

this and other countries if they would obtain legislative powers to investigate the qualifications of all medical men, and inspect the laboratories and the medicines produced by secret processes; such examinations should be followed by publication to the world if the compounds known as "pills," "physics" and "cure-alls" are found to be injurious to the health and longevity of the people. Deleterious drugs are sold, I believe, in enormous quantities, deceiving thousands and enriching hundreds. The vile nostrums of the charlatan could not exist if a standard of uniformity were established, and an ordinance respecting the use and abuse of drugs enforced by or through the medical association, thus ensuring the proper treatment of ailments, and lessening the number who are at present a charge upon the State in public institutions, such as hospitals, insane asylums and prisons; and last, if least, insurance companies would be able to give better results.

Insurance in all its branches, is not, as yet, regarded as a science conforming to the application of fixed laws and methods for its entire conduct; but, through the action of associations and governments, there have been long strides made in the direction of uniformity, and many of them of value. In life insurance especial mention may be made in this connection to,

(a) The net rates of premium necessary to be charged which is one of the direct results of the labours of the actuarial societies;

(b) The reports furnished periodically to the government;

(c) The reports furnished to the central bureau respecting declined and impaired lives, a protection against fraud.

(d) The privileges and advantages offered policyholders. The principles of liberality, if not exact uniformity, the principle is being encouraged by a tacit understanding.

(e) The life offices agreement respecting re-assurance conditions. A most important agreement.

The net premium, assuming the rate of interest, and given the mortality experience, is obtainable. In Canada, it is calculated by the Department of Insurance (a creation of the Dominion Government) in advance for all ordinary plans of life insurance, and furnished upon application at any time for special plans. These net rates are accepted by all companies doing business, and so far there is "Uniformity."

Each company has the power of fixing upon the loading for expenses, a right, in my opinion, which should be exercised as giving some scope for individuality, and opportunities for agents to present the merits of their respective companies; but some twelve of the Canadian life companies have adopted the same method in loading and have published uniform rates.

The liabilities of all companies are ascertained by the Department of Insurance, and are calculated upon a uniform basis, as would be implied by the data referred to in the net premium calculations. Valid

securities for these liabilities must, in the opinion of the Department, be held by each company. One can easily see that if the loading upon the net premium has not produced sufficient margin for expenses—unless there be fortunately unexpected gains from some other source—the company in this position is fast approaching, if not already, upon the rocks of failure. The exact condition should be shown by the returns to the government so plainly that "he who runs may read," and all interested, encouraged or warned. The company returns to government should demand a higher standard of uniformity than at present exists, and the companies themselves through their associations could very well recommend its introduction. In this connection I would suggest,

(i) That only new business paid for in cash should be included in the report instead of the method now employed of including all business written that has been accepted.

I am quite aware that there are two sides to this question. The majority engaged in the business, perhaps, inclining to the practice of reporting to the government all business written, for which the companies' policies have been, or are to be issued. The assumption being that a liability has been created, and, in consequence, the same should be included in the report.

The payment of the first premium is the underlying act on the part of the applicant, which enables the company to declare the policy operative. When business is included in the annual report to government immediately following acceptance, or before the first premium has been paid, the policy engagements are merely executory, and may be performed at the option of the applicants for assurance, and if left unpaid, must be reported in the following year as "Not Taken business."

The opportunity should not be given to report "fake insurance" placed on company's books at the close of the year, in order to make a showing for advertising purposes, to be charged up subsequently as "not taken." Then again, business under which the premiums have actually been paid, the commissions and other charges have been entered up, and a fair estimate can be placed upon the expenditure incurred in procuring the business, and no opportunity is given to take credit in the assets for that portion of the expense represented by the commissions upon the unsettled premiums reported.

It will be interesting to know that in some of the States of the Union, careful attention has been given to the reports required by the Insurance Department, having in view a degree of uniformity among the companies furnishing reports. There is a convention of State insurance officials, a deliberative body, assuming the responsibility of the form furnished for reports, and respecting the procedure of which, the Hon. Frederick N. Cutting, Insurance Commissioner of one of these States, Massachusetts, in a recent letter to me says: