

QUESTION 7.—“The Association disclaims all responsibility for ‘the mishaps’ of the Metropolitan Mutual and Rochester Mutual Associates, which are now incorporated with it. We will now give it some facts for which it cannot deny the responsibility. Why did they pay only \$631 on the policy of the late Mr. A. F. B. Patton, of Stanstead, P.Q.? The amount payable to his heirs by the terms of his certificate was at least \$1,000, we think \$2,000. Again, why did they pay only \$647 on the death of the late Mrs. Julie S. Desjardins, of Montreal, when the amount payable, by the terms of her certificate, was either \$1,000 or \$1,500?”

ANSWER.—We paid both of these claims according to the exact terms of the contracts. Mr. Patton died when there were but few members in the Class to which he belonged. He was fifty-five years of age at the time he was admitted into our Association. He paid only five dollars to it during his membership, and his widow received six hundred and thirty-one dollars. The small amount paid to us would not pay the annual premium upon one hundred dollars in any level premium company for a man of his age. Mrs. Desjardins died before the Class to which she belonged was full. The beneficiary, under her certificate, received over seven hundred dollars out of a possible one thousand, and the amount of money paid to the Association during her membership would not pay the premium on three hundred dollars for a person of her age in any Life Insurance Company. So much for your questions.

Your further remark:—“Even in the height of prosperity, and before the *exodus* has begun, the Provident Mutual does not pay all its claims in full.”

At the time of the death of the two members you refer to, the Association was in its infancy, and not “at the height of its prosperity.” Since their deaths we have received over two thousand five hundred members. At that time an assessment in both Classes amounted to about two thousand dollars, while an assessment, if made *to-day*, would realize over twelve thousand dollars. The “*exodus*” you refer to has not yet begun, as was fondly hoped and prophesied by the industrious agents of some of the level premium companies represented in Montreal. They printed in circular form your editorial of September in French and English, and sent a copy thereof to our members scattered throughout the Dominion, with the intention (doubtless) of dissatisfying them with our Association and of injuring our business. The attempt was futile, as our membership has steadily increased, and our members paid the last assessment with greater promptness than any ever before issued. They exercised common-sense and discovered the motive.

In reference to the care we exercise in receiving members, I will state that during the past year the Medical Director rejected applications to the amount of over two hundred and fifty thousand dollars, and that his instructions from the Directors is to closely scrutinize every application for membership received, and always give the Association the benefit of the doubt. The small mortality since we were organized attests the excellent care taken.

In answer to your assertion that one of our directors has been “declined” by a number of the “regular Companies,” I reply that all our Directors are insured in one or more of the old line life insurance Companies.

On the 20th November, 1883, we deposited with the Provincial Treasurer five thousand dollars for the security of our members, in virtue of the provisions of Assembly Bill 139. This comprises a portion of the Reserve Fund, which we have set apart, besides paying promptly all death-claims that have matured. We hope to add to that sum, during the year 1884, twenty thousand dollars, and, according to our By-laws, we put by a considerable reserve from the assessments in both of our classes.

You say in your September edition, “that the Society is almost absolutely without funds or reserves of any kind, and is not likely to have \$5,000 of so-called reserves on hand to invest for years to come, if it ever has.”

In the face of the facts how does this paragraph sound? Within sixty days from the time you published the paragraph above quoted, we had deposited five thousand dollars with the Provincial Government, and the receipt of the Provincial Treasurer is in the hands of our Secretary-Treasurer.

In view of the complaints formulated against us recently, the following extract from a letter written last September by the Hon. Elizur Wright to the President of an Assessment Association in New York, may be aptly re-produced:—

“It appears certain to me that the complaints against your management or your plan cannot have originated spontaneously with any of

your own members. Nor can they come from disinterested, intelligent and impartial critics. If the editors of insurance journals had any of these qualifications they surely would not urge charges against your institution which bear with ten-fold force against the best of the level premium companies, which they have always lauded, both as to plan and management.”

MR. WRIGHT concludes his letter as follows:—

“In the best of the old-line companies the lapsed and surrendered policies outnumber those remaining in force, and are about ten times the number of those matured by death or endowment. And it may be pretty safely said that more members have lost more money by unscientific and unjust rules of forfeiture and surrender in solvent companies than in all the insolvent ones. Your company, I trust, will open the eyes of the public to this great nonsense.”

ELIZUR WRIGHT,  
Consulting Actuary.

There is much honest difference of opinion regarding the assessment plan of life insurance, and all men are entitled to their views. There are over a million of members in the various Assessment Societies of the United States and Canada, comprising many of the leading business and professional men in both countries. These Associations have certainly accomplished a great deal of good and relieved much distress, as they paid in the year 1882 to the beneficiaries of the deceased members more than fourteen millions of dollars, and have paid in death claims since their organization over sixty-three millions of dollars. I quote these figures from the Report of the eighth Annual Convention of the Mutual Benefit Assessment Associations and Societies, held in Detroit, Michigan, August 28th, 29th, 30th and 31st, 1883.

A large number of persons prefer the assessment system to that of the level premium companies, because it requires a less outlay of money and the payments are more convenient.

There is certainly no good reason why the people should not have their choice, or patronize both systems if they so desire.

I regret to trespass upon your space, and I shall not trouble you again. Journalistic controversy is not in my line, and, if it was, I have no time to devote to it. When men are fixed in their opinions on the subject of life insurance, disputes do not tend to engender good feeling, or promote the courtesies and amenities of life that should exist even among those brought into sharp business competition.

Very respectfully yours,

JOHN HOPPER,  
General Agent.

#### BRIGADE NOTES.

Chief Paton of the Montreal Fire Brigade received \$25 from the Montreal Rolling Mills Co. for the Firemen's Benevolent Fund.

The Ottawa Corporation has ordered 2,000 feet of 2½-inch Eureka seamless woven cotton hose, paragon bound, for the use of the Fire Brigade, from the Canadian Rubber Co. of Toronto.

The Moncton, N.B., firemen made a very satisfactory test of the new steam fire engine on the 12th inst. The hose was taken a distance of 700 feet, and a stream was thrown higher than the steeple on the Roman Catholic Church. The fire equipment now consists of an Amoskeag, No. 2, hook and ladder waggon, fully supplied with all appliances, salvage waggon and three hose carts. There are upwards of 20 fire plugs situated in central parts of the town, and wells in sections where the water-works do not reach.