

## APPENDIX No. 1

Membership and medical fees (which after these fees cease to be distinctly charged were covered by the first year's premiums) relate entirely to the production of new business, and vary materially with such production. While all other expenses are properly distributable by the mean amount of insurance carried, these expenses are affected entirely by the amount of new business written, and since these fees are in practice expended in the country where they are received, they should be treated separately, and for that reason these figures are presented in the manner indicated.

Pages 5, 6 and 7 are a *resumé* of the figures presented on the three preceding pages for each of the respective periods there named. They show what proportion of the total expenses over and above fees are properly chargeable to the assessment business in Canada, and when to this amount is added the fees collected in Canada, the balance is the proper proportion of expenses chargeable to the Canadian business. From the total receipts in Canada is then deducted the amount paid Canadian members and the amount invested for deposit with the government, and the balance is the actual contribution to the expenses of the company by the Canadian members. It will be seen that during the period from 1885 to 1894 the actual expenses are \$57,091 in excess of the proportional expenses. For the years 1895 to 1903 the actual expenses were \$56,561 less than the proportional Canadian expenses.

As showing the effect of this method of separating fees, it is to be noted that had the distribution been made on the gross expenses, without separation, the amount chargeable for the whole term, 1885 to 1903, would have been \$1,852,903, as against \$1,792,229, which is the proper proportion, \$1,735,668, which has been charged. These results arise from the fact that during the first period the proportion of new business in Canada was greater than the proportion of new business generally done. During the second period, however, it was less, so that by the method of adjustment adopted equity is insured, with due regard to the actual amount of new business written.

## MEAN INSURANCE IN FORCE IN CANADA.

Year.	In Company.	Mean Insurance in force in Canada. (Assessment).	Per Cent.
	\$	\$	\$
1885.....	104,403,000	3,506,000	.0335814
1886.....	136,765,000	7,036,000	.0514459
1887.....	153,365,000	8,348,000	.0544322
1888.....	162,728,000	9,408,000	.0578143
1889.....	175,131,000	10,605,000	.0605547
1890.....	189,181,000	12,142,000	.0641819
1891.....	206,106,000	13,803,000	.0669704
1892.....	225,815,000	15,203,000	.0673250
1893.....	249,514,000	17,264,000	.0691915
1894.....	277,987,000	20,340,000	.0731688
Totals.....	1,880,995,000	117,655,000	.0625494
1895.....	301,013,000	22,457,000	.0746048
1896.....	316,843,000	29,080,000	.0917805
1897.....	313,297,000	34,423,000	.1098734
1898.....	285,368,000	31,528,000	.1104819
1899.....	221,442,000	26,624,000	.1202301
1900.....	181,491,000	19,572,000	.1078401
1901.....	165,729,000	12,278,000	.0740848
1902.....	152,412,000	8,977,000	.0588996
1903.....	125,921,000	8,312,000	.0660096
Totals.....	2,063,516,000	193,251,000	.0936513
Grand total.....	3,944,511,000	310,906,000	.0788199