

PERSONAL

Mr. JOHN H. EWART, Toronto, well known in insurance circles, was in the city this week. He reports a substantial increase in his business, this year.

Mr. JOHN W. LORD, of Winnipeg, who is well and favourably known in insurance circles, has been appointed Chief Agent at that City, of the Railway Passengers Assurance Company, of London, England.

We regret to learn that Mr. Maitland Smith, who is well known in insurance circles, and who is the son of Mr. G. F. C. Smith, is seriously ill in the General Hospital and hope that a turn for the better in his health will soon take place.

We regret to hear of the continued illness of Mr. G. H. Allen, provincial manager of the Mutual Life of Canada in this city. Mr. Allen attended the convention of Life Underwriters held in St. Louis, some weeks ago, where he contracted a sore throat and has since been seriously ill. His numerous friends wish him a speedy recovery. Since his connection with the Mutual of Canada, he has distinguished himself in his profession.

Mr. C. J. SMITH, secretary of the German-American Insurance Company, New York, was in Montreal this week. He is visiting some of the important centres in Canada, where agencies of the Company are established. Although only two years have elapsed since the German-American commenced operations in Canada, it transacts a substantial business here, and has gained considerable popularity owing to its honourable record, and the strong protection it affords policy-holders.

ROYAL COMMISSION ON INSURANCE

The Royal Commission in continuation of its investigation heard the actuary's report on the business of the Canadian Order of the Woodmen of the World by Mr. M. D. Grant, of the Insurance Department. It stated that the rates from time to time in force, including those now in force, are grossly inadequate to provide for the promised benefits.

Mr. Grant said he had made an exact valuation at 4 pc. interest and by the National Fraternal Congress mortality table of the insurance in force, giving due effect to the fact that members are insured at nearest birthday, and that there is an additional liability of \$100 per member over and above the nominal amount returned. Upon this basis he found that the reserve liability is \$1,017,100.

It was shown that while this valuation was in progress, Mr. Blackadar, of the Insurance Department, had made a valuation of the order's business upon the basis of the H. M. table of mortality and 4 pc. interest, and the result of that calculation is to place the reserve liability at \$1,026,188.

The net assets of the order at December 31, 1905, as derived from the return of the federal department, are \$157,274.34, and hence the present deficiency of funds is as follows:—National Fra-

tional Congress valuation, \$859,826; H.M. valuation, \$868,914.

"In fixing new rates for the order would it be necessary to raise rates of old members?" asked Mr. Tilley.

"Certainly," replied Mr. Grant.

"If the rates for old members are not increased, new members would have to pay for old?"

"Yes, or there would be a deficiency."

"It has been shown that the order is charging several standards of rates. From what you say you would consider that improper?"

"Yes," said Mr. Grant.

Mr. Charles C. Hodgins, head counsel commander of the Woodmen of the World, stated he had occupied that position for 12 years, a position corresponding to that of president in other societies. He stated his full time had been asked for in connection with the work of the order and his salary was \$1,200 a year.

The order was going to make some change, but he could not say what. As for the report of Mr. Grant, Mr. Hodgins' understanding of the financial position of the order would agree with that report, taking the National Fraternal Congress valuation as a basis. He could not say, however, that the National Fraternal Congress table was a good standard as applied to his order. His understanding was that there was a substantial deficiency in the order. If a standard rate were adopted now he believed that deficiency would in time be wiped out. He believed that a committee had been appointed to consider rates. The committee had reported, but a general meeting had rejected it.

Commissioner Kent—"I suppose you realize that your order has a tendency to drift on the rocks?"

Mr. Hodgins said that he thought the tendency of fraternal societies is to improve their conditions, but it might be inferred from his remarks that with a continuation of present conditions there might be some drifting.

Commissioner Kent wished to know that if it came to a matter of doubling the rates to overtake the liability, would the society do it?

Mr. Hodgins' reply would show the members would not like to do that.

Then Commissioner Kent questioned if Mr. Hodgins thought the deficit would be overtaken by some act of Providence without increasing the rates. He remarked: "You think it would be better to increase your rates, but your members will not do it."

Mr. Hodgins made a suggestion to the effect that a method be devised by which a law regarding the fixing of rates should be passed so as to cover the societies operating under Provincial and Dominion charters.