

## ASSESSMENT SYSTEM.

## SEVEN YEARS OF STEADY PROGRESS.

## The Successful Record of the Mutual Reserve Fund Life Association.

Eloquent Address by Warrington Kennedy,  
Esq., of Toronto.

The seventh annual meeting of the Mutual Reserve Fund Life Association, held at the head offices in New York on the 26th Jan. ult., was probably one of the largest and most enthusiastic gatherings of insurance men ever held in that city. After the interesting reports of the officers, showing the prosperity of the Association's system of life insurance had been read,

MR. WARRINGTON KENNEDY, of Toronto, then delivered the following stirring speech and moved the adoption of the following resolution, which was unanimously carried with ringing cheers and words of applause:—

"The members of the Mutual Reserve Fund Life Association, in their annual meeting assembled, have listened with pleasure to the reports from the several departments of the work and rejoice at the continued prosperity of the Association. They embrace this opportunity of expressing their fullest confidence in the President, Vice-Presidents and other officers of the Association, who stand at the helm of affairs and who are guiding its business so faithfully and so successfully. This meeting further pledges its loyalty to the Mutual Reserve Fund Life Association, and will do everything within its power to promote its highest interests, and to establish it more and more in the hearts of the people and perpetuate its triumphant career."

The resolution was seconded by Mr. William Wilson, of Toronto. We have pleasure in giving Mr. Kennedy's speech in full. It speaks for itself.

In moving this resolution Mr. KENNEDY said:—"Mr. President and Gentlemen, I find that at the last annual meeting resolutions expressing confidence in the management of this Association were introduced by representatives from various sections of the Union, and the Canadian deputies felt they had been derelict in neglecting to discharge a similar duty, and now desire to make atonement for the omission." He made these remarks lest the introduction of this resolution might appear to be a work of supererogation, following one of a similar import which had just been offered to the meeting by gentlemen residing within the Union. However, "line upon line and precept upon precept" are good, and these expressions of confidence, he had no doubt, would go far in strengthening the hands of the President and his associate officers.

This resolution, coming as it does from the Canadian representatives, will not be undervalued when the fact is known that your indefatigable agent in the Dominion, Mr. Wells, has written a larger amount of insurance than that of any of the agents of this Company, both during the year just closed and that of 1885, having captured the first prize in both years.

He and the gentlemen around him felt almost intoxicated with pleasure in listening to the satisfactory and glowing reports which had been presented from the various departments of the work—reports based upon incontrovertible data.

Nothing has been wanting; objections of every kind that have been taken against this Company, many of which are unjust and unreasonable, have been fully met. No stronger evidence can be given that the Mutual Reserve is becoming established in the hearts of the people than the fact that both in 1885 and 1887 its agents in the Do-

minion have not only written a larger amount of insurance than that of any of the agents in the employ of this Company doing business in the United States, but have written a larger amount of business than any other company doing business in Canada.

Why? Because it offers the greatest indemnity for the least money, presenting at once the aspects of equity, safety, beneficence and permanence. In this Association the insurers become the insured, and the insured become the insurers.

Members form a compact whereby they insure one another under equitable arrangements, contribute the amount necessary, based upon the actuarial mortality tables which are almost infallible, and carry twenty-five per cent. to a reserve fund, which now amounts to about one and a half million dollars, and is being increased at the rate of twelve hundred and fifty dollars per day. This reserve fund belongs entirely to the Policyholders, and cannot go into dividends of Stockholders, as there are none.

The system is insurance, pure and simple, and the element of investment does not enter into it. The money is not taken out of the pockets of the Policyholders with the design of transferring a portion of it to Stockholders.

In making assessments the maximum mortality tables cannot be exceeded, and should the death rate at any time be so large that this would be insufficient to meet the claims (which is highly improbable), then the reserve fund immediately becomes available.

The mortality continues, as it always has been, below the experience tables of mortality, and the saving thus affected, through the careful selection of risks, added to the interest receipts on the surplus emergency fund (which interest receipts for 1885 will undoubtedly reach \$75,000), has enabled the Association to collect the mortality premiums at age of entry.

He was gratified to listen to the report from Great Britain, showing clearly that this system is taking hold in England. We all know the slowness of the English to adopt new methods, but they are discovering that there are commendable features connected with the Mutual Reserve which merit their patronage. As is seen, we in Canada are showing no want of confidence in your American institutions. Efforts are now being made by statesmen to draw the two countries closer together in their commercial relations, and we trust that success will crown their efforts; but, sir, this Company is doing much to bring the two peoples together, and its influence is permeating the ranks of society in both countries, and drawing them into a closer bond of friendship and brotherhood.

Strange to say, the Mutual Reserve Fund Life Association has met with much opposition from all level premium companies. Many falsehoods have been published of various descriptions. Powerful efforts were made to strangle it in its birth. Large sums have been subscribed and expended to arrest its progress, but it keeps advancing and growing in the confidence of the people. It has already paid one thousand widows and five thousand orphans more than four million dollars in cash. It is paying more than four thousand dollars daily for death claims. This is the only insurance company which has its reserve in the hands of a third party:—namely, the Great Central Trust Company of New York, and which holds the funds exclusively for the benefit of the members of the Association.

He would refer to the statement so industriously circulated that the lapses of policies with the "Mutual Reserve" are enormous, indeed larger than that of any other company. Now, sir, what are the facts; we find that the lapses of the level premium companies reporting to the New York Insurance Department for 1885 were 59 per cent. of the total amount of their new business. In 1884, 66 per cent;

1883, 59 per cent.; 1882, 62 per cent.; and in some years it reached as high as 100 per cent.; while the terminations in the Mutual Reserve for 1886 were but twenty per cent.; for 1885, twenty-five per cent.; for 1884, twenty-three per cent., and for 1883 only ten per cent.

Again, the charge of extravagant management has been brought against the Company. Outrageous falsehoods have been circulated, while the fact is that no insurance company doing business on this continent manages its affairs so economically.

"Level premium companies expend \$50 for each \$1,000 insurance in force, while the Mutual Reserve expend \$230 for each \$1,000 of insurance in force. They court inquiry as to these figures. They put an end to the charge of extravagant management in the Mutual Reserve."

Level premium companies received for each \$1,000 in force \$62.83, while the Mutual Reserve receives only \$15 for each \$1,000.

He held policies in five old line companies, and it was not his intention to allow any of them to lapse. What he desired was that all the old line companies should adopt the motto, "Live and Let Live."

If the principles of the "Mutual Reserve" be unsound, then it must fall and be crushed under its own weight. A lunatic once asked a military officer why he carried a sword, and the answer was, "To kill my enemies." "Why," said the lunatic, "if you leave them alone they will do themselves."

It has often been asked, "Has Mr. Harper made this system a success?" If facts, figures and the endorsement of men who cannot be bought, bribed or controlled by rival companies are worth anything, he undoubtedly has.

The system is not an experiment now. It has withstood all attacks from every source, and now rests on a solid foundation.

Again, the opponents of the Association have paraded a number of instances where death claims have been compromised or contested. Satisfactory explanations had been given by the officers of the Company in all these instances, proving clearly that in every case a fraud was attempted upon the Company. As against this the President of this Company has offered a reward of \$500 to any one who will produce a single instance where a just claim has not been promptly paid. Will the opponents of the Mutual Reserve place side by side a list of the numerous instances in which death losses have been paid long before expiration of the legal limit of time? In every instance, when requested, advance payments have been made to the widow and orphans immediately upon the death of the insured—in some instances the money reaching the widow and orphans before the body of the deceased husband and father was laid in the grave.

What does the Honourable Eliza W. Bucklin, Insurance Commissioner, of Rhode Island, say to this Company? "I was induced to go carefully over the payment of Death Claims and the manner and method of their adjustment and to particularly investigate your list of resisted Death Claims. In this list I found but thirteen contested or resisted claims out of the payment this year of over 370 claims aggregating \$1,200,000. I was careful to note the cause for resisting each, and can therefore assure you in my opinion you were justified in so doing, and it would be an injustice to your members and a reflection on the management of the Association if such fraudulent claims were allowed. I can now from personal knowledge and careful inspection of your Association cheerfully recommend it to my constituents as worthy of their confidence in every particular." The total death claims paid by the Association exceed \$4,100,000.

As to its permanence:—

This is the largest open assessment company doing business in the world. The plan of insurance presented by the Mutual Reserve Fund Life Association is not an experiment. We can boast of an assessable association of over 700 years' standing and still in good

health, namely, the Count De Winton Society, established in England in 1168, under the reign of King John. The second is the Loyal Evanus Society, established in 1358.

We learn that eighty-nine friendly societies are shown to exist that were established in the seventeenth century; while over one thousand of these friendly societies are over fifty years old. The Norman Society was established in 1703, and is still in existence, providing for their losses as they occur, and is now in as good financial condition as it was one hundred years ago. The Society of L'Entot, which was established in 1703, has existed 180 years, and is likely to exist for centuries, and although all of its first members are dead, and the society still lives, it is fair to presume that the Mutual Reserve, being on a more sound and scientific basis than any of the above societies, may be lasting as time itself.

Mr. President, the members of this Association fully appreciate the difficulties that the management has had to contend against—enemies, subtle and treacherous within, and foes bold and unscrupulous without. Employees in your service have proved recreant to your trust, carried off your property and sold to your enemies what had been confided to their safe keeping, and what shall we say to those who purchased the stolen property? Is not the receiver as bad as a thief? But you have succeeded in detecting the treacherous foe, and have placed your heel upon the head of the serpent. As there has been a general reorganization of the work, we look for an advance along the whole line during this year. Mr. President, you and your associate officers have just reason to be proud of the success of this Company, which is unparalleled. It is the great fact of today, unique, almost a prodigy. Its success is the wonder of its enemies, and calls forth admiration and commendation from its friends. Enter St. Paul's in London, look around and you behold in everything connected with that immense structure a monument to Sir Christopher Wren. You have only to look around you and you behold in this great Association a monument that you are erecting, which will be more lasting than that of marble or bronze. These will crumble under the decaying hand of time, but yours is a monument that the storms of time shall never efface or destroy. It lives and will be perpetuated in the hearts of tens of thousands, to whom it has brought and will still continue to bring comfort. For his object it has been instituted. It throws its shield over the son of toil, whether he be the merchant in his counting house, the workman in his shop or the labourer in the field, and wipes the tears from the eyes of the widow and the orphan. Such an Association is worthy of our confidence, and to it we pledge our loyalty. I am convinced that the Mutual Reserve Fund Life Association is the Tarpeian Rock of the insurance system. Foes, insidious and numerous, are plotting her overthrow, but they will be hurled from the walls of her citadel; they will be thrown off as the lion shakes the dew from his mane. As every advancing tide has receding waves, so reactionary movements may transiently embarrass her, but her future will grandly illustrate the lines of Goldsmith:

"Though round her breast the rolling clouds are spread,  
Eternal sunshine settles on her head."

MR. HARPER replied, and spoke of the large amount and the capital character of the business transacted in Canada after all of the great obstacles which had to be overcome before entering that territory. He paid a high tribute to Mr. J. D. Wells, the general manager for Canada, who, in the face of the most unscrupulous opposition of rival companies and labouring under great domestic affliction, had again succeeded in gaining first prize for the largest amount of new business reported by any general agent. He also stated that the European branches of the Mutual Reserve in Paris, London, Manchester and Liverpool were gaining fresh recruits every day and anticipated splendid results during the present year.

MR. WELLS spoke briefly, and caused considerable laughter by his description of the tactics resorted to by the old line companies in their efforts to injure the business of this Association.

MR. WILLIAM WILSON, of Toronto, expressed his satisfaction with the reports presented, showing the Association to be in such prosperous condition, and both he and Mr. Kennedy would return to Toronto proud of the position they occupied as members of the Advisory Council of such an Association as the Mutual Reserve. He deprecated the attempts of rival companies to injure the Association. The business and intelligent men of Toronto paid very little attention to the attacks made upon the Mutual Reserve, which was now thoroughly established in the confidence of the Canadian people.