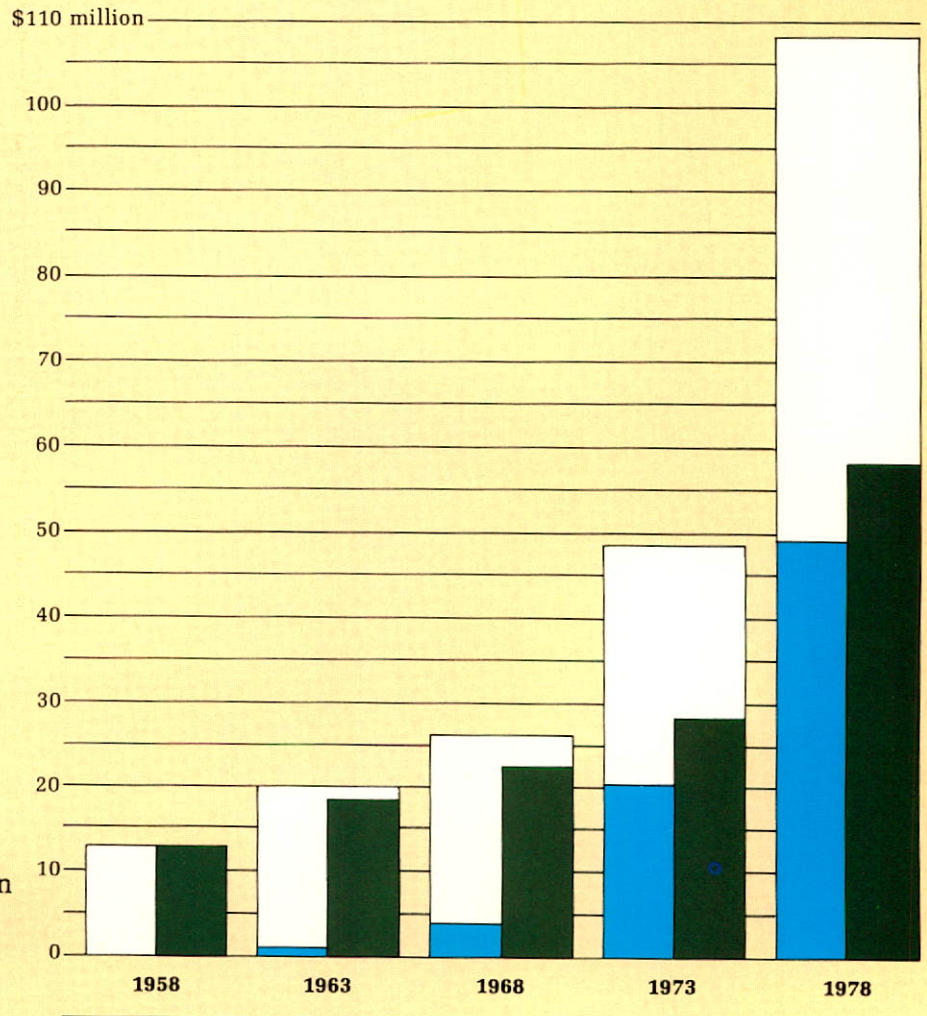
When you've worked hard all your life, you should be able to enjoy your retirement. But that takes planning. A North American Life pension plan helps you plan ahead for a retirement you can really enjoy.

## ANNUITY AND FUND DEPOSITS

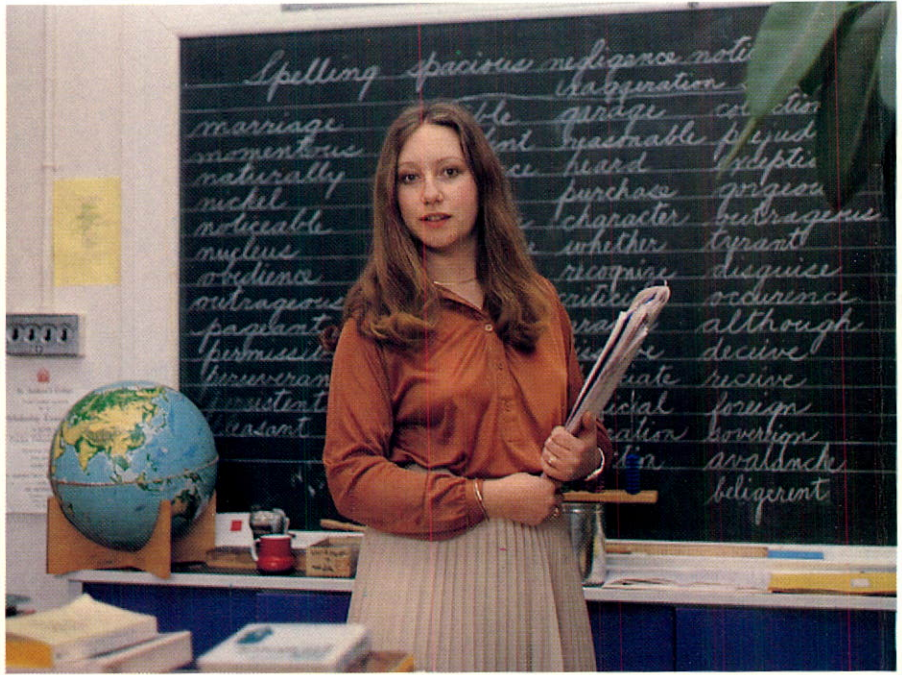
Operations at a glance, in millions of dollars.



Total annuity deposits were \$108.6 million, of which \$58.9 million arose from guaranteed payment contracts and \$49.7 million from contracts where benefits vary in relation to the investment performance of the various segregated funds.



"Jim will be in the hospital for three more weeks. He's going to be okay, but for a while I was very concerned about him. I'm glad I didn't have to worry about money, too. I just couldn't have met the mortgage payments on my salary alone."

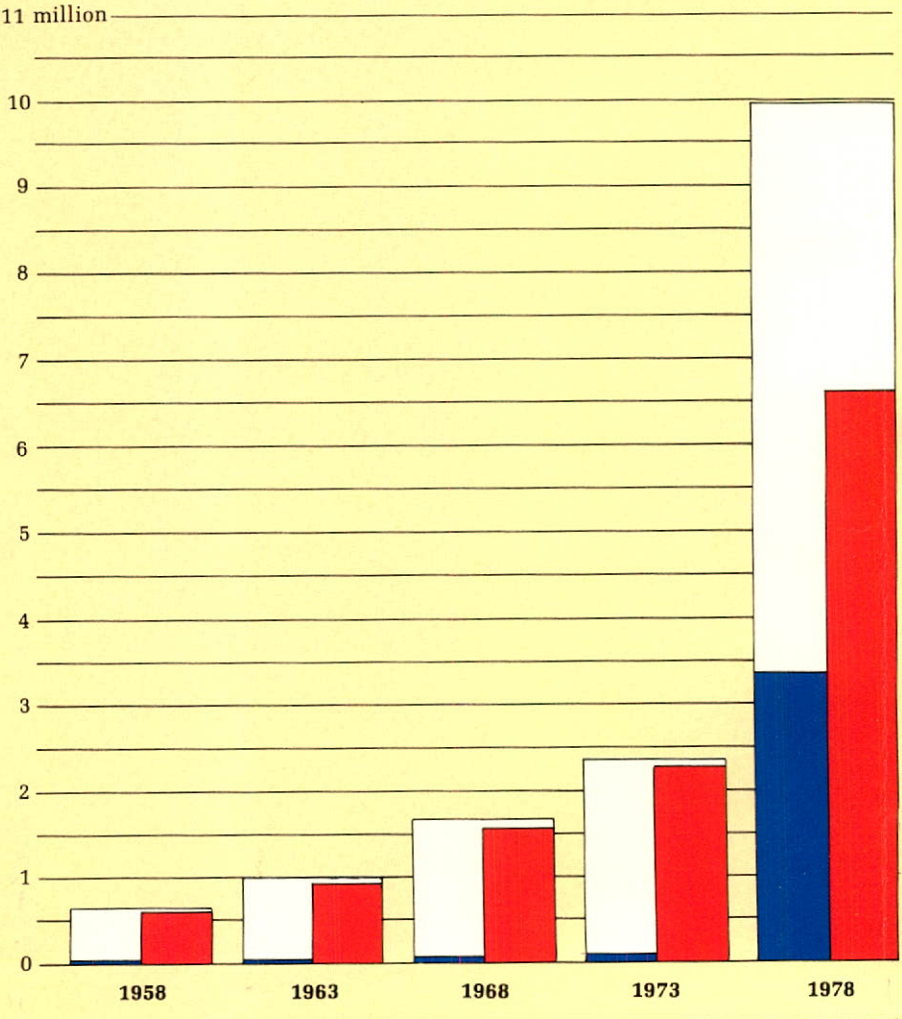
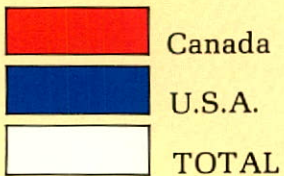


When you are concerned about the safety and well-being of the people you love most, you shouldn't have to worry about finances as well. North American Life helps provide financial security, so that in a time of crisis, you can cope with it a little more easily.

## HEALTH INSURANCE

\$11 million

Operations at a glance,  
in millions of dollars.



Health premiums, for the third year in a row, rose sharply in 1978, an increase of 52% to \$9.9 million. Approximately 87.3% of this income develops from group employee health plans, 6.8% from disability coverages on members of professional associations and 5.9% from individuals.



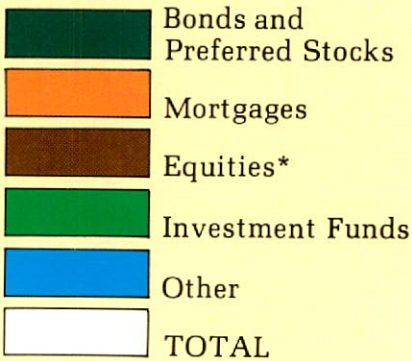
"Watching our children grow, discovering and learning, gives us so much pleasure. They are so innocent and yet so confident. They have the world by the tail. We want to help them feel that way, always."



Thousands of families all over North America place their confidence in Nalaco. By building and maximizing the benefits of sound financial planning, North American Life provides these families with peace of mind — for now and for the future.

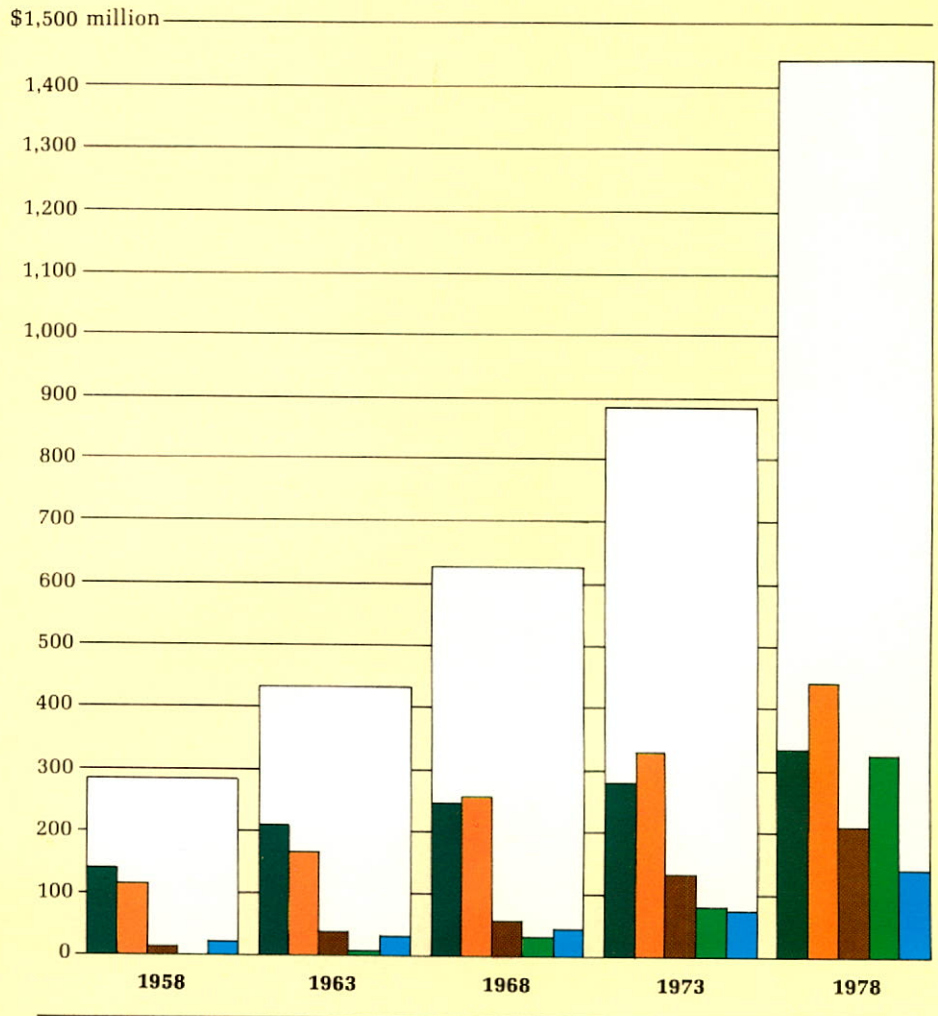
## TOTAL ASSETS

Operations at a glance, in millions of dollars.



\*convertible securities, common stocks and real estate

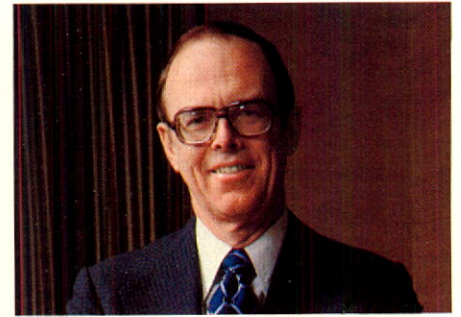
Total assets increased by \$171.9 million. Over \$61.3 million of the increase was in the various segregated Investment Funds. Net earned interest rate was 8.29% in 1978. This represents an increase of approximately .35% over 1977.



# Board of Directors



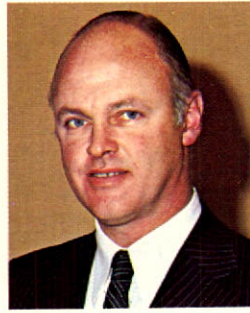
**John H. Taylor**, Chairman of the Board  
Toronto, Ontario



**D.W. Pretty**, President  
Toronto, Ontario



**K.V. Cox**  
Chairman and Chief Executive Officer  
The New Brunswick Telephone Company, Limited  
Saint John, New Brunswick



**R. Donald Fullerton**  
President and Chief Operating Officer  
Canadian Imperial Bank of Commerce  
Toronto, Ontario



**M.A. Hale**  
President  
Morrison Lamothe Inc.  
Ottawa, Ontario



**George Heffelfinger**  
President  
Highcroft Enterprises Ltd.  
Victoria, British Columbia



**Sydney M. Hermant, LL.D.**  
President  
Imperial Optical Company Ltd.  
Toronto, Ontario



**R.S. Hurlbut**  
Chairman and President  
General Foods, Limited  
Toronto, Ontario



**J.N. Hyland**  
Vancouver,  
British Columbia



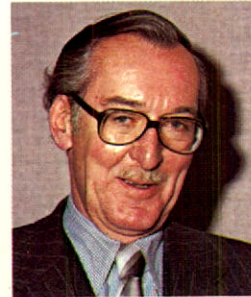
**M.S. Lamontagne, C.M.**  
Quebec, Quebec



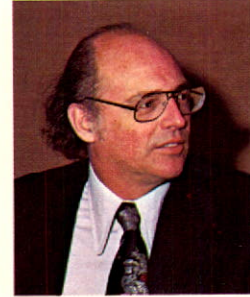
**R.G. McGovern**  
President  
Pepperidge Farm, Inc.  
Norwalk, Connecticut, U.S.A.



**W.P. Neff**  
Executive Vice President  
Chemical Bank  
New York, U.S.A.



**Gordon P. Osler**  
Vice-Chairman and Chief Executive Officer  
British Steel Corporation (Canada) Limited  
Toronto, Ontario



**Charles Perrault**  
President  
Perconsult Ltd.  
Montreal, Quebec



**J.J. Pigott**  
Executive Vice-President  
Pigott Construction Limited  
Toronto, Ontario



**George Ryrie, M.B.E.**  
Toronto, Ontario

# DIRECTORS' REPORT

for the year ended  
December 31, 1978

To the Policyholders of North American Life Assurance Company:

Your Directors have pleasure in submitting the 98th Annual Report of the Company for the year ended December 31, 1978, including the financial statements and the reports of the Auditors and Valuation Actuary.

New life insurance directly effected by the Company during the year amounted to \$2,209 million compared to \$1,852 million in 1977. Total insurance in force now amounts to \$13.1 billion having increased by over \$1.6 billion during the year. Details of new business and business in force are as follows:

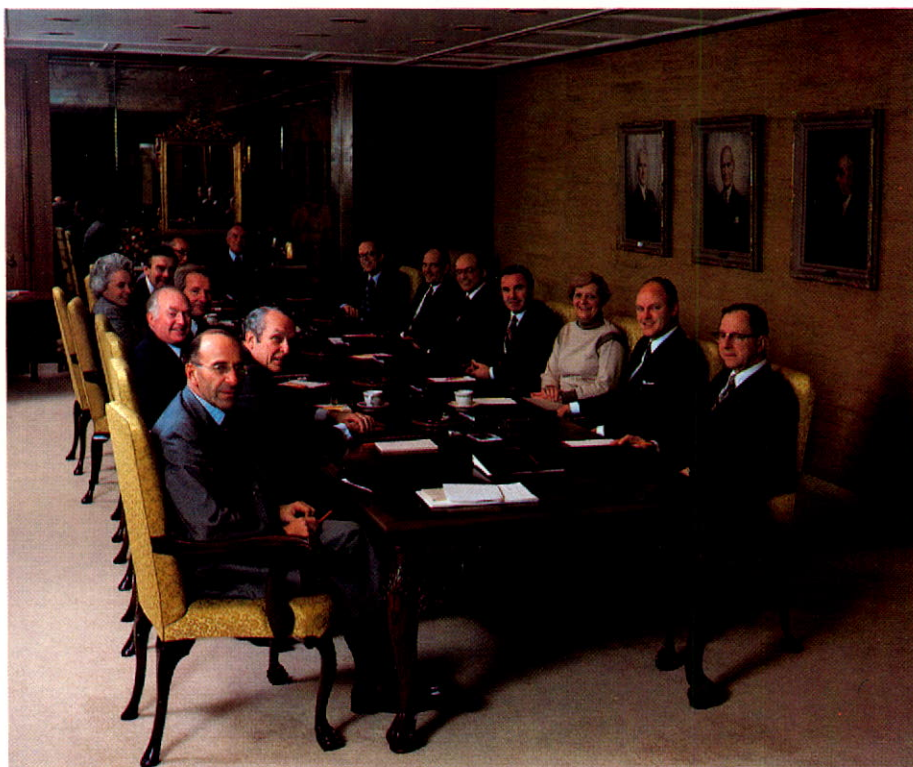
	New Business in 1978	Business in Force December 31, 1978
	(\$000)	(\$000)
<b>Life Insurance</b>		
Individual	\$1,091,322	\$6,054,000
Group	1,117,823	7,029,000
	<b><u>\$2,209,145</u></b>	<b><u>\$13,083,000</u></b>

Premiums arising from life insurance were \$104.4 million compared to \$94.3 million in 1977 and from health insurance \$9.9 million compared to \$6.6 million in the previous year.

Deposits received during 1978 for annuity contracts of all types amounted to \$108.6 million compared to \$75.2 million in 1977. Total funds held for annuity contracts increased by \$113.1 million to \$756.8 million. Details are as follows:

	Deposits Received in 1978	Funds Held December 31, 1978
	(\$000)	(\$000)
<b>Annuities</b>		
Individual	\$ 45,044	\$227,439
Group	63,570	529,364
	<b><u>\$108,614</u></b>	<b><u>\$756,803</u></b>

During the year, transfer of the business in force in Barbados to Life of Barbados Limited was completed resulting in the transfer of \$23 million of business in force and an addition to income and surplus of \$174,000.



The changes in reporting practices referred to in the notes to the financial statement have had significant effects on both the balance sheet and statement of income and surplus. As indicated, the balance sheet at December 31, 1977 has been restated. However, a complete restatement of the 1977 statement of income and surplus has not been presented as certain figures are not comparable.

Total assets increased by \$172 million over the figure shown on the restated 1977 balance sheet. Over \$61 million of the increase was in various segregated Investment Funds. Other significant increases occurred in mortgages and bonds. The net earned interest rate was 8.29%. This has been calculated on the revised accounting basis and is not comparable with the previous year. It represents an increase of approximately .35 percentage points.

Net income before dividends to policyholders and income taxes was \$23.0 million. Dividends allotted to policyholders increased to \$17.2 million from \$14.5 million in 1977.

Of the \$31.4 million arising from the changes in valuation of assets and liabilities at December

31, 1977, \$13 million was allocated to the Investment and Contingency Reserves at that date. In addition, \$2 million was added as at December 31, 1978, bringing the total Investment and Contingency Reserves at the end of the year to \$40 million. Unappropriated surplus at the end of the year was \$76.4 million compared to unappropriated surplus (as restated) at the end of 1977 of \$73.0 million.

Mr. R. Gordon McGovern, President, Pepperidge Farm, Inc., Norwalk, Connecticut, was elected as a Director of the Company at the last Annual Meeting.

Your Directors record with regret the sudden death in May of Mr. Robert J.M. Jussaume who had been a valued member of the Board since 1969.

Throughout the year the Company's field force and office staff have worked diligently and efficiently in your interests and your Directors wish to express their appreciation of these services.

On behalf of the Board:

J.H. Taylor, Chairman of the Board  
D.W. Pretty, President.

Toronto, February 6, 1979

# Consolidated Balance Sheet

## December 31, 1978

	1978	1977 (Restated)
	Thousands of Dollars	
<b>ASSETS</b>		
BONDS (Note 1b) .....	\$ 321,168	\$ 293,817
STOCKS (Note 1c) .....	93,294	78,030
MORTGAGES (Note 1d) .....	438,198	393,791
REAL ESTATE (Note 1e)		
Home Office .....	\$ 5,298	
Other properties .....	<u>118,172</u>	
	123,470	110,457
LOANS ON POLICIES .....	90,069	83,306
CASH AND SHORT TERM SECURITIES .....	25,744	24,481
INVESTMENT FUNDS, at market value .....	322,018	260,715
INVESTMENT INCOME DUE AND ACCRUED .....	14,387	12,632
NET OUTSTANDING PREMIUMS .....	5,714	5,194
OTHER ASSETS (Note 1f) .....	3,482	3,232
TOTAL ASSETS .....	<u>\$1,437,544</u>	<u>\$1,265,655</u>
<b>LIABILITIES AND SURPLUS</b>		
ACTUARIAL LIABILITIES (Note 1g)		
Insurance .....	\$464,197	
Annuities .....	<u>435,612</u>	
	\$ 899,809	\$ 821,923
DEPOSIT LIABILITIES .....	21,675	20,223
INVESTMENT FUNDS' LIABILITIES TO POLICYHOLDERS .....	321,191	259,275
OTHER POLICY LIABILITIES .....	25,814	20,205
BANK LOANS AND OVERDRAFTS .....	14,804	3,606
ACCRUED EXPENSES AND OTHER LIABILITIES .....	20,065	14,193
PROVISION FOR POLICY DIVIDENDS .....	17,800	15,200
TOTAL LIABILITIES .....	<u>1,321,158</u>	<u>1,154,625</u>
INVESTMENT AND CONTINGENCY RESERVES (Note 3) ..	40,000	38,000
UNAPPROPRIATED SURPLUS .....	76,386	73,030
TOTAL LIABILITIES AND SURPLUS .....	<u>\$1,437,544</u>	<u>\$1,265,655</u>

### Valuation Actuary's Report

I have made the valuation of actuarial liabilities of North American Life Assurance Company for its consolidated balance sheet at December 31, 1978 and its consolidated statement of income and surplus for the year then ended. In my opinion, the amount of the actuarial liabilities, together with the provisions for other liabilities to policyholders shown in the balance sheet, makes proper provision for all obligations under the Company's policies and a proper charge on account of

those liabilities has been made in the consolidated statement of income and surplus.

F.E. Smith, F.S.A., F.C.I.A.  
Vice-President and Corporate Actuary

Toronto, Canada  
January 30, 1979

# Consolidated Statement of Income and Surplus Year Ended December 31, 1978

Thousands of Dollars

<b>INCOME</b>		
Premiums — Insurance .....	\$114,315	
— Annuities — Guaranteed Funds .....	58,858	
— Investment Funds .....	<u>49,756</u>	
		\$222,929
Net investment income — Life and Health .....		82,961
Net investment gain — Investment Funds .....		31,491
Other income .....		<u>2,264</u>
		<b><u>339,645</u></b>
<b>BENEFITS AND EXPENSES</b>		
Death claims .....		35,873
Other insurance contract benefits .....		26,583
Annuity contract benefits .....		52,538
Increase in actuarial liabilities .....		83,170
Net increase in liabilities — Investment Funds .....		61,916
Interest on deposit funds and other liabilities .....		2,552
Salaries and commissions .....	41,191	
General expenses .....	12,732	
Taxes other than income taxes .....	<u>2,794</u>	
	56,717	
Less: Investment expenses deducted above .....	<u>2,679</u>	
		<u>54,038</u>
		<b><u>316,670</u></b>
<b>INCOME BEFORE DIVIDENDS TO POLICYHOLDERS AND INCOME TAXES</b>		22,975
Dividends to policyholders .....	14,458	
Added provision for policy dividends .....	<u>2,698</u>	
		<u>17,156</u>
<b>INCOME BEFORE INCOME TAXES</b> .....		5,819
Income taxes (Note 1h) .....		<u>2,623</u>
		3,196
<b>INCOME BEFORE THE FOLLOWING ITEMS</b> .....		
Net non-amortizable investment adjustments (Note 1i) ....	1,266	
Realized gains on foreign currency .....	720	
Transfer of Barbados business (Note 4) .....	<u>174</u>	
		<u>2,160</u>
<b>NET INCOME FROM OPERATIONS</b> .....		5,356
<b>UNAPPROPRIATED SURPLUS, beginning of year</b> .....	54,595	
ADD: Increase due to change in basis of financial reporting (Note 2) .....	<u>18,435</u>	
<b>ADJUSTED SURPLUS, beginning of year</b> .....		<u>73,030</u>
		78,386
LESS: Transfer to investment and contingency reserves .....		<u>2,000</u>
<b>UNAPPROPRIATED SURPLUS, end of year</b> .....		<b><u>\$ 76,386</u></b>

## To the Directors and Policyholders of North American Life Assurance Company

We have examined the consolidated balance sheet of North American Life Assurance Company as at December 31, 1978 and the consolidated statement of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly included such tests and other procedures as we considered necessary in the circumstances; we have relied on the opinion of the Company's valuation actuary as to the

valuation of the actuarial liabilities.

In our opinion, based on our examination and the opinion of the valuation actuary, these consolidated financial statements present fairly the financial position of the Company as at December 31, 1978 and the results of its operations for the year then ended in accordance with the accounting practices described in Note 1 to the consolidated financial statements.

Campbell Sharp  
Chartered Accountants

Toronto, Canada  
January 31, 1979

# Notes to Consolidated Financial Statements

## December 31, 1978

### 1. ACCOUNTING POLICIES

Effective in 1978, significant changes have been made in the financial reporting practices prescribed or permitted by the Department of Insurance of Canada. The consolidated financial statements for 1978 have been prepared based on the following practices:

a. The consolidated financial statements include all subsidiaries of the Company and combine both the life and health branches of the Company. Throughout these statements, United States dollars have been translated into Canadian dollars at par and other foreign currencies have been translated at book rates. Unappropriated surplus at December 31, 1978 would have been increased by approximately \$5.3 million (1977 - \$3.0 million) if assets and liabilities had been converted at current rates of exchange.

b. Investments in bonds are carried at amortized cost, less provision for loss on intrinsically depreciated securities, plus the unamortized balances of net losses since the beginning of 1978 on sales of bonds. 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 period to maturity of the security sold. At December 31, 1978, the unamortized balance added, in arriving at the carrying value, amounted to \$884,000.

c. The carrying value of stocks at any time is the cost price of stocks held less the amount of an adjustment account. The adjustment account is the accumulation from January 1, 1978 of net realized gains on disposition of stocks less a year end annual adjustment to income from stocks. The year end adjustment to stock income is 7% of the excess of market value over carrying value prior to such adjustment. The adjustment account deducted from cost in arriving at carrying value amounted to \$2,146,000 at December 31, 1978. No adjustment was made to cost at December 31, 1977.

d. Mortgage loans are carried at amortized cost, less principal repayments and less a provision for loss on intrinsically depreciated mortgages.

e. Real estate held is carried at cost of \$154,105,000 less accumulated depreciation of \$7,837,000 and less mortgage liabilities and notes payable of \$22,798,000. Depreciation has generally been provided on the sinking fund basis at rates based on the estimated useful life of buildings. A provision for loss on intrinsically depreciated properties has also been deducted from cost.

The real estate total includes the Company's investment valued on an equity basis in joint venture real estate companies in the amount of \$5,586,000.

f. Other assets include assets such as furniture and equipment, advances to agents and employees and leasehold improvements not included in previous years. Furniture and equipment is carried at estimated cost less accumulated depreciation determined on a straight line basis over periods of five to ten years. The net amount of furniture and equipment included in other assets is \$1,088,000.

g. Actuarial liabilities represent the amount required, together with future premiums and investment income and the provisions for other liabilities to policyholders shown in the balance sheet, to provide for future benefits and administration expenses under insurance and annuity contracts.

Under the method of valuation used, charges against income for a portion of the acquisition expenses for policies in force have been deferred. The unamortized amount to be recovered out of future premiums is \$35,233,000 at December 31, 1978.

h. Income tax charged against income and the related liability is determined using the "taxes payable" method.

i. Gains and losses on disposal of bonds and stocks are being amortized as indicated in Notes 1b and 1c. Other gains and losses on investments are:

	Thousands of Dollars
Net realized gains on disposal of real estate ..	\$3,355
Less: Expected loss on pending sale of real estate .....	<u>1,020</u>
	2,335
Less: Adjustment for intrinsically depreciated investments —	
Bonds .....	\$461
Mortgages .....	168
Real estate .....	<u>440</u>
	<u>1,069</u>
	<u>\$1,266</u>

### 2. EFFECT OF CHANGES IN FINANCIAL REPORTING POLICIES

The balance sheet as at December 31, 1977 has been restated to reflect the adjustments necessary to incorporate the changed financial reporting policies. The adjustments made are as follows:

	Thousands of Dollars
<b>ASSETS</b>	
Assets previously not admitted .....	\$ 1,829
Adjustment of bonds to amortized cost .....	100
Adjustment of stocks to cost .....	<u>1,000</u>
	2,929
Less: Equity adjustment for real estate subsidiaries and joint venture real estate companies .....	<u>836</u>
Asset increase .....	<u>\$ 2,093</u>
<b>LIABILITIES</b>	
Decrease in actuarial liabilities .....	\$29,925
Less: Real estate subsidiary adjustment liability increase .....	\$309
Increase in deposit liabilities .....	<u>274</u>
	583
Liability decrease .....	<u>\$29,342</u>
Total asset and liability adjustment .....	\$31,435
Less: Addition to investment and contingency reserves .....	<u>13,000</u>
Net increase in unappropriated surplus .....	<u>\$18,435</u>

Comparative figures for 1977 are not shown on the statement of income and surplus as certain figures are not comparable.

The more significant figures that are comparable are as follows:

	1978	1977
	Thousands of Dollars	
Premiums .....	\$222,929	\$176,059
Death claims .....	35,873	28,680
Other insurance contract benefits .....	26,583	22,580
Annuity contract benefits .....	52,538	42,536
Salaries and commissions .....	41,191	36,000
General expenses .....	12,732	11,371
Taxes other than income taxes .....	<u>2,794</u>	<u>2,683</u>
Total expenses and taxes other than income taxes .....	<u>\$ 56,717</u>	<u>\$ 50,054</u>
Dividends to policyholders .....	\$ 14,458	\$ 13,352
Added provision for policy dividends .....	<u>2,698</u>	<u>1,179</u>
Total dividends paid and provided .....	<u>\$ 17,156</u>	<u>\$ 14,531</u>

### 3. INVESTMENT AND CONTINGENCY RESERVES

Included in the totals are the following specific reserves as at December 31,

	1978	1977
	Thousands of Dollars	
Investment valuation and currency reserves .....	\$ 6,750	\$ 7,420
Reserve for cash value deficiencies .....	3,033	3,191
Valuation reserve for other assets .....	<u>2,072</u>	<u>1,828</u>
	<u>\$11,855</u>	<u>\$12,439</u>

### 4. BARBADOS BUSINESS

During 1978, the Company completed an agreement under which it transferred its business in Barbados to the Life of Barbados Limited. This resulted in the recovery of prior years' expenses of \$174,000.



## Management

D.W. Pretty, M.B.A.  
President

---

### CORPORATE OPERATIONS

A.R. McCracken, M.A., F.S.A., F.C.I.A.  
Senior Vice-President

### Corporate Actuarial

F.E. Smith, B.A., F.S.A., F.C.I.A.  
Vice-President and Corporate Actuary

H.G. Johnston, F.S.A., F.C.I.A.  
Actuarial Vice-President

B.L. Moore, B.Sc., F.A.A., A.S.A.  
Actuary

E. Betteto, B.Math., F.S.A.  
Assistant Actuary

G.C. Dowhaniuk, M.Sc., F.S.A., F.C.I.A.  
Assistant Actuary

### Corporate Information

G.M. Heaman, C.A., FLMI  
Vice-President, Administration

T.F.M. Edwards, C.G.A., FLMI  
Data Processing Vice-President

Q. Maltby, B.A., F.S.A., F.C.I.A.  
Systems Research Vice-President

M.B. Barker  
E.D.P. Services Executive

T.A. Dunlop, B.A., FLMI  
Systems Development Executive

J.P. O'Malley, B.A., C.G.A., FLMI  
Systems Development Executive

D.G. Sickle, B.Sc.  
Data Processing Operations Executive

T.E. Malone, C.A.  
Comptroller

R.W. Kidney, FLMI  
Accounting Executive

H.W. Hougham, C.G.A., FLMI  
Taxation Executive

## Law and Policy Benefits

A.S. LeMesurier, B.A., LL.B.  
Vice-President and General Counsel

B.E. Burk, B.A., D.P.A., LL.B.  
Associate Counsel and Assistant  
Secretary

J.F.B. Mills, B.A., LL.B.  
Associate Counsel and Assistant  
Secretary

J.M. Lederman, B.A., LL.B.  
Assistant Counsel

K.H. Meechan, B.A.  
Assistant Counsel

B.B. White, B.A., LL.B.  
Assistant Counsel

S.V. Jackson  
Policy Benefits Executive

## Underwriting

J.E.C. Cole, M.D., F.R.C.P. (C)  
Vice-President and Chief Medical  
Director

M.A. Woodside, M.D., F.R.C.P. (C)  
Medical Director

J.R. Lundon, M.D., F.R.C.P. (C)  
Associate Medical Director

J.E. Todd, M.D.  
Associate Medical Director

G.M. Boes, FLMI  
Director, Underwriting

A.G. McKay, FLMI, C.L.U.  
Director, Underwriting Administration

N.S. Henderson, B.Sc., F.S.A.  
Associate Underwriting Actuary

---

## FINANCIAL AND HUMAN RESOURCES OPERATIONS

T.H. Inglis, B.Com.  
Senior Vice-President

## Investment

J.C. Curtis, B.A., C.F.A.  
Vice-President and Treasurer

J.B. Clinton, B.Com., C.F.A.  
Associate Treasurer

L.S. Frank, B.Com.  
Associate Treasurer

J.P. Gris , C.G.A.  
Associate Treasurer

B.L. Tanner  
Director, Real Estate

## Pension Investment

M.R. Taylor, B.Com.  
Investment Vice-President

W.D. Beazer  
Pension Investment Executive

J.D. Curran, B.A.  
Stock Research Executive

## Human Resources

P.C. Statler, B.Sc.  
Human Resources Vice-President

D.J. Kearney, B.Com., A.C.I.S.  
Director, Manpower Planning

R.L. Davis, FLMI  
Company Services Executive

J.G. Webb, FLMI  
Personnel Executive

---

## CANADIAN MARKETING OPERATIONS

E.T. Hill, B.A., F.S.A., F.C.I.A.  
Senior Vice-President  
Canadian Operations

## Individual

K.L. Kirk, C.L.U.  
Agency Vice-President, Canada

H.D. Case, C.L.U.  
Regional Director of Agencies

A.J.G. Cod re, C.L.U.  
Regional Director of Agencies



P.A. Gellatly, C.L.U.  
Regional Director of Agencies

E.C. Trowbridge, C.L.U.  
Regional Director of Agencies

W.J. Atherton, C.L.U., FLMI  
Director, Marketing Services

N.J. Crouch, B.Sc., F.S.A., F.C.I.A.  
Director, Product Services

G.D. Brock, B.Com., C.L.U., FLMI  
Marketing Services Executive

R. Labelle, B.Sc., F.S.A.  
Assistant Actuary

### Group

J.E. Nixon, B.Com., F.S.A., F.C.I.A.  
Group Vice-President, Canada

J.D. Cambridge, M.Com.  
Director, Group Marketing

A.C. Black, B.A.  
Group Marketing Executive

M.I. Fratrits, M.A., FLMI  
Group Product Executive

A. Nielsen, F.S.A., F.C.I.A.  
Associate Group Actuary

R.W. Perkins  
Group Underwriting Executive

### Special Products

R.D. Beauregard, B.A.  
Marketing Vice-President  
Special Products

L.E. Steinke, B.Math., F.S.A., F.C.I.A.  
Marketing Director, Special Products

### UNITED STATES MARKETING OPERATIONS

J.D. Crawford, B.A., F.S.A., F.C.I.A.  
Senior Vice-President,  
United States Operations

### Individual

J.T. Glenn, B.Com.  
Agency Vice-President, United States

W.L. Waylett, B.Com., C.L.U.  
Marketing Services Vice-President, U.S.

C.N. Burgess, B.A., F.S.A., F.C.I.A.  
Actuary

C. Barbosa, B.A., F.S.A.  
Assistant Actuary,  
Product Development

A. Bicknell, M.Sc., F.S.A.  
Assistant Actuary,  
Product Administration

### Group

G.A. Irvine, B.A., C.L.U.  
Group Vice-President, U.S.

J.A. Loffree, B.Sc., F.S.A., F.C.I.A.  
Group Insurance Actuary

S.D. Fox, B.A.  
Group Field Marketing Executive

A.E. Stoneman  
Group Services Executive

### Pension

S.S. Chan, B.A., F.S.A., F.C.I.A.  
Director, Pension Services

### MARKETING SUPPORT DIVISION

K.G. Henry, C.A., FLMI  
Marketing Support Vice-President

W.F. Hastings, FLMI  
Marketing Vice-President,  
Administration

H.N. Lovdal, FLMI  
Group Administration Executive

L.M. Begley, FLMI  
Director, Branch Office Administration

A.W. Baker, C.A.A.P.  
Advertising and Sales Promotion  
Executive

### CORPORATE SECRETARIAL & PLANNING

A.F. Loverseed, FLMI  
Vice-President and Secretary

D.T. Loughton, C.A., FLMI  
Corporate Planning Executive

### AUDIT

B. Eastwood, C.G.A.  
Audit Executive

### NALACO INVESTMENT MANAGEMENT LIMITED

M.R. Taylor, B.Com.  
President

M.W. Payne, B.A.  
Vice-President and Secretary

### EDGECOMBE INVESTMENT SERVICES LIMITED

K.D. Taylor, B.A.  
President

D.A. Lemmon, B.Com.  
Executive Vice-President

A.R. Tilley, C.A., R.I.A.  
Vice-President, Finance

R.A. Carr-Harris, B.A.  
Vice-President, Marketing

J.P. Thornton,  
Vice-President — Alberta

K.W. Wall, F.R.I.(B.C.), S.R.A.  
Vice-President — B.C.

D.J. Davison, B.Com., M.B.A.  
Vice-President — Ontario

P. Lespérance, E.A., A.A.C.I.  
Vice-President — Quebec

### EDGECOMBE REAL ESTATE SERVICES LIMITED

P. Lespérance, E.A., A.A.C.I.  
President

D.S. Galletti, B.A.  
Vice-President

### EDGECOMBE PROPERTIES LIMITED

K.D. Taylor, B.A.  
President

D.A. Lemmon, B.Com.  
Executive Vice-President

L.T. Royes, B.A., M.B.A.  
Vice-President





## OFFICES

### CANADIAN MARKETING OPERATIONS

#### Branch Offices

##### BARRIE

Suite 101, 89 Dunlop St. E., P.O. Box 39  
Barrie, ON L4M 4S9  
R.E.L. Trowbridge

##### BELLEVILLE

3 Applewood Dr.  
Belleville, ON K8P 4E3  
Nicholas Dowin, C.L.U.

##### BURNABY-WESTMINSTER

Suite 402, 4211 Kingsway St.  
Burnaby, BC V5H 1Z5  
D.J. Freeman, C.L.U.

##### CALGARY

Suite 705, 404-6th Ave. S.W.  
Calgary, AB T2P 0R9  
R.W. Main, C.L.U.

##### CENTRAL ONTARIO

Suite 201, 277 George St. N.  
Peterborough, ON K9J 3G9  
R.J. Howarth, B.A., C.L.U.

##### CHATHAM

Suite 302, 40 Centre Square, P.O. Box 321  
Chatham, ON N7M 5K4  
G.W. Haines, C.L.U.

##### EDMONTON

Suite 1150, 108th Street Building  
9942-108th Street  
Edmonton, AB T5K 2J5  
H.G. Wood, C.L.U.

##### FREDERICTON

181 Westmorland St.  
Fredericton, NB E3B 3L6

##### HALIFAX

922 Barrington Tower  
Scotia Square, P.O. Box 844  
Halifax, NS B3J 2V2  
John McVicar, C.L.U.

##### HAMILTON

Suite 600, 155 James St. S.  
P.O. Box 888  
Hamilton, ON L8N 3P6  
R.R. Halpenny

##### KAMLOOPS

Suite 200, 180 Seymour St., P.O. Box 867  
Kamloops, BC V2C 5M8  
W.A. Nourse, C.L.U.

##### KINGSTON

Suite 301, 837 Princess St.  
Kingston, ON K7L 1G8  
Hubert Groot, C.L.U.

##### LONDON

400 Dundas St.  
London, ON N6B 1V7  
J.P. Cutsey, C.L.U.

##### MONCTON & PEI

Suite 503, 1111 Main St., P.O. Box 1108  
Moncton, NB E1C 8P6  
W.S. Springer, C.L.U.

##### MONTREAL CHAMPLAIN

Suite 2095, 500 Place d'Armes  
Montreal, PQ H2Y 2W2  
Arthur Quesnel, C.L.U.

##### MONTREAL LAVAL

Suite 410, 3 Place Laval  
Chomedey, Laval, PQ H7N 1A2  
A.P. Rochette, C.L.U.

##### MONTREAL MT. ROYAL

Suite 920, 1350 Sherbrooke St. W.  
Montreal, PQ H3G 1J1  
Pierre Deschatelets, C.L.U.

##### MONTREAL NOTRE-DAME

Suite 502, 5450 Côte-des-Neiges Rd.  
Montreal, PQ H3T 1Y6  
H.G.W. Richards, C.L.U.

##### MONTREAL ST. LAMBERT

Suite 400, 6 Desaulniers Blvd.  
St. Lambert, PQ J4P 1L3  
J.A. Carbonneau, C.L.U.

##### MONTREAL UPTOWN

Suite 2095, 500 Place d'Armes  
Montreal, PQ H2Y 2W2  
D.B. Carlyle, Jr., C.L.U.

##### NEWFOUNDLAND

95 LeMarchant Rd., P.O. Box H-4219  
St. John's, NF A1C 5Z7  
R.G. Lawrence

##### NORTHERN ONTARIO

Suite 401, 45 Elm St. E., P.O. Box 246  
Sudbury, ON P3E 4N5  
N.L. Somerville, C.L.U.

##### ONTARIO DISTRICTS

1770 King St. E.  
Kitchener, ON N2G 2P1  
K.W. Reynolds, C.L.U.

##### OSHAWA

602 Bell Canada Building  
Oshawa Centre  
Oshawa, ON L1J 2K5  
T.R. Maxwell, C.L.U.

##### OTTAWA

Suite 606, 151 Slater St.  
Ottawa, ON K1P 5H3  
J.S. Legate, C.L.U.

##### QUEBEC

Suite 780, 880 Ste-Foy Road  
Quebec, PQ G1S 2L2  
Gérald Côté, C.L.U.

##### QUEBEC STE-FOY

Suite 320, 979 de Bourgogne Ave.  
Ste-Foy, PQ G1W 2L4  
D. Marcoux, C.L.U.

##### REGINA

Suite 1520, 2002 Victoria Avenue  
Regina, SK S4P 0R7  
P.D. MacLeod, C.L.U.

##### ST. CATHARINES

210 King St., P.O. Box 716  
St. Catharines, ON L2R 6Y3  
J.E. Wallace, C.L.U.

##### SAINT JOHN

Suite 401, 61 Union St.  
Box 6727, Postal Station A  
Saint John, NB E2L 4S2  
Hillyard Nason, C.L.U.

##### SASKATOON

239 - 5th Avenue N.  
Saskatoon, SK S7K 2P2  
R.R. King, C.L.U.

##### SHERBROOKE

Suite 124, 3330 King St. W.  
Sherbrooke, PQ J1L 1C9  
Pierre Deschatelets, C.L.U.

##### THUNDER BAY

31 N. Court Street  
Thunder Bay P. ON P7A 4T4  
N.L. Somerville, C.L.U.



**TORONTO**

Suite 401, 122 St. Patrick St.  
Toronto, ON M5T 2X8  
H.C.B. Jacques, C.L.U.

**TORONTO CENTRAL**

Suite 610, 2 Carlton St.  
Toronto, ON M5B 1J3  
J.H. Wright, C.L.U.

**TORONTO DON MILLS**

Suite 601, 1200 Eglinton Avenue E.  
Don Mills, ON M3C 1H9  
J.J. Jennings, C.L.U.

**TORONTO ETOBICOKE**

Suite 912, 701 Evans Avenue  
Etobicoke, ON M9C 1A3  
Michael Fraser, C.L.U.

**TORONTO METRO**

Suite 510, 214 King St. W.  
Toronto, ON M5H 1K4  
C.H. Dewhirst, C.L.U.

**TORONTO MISSISSAUGA**

Suite 705, 55 City Centre Drive  
Mississauga, ON L5B 1M3  
J.H. Watson

**TORONTO UNIVERSITY**

Suite 201, 180 Dundas St. W.  
Toronto, ON M5G 1Z8  
D.G. McEwan, C.L.U.

**TORONTO YORK SCARBORO**

Suite 218, 6 Lansing Sq.  
Willowdale, ON M2J 1T8  
A.F. Shepherd, C.L.U.

**VANCOUVER**

Suite 310, 815 West Hastings St.  
Vancouver, BC V6C 1B4  
M.J. Olynyk, C.L.U.

**VANCOUVER BURREARD**

Suite 1010, 1090 W. Georgia St.  
Vancouver, BC V6E 3V7  
W.A. Jacobs, C.L.U.

**VICTORIA**

Suite 1106, 1175 Douglas St.  
Victoria, BC V8W 2E1  
W.J. Soltys, C.L.U.

**WINDSOR**

Suite 900, 880 Ouellette Ave.  
Windsor, ON N9A 1C7  
R.A. Brown, C.L.U.

**WINNIPEG**

Suite 1507, 330 Portage Ave.  
Winnipeg, MB R3C 0C4  
H.E. Latimer, C.L.U.

**Group Offices**

**ALBERTA**

348 Palliser Sq. W.  
131 - 9th Ave. S.W.  
Calgary, AB T2P 1K1  
S.R. Young

**ATLANTIC**

Suite 304, 1111 Main St., P.O. Box 788  
Moncton, NB E1C 8N6  
W.D. Munns

**MID-CANADA**

5th Floor, 287 Broadway Avenue  
Winnipeg, MB R3C 0R9  
J.R. Cranwill

**ONTARIO**

Suite 204, 1867 Yonge St.  
Toronto, ON M4S 1Y5  
G.W. Connop

**OTTAWA**

Suite 204, 170 Metcalfe St.  
Ottawa, ON K2P 1P3  
M.J. Racine

**PACIFIC**

Suite 1009, 1030 West Georgia St.  
Vancouver, BC V6E 2Y3  
B.G. Wellar

**QUEBEC**

Suite 801, 2001 University Ave.  
Montreal, PQ H3A 2A6  
Yves Farmer

**WESTARIO**

Suite 700, 495 Richmond St.  
London, ON N6A 5A9  
J.P. Ortleib

**Regional Offices**

**PROVINCE OF QUEBEC**

Suite 2095, 500 Place d'Armes  
Montreal, PQ H2Y 2W2  
A.J.G. Codère, C.L.U.  
Regional Director of Agencies

**TORONTO REGION**

Suite 510, 214 King St. W.  
Toronto, ON M5H 1K4  
P.A. Gellatly, C.L.U.  
Regional Director of Agencies

**VANCOUVER REGION**

Suite 320, 815 West Hastings St.  
Vancouver, BC V6C 2W1  
E.C. Trowbridge, C.L.U.  
Regional Director of Agencies

**UNITED STATES**

**MARKETING OPERATIONS**

**Branch Offices**

**ATLANTA**

Suite 520, One Piedmont Center  
Atlanta, GA 30305  
L.J. McDonald

**BALTIMORE**

Suite 603, 300 East Joppa Road  
Baltimore, MD 21204  
J.P. Riley, C.L.U.

**CHICAGO**

Suite 3020, 141 W. Jackson Blvd.  
Chicago, IL 60604  
R.S. Bowles, C.L.U.

**CONNECTICUT**

Suite 250, 415 Silas Deane Highway  
P.O. Box J  
Wethersfield, CT 06109  
J.K. Flemming

**DISTRICT OF COLUMBIA**

Suite 910, 1611 North Kent St.  
P.O. Box 9651  
Rosslyn, Arlington, VA 22209  
J.P. Graham, 3rd, C.L.U.

**FORT LAUDERDALE**

Penthouse B, 1040 Bayview Drive  
Fort Lauderdale, FL 33304  
Mrs. Joy Hayes, C.L.U.



**MICHIGAN**

21125 Northwestern Highway  
P.O. Box 169  
Southfield, MI 48037  
J.M. Tierney, C.L.U.

**MINNEAPOLIS-ST. PAUL**

5601 Green Valley Drive  
Minneapolis, MN 55437  
C.W. LeNeave, C.L.U.

**NORTHERN NEW JERSEY**

300 Lanidex Plaza  
P.O. Box 239  
Parsippany, NJ 07054  
J.C. Rippard, C.L.U.

**OHIO**

Suite 300, 24481 Detroit Rd.  
P.O. Box 45035  
Cleveland, OH 44145  
R.W. Cox, Jr.

**PHILADELPHIA**

24th Floor, PNB Bldg.  
Broad & Chestnut Sts.  
Philadelphia, PA 19107  
B.M. Gaston, Jr., C.L.U.

**PITTSBURGH**

Suite 3410, 525 Wm. Penn Place  
P.O. Box 1376  
Pittsburgh, PA 15230  
B.J. Cooper

**SEATTLE**

Suite 1516, 600 Stewart Street  
Seattle, WA 98101  
G.F. Dell, C.L.U., FLMI

**DETROIT REGIONAL  
PENSION OFFICE**

21125 Northwestern Highway  
P.O. Box 169  
Southfield, MI 48037  
T.V. Krass

**Group Offices**

**CHESAPEAKE**

Suite 910, 1611 North Kent St.  
P.O. Box 9651  
Rosslyn, Arlington, VA 22209  
G.A. Carleton

**DIXIE**

Suite 535, 2310 Parklake Dr. N.E.  
Atlanta, GA 30345  
R. White

**EASTERN**

Suite 311  
Valley Forge Executive Mall No. 6  
676 East Swedesford Rd.  
Wayne, PA 19087  
R.A. Foy

**MID-WEST**

Suite 1764, 10 South Riverside Plaza  
Chicago, IL 60606  
T.C. Seiler

**NORTHSTAR**

5601 Green Valley Drive  
Minneapolis, MN 55437  
J.J. Higgins

**SUNSHINE**

Penthouse A, 1040 Bayview Drive  
Ft. Lauderdale, FL 33304  
F.R. Crofoot

**TRI-STATE**

21125 Northwestern Highway  
P.O. Box 169  
Southfield, MI 48037  
E.V. Haler

**REAL ESTATE INVESTMENTS**

**Canada — Edgecombe  
Investment Services Limited**

**CALGARY**

Suite 3110, 400, 4th Avenue S.W.  
Calgary, AB T2P 0J4  
B. Kendall & J. Fleming

**EDMONTON**

Suite 1204, 10117 Jasper Avenue  
Edmonton, AB T5J 1W8  
J.P. Thornton & S.L. Moss

**OTTAWA**

Suite 1004, 170 Laurier Avenue West  
Ottawa, ON K1P 5V5  
D.H. Stewart

**MONTREAL**

Edgecombe Real Estate Services Limited  
Suite 280, 1253 McGill College Avenue  
Montreal, PQ H3A 2Y5  
P. Lespérance

**TORONTO**

196 Adelaide Street West  
Toronto, ON M5H 1W7  
D. Davison & F. Edmondson

**VANCOUVER**

Suite 1270, 505 Burrard Street  
Vancouver, BC V7X 1M5  
K.W. Wall & R.A. Buvyer

**WINNIPEG**

Aronovitch & Leipsic Limited  
809 - 167 Lombard Avenue  
Winnipeg, MB R3B 0V8

**United States —**

**CHICAGO**

Salk, Ward & Salk Inc.  
11 South LaSalle St.  
Chicago, IL 60603

**DETROIT**

Reaume & Dodds Management Co.  
1001 Woodward Ave.  
Detroit, MI 48226

**MIAMI**

The Mortgage Corporation of America  
1125 Northeast 125th St.  
Miami, FL 33161

**MINNEAPOLIS**

The Towle Company  
212 South Sixth St.  
Minneapolis, MN 55402

**PHILADELPHIA**

Latimer & Buck, Inc.  
1700 Market St.  
Philadelphia, PA 19103

**WASHINGTON**

Walker & Dunlop, Inc.  
1156 Fifteenth St. N.W.  
Washington, DC 20005

**South**

**TRINIDAD**

Tatil Life Assurance Limited  
P.O. Box 93, Tatil Building  
11 Maraval Road  
Port of Spain



# **NORTH AMERICAN LIFE ASSURANCE COMPANY**

105 Adelaide Street West, Toronto, Canada M5H 1R1

Our annual report is designed with the intention of presenting to you a summary of the Company's operations during the past year. As with any such report space permits us to tell you only a small part of the whole story. For those who wish to study the picture in more detail, the remarks of A.R. McCracken, Senior Vice-President, and T.H. Inglis, Senior Vice-President, at our annual meeting are available on request from our Sales Promotion Department in Home Office.