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ROYAL COMMISSION ON INSURANCE.

The Commission has been making enquiries into the affairs of a number of companies with lightning speed. "Life insurance companies investigated while you wait" might be adopted as the motto of the Commission. Quickly as the work is being rushed that portion of the work which is really relevant to the purpose of the Commission might be accomplished in far less time than is being spent over wholly unimportant features. Whether \$1 is sufficient fee for a medical examination, by what efforts certain directors had secured elections, what provincial boards are, under what arrangement a retiring official was, practically, pensioned, might be questions of some interest to an annual meeting of shareholders, but they are hardly of such gravity or general interest as to occupy the attention of a Royal Commission.

The Insurance Commission began the enquiry into the Mutual Life Assurance Company of Canada on the 12th inst. Mr. Melvin, of Guelph, president of the company, the only survivor of the old board, was the first official examined. The question of salaries and fees paid to officials and directors was traced up to the present time. The president got about \$8,500 last year and the vice-president and directors got \$13,600. The increase was due to the large number of meetings necessary. One director, Judge Britton, received about \$1,000 per annum and fees and expenses. Regarding the power of policy-holders voting, the company advertises the annual meeting in the press of Vancouver, Toronto, Montreal, etc. It is also mentioned in the literature of the company. Only about 50 policy-holders attend the annual meetings. The holding of proxies was fully discussed and it was shown that the president and directors hold the greater portion of proxies at the annual meetings. Thus in March, 1906, the company held some 84,000 proxies and there were some 26,000 policy-holders entitled to vote.

About 33 p.c. of the vote was cast. Of the number of policy-holders present about 27 were agents.

Mr. Tilley described the board as a close corporation.

Mr. Wegenast, the manager, stated that undoubtedly the personnel of the management and board had remained unchanged. Thus the management holding the proxies continues in office. Mr. Wegenast pointed out to the commission the necessity of continuity of management. He would not favour any popular vote by policy-holders if it would threaten the positions of the management or the directors. Mr. Wegenast stated that in the power of investments he favoured the cutting out of stocks of all kinds from the list of authorized investments, nor did he favour investments of securities of companies doing business in Mexico, Brazil, etc. He would, however, favour widening the clause to permit investment in bonds of public service in the United States.

Mr. Melvin, the president, disagreed with the manager. He said he was against money belonging to Canadian policy-holders being invested in any foreign country.

Regarding his salary, Mr. Wegenast stated it amounted to \$6,000, with allowances, last year. Mr. Earl, superintendent of agencies, got \$4,500.

Mr. Tilley went into the history of some of the investments of the company, amongst others the Toronto Railway bonds and Springbank Irrigation Bonds. The former are looked upon as gilt-edged. The Springbank Bonds paid their coupons for two years, and at present a few years' coupons were in default. The ratio of expense to business of the company for the year 1905 cost three times the margins. The ratio of expense to premium income in the Mutual was 178 p.c. last year. The company has a larger premium income from renewals, and this brings down the totals expense ratio. The new business amounts to about half a million yearly. The death losses in 1905,