

STANDARD LIFE

Annual Review 1972



Canadian Board of Directors

Head Office Officials

W. A. Arbuckle, C.A., Chairman
Vice-President and Director
Bank of Montreal

A. L. Penhale, D.C.L.
Vice-Chairman
Asbestos Corporation Limited

G. Drummond Birks
President
Henry Birks & Sons Limited

D. Ross McMaster, Q.C.
McMaster, Meighen, Minnion,
Patch & Cordeau

Lucien G. Rolland, D.C.Sc.
President and General Manager
Rolland Paper Company Limited

Robert B. Taylor, F.C.A.
Vice-President and Treasurer
The Steel Company
of Canada, Limited

R. D. Mulholland, D.C.L.
Vice-Chairman
Bank of Montreal

D. S. Harvie
Senior Vice-President and Director
Petrofina Canada Ltd.

W. D. Mulholland
President and Chief Executive Officer
Brinco Ltd.

G. T. Westwater, F.F.A., F.C.I.A.
Executive Director and
General Manager for Canada
The Standard Life
Assurance Company

G. T. Westwater
General Manager

J. C. Burns
Deputy General Manager
and Actuary

J. M. Linnell
Assistant General Manager

A. I. MacTier
Assistant General Manager
and Secretary

G. F. Allan
Group Manager

R. R. Naudie
Investment Manager

C. N. Morris
Agency Manager

D. F. Johnstone
Property Investment
Manager

L. McCallum
M.D., F.A.C.P., F.R.C.P.(C)
Chief Medical Officer

Cover: The Standard Life
building, Calgary, Alberta.

Un exemplaire en français
de la revue annuelle peut être
fourni sur demande.

The Standard Life
Assurance Company:
The first life assurance company
to become established in
Canada, 1833.
Head Office:
The Standard Life Building
1245 Sherbrooke Street West
Montreal 109, Quebec

Canadian Operations	1972	1971
New Business		
Life Assurance	\$249,807,011	\$257,366,324
Annuities (per annum)	43,942,250	39,112,866
Premiums & Annuity Considerations	110,363,432	74,419,835
Earnings from Investments (Net of Investment Expenses)	51,547,806	46,921,086
Payments to Policyholders	50,944,499	46,687,413
Assets in Canada	977,690,377	820,564,171
Liabilities in Canada	840,668,685	723,321,950
Overall Company Operations		
New Business		
Life Assurance	1,517,945,861	1,320,783,876
Annuities (per annum)	130,757,114	104,430,035
Assets	2,442,270,593	2,128,380,644
Payments to Policyholders	189,139,856	184,754,933

Currencies other than Canadian have been converted at the rates of exchange in effect at the Company's 1972 year end.





game of the Canadian-Russian hockey series in Moscow. Perhaps also we shall recall the launching of the ANIK satellite to provide radio and T.V. communications in Canada's north, thereby making Canada the only country in the world to have its own domestic satellite.

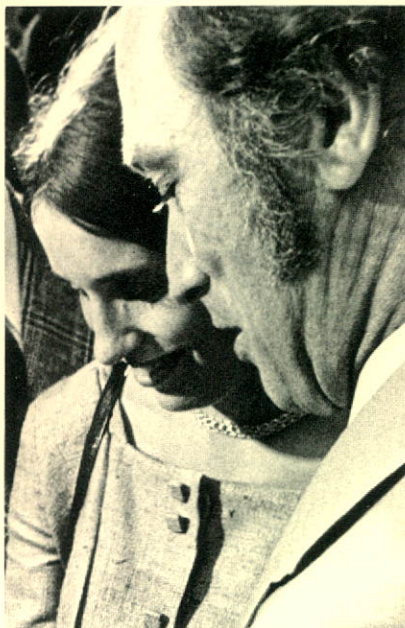
Truly, many events highlight 1972 in Canada, and as Chairman I also have special memories of events which contributed to a most successful year for the Standard Life, as the General Manager's report will show. Total assets under our management approached the \$1 billion mark at the end of the year and have now passed it. The Company has a long record of service to Canadians, the longest, in fact, of any life assurance company in Canada, having commenced business in 1833. The members of the Canadian Board of Directors, all resident in Canada, and the Executive, were never more aware than in 1972 of the needs of the Canadian public for savings, and for protection against premature death or loss of income. We have a team of trained representatives in branch offices from coast to coast, ready to meet these requirements with guaranteed individual and group contracts which provide opportunities to share in the profits of a company renowned for the high level of its dividends, or to participate in the results of various types of separate investment funds.

Just as 1972 brought many successes to Canada, so also the year brought to the Standard Life its triumphs. Like Canada, we look forward to a great future for we have the expertise and ability to meet whatever challenges lie ahead and to continue to offer an ever higher standard of product and service to our policyholders.

What were the highlights of 1972? Perhaps we shall best remember the year for a general election in Canada which drastically changed the make-up of the House of Commons, and substantially altered the political climate. We may also remember 1972 as a year in which inflation and unemployment were household words, and yet one with a high level of personal savings and consumer spending. In fact, compared to some other nations, we have escaped lightly and our economic climate is good, though we still have some unsolved problems. Sports fans may remember 1972 as the year when Karen Magnussen won a silver medal for figure skating at the Winter Olympics, thereby foreshadowing her magnificent success in the World Championship held recently in Czechoslovakia — or the suspense and excitement of the eighth



Team Canada and the winning goal in Moscow, U.S.S.R.



Prime Minister Trudeau and his wife Margaret during a liberal party rally.



Conservative leader Robert Stanfield at a news conference in Vancouver at the height of his election campaign.



Karen Magnussen, during a routine practice at the Mikhaio ice rink in Sapporo, Japan. She went on to win a silver medal for Canada.

General Manager's Report



Judged by new business results, the year was a very satisfactory one. New ordinary life assurance premiums exceeded last year's by 36% and new business under group pension policies was an all-time record, while the total of segregated and pooled investment funds under our management more than doubled during the year.

The Standard Life has long been known for the very satisfactory results accruing to the holders of its participating policies. It offers a wide range of these policies, including a pure endowment which provides an attractive vehicle for the accumulation of savings through Registered Retirement Savings Plans. This policy, which is similar to an ordinary endowment policy but provides only a restricted death benefit before the maturity date, participates under the Standard

Premier Series and a large number of our clients have shown their confidence in the Standard's profit-earning capacity by selecting this policy for their retirement savings arrangements. This confidence we shall do our utmost to justify. Another savings vehicle, the Equiflex policy, has been revised so that individual policyholders who prefer to save by means of a separate equity fund can nevertheless have certain minimum guarantees on death and maturity. Both these contracts include a provision which will permit the policyholder to vary the premium paid from time to time, thereby giving him the greatest possible flexibility in planning his allocation to savings. The Company has also available a wide range of non-participating life assurance and annuity contracts so that our field representatives can offer a complete programme for savings and protection. A recent addition to this portfolio, introduced during 1972, is the income-averaging annuity which enables the holder to take advantage of the revised income tax provisions for forward averaging.

Bonus Declaration

After considering the results of an actuarial valuation, the Directors declared bonuses in the form of reversionary additions to participating policies as follows:—

- 1) Under the Standard Premier Series which replaced the Reversionary Bonus plan, at the rate of \$30. per \$1,000 of sum assured and attaching bonuses;
- 2) Under the lower premium Canadian Series, at the rate of \$17.50 per \$1,000 of sum assured and attaching bonuses;
- 3) Under the Reversionary Bonus plan, entry to which has now been

closed, at the rate of \$25. per \$1,000 sum assured and \$42. per \$1,000 of attaching bonuses.

These rates are the same as those which were declared a year ago, but this does not mean that the amount of profit made by the Company is static. It is inherent in the bonus system that, even at the same rate of bonus, the allocation of surplus to each policy increases with every year of its duration. The maintenance of the above rates of bonus should therefore give policyholders confidence that the decision to effect a participating policy with the Company was a wise one.

Group Life Assurance and Pension Business

Group life assurance forms only a modest part of our total business in force, but a satisfactory increment in this business was secured last year. The size of the group pension business dwarfs the group life assurance and a record volume of \$43,403,000 per annum of new annuities was written. Of this amount, approximately one-third represents new plans, the balance coming from additional benefits under existing plans. The total amount of pension funds committed to our charge under investment funds without the guarantees of an insured contract grew from \$44,348,000 to \$108,355,000. I believe these are striking figures. On the one hand they demonstrate the Company's ability to offer attractive terms, which can now include participation in profits, to those who prefer the security of an insured contract and, on the other hand, they show that the Standard is keeping pace with the growing trend for employers and trustees to commit funds on an uninsured basis, relying upon the growth of the economy combined with skilled

investment management to secure the desired results.

Before 1972 all our group pension policies were issued on a non-participating basis. However, the actuarial experience has been favourable and, after careful investigation and after setting up necessary reserves, the Directors decided to release surplus funds which had accrued and which will accrue in the near future in our pension business. A special bonus distribution is now being made to those policyholders who are continuing to make payments of premiums or investment fund deposits in respect of their pension plans. Bonus payments commenced in 1972 and the amounts to be set aside will, it is hoped, permit these payments to continue over a further period of four years ceasing in 1976. No further distributions of surplus will be made to non-participating policyholders, but in order to give our clients the opportunity to share in any surplus which may arise in the future, the Company has introduced a new participating pension policy. We now offer a complete range of methods of funding pensions. On an insured basis, we have both a participating and a non-participating group annuity contract as well as a non-participating Deposit Administration contract and on an uninsured basis we have pooled and separate investment funds for those who do not feel the necessity for guarantees but wish to avail themselves of our investment management. The response to our new participating group annuity contract has been most encouraging and more than 50 clients have already opted for this plan.

Investment Performance

The year saw an active and satisfying experience in respect of asset

Assets

\$ 977,690,377

820,564,171

727,406,383

723,153,001

687,656,732

611,305,581

564,775,547

557,634,956

515,064,328

454,321,814

395,124,362

1962 1963 1964 1965 1966 1967 1968 1969 1970 1971 1972

growth and asset management. The market value of all assets under administration as at 15th November, 1972 was \$977,690,000 as compared with \$820,564,000 at the end of 1971. Such a significant increase in assets reflected substantial growth in both new insured business and in the investment funds, together with important improvements in the market valuation of our total assets. Of the total increase in assets, \$63 million was experienced in the pooled and separate investment funds and \$95 million in the Company's general funds. A substantial portion of the asset appreciation was a reflection of the particularly strong equity and real estate markets during the course of the year and such valuations are, of course, susceptible to frequent variability. The portfolio yields on the assets in the general funds increased sharply to 6.86% on ledger value. The investment policy continues to be primarily oriented to fixed interest securities in the form of high quality bonds and mortgages but a good portion of the new money available for investment was directed to equities and direct ownership of real estate. The policy of a relatively high exposure to equity returns has been very advantageous in the fullness of time to the Company's policyholders. Such an exposure is continually under review and we are carrying out, in the coming year, a new money allocation with somewhat less emphasis on equities.

The investment fund business, which provides investment management for corporate pension funds, continues to experience above average investment results and significant growth in assets under management and new accounts under administration. For the year ended December 31st, 1972, the

assets under management in all segregated funds increased from approximately \$45 million to \$119 million. The unit value increases were approximately 35% in the equity funds and more than 8% in the bond and mortgage funds. The longer term equity returns, as evidenced by the Pooled Equity fund results for the last five years, continued to provide above average returns for our policyholders. For the five years ended December 31st, 1972, unit value growth was 14.7% per annum and a level monthly investment program would have produced a total annual return of 17.1%.

Our Human Resources

The year's results reflect a high level of competence in our staff, both in Head Office and in the field. I am happy to pay tribute to their energy and efficiency in tackling the increasingly complex problems with which they are faced in the conduct of our business. Policyholders may take satisfaction in the standard of service they can expect and we are proud to offer. Inside staff members are encouraged to further their professional education in diverse fields so as to become Fellows of the Society of Actuaries, Fellows of the Life Management Institute, qualified Appraisers, Home Office Life Underwriters. In addition, courses are given to management and supervisory personnel in the management of human resources, communications, etc. In the field, new men study a basic training program followed by a Head Office School, after which they proceed to study for the Chartered Life Underwriters degree, while courses in advanced underwriting are provided for more experienced salesmen. Our standards are high but we intend them to be higher, as only through the hard work and enthusiasm of a competent staff can we maintain our place as a top-level life assurance company.



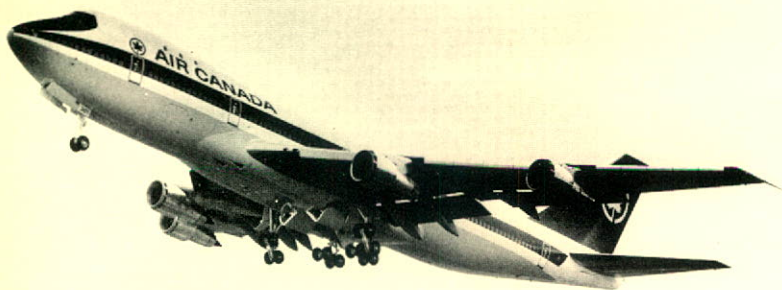
'Computerised education' is one of the ways in which modern technology is helping to shape our destiny. High school students are learning through a medium which only a few years ago was considered science fiction. The computer is not simply replacing the blackboard, it is setting new standards of academic achievement.



The increasing mobility of people, instant world-wide communications, rising educational standards and greater affluence have dramatically affected the life styles of Canadians. We believe that these rapid technological and sociological changes will continue, necessitating new ideas and approaches to issues within the insurance industry.

We, at Standard Life, look forward to the future with a sense of excitement and with confidence, knowing that we have committed our time, skills and energies to the challenges which the years ahead will surely bring.

Canadians in every sphere of activity are moving towards a greater level of self fulfillment and accomplishment. As a consequence, the quality of life is improving at an accelerating pace. Canada is on the move and Standard Life is proud to be a part of its promising future.



When Standard Life opened its first office in 1833, the average Canadian travelled maybe one hundred miles in a lifetime. Today, Air Canada can take 365 people from Montreal to Vancouver in 5 hrs 10 mins. The Jumbo Jet is a symbol of the technology which is broadening the horizons of our Canadian society.

Branch Organization

Atlantic Provinces St. John's, Nfld. Corner Brook, Nfld. Halifax, N.S. Fredericton, N.B. Saint John, N.B. Moncton, N.B. Charlottetown, P.E.I.	A. J. Hamill, C.L.U.	Regional Manager	
	A. K. Smith, C.L.U.	Branch Manager	139 Water St.
	M. Meaney	Resident Rep.	50/52 Main St.
	I. W. Murray, C.L.U.	Branch Manager	6009 Quinpool Rd.
	A. J. Hamill, C.L.U.	Branch Manager	577 King Street
	B. F. Hurley	Branch Manager	75 Prince William St.
	R. D. Matheson	Branch Manager	1234 Main St.
	M. T. Whelan	Unit Supervisor	129 Queen St.
Quebec Province Quebec City	J. Cloutier, C.L.U.	Regional Manager	
	J. Cloutier, C.L.U.	Branch Manager	800 Youville Square
	H. P. Sanfaçon	Assistant Branch Manager	
Montreal Cartier	M. Lafortune, C.L.U.	Branch Manager	801 Sherbrooke St., East
Montreal, Que. Montreal Branch St. James Branch	J. A. Bélanger	Branch Manager	1330 Greene Ave.
	E. G. Savage	Branch Manager	800 Victoria Square
	A. J. Vanden Broucke	Assistant Branch Manager	
Metro Branch	G. A. Mahony, C.L.U.	Branch Manager	1550 de Maisonneuve Blvd., West
Ottawa, Ont.	R. J. Temple, C.L.U.	Branch Manager	130 Albert St.
Toronto, Ont. Toronto Branch Brokerage Branch Don Mills Branch	D. M. Sinclair	Branch Manager	123 Edward Street
	R. L. Butcher	Branch Manager	123 Edward Street
	H. E. Pollock, C.L.U.	Branch Manager	75 The Donway West, Don Mills
York Branch			161 Eglinton Ave., East
Hamilton, Ont.	G. G. Bowker, C.L.U.	Branch Manager	100 King Street West
St. Catharines, Ont.	J. T. Moore, C.L.U.	District Supervisor	15 King Street
London, Ont.	T. E. Currie, C.L.U.	Branch Manager	200 Queens Ave.
Kitchener/Waterloo, Ont.	H. H. Roy, C.L.U.	Branch Manager	Waterloo Sq., Waterloo
Windsor, Ont.	A. C. Meloche, C.L.U.	District Supervisor	500 Ouellette Avenue
Winnipeg, Man.	L. G. Hammond, C.L.U.	Branch Manager	330 Portage Avenue
Edmonton, Alta.	D. C. Maskell, C.L.U.	Branch Manager	10020 - 100th Street
Calgary, Alta.	D. W. Ramsay, C.L.U.	Branch Manager	639 Fifth Ave., S.W.
Vancouver, B.C.	D. M. McArthur	Branch Manager	1281 W. Georgia Street
Victoria, B.C.	W. G. Henderson, C.L.U.	Branch Manager	880 Douglas Street

Group Organization

Atlantic Provinces	J. M. Moore	6009 Quinpool Road Halifax, N.S.
Quebec	L. Beauséjour, Group Manager for Quebec F. H. Savage D. O. Hetherington P. A. McAlear S. Plante	1245 Sherbrooke St. West Montreal, Que.
Eastern Ontario	K. J. McCarney, C.L.U.	130 Albert Street Ottawa, Ont.
Toronto, Ontario	L. G. Hall, Regional Group Manager B. H. Spurr, F.L.M.I. J. B. Thornber B. G. Sinclair T. M. McCartney	44 Eglinton Avenue West Toronto, Ont.
Western Ontario	A. E. Lloyd East Regional Group Manager T. W. Buckingham R. R. Coyle M. J. Ion, F.L.M.I. A. Marit	100 King Street West Hamilton, Ont. 200 Queens Avenue London, Ont.
Western Canada	R. E. Moir, Regional Group Manager G. F. Weld J. J. Garvey J. S. Doherty	1281 West Georgia Street Vancouver, B.C. 639 Fifth Avenue, S.W. Calgary, Alta.

