

A careful study of the above exhibit will show the following extraordinary facts: For every thousand dollars paid to the widows and orphans of the deceased policy holders, nearly *one thousand dollars* were paid for salaries, commissions and other items which come under the heading of "Management Expenses." But notwithstanding the enormous disbursements for expenses of management and for dividends to stockholders swallowing up during the ten years no less than \$3,950,219.36 these companies could still have paid all losses with one half of their incomes, and have had left in reserve the goodly sum of

\$11,171,668.57.

When we reflect that some of these companies are over 40 years old, we must admit that these facts lead unmistakably to the conclusion that the rates of these companies are far in excess of the actual needs of a sound and legitimate business. I know that I am quite within the mark when I say that the whole of the management expenses in connection with the Insurance business done by the above Old Line Companies if done by societies like the I. O. F., would have been less than \$300,000.00 for the ten years, instead of \$3,950,219.36.

Five Years' Record of the Old Line Companies as compared with the I. O. F.

Name of Company.	Premium Income.	Paid for Death losses, Annuities, Endow'ts, etc.	Management Expenses, including Dividends.	Average Membership.	Cost to each Member.	No. of New Insurers Secured.	Cost for each new Member Secured.
Canada Life	\$4,892,719	\$1,547,444	\$1,111,950	14,797	\$ 75.00	8,557	129.00
Confederation	2,028,365	444,906	530,422	7,789	68.00	6,923	76.00
North American	718,447	129,387	283,460	2,744	103.00	5,217	54.00
Ontario Mutual	1,216,176	272,649	317,779	6,285	50.00	8,107	39.00
Sun Life	1,410,744	371,801	167,293	5,052	97.00	7,261	64.00
I. O. F.	404,842	260,229	29,206	7,587	3.00	17,084	71

Enormous Cost of Management.

The above table shows that the five Old Line Insurance Companies, being the five best Companies in Canada during the five years ending with 1887, as appears in the Blue Books of the Dominion, paid out of their Premium Income alone, not only all death and other claims against them, but that they expended for management expenses and dividends to stockholders the enormous sum of \$2,710,904.00, and still

had a balance left of \$4,789,360.00, while the I. O. F. which secured double the number of new insurers expended only \$29,206.00 for management expenses during the five years. The following record for the last year for which we have official figures will still further explain why the I. O. F. is just as sound financially, though so much cheaper than the Old Line Companies:

One Year's Record.

Name of Company.	Management Expenses, etc.	No of new members secured.	Cost for each new member secured.	Amount of Benefits paid.	Cost for each \$1 paid to widows and orphans.
Canada Life	\$237,364.00	1,624	\$146.00	\$369,266.00	\$0.64
Confederation	148,730.00	1,398	106.00	113,180.00	1.31
North American	80,000.00	1,509	53.00	35,872.00	2.19
Ontario Mutual	73,932.00	2,030	36.00	63,306.00	1.16
Sun Life	124,029.00	1,723	72.00	97,281.00	1.27
I. O. F.	7,200.00	6,126	1.17	93,950.00	.07

Thus it will be seen that the average of the management expenses of the above first-class Old Line Insurance Companies was \$132,815, or over 18 times greater than that of the I. O. F., notwithstanding the fact that the I. O. F. secured nearly four times the number of new insurers than the average of the Companies.

It must strike you, as it must strike every intelligent man, that when it is charged that our rates are inadequate, and it is practically claimed that anything less than the rates of the Old Line Insurance Companies must be inadequate, the matter of the expenses of the I. O. F. as compared with those of the Old Line Companies must be very pertinent to the issue.

Take for instance the Sun Life which comes nearest to the I. O. F. in the amount of benefits paid in one year. The Sun Life required \$221,310 to pay its management expenses, and \$97,281 of benefits, so that each of its 6,741 policy holders had to pay \$32.83 to provide the sum required.

HAD THEY BEEN MEMBERS OF THE INDEPENDENT ORDER OF FORESTERS, ALL THAT WOULD HAVE BEEN REQUIRED OF THEM, AT THE VERY OUTSIDE,

TO ACCOMPLISH PRECISELY THE SAME THING, WOULD HAVE BEEN \$15.50 EACH, OR LESS THAN ONE HALF WHAT WAS REQUIRED IN THE SUN LIFE.

No great financial ability is required to show that if these four Companies had used a sum total of only \$4,272,430 to pay their management expenses and their losses of \$3,972,430 instead of collecting and appropriating, as they actually did, for these purposes, no less a sum than \$7,922,649, they would have been as strong financially if they had collected only *one half of the premiums that they did.*

In the above computations the whole of the salaries of the Supreme Officers of the I. O. F. have been charged to the Insurance Department, notwithstanding we have in our system of Courts invaluable educational privileges, an incomparable Sick and Funeral Benefit Department, including the giving of free medical attendance to every Forester, as well as other valuable benefits not found in connection with common Insurance Companies, all of which involve more or less of expense of management; so that if there has been any discrimination it has been against the I. O. F.