MR. FITZGERALD, SUPERINTENDENT OF INSURANCE EXAMINED AS TO SOUNDNESS OF COMPANIES BUSINESS POLICIES.

Mr. Fitzgerald, superintendent of insurance, was examined by Mr. Tilley, on the 22nd instant, before Commissioners Langmuir, MacTavish and Kent, as to the soundness of the business policies of Canadian companies generally, and dealt at length with a long memorial presented to the commission by the life managers and officers.

Referring to one of the clauses of the memorial, Mr. Fitzgerald said that he was in favour of the printing of the forfeiture clause on the policy, and added that in respect to bonds of companies, there should be no limit on bonds secured by mortgage inside or outside of Canada.

He preferred a term of five years to one of three, as it might be hard to pay dividends in a shorter period. However, regarding all investments of funds, the scope was quite large enough, as it was. "I would rather not see such a sweeping bill in this respect," said Mr. Fitzgerald, "as it would be hard to select one company from another. On the whole, it would be better, I think, to allow the directors to select their own investments. A good board will make a wise investment, and, naturally, a poor one will make a failure." Mr. Fitzgerald did not favour a return, publicly, of a loss and gain account.

"There are two or three British companies," he said, "such as the London, Liverpool and Globe, North British, Commercial Union and others who write fire with life; these do not take many policies of the latter kind, and would not care to make a showing to the public. It would be a misfortune to compel them."

As to the advantages, or disadvantages of the system of returning gain and loss in a statement, publicly, the superintendent held that it would necessitate a great deal of labour, and would constitute a discrimination to outside companies, relating merely to their Canadian business.

A feature of the superintendent's talk was the statement that if a company went into insolvency, or retired, there ought to be enough funds on hand, or available, for every policy-holder to secure his full net reserve. There must be no deduction, and a company should really be regarded as insolvent unless possessing a full reserve. Still the intangible asset of "good will" was one not generally considered by outsiders when a company or business changed hands. All the good business on the books was worth money. The re-insuring company or buyer, seeing the business to be good, would pay for it, as in any other business.

The publishing of estimates, Mr. Fitzgerald said, did not meet with his favour, as the book, when issued, would be unfairly used by other companies' agents. People are always given estimates, either by the company or other authorities, and, perhaps, a Government estimate would be advantageous. On the whole, Mr. Fitzgerald would like to see estimates done away with, and, if the law were passed, it would be hard to enforce it.

"You couldn't make them speak the truth, by act of Parliament," laughed Mr. Kent.

"Oh, no," replied Mr. Fitzgerald with a smile.

"There are some people who are not supposed to tell the truth," continued Mr. Kent, "life insurance agents, auctioneers, book agents, and members of other professions," this with a sly look at the lawyers, who laughed.

Mr. Fitzgerald thought that some difficulty might arise through the fact that law passed by the Dominion Government would affect provincial companies, and as to cutting down the agents' commissions (too large, perhaps, from the policy-holder's standpoint) if they were cut down the agents would not be able to live at all.

Questioned as to the rise and fall of interest, Mr. Fitzgerald imagined it was an accident.

MEMORIAL FROM THE POLICY-HOLDERS' ASSOCIATION.

Mr. Shepley presented the memorial of the Policy-holders' Association, a body organized for mutual protection, as the result of the investigations in New York city. The association has a membership of 500, and represents 50 cities. The memorial suggested, among other things, that the complications in policies be done away with, as in the rush for investment the main idea, viz., the death of the holder, was lost sight of; that a standardization of policies be adopted; that all conditions be set forth on the policies, and their face value be not reduced; that a policy be not allowed to lapse after three payments are made; and that no policy be issued until a cash premium has been paid.

In the I. O. F. there were two differences especially, as in others, from the ordinary company—the influence of surrenders, and mortality. The Canada Life Company was the one whose actuary tables most nearly approached the Foresters. The bulk of the business in the order was the element that took the payment by instalment at seventy years, as is the usual practice. Mr. Grant thought seventy years, or death a solid basis.

In the order, something over $250,000,000 was in force; about two or three million was in the seventy year class and only about 2,500 prematures were considered. In addition, an "expectation of endowment" was in force, and the "old age disability" was considered. An extra premium to cover the risk was taken in extra hazardous risks, which Mr. Grant thought favourable to the order.