STRONG AS A GIANT

Meeting of the Mutual Reserve Fund Life Association.

IT IS ONLY ELEVEN YEARS OF AGE, BUT A YOUNG HERCULES.

The Annual Address of the Energetic President, E. B. Harper.

Stirring Speeches by Warring Kennedy, Esq., Hon. R. M. Wells, Ex-Speaker Ontario Assembly, D. E. Cameron, Esq., Deputy Treasurer of Ontario.

Seldom if ever has there assembled in New York a more influential and representative gathering of business men from all parts of the United States and Canada than were brought together in the commodious and elegant offices of the Mutual Reserve Fund Life Association, on the third floor of the Potter Building on Wednesday, Jan. 27, when that Association held its eleventh annual meeting. Prior to the meeting, which was called for 1 o'clock in the afternoon, the corridors of the building presented an animated appearance, while the throng of members exchanged greetings with old and new acquaintances and discussed the successful past and the promising future of the organization. The spacious board room of the company in the rear of their offices was taxed to its utmost capacity, many having to stand outside the railing while eagerly listening to the important proceedings. President E. B. Harper's entrance into the meeting at 1.15 p.m. was the signal for a general cheer. He was accompanied by several of the other officers and executive heads of the Company, who took seats behind the President's desk. President Harper took the chair. It was 1.25 p.m. before as many as possible of the company could be comfortably seated. Among the gentlemen present were noticed: R. H. Gilman, Milford, Del.; Charles E. Darcy, Boston, Mass.; E. A. Slattery, New York; H. A. Niehoff, Carlyle, Ill.; Dr. D. M. Caldwell, Brooklyn, N.Y.; W. J. McMurtry, William Wilson, Toronto, Ont.; D. E. Cameron, Deputy Treasurer of Ontario, Toronto; Dr. McPhedran, W. Greene, Toronto; H. A. Ward, ex-M.P., Port Hope; G. H. Muirhead, barrister, Brantford; T. H. McMurtry, Bowmanville; Horace Thorne of the firm of Watson, Thorne, Smoke & Masten, barristers, Toronto; H. E. Smallpeice, Toronto World; Ira Perego, Warren Gardner, C. R. Wright, New York; B. W. T. Amsden, Sing Sing, N.Y.; Franklin H. Harper, George W. Harper and Charles Harper, all of Still Pond, Md.; W. C. Page, Baltimore, Md.; E. P. Barry, Fargo, Dak.; C. C. Hendrickson, Peoria, Ill.; J. J. Hamilton, St. Paul, Minn.; F. W. Deacon, Racine, Wis.; Warring Kennedy, Toronto; John J. Acker, Albany, N.Y.; W. L. Beitler, Sedalia, Mo.; S. W. Wray, Philadelphia, Pa.; George M. Kellogg, Hornellsville, N.Y.; E. D. Ludwig, Erie, Pa.; D. Z. Bessette, Montreal; W. W. Harper, Erie, Pa.; David Murray, U.S. Accident Association; B. H. Robinson, Omaha, Neb.; J. P. Scott, Philadelphia, Pa.; Hon. W. C. Jones, St. Louis, Mo.; T. P. Baldwin, Baltimore; C. K. Lehrburg, Owensboro, Ky.; General Isaac H. Shields, Philadelphia; Edward M. L. Ehlers, New York; H. Ward, Port Hope, Ont.; William Hager, Montclair, N.J.; J. B. Spaulding, New York; G. W. Skellen, New York; Edwin P. Weed, Brooklyn, N.Y.; E. M. Castillen, New York; E. R. Taylor, New York; Charles A. Ford, New York; E. L. Ford, Philadelphia, Pa.; A. Frohman, New York; R. N. Newton, Nicholson, Pa.; John McLay, Toronto, Ont.; Hugh Kofke, New York; A. H. Denniston, Woodside, L.I.; John Mulligan, Yonkers, N.Y.; W. A. Hazard, New York; F. W. Day, New York; Hon. T. J. Latham, Memphis, Tenn.; L. Y. Maning, Boston, Mass.; William A. Hunnewell, Boston, Mass.; Col. James Clark, Brooklyn; Hon. James T. Walker, J. W. Roan, W. D. Williams, New York; Dr. C. E. Price, U.S. Army, Fort Wadsworth; George Schmidt, New York; A. J. Cummings, wholesale clothing, St. Paul, Minn.; Mr. Jones, U.S. Accident Association; A. C. Wall, Goschen, N.Y.; H. K. Wilson, Homer Pennock, New York; C. H. Heatley, New York; Clinton Chamberlain, Brooklyn, N.Y.; W. D. Horton, George A. Ayres, J. M. Townsend and L. D. Mowry, New York; Bart M. Brown, Staten Island; T. F. Baldwin, New York; C. E. Hitchcock, Brooklyn; E. F. Leeds, New York; J. H. Gallagher, Troy, N.Y.; W. C. Wallace, New York; E. C. Potter, New York; G. L. Miller, Englewood, N.J.; Rev. James Huggins, Brooklyn, N.Y.; J. T. Patterson, Belfast, Ireland; J. P. Scott, Easton, Pa.; C. H. Smith and Louis Smith, both of Brooklyn, and the following named, all of New York: F. W. Baldwin, E. Zabriskie, Thomas Litts, Frank Moore, John Haggerty, J. M. Crapsen, A. G. Perry, W. A. Hagan, Frederick Moeller, G. E. Barnes, Duncan F. Duncan, Fred A. Leavitt, A. Lincoln Colyer, Fred H. Cooper, George P. Clark, W. B. Baldwin, Charles C. Boland, George R. McChesney.

President E. B. Harper brought the meeting to order by a rap of his gavel. He said: "I take pleasure in announcing that this is our eleventh annual meeting, and am glad, as President of the Association, to meet you one and all. These meetings once a year, while bringing with them trouble and inconvenience, nevertheless also carry with them pleasure and benefit, bringing all our members into closer communion one with the other. Gentlemen, I thank you, one and all, for being present with us to-day. [Great applause.] Secretary Braman then read the notice, which stated that the meeting was called "for the purpose of electing three new directors to take the places of those whose term of office had expired and for the transaction of other business." The Secretary stated that every member of the Association had been notified of the meeting.

A MASTERFUL REVIEW.

The Eleventh Annual Report of President Edward B. Harper For the Year Ending Dec. 31, 1891.

The first real business of the meeting was the reading by President Harper of his annual address. When he arose he was greeted with a spontaneous outburst of welcome, and as he proceeded with the ablest and most gratifying of all the great annual reports he has made to the Association the satisfaction of the meeting made itself manifest over and over again in general applause.

To the Officers, Directors and Members of the Mutual Reserve Fund Life Association:

GENTLEMEN,—The work of another year is completed; the results of our labor for the first year of the second decade in our history is before you; our books, containing the results of the past eleven years of work are closed, and we enter upon the second year of the second decade of our history under even more favorable auspices than has ever before existed. The ever-constant, never-ceasing march of this Association from success to success, from victory to victory, astonishes even its most enthusiastic friends, while its enemies behold its triumphs with amazement and seem paralyzed with its progress.

The natural premium system of life insurance as exemplified by this Association, of which it is the author, originator and practical exponent, has for the past eleven years been tested as by fire, and it has not been found wanting in any particular.

Assets.

We have increased our gross assets during the year 1891 from $3,850,178.90 to $4,349,202.09, being an increase for the year within a fraction of half a million dollars.

Reserve Emergency or Surplus Fund.

Our Reserve Emergency or Surplus Fund has been increased during the year 1891 from $2,772,285.80 to $3,155,220.94, a net increase for the year of $382,935.14. This amount will be still further increased by the apportionment of the December Bi-monthly Call, which is not included in this report.

Interest Receipts.

Our interest receipts for the year have been $123,336.64. As this amount has been realized from investments made upon the over payments of the members and largely contributed by those who have been members of the Association for many years, it will be observed that to this extent the Association has received increased payments from its older members without increasing their rates above the age of entry. This amount, added to the increased receipts from the Bi-monthly Mortuary Calls realized from new members, amounting to more than $125,000, has materially assisted in the payment of the extraordinary death claims caused through the excessive mortality experienced by the Association by reason of "La Grippe," which has almost assumed an epidemic form in very many sections of our country, and has thus enabled the Association to maintain its rates as heretofore at the age of entry and yet promptly paying its death claims in full usually long before the same were due.

Special Emergency Fund.

As provided by the resolution of General Isaac H. Shields of Philadelphia and unanimously adopted at the annual meeting held Jan. 23, 1889, the Special Emergency Fund has been increased within the year from $250,000 to $400,000, which amount is held in six of the strongest and leading banking corporations of our country. A detailed statement of such Deposits will be shown in the Auditors' Report. The object of this Special Emergency Fund, as provided in said resolution, is to enable the Association to anticipate the payment of its death claims after an assessment has been made without being compelled to wait for the payment of such Mortuary Calls by the members, and the practical experience of the Association in connection with the Special Emergency Fund has fully demonstrated the wisdom displayed in the adoption of the aforesaid resolution.

Invested Assets.

As will be shown by a detailed statement, which will be presented to each member of the Association, $194,000 have been invested during the past year in bond and mortgage, being a first lien upon improved property in the city of New York, increasing the amount of such loans held by the Association to $2,287,900, and producing an interest income to the Association of more than $100,000 a year. An examination of the detailed statement will show the date when each loan was made; the record book in which it is recorded by the city officials; the amount of the principal unpaid; the rate of interest; the value of the land mortgaged; the value of the buildings; the amount of insurance held by the Company on the buildings for the protection of the loan, and the exact location of the property in each instance is given, so that every member of the Association may personally examine or cause to be examined every piece of property upon which the money of the Association is loaned, and thereby will be enabled to judge for himself as to the security and care exercised by the officers of the Association in making said investments.

It is a fact worthy of note that the Mutual Reserve Fund Life Association is the only life insurance company furnishing similar information to its members.

The care with which loans are made by the Association is also entitled to careful consideration.

The Central Trust Company of New York is the depository of the Reserve Fund which is represented by these loans. Hon. Michael Coleman, by mutual consent of the two organizations, who was the former President of the Board of Tax Commissioners and the official Appraiser of the Insurance Department of the State of New York, has been and is the appraiser of all applications for loans, and no loan can be made without his approval; in addition thereto three members of the Board of Directors of the Mutual Reserve Fund Life Association are obliged to inspect the property before the loan is made and certify in writing to the Board of Directors that they approve of said loan, and the amount to be loaned does not exceed two-thirds the value of the property. If the Board of Directors approve of said loan the same is then submitted to the President of the Central Trust Company, who must also approve said loan, otherwise it cannot be made.

The bond and mortgage is taken in the name of the Mutual Reserve Fund Life Association. If the title is found correct by the counsel of the Association the loan is made, but the mortgage and bond is held by the Central Trust Company as trustee, thus the speculation or peculation on the part of the officers of the Association is absolutely precluded through the system adopted by the Association for the protection of the members.

Not a Dollar Ever Lost.

Special attention is called to the fact that covering the entire period of the history of the Association not a dollar has ever been lost of either the principal or interest upon any loan ever made by the Association. Neither have any losses by reason of said loans ever been charged off to profit and loss account. A similar statement I doubt cannot be made by any other life insurance organization in the world.

Income.

The cash income during 1891 from all sources was $3,704,126.41, while for the year 1890 it was $3,388,848.86, making a net increase for the year of $315,277.55.

Death Claims.

We have disbursed for Death Claims during the past year $2,290,108.80, making our total death claim payments to December 31 last over $12,000,000, or a yearly average of more than $1,000,000 since the date of our organization, and we had in our Reserve Emergency Fund at the close of the year $6000 for each $1000 of outstanding death claims in process of approval and adjustment.

New Business.

During the year 1891 we received new applications for membership to the amount of $50,019,615, of which there has been accepted and written $44,318,965. Amount rejected, returned unapproved or held in suspense, $5,700,650. This vast amount of business has been obtained without any special effort on the part of the management, and we have not the slightest doubt but that the year 1892 will produce equally as satisfactory results.

Business in Force.

The insurance in force on December 31, 1891, was $215,207,910, while on Dec. 31, 1890, it was $197,003,435, a net gain for the year of $18,204,475. The net gain for 1890 over 1889 was $15,645,235; for 1889 over 1888 the net gain was $12,455,350, which shows a most satisfactory increase in amount of insurance in force from year to year.

Progress of the Association.

Year.	Insurance in Force.	Cash and Invested Assets.
1881	$ 7,633,000	$ 6,024 83
1882	35,190,750	50,441 53
1883	63,328,500	169,946 24
1884	85,452,000	350,775 05
1885	123,358,500	633,879 41
1886	150,175,250	989,240 16
1887	156,554,100	1,472,290 41
1888	168,902,850	1,953,753 81
1889	181,358,200	2,512,588 96
1890	197,003,435	2,930,178 90
1891	215,207,910	3,384,437 05

Year.	Reserve or Emergency Fund.	Death Claims Paid.
1881		
1882	$ 11,906 05	$ 34,250 00
1883	115,762 60	335,675 00
1884	271,440 05	815,575 00
1885	499,333 91	1,654,250 00
1886	856,286 46	2,803,390 00
1887	1,305,091 27	4,182,071 25
1888	1,736,678 19	5,764,403 45
1889	2,304,509 35	7,600,434 74
1890	2,772,285 80	9,746,932 79
1891	3,155,220 94	12,037,041 59

Comparison.

The comparison of the results of the first eleven years outside and beyond the three great life insurance companies in America—the Equitable, Mutual and New York Life—with that of other life insurance companies is preposterous, and even with these three it is worthy of note that the amount of business in force upon the books of the Mutual Reserve Fund Life Association at the expiration of the eleventh year exceeds the total business for the same period of time of these three great Life Insurance Companies combined.

As a further evidence of the care displayed in the admission of members, the economy exercised in the administration of its business and the security offered for the protection of its contracts, the following ratios, compiled from the sworn reports to the Insurance Departments, will prove most convincing arguments upon these important points in the administration of the affairs of this Association, and especially so when the attention is called to the fact that these comparisons are made with the three strongest and largest old-system companies in the world.

COMPILED FROM OFFICIAL REPORTS.

Organizations.	Yr.	Mortality to Each $1000 in Force.	Expenses to Each $1000 in Force.	Ratio of Net Assets to Each $100 liability.
Mutual Reserve	1890	10.85	$4 19	$234 43
Equitable	1890	11.41	10 18	122 72
Mutual	1890	13.45	11 30	107 25
New York Life	1890	11.10	11 74	125 23
Mutual Reserve	1891	11.14	4 46	237 71

Liabilities.

"The gross liabilities, including dividend, apportionments outstanding and death claims, approved and unapproved, and also including as liability $570,072, being the net present value of all policies in force Dec. 31, 1891, which liability is voluntarily assumed by the association and not required by the Insurance Department, our total liabilities are but $1,423,709.80.

Comparison of Cost of Insurance.

"With the payment of the mortuary call issued on Feb. 2 last a number of our members completed a period of 10 years' insurance with us.

"The following table will show how small a sum the Mutual Reserve collected during that time for a policy of $5000 at the given ages as compared with the rate charged under the old system.

"Our figures include 54 mortuary calls and 10 years annual dues:

Age.	Cost in Mutual Reserve.	Cost under old system.	Percentage of cost under old system compared to same in Mutual Reserve.
25	$466 75	$994 50	213
30	480 83	1,135 00	228
35	540 25	1,319 00	244
40	604 60	1,565 00	259
45	673 75	1,898 50	282
50	801 10	2,350 00	294
55	1,235 54	2,995 50	243
60	1,671 18	3,881 50	232

Making a total saving to our members by reduction of premiums of more than thirty millions of dollars.

Lapsing.

The number and mode of terminations of membership in the Mutual Reserve Fund Life Association for the past twelve months harmonizes with the experience of the various old system life insurance companies of America, showing that the law of terminations by death is scarcely more rigid or certain than the law of termination from other causes. There always will be a certain percentage of the insured who will fail to continue their insurance through the first year. There will be another percentage to whom the object of life insurance will no longer exist, and another percentage who become unable to make payment of their premiums if they desired. This is illustrated by the fact that the old system companies issued in 1890 $880,711,283 of insurance, yet their increase in the volume of business in force at the end of the year was but $437,928,000, showing a disappearance from their books of an amount equal to more than half the insurance written for the year, or nearly $500,000,000, while their death claims for the same period were but a fraction greater than 10 per cent. of their terminations, and the business of the management of a large life insurance company is largely occupied in supplying freshly examined applicants to take the place of those of the older members who shall have terminated their membership for the various other causes than by death, but it should be stated that such terminations are not an unmixed evil, for as these older members pass off the books of the company the new members freshly from the hands of the medical examiners take their places, and thus a constant change is occurring, which no doubt explains the fact that the mortality of a life insurance company forty or fifty years of age is scarcely greater than the mortality of the same company in the tenth or fifteenth year of its existence. For instance, the mortality of the New York Life in its seventh and tenth year of existence was 50 per cent. greater than was the mortality of the same company in the forty-eighth year of its existence.

Official Examinations.

Outside and beyond the six examinations made by the Auditors of the Association during the past twelve months, the results thereof having been furnished to the members with their bi-monthly Mortuary Calls, I am pleased in being able to report that early in the summer of 1891 Hon. A. L. Carey, Commissioner of Insurance of the State of North Dakota, and Hon. William G. Hayden, Actuary of that department, appeared at the office of the Association and notified the President of their intention to proceed with an official examination of the affairs of the Mutual Reserve Fund Life Association. Being clothed with the authority of law, the books were at once placed at their disposal and the heads of the various departments were made subject to their orders. After a thorough investigation of all the various departments of the Association, including the Death Claim, Investment and Medical Departments, and upon the completion of their work they handed to the President and officers of the Association a report of the results of their findings, which report, similar to those we have received from the many other Insurance departments, fully indorses the integrity of the management, the prompt payment of its death claims, the security of its investments and in every way is complimentary to all of the various departments of the Association. I take pleasure in presenting said reports.

Report of Official Examination by the Hon. A. L. Carey, Commissioner of Insurance.

INSURANCE DEPARTMENT, North Dakota, NEW YORK, July 14, 1891.

Mr. E. B. Harper, President Mutual Reserve Fund Life Association:

SIR,—As the Insurance Commissioner of the State of North Dakota, and with the assistance of Mr. W. G. Hayden, Actuary of the Insurance Department, I have this day completed my examination of the affairs of the Mutual Reserve Fund Life Association, and especially with regard to the investments and financial exhibit of your Association as made January 1, 1891, and also especially with regard to the prompt and proper payment of the death claims of the Association, and I present herewith a copy of Actuary Hayden's report, as well as my own, which fully confirms the correctness of your report of January 1, 1891.

Your investments have been well and carefully made. Your death claims have been promptly paid. No claims have been disputed except for just cause, and never upon technicality; and in such cases had the officers and directors failed to resist the payment of these claims they would have been unworthy to represent the Association as officers. Indeed, if any criticism is to be made upon the management regarding the payment or non-payment of death claims it would be upon the grounds that the Association has exercised the largest possible amount of liberality toward the claimants, even to an extent beyond equity and justice in some instances; but considering the fact that your institution depended upon the public confidence for continued success, I am inclined to think that the management acted wisely under the circumstances in adjusting and settling such claims rather than have permitted the Association to have been advertised by numerous suits in our courts against it.

As a whole I wish to state that the business of your Association has been conducted upon strict business principles, with extreme liberality and promptness, in paying every honest death claim, and simply quote from the report of my actuary, which report I most heartily indorse, "that the accounts of the Association are so well arranged and its system of checking from one department to another so thorough that any errors can be easily detected."

I am so well satisfied with the honesty and ability of the management and excellent financial condition of the Association that I shall be pleased to recommend the Mutual Reserve Fund Life Association to the citizens of the State of North Dakota.

Respectfully yours,

(Signed) A. L. CAREY,
Commissioner of Insurance.

Fraudulent Death Claims.

That there exists an organized band of conspirators whose object it is, through fraudulent combinations, to rob the treasuries of the various life insurance companies, by the palming off of sick, diseased and dying men upon such organizations by substitution and other fraudulent means, will not admit of a doubt. The management of a life insurance company that fails to pay its honest death claims should be branded before the world as fraudulent, unworthy of respect of honest men, and it is equally true that the management of a life insurance company that will permit a gang of insurance swindlers and conspirators to rob its treasury of the money contributed by its members is equally unworthy of respect or confidence of the public.

It has been our privilege during the past twelve months to expose and bring to light some of these fraudulent attempts to rob the treasury of our association.

In one instance at Oswego, N.Y., we were able to present in court a pretended dead man in person, by reason of whose alleged death the conspirators expected to rob our treasury of the full face of the policy, and it is a fact worthy of consideration that in this case no less than five persons were present ready to testify that the insured was actually dead and that they saw and identified the body after death; *but he was not dead*, and we were able at great expense to produce him in court. The plaintiff and her counsel well knew that the pretended dead man was still alive, but hoped to be able to prevent us from securing the presence in court of the insured, but they failed.

In another instance, near New York, an application was presented to the Association for $5000 insurance. The applicant was introduced to the Medical Examiner by reputable persons. Investigation revealed the fact that at the time the applicant was supposed to be at the office of the Association in New York being examined he was and had been for many days lying in an unconscious condition upon his death bed, and in a few days he was a corpse, before the policy was issued and delivered. The proofs of death pretended to represent that the applicant died suddenly of an acute disease, while, as a matter of fact, he had been ill for a long time, and only through the substitution of a healthy person could they have expected to secure the $5000 in question from the treasury of the Association; but they also failed.

I could cite very many instances similar in character to this of attempted frauds upon the treasury of our company, but through the alertness of our legal and death claim departments these robberies have been prevented and the policy holders of our company have been saved from the payment of these unjust claims. The boldness with which these life insurance conspirators apply their vocation through substitution and fraud to rob the treasury of our Association is indeed amazing, and I suppose their dishonest practices will not be discontinued until we are able to present their names to the District Attorney for indictment by the Grand Jury as conspirators and criminals.

Libelers.

At our last annual meeting we were able to present to you the fact that we had successfully prosecuted a publisher for criminal libel upon the Association and its management. One instance during the past twelve months has occurred where we were able to secure the evidence of malicious libel. The person was an agent of an old line company, who deliberately printed and circulated in the State of Michigan the most virulent falsehoods concerning the condition of this Association and the integrity of its officers with regard to the payment of its death claims. The party was arrested and put under bail, but when the hands of law had been placed upon him he desired the privilege of making a full retraction and proposed to pay all expenses connected with the case and for the publication of his full retraction in the various papers. An appeal for mercy came with the statement that his father was in very delicate health and should his son be prosecuted it might cause his death. Under these circumstances your management decided to accept the proposal made, but it is our intention to cause not only the arrest but the prosecution of future libelers of this association and its management.

Insurance Commissioners.

It is a pleasure to be able to report to you that this Association has received fair and honorable treatment from all the various Insurance Commissioners of the several States in the Union, many of whom, as has been previously reported to you, have personally examined into the affairs of this Association. We are under special obligations to each and all of said Insurance Commissioners for this fair and honorable treatment. Never, probably, in the history of life insurance have the offices of Insurance Commissioners in the various States been occupied as a whole by gentlemen of greater ability or who have administered the affairs of their several departments with greater degree of integrity and impartiality than the present incumbents.

It became my duty to report to you at two previous annual meetings that the Insurance Commissioner of the State of Kansas, D. W. Wilder, was using his office as a commissioner with the view of advancing the interest of a single class of insurance companies, to the injury of those organizations transacting business under a different system. It is a pleasure for me to be able to report that D. W. Wilder is no longer the Insurance Commissioner of the State of Kansas, but that a gentleman of undoubted integrity and ability has succeeded him in this important and honorable office.

The New Home Building.

The business of our Association has grown so rapidly that within the past eleven years we have been obliged to change our Home Office no less than four different times in order to secure sufficient accommodations for our officers and employes and for the proper transaction of the business of the Association as well as to obtain sufficient room for the security of its important records. It may be safely stated that in addition to the increased space required to accommodate the additional help absolutely needed that upon every working day in the year some important record book is completed, which contains records of vital importance to the future welfare of the Association and for which additional room is demanded from time to time.

In 1883 we secured nearly two floors of the well-known Bryant Building, which we thought would be ample space to accommodate our business for all future time. Having taken a five years' lease upon the same, we proceeded with our work, and within two years thereafter the space at our disposal had been all occupied and the demand for more room was so urgent that, besides paying the rent for additional offices, we were obliged to pay large bonuses to occupants in said building to vacate their rooms in order to furnish our Association with the necessary accommodations for the transaction of our business. Being unable to obtain sufficient additional accommodations in the Bryant Building even by the payment of large bonuses to such tenants as we could induce to remove, your directors decided to lease two floors in the Potter Building, our present location, which contains upward of 22,000 square feet, and as you know fronts upon three streets of the city. Again we supposed we had secured sufficient accommodations for all future time, but in the past twelve months, by reason of the steady increase of our business, we have realized the fact that the space we have at our command is entirely inadequate for the purposes of the Association. Indeed, within the past ninety days we have been compelled to lease other quarters outside of the building in order to furnish proper accommodations for our agency department, while we have not desk room for an additional employe and others must be employed at a very early day, while the present employes have scarcely elbow room in which to transact the business connected with their several departments. Under these circumstances your Board of Directors entered into negotiations with the Weld estate, who own the northwest corner of Broadway and Duane-street, being 75 feet front on Broadway by 122 feet on Duane-street, with an ell in addition, for the erection of a modern fire-proof building, to be known when completed as the Mutual Reserve Fund Life Association Building. The ground is valued at half a million dollars and the superstructure will cost about the same amount.

The building is to be 10 stories in height, and will be completed on or before May 1, 1893. The ground valued at half a million dollars and the cost of the building to the amount of about half a million dollars is to be furnished to the Association by the Weld estate at an annual interest rental for the entire building, after deducting the income from the first and basement floors alone, but slightly in excess of the present rent which we now pay for the two floors of the Potter Building. It is proposed to set apart the 2nd, 3rd and 4th floors in this large building for the use and purposes of the Mutual Reserve Fund Life Association; the 5th, 6th, 7th, 8th, 9th and 10th floors will be rented by the Association in addition to the 1st floor and basement but upon leases, so that as the business of the Association increases additional rooms may be obtained for its accommodation. The term of the lease of this building, which is to commence when completed, is to be for 20 years, with one renewal, making 40 years in all.

William H. Hume, who has erected so many magnificent buildings in the city of New York and elsewhere, and who is now the architect of the New Netherlands Hotel, 18 stories in height, at Fifty-ninth-street and Fifth-avenue, for the Astor estate, has been appointed, upon the joint approval of the Weld estate and your directors, the architect of our new building, and he will soon have the plans ready to submit to your directors and the trustees of the Weld estate.

Stock vs. Mutual Companies.

There has always been more or less of a controversy existing between what has been known on one side as a Stock or Semi-mutual Life Insurance Company, and on the other side, a Purely Mutual Company. In the case of stock or Semi-mutual Companies, a company with $100,000 capital stock, half of it will be held, as a rule, by a single individual. Yet, by offering insurance on what is supposed by the public to be the mutual plan, they have been enabled to accumulate in single instances more than $100,000,000. Notwithstanding this fact the holder of the $50,000 of stock with a single vote controls the election of the directors and through them the election of the various officers of the company.

There has never been an attempt on the part of the purely Mutual Life Insurance Companies to prevent the control of these semi-mutual concerns from continuing under the direction of the few shareholders who hold the majority of the original capital stock, although knowing full well that the policy holders, one and all, have been absolutely disfranchised, and are powerless to have a voice in the management of the companies controlling the Hundreds of Millions of Dollars of their money.

The Purely Mutual Companies believe that strict attention to their own individual business best subserves the interest of their respective policy-holders without attempting to attend to the business of the stock of semi-mutual concerns; but this has not been the rule adopted by the stock companies. They have ever been on the alert to secure the passage of vexatious laws whereby the control or continuance of the management of the purely mutual organizations could be easily transferred from the friends of those organizations to those whose interests were diametrically opposed to their future prosperity. These facts explain the reasons why bills have been introduced into the Legislature of our State by which no proxy could be held by any officer, director, employe, agent or medical examiner, and even only to a limited extent by a policy-holder of a mutual life insurance company. At the same time the officers, directors, agents and medical examiners of these stock or semi-mutual life insurance companies could secure and hold the proxies of these mutual life insurance companies, thereby placing the power for the continuation of these mutual organizations in the hands of their enemies, thus divesting the friends of these organizations from the right to protect the interests of those who have placed confidence in them.

It is a well-known fact that the policy-holders of the average life insurance companies to a very large extent are unable to attend the Annual Meetings by reason of the excessive expense which would be incurred in so doing. It would cost the average policy-holder from $100 to $500 (they being scattered all over the world), to personally attend an annual meeting to cast a vote; and even if the attendance of all the members were possible to be secured, there is no hall or place of meeting that could be obtained sufficient in size to accommodate the membership of any of the leading life insurance companies. They therefore cannot be present in person, and it is an inherent right that they should be represented by the friends of the Mutual Life Insurance Associations rather than by the enemies of such organizations; and any law that contemplates transferring the power of voting to the enemies of mutual life insurance companies is unjust and unconstitutional. Such a law was attempted to be enacted in the State of New York, and whether it is a law now or not is a question to be determined. But if such is the case there cannot be a doubt that its passage has been secured through the connivance and instrumentality of the stock or semi-mutual concerns, who hope through their agents to be able to secure the proxies of the mutual organizations and thus control the same at their own will and pleasure.

It is a well-known fact that the Statutes of the State of New York provide, as they should, a penalty for the maladministration and perversion of trust funds, the same law that will send to the penitentiary the officers of another corporation for theft or perversion of its funds applies to the officers of a mutual life insurance company, and this is as it should be, and through the protection of the insurance departments of the various states these thefts and perversions of trust funds can easily be detected and thereby conviction secured, while in a stock or semi-mutual concern controlled by shareholders the theory of the law is that the money belongs to the corporation, otherwise known as the shareholders, and consequently the officers of the stock or semi-mutual concerns are not amenable to the same laws from the policy holder's standpoint as are the officers of a mutual life insurance company. It is, therefore, evident that if any changes or alterations are to be made in the laws of the State regarding the rights and privileges of policy holders, such change should apply to the stock or semi-mutual concerns. The power or control of these companies, where their business has been obtained upon a mutual basis, should rest with the policy holders in proportion to the amount of money contributed by them, as compared with the amount contributed by the shareholders; and if the stock or semi-mutual concerns are to continue their crusades upon the purely mutual life insurance companies through their efforts to manufacture public opinion and secure the enactment of adverse laws so that the control of these mutual companies may be transferred from their friends to their enemies, in such an event it only remains for the representatives of the mutual organizations to retaliate in kind and have such laws adopted that the policy-holders of the stock or semi-mutual life insurance companies may, as they should, control these stock or semi-mutual concerns. In other words, I maintain that any law that authorizes or permits the officers, directors, employes, agents and medical examiners of a competing organization to hold and vote upon proxies of the members of the Mutual Reserve Fund Life Association and prohibits the officers, directors, employes and agents of the Mutual Reserve Fund Life Association, its friends, from holding and voting upon proxies of its members, is a fraud. And the men who would originate such a law should be designated as frauds before the world, and this is what has been attempted to be done through the instrumentality, as I maintain, of the stock or semi-mutual life insurance companies.

Foreign Departments.

It is with pleasure that I am able to report to you that the business in our foreign departments is in a healthy condition, and especially so in the British department, as well as the departments of France and the Continent. In the latter department our business has increased nearly 50 per cent. within the past twelve months.

Foundation Principles.

The foundation principles of the system presented by the Mutual Reserve Fund Life Association continue the same to-day as in the past, which are to collect from the members the actual sum required for the payment of its current death claims and legitimate expenses, the same equitably apportioned among the members according to the age of the member and the amount of insurance held by each.

The Reserve or Emergency Fund is admitted to be an excess over the current cost, and therefore it is held, first, for the payment of excessive death claims, its object being to prevent excessive payments from the members in any year; second, if not so required to be returned to the members by credit on their future premiums, or in cash at stated periods, as their contracts provide.

Successful Agents.

On Oct. 10, 1891, a requisition was made upon our entire agency force, requesting special efforts for the next ninety days. I am pleased to report that the following gentlemen have won distinction, and have by their earnest efforts secured a warm place in our hearts, and are entitled to the highest commendation from our officers and directors.

While all of our agents have done most nobly in responding to this call, the following are entitled to special mention:

F. C. EAMES, Kansas City, Mo.
P. F. JONES, Kansas City, Mo.
R. W. GRAFF, San Francisco, Cal.
E. P. BARRY, St. Paul, Minn.
F. W. DEACON, Racine, Wis.
R. WITHERSPOON, Memphis, Tenn.
A. R. MCNICHOL, Winnipeg, Man.
C. B. WOLFSON, Baton Rouge, La.
W. J. MURRY, Canada.
W. H. PAULISON, Canada.

And it is worthy of special note that the first two names, F. C. Eames and P. F. Jones, secured for the Association within the aforesaid 90 days no less a sum than $1,100,000 new insurance, all written by their own hands and through their individual solicitation. Others have secured very large amounts, and one and all of our agency force are entitled to special commendation for the efforts and enthusiasm manifested by them in the interests of our Association, and the Board of Directors have voted to each of the gentlemen named a special testimonial as an expression of their regard.

In conclusion, I will state that your executive officers enter upon the year 1892 with absolute confidence for the future. Our Association was never in a better condition than to-day. We shall continue to press forward in the cause of life insurance reform, and we shall continue to furnish life insurance pure and simple, divested of all savings banks or investment attachments so that those of the people who desire life insurance at cost, with absolute security, as provided by our already large cash accumulations and rapidly-increasing surplus, through our Emergency Fund, will be able to obtain it.

To my official associates, to our many loyal and faithful agents in the field, as well as to the more than one hundred employes in our office, I desire to acknowledge my special obligations for the help, aid and assistance which they have rendered in their respective departments, and to the many thousands of members located throughout our country, Canada, Great Britain, France, Belgium, Germany and Sweden, who have given us their loyal support in the great conflict which has been waged against us, I extend my sincere thanks and request a continuance of their confidence and support. Respectfully submitted,

EDWARD B. HARPER,
President Mutual Reserve Fund Life Association.

NEW YORK, Jan. 27, 1892.

TREASURER'S REPORT.

John W. Vrooman's Record of the Year in Figures.

It did not take Treasurer Vrooman long to read his report, but its interest was in inverse ratio to its length. His record of success in figures follows:

(Mortuary and Reserve Fund Accounts.)

Balance, Dec. 31, 1890		$2,795,375 74
RECEIPTS.		
Net receipts from Mortuary Calls, January 1 to December 31, inclusive	$2,560,302 96	
Interest credited to Death Fund, January 1 to December 31, inclusive	123,336 64	
Unused Special Deposits	23,727 40	
Total Receipts		2,707,367 00
		$5,502,742 74
DISBURSEMENTS.		
Death claims paid as per detailed list herewith		$2,290,108 80
Balance, Dec. 31, 1891		$3,212,633 94
Accounted for as follows:		
Bonds and Mortgages (first liens on real estate)		$2,287,900 00
Bonds Dominion of Canada 5 per cents		52,325 57
Bonds Province of Quebec 5 per cents		50,000 00
Registered French Rentes 3 per cents		30,183 77
Bonds Credit Foncier, Paris, France, 3 per cents		19,979 88
Bonds City of St. Louis 3 65-100 per cents		1,000 00
English Consols 2¾ per cents		97,500 00
Cash on Deposit with Chemical National Bank, New York		100,000 00
Cash on Deposit with First National Bank, New York		100,000 00
Cash on Deposit with Fourth National Bank, New York		132,360 00
Cash on Deposit with Central Trust Company, New York		100,339 99
Cash on Deposit with National Park Bank, New York		42,055 16
Cash on Deposit with Credit Foncier, Paris, France		41,204 28
Cash on Deposit with Stockholms Enskilda Bank, Stockholm		30,894 40
Cash on Deposit with Merchants' Exchange National Bank, New York		25,000 00
Cash on Deposit with Chatham National Bank, New York		25,000 00
Cash on Deposit with Mercantile National Bank, New York		20,000 00
Cash on Deposit with National Provincial Bank, London, Eng.		17,640 00
Cash on Deposit with Fourth National Bank (Mortuary Account)		14,659 16
Cash on Deposit with Third National Bank, Boston, Mass.		10,869 90
Cash on Deposit with First National Bank, Milwaukee, Wis.		3,523 15
Cash on Deposit with National Bank, Lawrence County, New Castle, Pa.		560 00
Cash in Office, (Mortuary Account)		698 68
Total		$3,212,633 94

Comparison.

We increased our Cash Reserve or Emergency Fund during 1891 $382,935, making this fund on Dec. 31 $3,155,220.94.

We paid in death claims during the past year

$2,290,108.80,

making the grand total disbursements to the beneficiaries of our deceased members since organization over

$12,000,000.00.

At the last annual meeting of this Association I reported that it was a "matter of pride as well as pleasure for me to state that after a careful personal investigation I am able to report that each and every legitimate death claim is promptly paid in full, and advances are made immediately upon notice of death whenever the same is suggested by the beneficiary."

The experience of the year 1891 causes me to repeat this statement with emphasis.

During the past year there has been added to our *cash and invested assets* the sum of

$454,258.15.

Our total gross assets Dec. 31, 1891, amounted to

$4,349,202.09.

On Dec. 31st of the previous year they were

$3,850,178.90.

An increase of

$499,023.19.

Our mortgage investments Dec. 31, 1891, amounted to

$2,287,900.

The annual interest on which will produce more than

$107,000.00.

Whereas on Dec. 31, 1890, our mortgage investments amounted to

$2,211,500.

Producing an annual interest return of less than

$96,000.00.

Respectfully submitted,
(Signed) JOHN W. VROOMAN, Treasurer.

NEW YORK, January 27, 1892.

The report was unanimously adopted and placed on file.

The report of Secretary F. T. Braman was here read by that efficient official as follows:

Eleventh Annual Statement of the Secretary of the Mutual Reserve Fund Life Association.

President, EDWARD B. HARPER.
Secretary, FREDERICK T. BRAMAN.
Incorporated under Chapter 267, Laws of 1875.
Reincorporated under Chapter 175, Laws of 1883.
Commenced business Feb. 1, 1881.
Principal Office, POTTER BUILDING, 38 PARK ROW, NEW YORK CITY.

Balance Net or Invested Assets, Dec. 31, 1890		$2,930,178 90
INCOME DURING 1891.		
Received from members	$3,580,789 77	
Interest receipts	123,336 64	
Total income		$3,704,126 41
Total resources		$6,634,305 31
DISBURSEMENTS DURING 1891.		
Death losses paid	$2,290,108 80	
All other disbursements, including Commissions, Salaries, cost of Adjusting Losses, Advertising, Printing, Rent, Office and Traveling Expenses, etc.	959,759,46	
Total Disbursements		3,249,868 26
Balance December 31, 1891		$3,384,437 05
ASSETS.		
Loans on Mortgages, first liens on Real Estate	$2,287,900 00	
English Consols, French Rentes and Bonds (Market Value)	261,400 00	
Cash Deposits in Banks on Reserve or Emergency Fund Account	616,331 72	
Other Cash Deposits in Banks	83,930 20	
All other Assets—Accrued Interest, Uncollected Premiums, Ledger Balances secured, etc.	1,099,640 17	
Total Assets		$4,349,202 09
LIABILITIES.		
Outstanding Bond obligations and unused advance deposits	$327,574 80	
Losses not due, in process of adjustment and resisted	526,063 00	
Net present value of policies in force Dec. 31, 1891	570,072 00	
Total liabilities		$1,423,709 80
Net surplus above all liabilities		$2,925,492 29
Business written during 1891, 14,074 policies, amounting to		44,318,965 00
In force Dec. 31, 1891, 64,679 policies, amounting to		215,207,910 00

Respectfully submitted F. T. BRAMAN, Secretary.
New York, Jan. 27, 1892.

The report was unanimously adopted.

The President: I now take pleasure in introducing to you a foreigner—[laughter]—a man who is not a citizen of the United States, but a member of the Mutual Reserve Fund Life Association. He has charge of one of our great departments, and he is just as true a friend of this Association as any member who is a resident of the United States—Mr. J. D. Wells, formerly of Canada.

BUILT ON A ROCK.

And the Waves of Envious Criticism Cannot Affect It.

The report of Mr. J. D. Wells, third vice-president, was now heard, and its sound, trenchant deductions appreciated heartily. The following is a verbatim report of it:

To the President, Directors and Members of the Mutual Reserve Fund Life Association:

GENTLEMEN,—In presenting to you the Eleventh Annual Report of the Agency Department of this Association, I take pleasure in reminding you that we have safely passed what our adversaries were pleased to call the Crucial Year of our existence. Every one of you who has taken part or been interested in the animated controversies of the last ten or eleven years concerning the affairs of this Association will remember that upon one point all our enemies and rivals were agreed, namely, that an insurance organization conducted upon the principles of the Mutual Reserve could not possibly last more than ten years, and many of you will remember that shortly after we commenced business in England a distinguished advocate of the old high premium system declared that if the Mutual Reserve outlived its tenth year he would not only cease to oppose it, but would admit the soundness of its policy and principles. That fatal year has not only been safely passed, but one year more, and the Association, with an increase of new business applied for in its eleventh year of over Nine and One Quarter Millions; with all claims paid in full; with additional endorsements by State Superintendents and other experts; with a Reserve Fund of over Three Millions of Dollars; with the hearty support of almost every independent newspaper, and with life, energy and enthusiasm animating all its departments, stands to-day upon ground as solid and firm as that of any other Insurance Company in the world.

The New Business applied for during the past year amounts to $50,019,615, an increase over the previous year's New Business of $9,286,194. This new business was received as follows:

From the Home Department	$36,290,150
An increase over the previous year of	7,260,780
From the British Department	5,622,750
An increase over the previous year of	361,000
From the Continental Department	3,693,715
An increase over the previous year of	693,715
From the Canadian Department	4,312,000
An increase over the previous year of	687,000
In other words, the New Business received from the Home Department amounted to	36,290,150
And from the Foreign Departments to	13,729,465
The increase in the Home Department being	7,260,780
And in the Foreign Departments to	1,842,715

It will therefore be seen from the above that the business of the Association has largely increased in every one of its departments.

This New Business, amounting, as I have said, to over $50,000,000, was received at the Head Office of the Association as follows:

January	$5,105,650
February	3,616,100
March	3,854,000
April	3,383,950
May	4,252,600
June	4,301,065
July	3,783,640
August	3,387,470
September	3,478,890
October	4,657,550
November	5,569,850
December	5,628,850
Total	$50,019,615

or an average of over $160,000 for each working day of the year.

In September last a prize circular was issued by the President, offering the following 10 prizes to such agents as should, during the months of October, November and December, through their personal work, secure the largest amount of new and accepted business:

Five prizes, each prize being a first-class gold watch and chain.
One prize of $75. One prize of $50.
One prize of 30. One prize of 20.
One prize of $10.

The first five prizes were awarded to the following gentlemen, in the following order of merit:

F. C. Eames, Kansas City, Mo.
P. F. Jones, Kansas City, Mo.
R. W. Graff, San Leandro, Cal.
E. P. Barry, Dakota.
F. W. Deacon, Racine, Wis.

The other prizes were awarded as follows:

R. Witherspoon, Jackson, Tenn.
A. R. McNichol, Manitoba, Can.
C. B. Wolfson, Baton Rouge, La.
W. J. Murry, Brooklin, Ontario, Can.
W. H. Paulison, Manitoba, Can.

In my report last year I stated, what every insurance agent knows to be true, that "the more a field is worked and the better it is tilled the more it will produce;" but it is equally true that by far the greater portion of this country, although nominally under the charge of experienced agents, is neither worked nor tilled, and therefore produces little or nothing; in fact, a few well-worked localities produce nearly the whole business.

During the past three or four months, therefore, under the special direction of the President, our Assistant Comptroller, Mr. McChesney, has been engaged in preparing books, tables and forms, whereby full details are shown as to the business of the Association in every city, town and village in the United States having a population of one thousand and over. These books and tables have been prepared with great care and labor, and show at a glance those places which have hitherto failed to produce their due quota of business, and they are supplemented by instructions to our Managers and Agents requiring them to furnish the Head Office with full explanations, and to take such steps toward supplying these places with agents, as shall, under the advice of the agency department, meet the requirements of the case.

The same plan will be extended, at all events, to Canada, and it is confidently expected that it will result in an enormous increase of business, and perhaps anticipate the confident hope of our President, expressed three or four years ago, "that the time would soon arrive when the new business of the Association would amount to $100,000,000 per annum."

While the attention of the President and Directors has thus been directed toward the extension and more thorough development of what may be called the outside business of the Association, the Metropolitan business has been recently strengthened by the establishment of a separate city office under the direction of two experienced managers. The City of New York, if thoroughly worked, is itself large enough to sustain a large proportion of the Life Assurance Companies doing business in this State, and it is altogether likely, that gradually but systematically and cautiously, the plan of establishing other Metropolitan offices in different parts of New York City and Brooklyn will be adopted.

It must be remembered that in thus increasing the number of agencies at home and abroad, and in extending and systematizing the agency business generally, the Mutual Reserve is not beset with the dangers which have surrounded, nor with the predatory animals which have devoured the substance of many old line companies, as recently exposed and condemned by an official report of Superintendent Pierce. With respect to the Company named in that report the Superintendent declares among other things that: "Extravagant commissions and unwarrantable allowances have been paid to the Company's Agents; funds of the Company to the extent of hundreds of thousands of dollars have been advanced to these agents without interest and upon insufficient security. Funds of the Company have been used for speculative purposes, and the greater portion of the profits arising therefrom have been presented to the agents, while in case of loss on any such transactions the whole loss falls upon the Company."

But while these observations apply with greater or less force to many other old line companies, and while the system upon which nearly all of them transact business implies "Extravagant Commissions," "Unwarrantable Allowances," "Insufficient Securities," "Speculation and Loss," the accounts of the Mutual Reserve do not and never will show one single dollar of the members' funds outstanding in the hands of its agents.

In this connection it may not be amiss to compare the system of our Association and the Old Line Companies, with respect to commissions and fees paid to agents and others in securing new business. Inasmuch as the official reports of the old line companies for 1891 are not yet published, I am obliged to quote from the reports of 1890, from which it appears that the commissions, salaries and traveling expenses paid to agents, and the fees paid to their medical examiners by the three leading Old Line New York Companies during the preceding year amounted to $13,862,436.44, or within a fraction of $34 for each $1000 of new insurance, while the amount paid by the Mutual Reserve during the same year was $400,958.55, or a fraction over $10 for each $1000 of New Insurance. Had the Mutual Reserve paid their agents the "extravagant commissions" and "unwarrantable allowances" which Superintendent Pierce so strongly condemns, its new business would have cost $1,500,000, or nearly four times what it actually cost.

It is not difficult, therefore, to understand why the rate of insurance charged by the Mutual Reserve is about one-half the rates charged by the Old Line Companies.

I cannot allow this opportunity to pass without acknowledging the rare business ability of our managers and agents. I am, of course, in daily conference and communication with them, and it is impossible to speak too highly of their fidelity and intelligent zeal. To a very large extent they are picked men; for it is not so difficult to procure first-class agents now as it was in the earlier years of the Association. The success of the Association is now so well established, and it has become so easy for agents to secure business, that some of the oldest and best agents of old line companies apply to my department almost every day for engagements.

But while, of course, the unprecedented success of the Association is largely due to the character and zeal of its agents, it is mainly due to the soundness of its rock foundations, and above all to the superb business and personal character of its President. His warm sympathies toward all who are around and about him, his extraordinary confidence, enthusiasm and pluck, his devotion to his work, his knowledge of and care over the smallest details of everyday work, have not only inspired all his officers and soldiers, but they have commanded the respect and admiration of every business man who knows him. Such a man will surely realize all his hopes and accomplish every declaration as to the future of his Company that he has ever expressed.

Nor can I close this report without referring specially to the worth of my old, trusty and faithful assistant, Mr. Evans. There is no man in the whole service of the Association more untiring or more devoted to its interests. His work is arduous and difficult, but he is always well abreast of it, and the reward which he seems to enjoy the most is that the President and Directors should know that he has done his duty.

J. D. WELLS,
Third Vice-President.

The President: The enthusiasm, gentlemen, which Mr. Wells displays in reading his report reminds me of that displayed at meetings I attended on the other side of the water. If you could only witness those meetings and see the enthusiasm displayed and the way in which the principles of the Association are upheld, you would realize the fact that as members you have something to be proud of.

Mr. Wells' report was accepted and filed.

The President next introduced Mr. D. E. Cameron, Deputy Treasurer of the Province of Ontario, Canada, who spoke as follows:

Mr. President and Gentlemen:

To the courtesy of my friend, Mr. McMurtry, your able and popular representative in Toronto, I am indebted for the pleasure of being present at your annual meeting to-day. I had a similar invitation last year, but owing to the pressure of my official duties was unable to attend. I may say that I have very much enjoyed the proceedings from beginning to end and have been deeply interested in and impressed with the full, comprehensive and lucid statements presented to the members by the President and other officers of the Association this afternoon, statements which, in their detail and fulness, I have never known equalled by any company with which I am acquainted. If any member of the Association fails to understand its position, methods and principles it is his own fault and not that of the officers, for their desire seems to be to afford the fullest information on every point and to fully satisfy every policy-holder that their interests are being subserved and protected to the fullest possible extent. I like the democratic methods of the Association. The officers take the members into their fullest confidence, and every policy-holder has a voice in the control of the Association. I was not aware until I came here to-day that I had a right to vote for the election of the directors. How different is it with the old line companies! These huge concerns are controlled by a few large stockholders, who appoint themselves to office at enormous salaries, and the policy-holders are as powerless to change or influence the policy of the company as though they had no connection whatever with it. I have heard a great deal of your President, Mr. Harper, in Canada, but having seen him to-day I can now understand the reason for the phenomenal success of the company; I can now account for the enthusiasm and esprit-de-corps that animates every officer and employe of the Association, and for the personal devotion to Mr. Harper that manifestly characterizes those whom he has associated with him in the management of the affairs of the Association. If Mr. Harper displays the same judgment and discernment in the management of the Company's business of the home office that he has done in the selection of the Company's representatives in Canada its wonderful success is easily accounted for. The first representative in Toronto was Mr. J. D. Wells, a gentleman of great ability and energy, who has since been promoted to the position of Third Vice-President of the Company. His successor was the present representative, Mr. W. J. McMurtry, a gentleman of wide popularity and much ability, and one who enjoys the fullest confidence of the people of the City of Toronto and Province of Ontario. The Company has also been happy in the selection of its local directors in Toronto. Mr. Warring Kennedy is a prominent wholesale merchant; Hon. R. M. Wells is a leading lawyer and ex-Speaker of the Legislature of Ontario; Mr. Wilson is a successful manufacturer and a gentleman of much influence.

A word now as to my own connection with the Association. Some seven years ago I was vigorously canvassed by an agent of the Company, but hearing all sorts of vague attacks upon it by rival institutions I was not easily persuaded to invest in a policy. Although my scruples were by no means overcome I consented to take a small policy, more to get rid of the agent than anything else. At the same time I held some policies in other Companies, on which I was paying almost double what I was asked by the Mutual Reserve. This led me to make a careful investigation into the principles upon which the Company is based, and having done so I am here to-day to say that I consider these principles sound and safe beyond question, and I have no hesitation in