

APPENDIX No. 1

Q. What is the age limit?—A. Fifty years.

Q. That is much younger than the Mutual Reserve?—A. Much younger than most companies.

Q. Those statements which have been read to the Committee have been taken from the little pamphlet which you produce, entitled: 'The Bankers' Life Association of Des Moines, Iowa'?—A. Yes.

Q. They refer there to a local banker : from what you know of their organization, what do they mean by that?—A. They appoint at every point where they do business a banking institution which becomes their headquarters, collects their assessments, and becomes also the point at which voting for officers, directors and amendments and by-laws can be carried on at the time of their annual meeting, and these local bankers are called the depository referred to there.

Q. And it is of this the approval must be obtained?—A. Yes.

Q. How has this system of appointing bankers for collecting premiums, &c., any effect upon the expenses?—A. It would naturally result in a low cost of collection and of doing away with renewal commissions for payment of business to agents.

Q. As a matter of fact, can you say whether their expenses in commissions to agents compare with those of other companies?—A. Undoubtedly, they are getting their business cheaper than almost any other company I know of that operates, even in appearance, as a business organization—I mean as distinct from a fraternal organization.

Q. Their commissions are small?—A. They are. There is no denying the business of the company is conducted at a very low rate of expense. It is everywhere admitted.

Q. Is that due in fact to their low mortality and low rates?—A. Undoubtedly.

Q. It makes it more easy to get business?—Much more easy to get business.

Q. Do the places where they, generally speaking, do their business have any effect on the expenses of their management?—A. The great bulk of their business is done in small places. For instance, in New York city, it is only within a year they have had a deposit there, although they have been in smaller places in the State for some years. They aim to do business in small places.

Q. In doing business in New York, does that save expense?—A. I do not know any more expensive place to do business in than New York city.

Q. The Bankers' Life Company was organized in 1897?—A. It was.

Q. Would you call it, notwithstanding that, a new company, and if so, for what reason?—A. It is very largely a new company. Up to ten years ago their entire business in force only amounted to \$45,000,000—or, up to the end of 1892, it amounted to \$43,000,000. In the next ten years it jumped from that to \$178,500,000, four times the amount that it had been in 1892, and, therefore, while it was incorporated in 1879, the great bulk of its business is practically newly admitted, and within a fair distance of medical examination and a young business.

Q. Has the admission in recent years of a large amount of new business had a tendency to reduce expense and mortality costs?—A. Oh, decidedly.

Q. I read, in the pamphlet from which you have quoted, that the death rate has been abnormally low—is that the fact?—A. It is.

Q. So this is considered an exceptional case?—A. The company is regarded everywhere as exceptional in the results it has obtained.

Q. Is there any other business organization that compares with it?—A. I do not know of any.

By the Hon. Mr. Béique:

Q. How do their rates compare with the rates of other companies?—A. They do business on a very peculiar basis. They require a deposit at the time the insurance is written on each \$2,000 certificate of as many dollars as the party is years old. That is a deposit on account of future assessments. Then they have a scale of rates simply for

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