

### CO-OPERATIVE OR ASSESSMENT ASSURANCE AND GOVERNMENT SUPERVISION.

In the Province of Ontario Co-operative or Assessment Assurance, although presenting dimensions by no means insignificant and constantly increasing, is placed under no legal supervision or restraint whatever. And yet it is undoubtedly a branch of that Life Assurance for which the Dominion Government has a superintendent, and the Ontario Government an Inspector, which business no Company can transact until it has complied with certain statutory regulations; foremost among them being the submission of its books and accounts for inspection, and the depositing with the Government of a sum of money somewhat proportionable to the amount of business it transacts. Neither can the Dominion Government be said to have legislated on the subject of Co-operative or Assessment Assurance, unless chap. 71, Consolidated Statutes of Canada, "An act respecting Charitable, Philanthropic and Provident Associations,"—can be construed as bearing upon it. The substance of this act is as follows: "Any number of persons may unite themselves into a Society for making provision by means of contributions, subscriptions, donations or otherwise, against sickness, unavoidable misfortune or death, and for relieving the widows and orphan children of members deceased"

The relief of the widows and orphans of deceased members savors of life assurance, and "provision, by means of contributions, donations or otherwise" might, without greatly straining the meaning of the words, be regarded as including annual or other premiums for sums assured, payable at death, and if that be the case Co-operative or Assessment Associations will clearly come under the supervision of the Superintendent of Insurance, and be amenable to the laws affecting Life Assurance Companies. In the Province of Quebec the system has, to a certain extent, been legislated upon, a bill and an amendment thereof,—being chap. 49, 45 Vic., and chap. 19, 46 Vic.—having been passed by the legislature of that Province; the principal feature of which seems to be a *permission* to deposit with the provincial Treasurer in trust, any cash or bonds which can be conveniently spared without prejudice to *immediate* requirements.

In some of the neighboring states, as will be shown hereafter, the duty of legislating upon the subject has been recognized, and the associations have been brought under the supervision of law. But there the system has assumed enormous proportions, and glaring wrong has been done by unprincipled promoters to thousands of people, who in their simplicity have entrusted their hard earned savings to them.

In Ontario the system may be said to be yet in its infancy, it has hardly had time to develop its mischievous tendencies. But the machinery is at work, and the result will in due time appear in the same way as it has done in the United States.

One can hardly take up an American Insurance Journal or State Commissioners' Report without having his attention drawn to the evils of the system, more especially when unrestrained by Legislative interference. We therefore think the Dominion Government should, without delay, pass some laws placing these Societies on much the same footing as

ordinary life companies now are on. Is it not better to take early action than wait until disaster shall render legislation compulsory?

Farther, if it be necessary to legislate for Life Assurance Companies whose transactions are based on data as accurate as the experience of over a century can render them, surely, it becomes doubly necessary to legislate for irresponsible associations like these Co-operatives, which, without any security whatever, enter into obligations,—promises of indemnity on the strength of assessments which members can pay or refuse to pay as they please. There has been an immense amount of loss and suffering already through the failure of such institutions, and we therefore urge the necessity of immediate action for the protection of the public.

Let a Government deposit be required by way of security to begin with, and a rigid examination of their books and accounts be made by the Superintendent of Insurance annually, and full and detailed statements of receipts, expenditure, assets, and liabilities be published by him.

We think the whole system delusive, but if any respectable Society puts up a proper guarantee of good faith, we would let them do business. Until the public has been enlightened by experience we cannot expect any radical changes, and at all events others have a right to put their views into operation if they give proper security. But that irresponsible and in too many cases dishonest men shall be at liberty to form "Societies" and take advantage of the ignorance of the public on these matters for the sake of lining their own pockets, is against common sense. Let a deposit be made and full accounts published. This will weed out most of the weak and worthless societies, and the full information given will enable the public to judge of the position of those that remain. It would also have a retroactive effect, for it would be against the interest of the Societies to pay so much away to General Agents and promoters when their whole transactions would be exposed to public view.

We are aware that we will be accused of writing this only in the interest of the "old line" Companies, but this we deny. Any honest Co-operative which is entitled to any confidence whatever, will endorse our remarks. One Co-operative for example has of its own free will made the deposit, and submitted to the examination and publication of its accounts. We doubt, however, if there is another in the Dominion which is either able to do the first, or willing to do the second of these things.

#### BUYING A LAWSUIT !!

SOLVENT MEMBERS OF DEFUNCT CO-OPERATIVE ASSOCIATIONS  
LIABLE FOR UNPAID DEATH LOSSES.

The Supreme Court of the State of New York has just decided, in the case of the Receiver of the defunct Mutual Benefit Association of Rochester (a very popular corporation of short life) *vs.* W. H. R. Lewis, that, "the members of the Association must pay all assessments for losses incurred up to the date of their retirement from the organization, and within 30 days thereafter." The amount unpaid in this case is said to be over \$56,000; and the Receiver will make immediate demand upon the members for the amount due; and, on their failure to pay, suit will be instituted in each case.

Responsible men when asked to join Co-operative concerns should bear the foregoing facts in mind.