

The new Bill contains much that is commendable and which will be advantageous to the life companies. There are, however, a number of sections to which the directors of this company, as trustees for its policy-holders and shareholders, are unqualifiedly and unalterably opposed, believing their enactment would be distinctly damaging to their interests. It is upon these sections I take the liberty of briefly addressing you.

Section 36, 'Gain and Loss Exhibit.'—To correctly make up this exhibit would entail an immense amount of actuarial and clerical work, when gotten up it would serve no useful purpose nor be of advantage in any way. For this reason, and on account of the expense involved, the section should be expunged.

Section 42, 'Valuation of Policies, etc.'—Should set forth that the surplus ascertained after allowance per subsection (3) may be made the divisible surplus.

Section 53, 'Limitation of Expenses.'—should be expunged; its enactment would have an exact contrary effect to that anticipated or intended. If enacted it would have a tendency to force companies to increase their premium rates; to decrease the surrender values. If an earnest endeavor to live up to the provisions of this section is made the companies, especially the younger ones having a small renewal business, would have difficulty in securing new agents or retaining old ones.

The proposed allowance for mortgage investments is entirely inadequate, and would force companies to cease investing in such securities; this would be greatly to the detriment of borrowers—principally farmers, and to a considerable extent the development of the country would be retarded. Funds would necessarily have to be invested in less productive securities—result diminished profits. The enactment of this section would be obnoxious and be a discrimination against young small companies; it should be expunged in its entirety from the Bill.

Section 86, 'Policy to be deemed whole contract.'—On line 30 after the words 'the same' should be inserted the words 'What are deemed essential parts thereof,' as the section now reads the application in its entirety must be attached to make any part effective which would entail a great deal of work—with consequent expense.

Section 91, 'Quinquennial distribution of profits.'—This and section 95 should be amended to read for ascertainment allotment or distribution of profits being made at *quinquennial periods of the company*, and not of the policies; if latter method is adhered to it would necessitate annual calculations, involving a great deal of additional labour with consequent expense with no corresponding advantage.

Section 96, 'Form of Policy, etc.'—This section in so far as it requires copies of all policies to be filed with the Superintendent at least thirty days before being issued, etc., should be deleted. It will not be expedient to comply with this requirement, neither is it necessary, as the Bill provides that all policies are to have certain standard provisions.

Section 99, 'Providing for eight policy-holders directors, their voting by proxy, &c.'—This is a distinct interference with rights vested in the company by Act of Incorporation, and would be opposed by all shareholders and all honestly disposed policy-holders. The interest of all would be seriously jeopardized. A large unwieldy mixed board, such as suggested with provisions, as outlined for policy-holders voting, is most obnoxious and undesirable, particularly from the standpoint of the policy-holders themselves as upon them the additional large attendant expenses would necessarily principally fall. The policy-holders of a life company appointed in the way proposed would be no more useful or desirable on the board than the insurers with a fire company; or the depositors of a bank would be on their respective boards.

The subsection disqualifying paid officers from membership on the board is particularly undesirable. The entire section (99) should be expunged.

It is recognized that in such an important Bill as the one under review there are great difficulties in the way of reconciling the divergent interests of old and young companies; large and small; Canadian and foreign. But it is earnestly believed that the changes asked for herein will conform to the desires of all, and that, if effect is