

ROYAL COMMISSION ON INSURANCE.

Judge McTavish, chairman of the Insurance Commission, was asked if the report of the commission would be ready for the session of Parliament this fall. He replied: "If the session begins late in November it may be ready then. At any rate it will be submitted early in the session and certainly before the beginning of the New Year."

The Woodmen of the "World" next occupied the attention of the Commission.

Mr. Fitzgerald stated that a set of books had been opened up in compliance with the orders of the commission, and he explained the system upon which the order was conducted. The monument fund was the first snag. One of the benefits included in the policy was that a monument worth not less than \$100 was to be erected on the grave of each deceased member. An account has been opened lately showing the receipts and expenditures, but heretofore when the monument was not required by the member the money went into the insurance fund. Now, when a family does not require the monument the \$100 goes into the general expense account.

Statutory meetings are held in odd numbered years, and the legislation of the order is carried through at meetings held in even numbered years. When the Grand Camp is not in session the power is vested in the grand executive.

Mr. Tilley took up the constitution. It was found that any action or claim against the order must be brought within a year. The various funds were banked. The expense account had an overdraft of \$4,000 at the present time, for which there is a note bearing interest at five per cent. There was \$30,000 on deposits, getting interest at three per cent. at the time the money was borrowed for the expense account.

SOMETHING TO EXPLAIN.

At the afternoon session Mr. Tilley dissected the ledger that was inaugurated since the meeting of the commission in London. Various accounts and the financial statements were gone into, but Mr. Fitzgerald could not explain certain differences. He characterized them as being perfectly correct and promised to explain them later.

The bond and debenture account was also very puzzling to the witness, who affirmed that the differences were probably interest items which would appear in the interest account. This accounted for about \$900, but the difference was more than this. The gross item was put in the return.

Agents' balances amounting to \$266.96 were taken from the petty ledger, a loose leaf affair, which Mr. Fitzgerald had not brought with him. Goods were sent out to the various camps which were sometimes not paid for.

Mr. Tilley probed the expense account and found a shortage of \$90,000 against that account. He put in a statement showing the premium rates as compared with other companies.

Mr. Fitzgerald admitted that the rates of the order were too low. Counsel read several reports of committees appointed to readjust the rates. Nothing had been done, however, and there was no movement on foot now to raise the rates. The delegates to the head camp would not stand for higher rates, and were under the impression that the company was in a first-class financial condition.

There was no idea as to the liability on outstanding policies of the society and hence no estimate of a proper reserve had ever been made. As long as the members kept coming in there was no necessity of arriving at these facts according to witness.

Mr. Shepley reviewed certain actuarial statements.

The affairs of the Toronto Life Company, as disclosed by its amalgamation with the Union Life, were next taken up. Mr. H. F. Symons, K.C., who with Mr. H. Pollard Evans, acted for the Union Life in the transaction, was called by Mr. Tilley. The Union Life acquired a controlling interest in the company from the National Trust Company, the liquidators. The statement issued by the trust company for the Toronto Life to December 31, 1905, set forth the amount of insurance at \$3,492,055. Between January 1, and April 20, 1906, there had been \$44,692 of business written, making a total of \$3,516,967. There had during the same period been lapses aggregating \$872,195, making the net business in force on May 1, \$2,644,560. Mr. Symons stated that actions had been entered to annul as *ultra vires* and improvident the contracts with 48 medical examiners, under which there was a balance against the company of \$15,204. The arrangement was that these doctors should take out policies in the company, and that for three years they should not be called upon for premiums. They were to act as medical examiners for the company, and if their fees exceeded the amount of their premiums they would be paid the excess. Mr. Tilley suggested that the apparent revenue of the Toronto Life was \$52,000 per annum, and that evidence had been given that a life insurance business, when taken over by another company, was worth 100 p.c. of the annual premiums. Mr. Symons admitted that nothing was paid for the business, which was rapidly decreasing, the Union Life paying for the stock acquired, but that company had protected the minority shareholders of the Toronto Life by the provision for a refund of the surplus of the Toronto Life after adjustment of the reserve required for the business taken over. The fact was elicited by Mr. Tilley that Mr. Mc-