PROVIDENT MUTUAL ASSOCIATION OF CANADA.

This society has during the last year or two been doing a large and increasing business throughout the different provinces of the Dominion. We therefore propose to examine somewhat into its nature and methods of doing business.

It issues two kinds of certificates. In the first or ordinary class the whole sum assured is said to be payable at death and then only; in the second or "Provident class," when the assured dies, only one-half of the assurance money shall be paid his heirs—the other half is collected by the association, and set aside by them to be distributed among those who attain their half expectancy and are still members of the association. The amount to be paid to these members must not exceed one-half the so-called sum assured, and the other half is payable on their attaining their full expectancy. The claims are met by assessments on the assured, and the benefits offered by the society are of the usual co-operative type. Its certificates, instead of assuring and guaranteeing so many thousand dollars as the policies of regular life companies do, promise only a "*maximum* benefit" of so many thousand dollars; the members of the "Provident class" only receive at death "half the amount (*limited* to one thousand dollars) realized by an assessment." Those who reach their full expectation of life "shall receive half the amount (*limited* to one thousand dollars) realized by another assessment, in full settlement of the balance of their respective certificates." These limitations are very significant. If the promoters of the association had any faith in their ability to pay their claims in full, why would they word their certificates in this way? Why not be open and above board and bind themselves to pay one thousand dollars instead of "an amount not exceeding one thousand dollars?" The fact is, the Provident Mutual is a mere ordinary co-operative, and has all the weak points exposed by us in our recent article on these societies. Very few of these societies ever pay a claim in full, and the few who succeed occasionally in doing so cannot keep it up. The Provident Mutual is no exception to the rule. As an actual instance we may mention the case of a Mr. Demers. We are informed that he was assured for $2,500 (maximum benefit of course) inthe *alter ego* of the Provident, the Metropolitan Mutual Benefit. What amount did his widow receive at his death? The two thousand five hundred dollars? No; she was presented with the magnificent sum of three hundred dollars—twelve per cent. of the sum assured—and even this was paid in instalments. In the face of such cases as these the agents of these companies have the hardihood to compare the premiums charged by the regular life companies for their solid substantial guarantees with the cost of this miserable substitute. And, strange to say, they find men to believe their stories. Verily, the credulity of the public is great!

The Provident Mutual was founded, we believe, about three years ago. It absorbed the Metropolitan Mutual Benefit Society of Montreal, which had existed for a few years in a half-dying condition, and when the Mutual Benefit Association of Rochester failed it took over their Canadian business also. By this means it stepped almost at once into a considerable constituency, but, as we believe the members of these reassured societies were taken over without any medical examination, it may well be doubted whether the business was a very satisfactory one. The secretary at this time was Mr. H. J. Duclos, a cousin of the Duclos connected with the Safety Fund Department of the Hartford Life Annuity Company. With the absorption of the Rochester Association, however, new blood was put into the association in the person of "Major" John Hopper, who from that time became in reality the whole company. Mr. Hopper is a man of great business ability, but further than this at present we have nothing to say. We may enlighten our readers regarding him in the future. He has associated with him as secretary (Mr. Duclos having died) Mr. Arthur Gagnon, the secretary also of the Royal Canadian Fire Insurance Company. For Mr. Gagnon we entertain the highest regard, and we are extremely sorry to see him lending his influence to such a concern. We cannot understand how the directors of the Royal Canadian can consent to such an arrangement.

In the published accounts of the association, the receipts are stated to be $5,544.97. No reference whatever is made to the admission fees and annual dues. The former amount to over $5.00 per $1000 of new assurances for the year, making about $28,600; and the latter to nearly $3.00 per $1000 of all assurances in force, making say $15,000, or about $43,000 in all. The total receipts, therefore, from all sources, including the assessments, must have been about $48,000. Out of this the claims paid were $3,278, and the expenses $43,000. These facts are carefully concealed in the report, but they are nevertheless true. The expenses are therefore seen to be about 90 per cent. of the total receipts. About nine dollars out of every ten collected from the assured went into the pockets of Major John Hopper and his associated agents. Where is the vaunted cheapness of the society as compared with regular companies? In whose interest is it managed, that of the assured or that of a clique of agents and adventurers?

The more we look into the working of the Association the more we find it to be a pure deception. Its advertisements are so craftily worded that there can be little doubting that they are intended to deceive. For instance it makes numerous references to a Bill passed by the Quebec Parliament at its last session, which, in reality, has little or no bearing on the Society at all. This act merely states that companies "*may* deposit with the Provincial Treasurer their entire reserve in cash or bonds," and the society immediately advertises, as though reserves *must* be so deposited. They next resolve that all their large reserves shall be invested in Dominion Government bonds, and they authorize their President and Treasurer to purchase and deposit such securities for them and to continue doing so from time to time, and to report such transactions to the Board of Directors at its stated meetings. Surely the Society must have a very large and rapidly increasing reserve fund, when it is necessary to pass a resolution authorizing the President and Treasurer to make investments without waiting for the meeting of the Board, and to merely report each $5,000 investment at the next meeting. When we remember 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, these special acts and reso-