

CANADIAN LIFE INSURANCE OFFICERS' ASSOCIATION.

BEFORE THE ROYAL COMMISSION.

The members of the Canadian Life Officers' Association appeared before the Royal Commission, at Ottawa, on Monday last, and presented a very carefully prepared memorial, embodying the suggestions and recommendations of that association, in regard to legislation in Canada affecting the business of life insurance.

The memorial was presented by Mr. David Burke, president of the Association, following the presentation of the memorial, Mr. Burke was asked a number of questions by Mr. Shepley, K.C., regarding the suggestions embodied in the memorial. A more general discussion than took place, several members of the association addressing the Commission on particular clauses. Mr. Shepley finally asked the association for a fuller elaboration on some points, which they agreed to prepare for the Commission next week.

It will be seen that in the memorial to the Commission, the life managers have requested that their Association be incorporated in the Insurance Act, as a consultative and advisory body.

The status of the Canadian Life Officers' Association is an important one, in its relation to the companies transacting the business of life insurance in Canada. The following is the memorial presented to the Royal Commission:

"The Canadian Life Insurance Officers' Association beg to present the following suggestion for the consideration of the Royal Commission on life insurance:

"1.—That legislation to secure adequate publicity of the essential facts in the conduct of each company's business would prove more beneficial than legislation of a restrictive or of a prohibitory character. The history of life assurance in Great Britain, where the conduct of the business reaches a high standard, furnishes proof of the success of legislation based upon freedom and publicity and worthy of minute consideration.

"2.—That each company shall on every policy issued by it on or after 1st of January, 190—, state the non-forfeiture and surrender regulations, if any, in respect to such policy.

"3.—That from the date from which the proposed amendment to the insurance act comes in force the powers of investment of life offices shall be as follows:—Any life insurance company which derives its corporate powers or any of them from an act of the Parliament of Canada, or which is within the legislative power of the Parliament of Canada, may invest its funds or any portion thereof in the purchase of: (a) Public debentures, bonds, stocks, consols, or other securities of Canada, or of any Province of Canada, or of any

public corporation; or (b) The bonds of any company or corporation, which bonds are secured by a mortgage to trustees or a trust corporation or otherwise, upon real estate or other assets of such company or corporation; or the debentures or other evidences of indebtedness of any such company or corporation, which has been doing business for a term of not less than three years prior to the date of such investment, provided default shall not have been made by such company or corporation in the interest payments upon its debentures of other evidences of indebtedness within the said period of three years prior to such investment; or the stocks or shares of any such company or corporation upon which dividends have been paid for not less than three years preceding the purchase of such stocks or shares; provided, however, that no company shall be permitted to invest in its own shares or the shares of another life insurance company.

(c) Life endowment or other policies or contract issued by the company or by any life insurance company, or

(d) Ground rents, mortgages on real estate, leaseholds, life and reversionary interests in property, whether absolute or contingent, or

(e) Any securities accepted by the treasury board as deposits from insurance companies under this act.

Sec.—Any such life insurance company may lend its funds or any portion thereof in security of,

(a) Any of the bonds, stocks, shares, debentures or other securities mentioned in the preceding section, or

(b) Real estate or leaseholds for a term of years or other estate or interest in real property.

"4.—It is recommended that such legislation be enacted as will effectually prohibit the granting or the accepting of a rebate of a life assurance premium.

"5.—The association has considered the advisability of suggesting the adoption of a suitable gain and loss exhibit as part of each company's returns to the Government, but whilst the Canadian companies do not object to an approved form of exhibit, it is believed that such a compulsory return would be so objectionable to the British companies (members of the association), that it might involve their retirement from Canada; such an exhibit being generally contrary to the practice and views of the actuaries managing the companies in Great Britain.

That the Government statement form be revised in such manner as to call for greater detail in income, expenditure, assets and liabilities.

"6.—That the principle of a net premium valuation be maintained, but that any company desiring to do so may be permitted to make deduction from