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THE ROYAL COMMISSION ON INSURANCE.

THE CANADA LIFE ASSURANCE COMPANY.

The sittings of the Royal Commission have been wholly occupied during the past week with the affairs of the Canada Life Assurance Company. The President, the Hon. Geo. A. Cox, has been the principal witness, his examination having occupied several days.

Senator Cox gave his evidence throughout in the most candid and straightforward manner, showing that he had nothing to conceal and that he was anxious, so far as he was concerned, that the whole truth should be known.

A very delicate but highly important question was discussed in regard to the relations of the Canada Life with the Dominion Securities Company, which is owned by the Central Canada Loan & Savings Company, of which Senator Cox is president as he is of the Securities Company, and the Canada Life.

The explanation of the intimate relations subsisting between the several companies of which Senator Cox is president, and of the transactions in which they were mutually partakers occupied considerable time. The rebates question was taken up in connection with the large increase that had occurred in the expenses of the company. This increase was attributed by Senator Cox to the competition of the American companies which led to higher commissions being allowed out of which the agents granted rebates.

The Senator condemned rebating as "wrong in principle" though he admitted having given rebates himself when acting as an agent of the Canada Life. He regarded business written under unusually high pressure to be badly selected, persons being insured who are not in a position to keep up their policy.

He was asked, "Would it not be more profitable to the company to do only the normal business, that is, the new business which will naturally result from the increase in the body of insurers?"

To this the answer was "No. If we wrote only $4,000,000 a year, our percentage of lapses would be as great as if we wrote $12,000,000, as we did in 1905. It would need the same machinery and staff to write the smaller amount, and, therefore it would be just as expensive."

The President of the Canada Life would make rebating a punishable offence, the penalty being borne both by the agent and the policy-holder. How the fact of a rebate having been granted can be ascertained was not stated. Senator Cox declared that from its inception in 1865 to 1900, the common quinquennial method of distributing profits was adopted. Since 1900 each policy has its quinquennial periods at intervals of 5 years from its date.

A long explanation was interjected as to, why the Canada Life removed its head office from Hamilton to Toronto, which seems somewhat outside the scope of the Royal Commission enquiry.

A more germane question followed which elicited the explanation that, in 1890, and again in 1892 the Canada Life had been compelled to include an additional sum in their liabilities to provide for the use of the American Mortality Tables instead of the Healthy Male Tables. The Canada Life had adopted the American 4 p.c. table in 1894, in connection with business in Michigan. Besides this the company had been setting aside sums from year to year and these sums, together with the 4 p.c. reserve, helped to make the change in rates, as ordered by the legislation of 1899, bear less heaily on the company.

The organization of the Imperial Life was then introduced by the question, "Why was this rival to the Canada Life started?" To this Senator Cox replied, "I started it because I wished to make my son manager of it." He regarded this as patriotic as it kept money in Canada that otherwise would be taken out of the country. Asked as to his interest in other companies, Mr. Cox said he held