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ANNUAL REPTS.

SUNSET LIFE INSURANCE COMPANY OF AMERICA

SEATTLE PUBLIC LIBRARY

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Business & Economics
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BUSINESS & ECONOMICS



File Copy
Annual
Report
for 1961
PACIFIC

3200 Capitol Boulevard
Olympia, Washington

TO THE STOCKHOLDERS OF SUNSET LIFE INSURANCE COMPANY:

Again it is my privilege on behalf of the Board of Directors to report to you a most successful year for our Company.

Net operating gain for 1961 after income and other taxes was \$184,399 as contrasted to \$83,694 for 1960, an increase of \$100,704 (120%). The larger volume of new business written in 1961 served to understate our earnings because of high first-year sales costs and greater reserve requirements. Thus, the true appraisal of our earnings for the year should take into account the equity in increases in our business in force.

New business production reached a new high, totalling \$20,438,175 which was a 27% increase over the combined production of Sunset Life Insurance Company and Old American Life Company the previous year. Life insurance in force was \$91,176,303 at year end.

Assets increased \$1,035,353 and totalled \$13,542,465 as compared with \$12,507,111 at the close of 1960. With capital and surplus of \$1,654,841 the ratio of assets to liabilities was 114%, indicating the strong financial position of our Company.

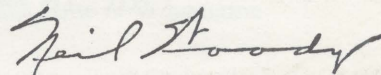
Net yield on invested assets averaged 4.12% after federal income taxes and depreciation on real estate owned. These assets were invested principally in first mortgages on owner-occupied homes and U. S. Government and other high grade bonds.

Benefits paid to policyowners and beneficiaries amounted to \$1,079,664 and \$688,180 was added to policyowner reserves. Mortality experience remained extremely favorable, with a 37.2% ratio of actual to expected death claims, and an over-all claims ratio on accident and health business of 37.4%.

The accompanying financial statements are based on the full year operation of Old American Life and Sunset Life. The merger of the two companies became effective December 31, 1960. The companies operated as separate divisions until June, 1961, when the operations were integrated in Olympia. Therefore, the economies resulting from the merger were not fully realized during this past year. This aspect of the merger could not be completed in a few months and it is still in progress. The merger of two companies is not only a merger of assets and business in force, but it is also a merger of people, and we are most pleased with the skill and cooperation which the employees of both companies brought to the merger.

The Board of Directors has declared another 5% stock dividend payable May 15, 1962, to stockholders of record on April 1, 1962.

I wish to convey sincere thanks to the stockholders, and the members of our organization whose loyalty and cooperation has promoted the growth and progress of our Company. We can look forward with confidence to continued progress in the future.



NEIL WOODY, President

Annual Report

December 31, 1961*

ASSETS

Cash	\$ 294,165.76
Bonds:	
U. S. Government	851,062.45
Corporate, State and Municipal	3,743,018.59
Federally Insured Savings and Loan Shares and Other Stock	981,511.00
Mortgage Loans:	
Federally Insured or Guaranteed	916,103.06
Other First Mortgage Loans	4,504,508.89
Loans to Policyowners (Secured by Legal Reserve)	729,289.48
Home Office and Other Real Estate	843,203.81
Premiums in Course of Collection	572,545.62
Interest and Rents Due and Accrued	81,895.43
Other Assets	25,160.92
TOTAL	\$13,542,465.01

LIABILITIES

Legal Reserve on Outstanding Contracts	\$10,239,541.30
Other Policyowner Funds	1,068,077.46
Reserves for Pending Claims	34,968.59
Accrued Expenses	17,986.63
Reserve for Taxes	44,642.58
Premiums and Interest Paid in Advance	14,751.13
Securities Valuation Reserve	162,682.27
Other Liabilities	304,973.55
TOTAL	\$11,887,623.51

SURPLUS FUNDS

Capital - 46,324 Shares	\$ 463,241.50
Surplus	1,191,600.00
TOTAL	\$ 1,654,841.50

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SUMMARY OF OPERATIONS

INCOME

Premiums Received	\$ 2,448,728.52
Net Investment Income	501,860.92
Policy Proceeds and Dividends Left with Company . .	59,387.54
Miscellaneous Income	47.36
TOTAL	\$ 3,010,024.34

DISTRIBUTION OF INCOME

Benefit Payments to Policyowners and Beneficiaries .	\$ 1,079,664.21
Dividends Paid to Policyowners	58,287.93
Increase in Reserves on Policy Contracts	688,180.03
Commissions to Agents	283,120.86
General Operating Expenses	659,258.82
Taxes, Licenses and Fees	57,113.19
TOTAL	\$ 2,825,625.04
Net Gain from Operations after Federal Income Tax .	\$ 184,399.30

*As reported to the Insurance Commissioner of the State of Washington

27,450 Shs. outstg.