

about its being licensed, and even draw special attention to this claim by the word "licensed" appearing in conspicuous letters. On consulting the annual reports of the Superintendent of Insurance, we find no evidence that it ever has had a Dominion license. It has simply been "Registered, and permitted to transact the business of life insurance in Canada upon the assessment plan." To obtain a Dominion license under the Insurance Act requires a deposit of \$50,000 with the Dominion Government. The P. P. I. has never possessed \$50,000 with which to make such a deposit. Then why does it so persistently claim to have a license? It surely cannot be that this claim is put forth to induce the simple to enter its toils!

An examination of the sworn reports given to the Superintendent of Insurance reveals the following course of progress (?) :—

	Newmembers obtained	Certs. in force	Gain in members
For year ending 31st January, 1887.	977	1 545	730
" " " " " 1888	1184	2,371	826
" 11 months, end. 31st December, 1888	988	2,668	297
" year " " " 1889	775	2,714	46
	No. lapsed and sur- rendered	Claims paid.	Claims resisted.
For year end. 31st Jan., '87	243	\$10,411.87	\$2,493
" " " " " '88	349	16,000.00	2,493
" 11 mos., end. 31st Dec. '88	670	42,000.00	4,493
" year " " " '89	709	33,244.00	2,000
Totals.		\$101,655.87	\$11,479

From the above it can readily be seen that the rapid exit of members nearly equals the total number secured by all the drumming, bluster and foam of this great assessment boomer.

Another remarkable fact thrusts itself into notice, viz., the great number of resisted claims. What a source of consolation it must be to its members to know that the distressed widow and the fatherless children may have all the worry and trouble of a harassing and tedious suit to recover the amount of the certificate in case of the death of their bread winner!

How has it been with the death losses? A short time ago this "equitable" institution figured out an estimate based on the death losses in three of the leading life insurance companies. Its supposed rate, *six* assessments per year, has already been laid aside and a new rate prepared requiring *seven*; and even this rate has been exceeded in the actual loss sustained by the institution. In 1888 *nine* assessments were levied upon its members in spite of its estimates. In 1889 *eight* were levied, and a number of deaths occurring near the end of the year were carried over into 1890, and a double assessment made early this year to meet the claims. It is no wonder then that the number who desert its ranks is becoming greater year by year. How is the institution to stand with such a heavy exit of its best blood? But how do those fare who wisely purpose leaving the sinking ship? A glance at the report for the year ending 31st Jan., 1887, will reveal its method of dealing with those who wish to get out. "Amount of assessment in arrears since organization and for which the members in default are still liable, \$2,275.78." The way this is to be collected is shown by the following notice marked by a heavy x :—

"We desire to impress upon the membership, and especially those who are in arrears on assessments and dues, that the laws of the institution provide a way of procuring a membership in, and withdrawal from, the institution. For the protection of the membership these laws will be strictly enforced. No member can withdraw from the institution, or escape the responsibility of assessments and dues, until he has paid all arrears and given written notice of withdrawal to the Secretary. To those who are in arrears we have only to say that if you have court costs to pay, it will be no fault of the officers of the board. A word to the wise is sufficient."

Let the reader examine into the nature of the contract a man enters into who becomes a member of this "provident" institution. The statements made in the application, the medical examination, and the terms of the certificate, the by-laws, rules,

and regulations of the society form part of this one-sided, complicated agreement. In the application the would-be-member signs the following :—

"I hereby make application for a \$—— beneficiary certificate in the Provincial Provident Institution, and hereby agree that compliance on my part with all the laws, rules, and regulations which are or may be hereafter enacted by said Institution is the express condition upon which I am to be entitled to participate in the benefice, and have and enjoy all the privileges of membership, and that this application shall form part of the contract."

It is not sufficient to be bound by the laws that are already in force, but those "that may hereafter be enacted" are also binding. Thus the applicant signs a contract which may be changed by one of the parties at will.

The certificate of this institution is indeed "fearfully and wonderfully made." It contains twenty-eight clauses, each having one or more conditions to be complied with. These clauses continue in force while the membership lasts, thus the certificate is never incontestable. Add to these the restrictions placed in the by-laws (retailed to members at 10 cents per copy), and is it any wonder that members become dissatisfied? A member would require a lawyer versed in all the technicalities of this institution to follow him around and remind him when in danger of breaking one of the many rules, laws, etc., suspended over him, and, like Damocles' sword, threatening to fall any moment upon his innocent head.

It is stated in the circulars of this institution that a member entering at age 37 cannot possibly pay more than \$10 per annum for death losses and reserve fund. The certificate promises to pay to a member entering at that age \$100 per year for ten years on his attaining 61 years of age, and \$1,000 should death occur before that date. Thus a maximum of \$10 per year for 24 years, or a total of \$240.00, must meet all death losses and provide a fund out of which the promised annuities must be paid. To meet the death losses alone, according to the standard tables of mortality, would require an amount almost double this. Then where are the funds for the annuities to come from? Any society that promises such return cannot long survive in the keen race for business. Some people may be deceived for a time and induced to enter by fair promises, but a short experience will prove sufficient to convince them that even life insurance managers cannot work wonders. The hundreds of collapsed assessment concerns attest in the strongest terms the utter unreliability of all hat-passers as life insurance companies.

We have no quarrel with the Provincial Provident or any of its officers. Its reports as published by the Superintendent of Insurance are public property. Its published documents from which we have so largely quoted are also before the public, and it should stand or fall on its merits. In the interests of the public who are largely uneducated in the science of life insurance we utter a warning, and say, read and ponder before you trust the future welfare of your loved ones to a society founded upon a basis which, as represented in its literature, is without actuarial equity, and which seeks to secure business by such representations as it habitually employs.

C.W.C.

Toronto, 8th July, 1890.

That is a very suggestive story told by the *Lewis-ton Journal* of the scene witnessed several years ago in Philadelphia, where the household goods of a widow were being sold at auction for her husband's debts the day after the funeral. Coming at last to the cradle, in which her child was pillowed, she tearfully requested the auctioneer not to sell it. Without heeding her in the least, he proceeded, when, snatching up her child in one arm, with the other she plucked from her bosom a folded paper, and waving it aloft she indignantly cried: "Blast ye! ye can sell the cradle and the stove, but there's a five thousand insurance policy ye can't sell nor tech!"