

Removal from office of present directors in mutual companies and election by policy-holders of entirely new board of trustees.

Investments in stocks, except of municipal corporations, to be prohibited.

Participation in syndicate operations by any insurance company or any officer therein, to be prohibited.

The cancellation of all proxies now in existence and the limitation of the life of a proxy to two months.

A law giving policy-holders right to vote by proxy, by person or by mail.

A law permitting the organization of mutual companies without capital stock.

The limitation of new business to \$150,000,000 a year. Political contributions strictly forbidden. Standard policies for all companies. No more rebates, bonuses, prizes or rewards. Full publicity in all departments of insurance.

A law prohibiting the incorporation of assessment or co-operative insurance companies, or the admission of such companies already formed to do business in the State.

No more deferred dividend policies.

Giving policy-holders the right to sue without appeal to attorney general.

That lobbyists be registered and that each company submit itemized accounts of its legislative expenses.

That all salaries of more than \$5,000 a year be fixed by the trustees, and not by a committee or officer.

Amendment of the rebate law to make the receiver equally guilty with the giver.

Annual distribution of dividends.

That agents' commission be made uniform.

The Select Committee of the British House of Lords, recommend:

(1) That it was not considered in the interests of British policy-holders, or desirable, to compel foreign companies to deposit funds in Great Britain.

(2) That foreign companies which do business in Great Britain should be placed, as far as possible, in the same position as the British companies with which they compete; that they should, in fact, be made as far as possible to comply in all respects with the requirements of the life insurance companies' Act of 1870.

(3) That the deposit of £20,000 which the Life Companies' Act of 1870, made obligatory on any new company, whether foreign or British, and which may be withdrawn by the company just as soon as the premiums amount to £40,000 should be required to continue permanently so long as any policies continue outstanding in Great Britain.

(4) That experience has proved that the best

means of guarding the interests of the policy-holders is by insisting on the fullest openness in the accounts of the companies, and that, therefore, all companies, British or foreign, should be required to furnish the Board of Trade with the full revenue accounts, balance sheets, and valuation statements of their business, showing at the same time the expenses of management.

(5) That the Board of Trade be empowered to vary from time to time the forms of the questions which insurance companies are called upon to answer annually, and of the returns to be made by them, and also to insist upon such answers and returns being in every respect complete and accurate, and that these returns should make absolutely clear how far the funds of any foreign company are subject to preferential claims in any country in which it transacts business.

(6) That in all such returns the amount of the foreign business and the business actually transacted in Great Britain be carefully distinguished.

(7) That there should be a statement in the returns made by all companies, British or foreign, of the market value of securities held by them. Such information would enable policy-holders to obtain more complete and satisfactory information with regard to the actual value of the companies' investments.

#### INTEREST EARNINGS OF LIFE INSURANCE COMPANIES.

Following our custom in previous years, we have compiled the mean invested assets and the interest earnings from the report of the Superintendent of Insurance and have computed from this material the rate of interest earned by the invested funds of the life insurance companies operating in Canada. The mean of the assets has been found by cutting in half the sum of the assets as they stood upon December 31, 1904, and as they stood upon the same date in 1905, excluding accrued and deferred interest and rent and all outstanding and deferred premiums. The investments have been extended at their market values. The revenue from interest has been constructed by adding together the interest and rent receipts, increased by the difference between the accrued and outstanding interest and rent at the end of 1905 and 1904.

The results of our investigation, which are probably as accurate as those which would be arrived at by any other method, are contained in the adjoining table, in which are included also the corresponding rates of the four preceding years. We remark that two companies have adopted methods open to criticism, by entering the gross rentals from real estate and charging the cost of maintenance and repair into disbursements, instead of stating