

THE CANADA LIFE ASSURANCE COMPANY.

On the 30th ult., the Commission took the Canada Life in hand. The first witness was the Hon. G. A. Cox, president, who gave a history of his connection with the company since he acted as local agent at Peterboro in 1862. In 5 years he became district agent. A narrative was given by Mr. Cox of his efforts to secure a seat on the Board. To advance his interests in this matter he began buying the stock of the Canada Life of which his purchases were large in 1887.

Mr. Shepley read part of the story of the fight against him from the minutes. While Mr. Cox was still a branch manager, with headquarters at Toronto, a resolution was passed against anyone having a controlling interest in the stock, and later another against an employee being a large stockholder. Mr. Ramsay, the manager, went to Mr. Cox, told him of the board's action and understood that the witness would make no further purchases. Later a director discovered that Mr. Cox was still buying, through friends, and Mr. Ramsay again interviewed him. He acknowledged that he was doing so and said that he had been unfairly treated, he desired to get control, though he did not wish to disturb the harmony of the board. The minutes then contained a letter from Mr. Cox, asking to be made a director, and offering to give up his position as an employee, and to hand over 400 of his shares to three trustees. After further consideration the board decided to accept the proposition that Mr. Cox should give his stock to trustees. "I was ready to bury the hatchet," remarked the witness, "but they set to work to legislate me out of existence." A movement was set on foot to get a special act which would prevent any person holding more than a certain amount of stock.

Eventually he became a director and acquired a controlling interest in the stock of which he held 642 shares, Mr. Cox, jun., 80 shares, and the estate of the late Mrs. Cox, 90 shares.

In regard to the enlargement of capital Mr. Cox said:

"The calling in of the capital was rendered necessary, because when putting up reserves the company frequently came so close on their account that a small shrinkage might have led the Government department to make them suspend this and become insolvent. The large capital did away with any such danger."

Mr. Shepley enquired if it would not affect the profits of policy-holders.

The witness said that only 10 p.c. of the profits were taken as dividends, and the amount had not been altered since the capital was enlarged. Between 1891 and 1900, the shareholders had received 20 p.c. dividends each year, and a five-year bonus of 50 p.c., making in all about 30 p.c. per annum. Since 1900 the dividend had been 8 p.c.

THE STANDARD LIFE ASSURANCE COMPANY.

On another page of this issue we publish the figures of the company for the year ending 15th November, 1905.

The proposals accepted during the year were 6,248 for \$12,677,040 of which \$881,265 was re-assured with other offices.

The premium income after deducting re-assurances amounted to \$4,995,795, annuities \$807,820, interest, dividends, etc., \$2,331,605, making a total revenue of \$8,135,220. The disbursements for claims annuities, surrenders and general expenses absorbed \$5,941,815 and \$942,740 was required for adjustment on re-valuation of assets.

The accumulated funds at the close of the year amounted to \$56,919,465, an increase of \$1,250,620.

The company deemed it expedient, believing it to be in the best interests of the policy-holders, to adopt the Om or Office Males Table, which is a more stringent table of valuation than that heretofore employed, namely, the English Life No. 1. This Om Table is now recognized as the most reliable exponent of mortality amongst assured lives, and has already been adopted by a number of the leading offices.

The rate of interest assumed, 3 p.c., is applied to all policies, except tropical cases, and some classes for small amounts. This has had the effect of requiring a larger sum to be held as reserves. The passing of the bonus is a temporary matter, as with the larger funds in hand the company is in a better position to earn profits for its policy-holders, and moreover such policies as become due during the current quinquennium, either by death or maturity, will receive an addition at the rate of 1 p.c. per annum, so that, practically, they lose nothing by the course adopted, while the prospect for a higher rate in 1910 is greatly enhanced. The Standard could have declared a bonus had it adhered to the old table of valuation; but as this was becoming rather obsolete, and in view of the fact that securities such as insurance companies are supposed to invest their funds in, cannot now be had to yield a high rate of interest, we believe the course adopted by the company is a wise one, although such a stringent reserve basis is considered by many as not essentially necessary. Mr. D. M. McGoun, manager for Canada, is long enough connected with the company to be imbued with its sound conservative business principles.

GUARDIAN ASSURANCE COMPANY, LTD.

The directors of the Guardian Assurance Company in appreciation of the services of the company's staff, both at home and abroad, have granted them a bonus of 10 p.c. on the past year's salaries.

Such liberality on the part of the directors should be a further incentive to the staff to work in the future, as in the past, in the best interests of the company.