

were about 47 per cent. of the expectancy. The mortality experience of the company in and around Waterloo and the Maritime Provinces has been very favourable. Mr. Wagenast said that to-day it would be impossible to start a mutual company without some guarantee of funds to answer the purpose that capital stock does to a stock concern. The Mutual was organized here in 1860, and was connected with the Waterloo Mutual Fire Insurance Company. These men advanced the money necessary to get the company incorporated. The first five hundred policy-holders' premiums constituted the first funds of the company. This loan was gradually repaid, and the company has been a purely mutual company.

The Federal Life Insurance Company, Hamilton, was the next company on the list. Mr. David Dexter, the managing director, was on the stand all morning. The stock of the company in 1900 was increased from \$700,000 to a \$1,000,000, although, he said, it was not a necessity. The public seemed to prefer a company with large stock, and did not consider the stock took profits from the policy-holders. There was an impairment of \$40,000, and four directors advanced \$24,000 under an agreement. This amount appeared as an asset in the books, and the Government's superintendent of insurance called for an explanation to appear in the blue book. The amount was paid back by bonus to the president from expense account, and it never appeared as a liability, although there was an understanding among many of the shareholders that it was to be paid back.

Mr. Dexter, continuing, said the company paid policy-holders over one hundred per cent. profits more than they were entitled to. The Board of Directors fixed on a certain amount to be distributed, and at least ninety per cent. of this had to be paid to the policy-holders. Mr. Dexter remarked that the shareholders were patient and long-suffering. While section 16 of the Act of incorporation provided for policy-holders voting, the president said they had no right to vote. The question had never been up for discussion by the board, but Mr. Dexter thought it not advisable that policy-holders should be allowed to vote.

The affairs of the Commercial Travellers' Mutual Benefit Society were next before the Insurance Commission. Mr. Joseph Taylor, president and manager, was the principal witness. Mr. Tilley read a report, prepared by the society's medical referee, Dr. Elliott, in January, 1897, which stated that the medical department was not as well organized as it should have been, and suggested that it should be placed on a better foundation by having only competent examiners. The report pointed out that owing to many mem-

bers having been installed without passing medical examination, the death loss was likely to be heavier than in other insurance organizations. President Taylor did not agree with all Dr. Elliott had stated. Mr. Taylor was satisfied there were no incompetent examiners. Based on the report of Mr. Sidney H. Pike, an actuary, the rates were increased in 1900. Instead of insuring a member up to 55 years of age at \$240 per \$1,000 the society charged \$480 up to 40 years of age and could not insure a member older than this. Up to 1900 the rate on a 25-year member was \$160, but that year it was increased to \$200. The new rates did not provide for bringing the old members up to the right standard, so the new members, to some extent, had to pay to carry the old members, the society not having acted on Mr. Pike's recommendation to do otherwise.

The local medical examiner gets \$1 for examining an applicant, and the physician at the head office \$1 for revising the report. No record of the number rejected was kept by the association, and in answer to the reason for keeping no record. Mr. Taylor said it was to give the applicant another chance to get insurance elsewhere. Mr. Tilley was unable to get any information from either Mr. Taylor or Miss Rowley, the secretary, as to how many applications had been thrown out by the medical examiners.

The Insurance Commission spent the morning of the 17th inst., examining the affairs of the Catholic Mutual Benefit Society, which is a fraternal assessment society. The witnesses were Michael F. Hackett, president of the association, and Mr. John Behan, the secretary. The statements presented to the Commission showed that the association is in a good state financially. The beneficiary fund had a large surplus, and the only deficit had been in the general expense accounts. After one of the conventions, which cost \$11,000, the expense fund borrowed \$10,000 from the beneficiary fund. Mr. Hackett said that the trustees considered that it was better to borrow the money from themselves than to have such a large amount lying idle. It was all paid back. During the history of the association there had never been loans to any of the officers. The association had gone through the same experience regarding the raising of rates as other similar organizations. It had started off too low, and had been forced later to increase the charges for insurance. Mr. Behan said that the two attractions of such associations were the fraternal side and the low rates charged for insurance. He said that the charges were lower because a mutual benefit society did not have to make money for shareholders.

When Mr. Behan left the box Mr. Tilley told the commissioners that no other companies were ready to go on. He, therefore, asked for an adjournment until next Tuesday, when the sittings will be resumed in Winnipeg. It is probable the Commission may not sit here until September.