

LIMELIGHT IS THROWN UPON THE CANADA LIFE ASSURANCE COMPANY

Michigan Insurance Department's Examination Shows that the Company Stands the Test Well—Full Text of Commissioner's Report—After Impartial and Keen Investigation, Hon. J. V. Barry Finds Only Good to Say of Canada's Largest Life Office.

The Michigan report on the Canada Life Assurance company was obtained by the Journal last night from Mr. H. A. Hunter, manager of the company for Minnesota, and the following is the full report handed to Commissioner Barry by Deputy Commissioner N. B. Hadley and Associate Examiner M. O. Rowland:

Lansing, Mich., Sept. 1st, 1905.
Hon. James V. Barry,
Commissioner of Insurance,
Lansing, Michigan:

In accordance with your instructions we have made an examination of the condition and affairs of the Canada Life Assurance company. This examination was made upon a voluntary request by the company that an official examination should be conducted by the Michigan insurance department. The last examination by this department was made six years ago. The request was for a joint examination to be made by the insurance departments of Michigan and Ohio; but the Hon. A. L. Vorys, superintendent of insurance for Ohio, deemed that a double examination was unnecessary. Your examiners have spent several weeks going over every part of the company's business, and we believe, have made a most thorough and complete investigation of every phase of the business. We have gone most carefully into the methods and management of its financial affairs, and have endeavored to investigate so thoroughly every part of the report made to the insurance department of Michigan, as well as of the records of the company, that we should be able truthfully to criticize any fault which we found, either with the management of the company or its methods of doing business. During the progress of this examination every officer and employee afforded us every facility possible, in accordance with the instructions contained in the letter of the president of the company, as follows:

I was pleased to learn that you had accepted the invitation of the Canada Life Assurance company to visit you some weeks ago, to undertake an official examination of the company and verification of its last Annual Statement. I have not the pleasure of your acquaintance, but I write you in advance of your entering upon the work, to assure you of my desire, as President of the company, that you should have every opportunity to investigate its affairs, its financial standing, its business methods, its investments, its history; in short, we propose to give you the "freedom of the office" in the conduct of the examination. Yours very truly,

GEO. A. COX,
President.

Your letter of instructions to the examiners is also hereto attached.

Lansing, Mich., July 3, 1905.
Mr. Nelson B. Hadley,
Deputy Commissioner of Insurance,
Toronto, Canada.

My Dear Mr. Hadley—
While it is doubtless needless for me to caution you regarding the examination of the Canada Life Assurance company, upon which you are about to enter, it may not be amiss to direct your attention to the desirability of making this examination thorough and exhaustive in every particular. All the business and records of the company which have any bearing whatever upon its operations and business should be examined with the greatest care, and special attention given to any collateral transactions with which the company or its officials may have to do. Let the examination be so thorough that it will disclose the exact condition of the company and leave no room for criticism from any source. Very sincerely,

JAMES V. BARRY,
Commissioner of Insurance.

The Canada Life Assurance company was organized in 1847 under special Act of Parliament, which Act of Incorporation has been amended from time to time. It transacts business at the present time in the Dominion of Canada, Great Britain and Ireland, and the states of Michigan, Ohio, Minnesota, Il-

linois, Pennsylvania, New York and Washington. These states were entered in the above order.

Annual Statement Verified.
We verified the annual financial statement of the company's business, as made to the Michigan insurance department, and found the same to be correct. We went carefully over all the assets of the company. The stocks, bonds and debentures are kept in the company's own depository safety deposit vault, and are most carefully safeguarded. We checked the schedules of stocks and bonds, noting carefully the amount of each, date of maturity, rate of interest, and the dividend paid, together with the book and market values.

That the company is most conservative and careful in regard to these investments is shown by the fact that the profit and loss account, into which we went for the whole of the last five years, shows a profit every year from the sale and maturity of ledger assets. We checked the real estate schedules and examined the title deeds of the real estate owned by the company, also the appraisals made by the various appraisers from the various properties. We had appraisals made of the real estate, including the company's office buildings, and, as shown by the financial statement hereto attached, we found the same carried at a low and conservative estimate upon the ledger. The difference between the value of the real estate as carried by the company and the appraisals made by this department was \$180,233.81, being \$56,708 in excess of the company's own valuation.

We checked the Real Estate Mortgage Schedule and examined carefully each Mortgage and the amount of Principal and Interest unpaid; also the certificates of Title, and where the value of the buildings demanded by this department was found to be less than the value of the mortgages assigned to the company. We found the Records and Papers in this Department kept exceptionally well and carefully.

Two Excellent Features.
There are two special features in the conduct of the Real Estate, Mortgages and Investments to which your Examiners desire to call your attention. First, the Titles are looked after so carefully that the company has never had a dispute over any Title. Second, the utmost care is taken in making loans, as is shown by the fact that practically the company has no Real Estate taken by foreclosure or as payment of the Mortgage. Aside from the Home and Branch Office Buildings, the company had only \$71,765.61 of Real Estate on December 31st, 1904, and of this, \$18,491.24 has been sold at a profit, leaving only \$53,274.37. The remaining properties are, in the opinion of your Examiners, well worth the amount at which they are carried by the company.

We also checked the Cash Account, the balances deposited in Banks and the Collateral Loans, and found the same reported correctly.

We made several test checks of the Loans upon Policies and satisfied our-

selves that the Reserve was greater than the Loan, and also that the accounts were kept correctly.

The investments and deferred premiums were specially scrutinized to find if there was any attempt in any way to inflate the assets. We are pleased to state that these were reported correctly, and the item of assets given in the annual statement was free from criticism.

The items of interest due and accrued were carefully checked and found correct. The amount of overdue interest is surprisingly small, when the total amount of mortgages and investments is considered. We found the records of the company kept correctly in this regard, and the proper amount reported.

Approved Investments.
The investments and loans made by the company are limited to those permitted by the company's charter and the insurance laws of the Dominion of Canada. Investments are first recommended by the board of directors, and then approved by the board of directors, and are largely in bonds and debentures, as shown by the financial statement hereto attached. The company has a real estate loan department for Manitoba and the northwest, where desirable mortgage loans are being made at remunerative rates of interest. One of our examiners made a personal inspection of the real estate buildings owned by the company at Winnipeg, and also of certain mortgage loans in Manitoba agency of the National Trust company.

The company has a very conservative policy in regard to the valuation of its assets, and we found that it was amply protected in every respect. The amount of interest of these loans being all guaranteed by the mortgages assigned to the Canada Life Assurance company, and they are all real estate loans upon good real estate.

The valuation of the policy liabilities was made by the Michigan insurance department for the year ending December 31st, 1904, on the Actuarial's 4 per cent table. The company itself has much more conservative basis, and as a result it was found that the company's own valuation was \$1,511,000 in excess of that of the Michigan insurance law; in fact, the company has the most conservative basis of any company in America known to your examiners.

Double Check on Liabilities.
In checking the liabilities of the company we went over very carefully the income and disbursement, and checked the agency report with the books of the company. No agents' balances or advances to agents were taken into account. The company checks directly or indirectly by the company.

The company pays its claims very promptly and treats its policyholders and their beneficiaries in a just and liberal manner. It is when a claim is made, and when the claim is settled, the interest is paid to the beneficiary. All the other disbursements show that the company is most carefully, honestly and economically managed.

The Dominion Government has required that all companies should within a limited time bring all their Canadian business to a 3 1/2 per cent basis, but the management of the Canada Life commenced to strengthen its Reserves some years before the Government took this action. The company has been about fifteen years in transferring its business from a 4 per cent basis to the new 3 1/2 per cent and 3 per cent bases, this being about the time allowed by the Government of the Dominion of Canada for such change, although by commencing several years before the requirement of the Government the change was completed proportionately sooner. The company's own basis of 3 1/2 per cent was increased to 4 per cent prior to 1900 and 3 per cent for all since then. Its position as to stringency of Reserves is unique, and should insure its future earning power and security.

At Least 90 per Cent of Profits to Policyholders.
The Subscribed Capital Stock of the company is \$1,000,000, but until 1899 only \$125,000 was paid up. In that year it was decided to call in the balance of the Capital Stock. This amount, \$875,000, was paid in cash to the company by the stockholders. The dividend at that time the Dividend was reduced to 8 per cent. This is the only remuneration that the stockholders receive. By the company's Charter it is provided that 90 per cent of the profits of the company shall go to the Policyholders and no more than 10 per cent of the profits to the stockholders. When the Paid-up Capital was increased to \$1,000,000 the stockholders were entitled to no larger contribution from the profits of the company than they might have received had the Paid-up Capital remained at \$125,000. The increase of Paid-up Capital stands as an additional security, while giving the stockholders a substantial pecuniary interest in the company. Until \$500,000 was paid up the stockholders could not receive 10 per cent of the profits of the company. The company has thus established a community of interest between the Policyholder and the stockholder, and has combined the advantages security and continuity of management inherent in a Stock Company with the most desirable privileges of a Mutual Company.

Policyholders' Directors.
In view of the attention recently attracted in the United States to the rights of policyholders, especially in the management of insurance companies, it is of special interest to know that a plan was adopted six years ago by the Canada Life Assurance company to give policyholders a voice in the direction of its affairs. In 1899 the shareholders voluntarily asked the Dominion Parliament to amend the company's charter, with the provision that instead of the directors of the company being all shareholders the policyholders should be given the right to select six of their number to represent them on the board of directors. This Dominion act has been in force since 1899, and policyholders are allowed to vote whether present at the annual meeting or not. So far as we know it is the only case where the first stock company to give policyholders a voice in the management, and it has in this manner succeeded in securing a harmonious blending of the rights of policyholders and stockholders. In our opinion this arrangement is a most equitable one.

During the last five or six years the company has made a material extension of its agency organization. It has opened new fields of operation in the United States, and has in the last few years commenced to transact business in Great Britain and Ireland. From which a large and apparently desirable class of business has been obtained. To make this extension of its agency system, with all the capital expenditure that is necessarily involved by reason of the fact that the company carries no advances or agents' accounts as an asset, while at the same time the company is strengthening its reserves, was a unique undertaking.

No Unquestionable Transactions.
The discussion at present prevailing in the United States, relative to the profitable or improper alliances of life insurance companies with other finan-

cial institutions, as well as your letter mentioned above, led your examiners to make a most careful scrutiny into the relations and business connections of the Canada Life with other financial corporations. As a result of this investigation it may be said with no hesitation that the Canada Life Assurance company has no improper or unprofitable financial relations or alliances with any other institution, and all its affairs seem to be conducted on a purely business basis. Its officers, in our opinion, make the best terms possible for and in the interests of the company. The banking business of the company is transacted with several of the leading banks of Canada, preference being given to those banks giving the company the best terms. The company's funds are invested as rapidly as possible, and very little, if any idle capital is permitted to lie in any other institution for its benefit.

We made a most careful check of the manner in which profits are allotted to the policyholders. It was found that the funds of the Tontine policies were kept quite distinct from the other funds, and on an examination of the sums allotted to the different policies no evidence of any unfair advantage or discrimination could be found. In both the Tontine and Ordinary departments the determination to strengthen its reserve funds. Now that the change in reserves has been completed and the company is upon a basis which is so stringent and conservative a large rate of profit may be expected at the next division of the surplus.

An examination of the profits paid on policies that have been in force for a lengthened period of years reveals the

fact that some of them have been more than doubled in value by reason of the bonus addition profits declared thereon.

Excellent Organization.
The head office, in recent years, appears to have made the most thorough and complete organization of its business. Special departments have been established and are conducted by responsible officers in a most efficient manner.

In conclusion we desire to express our appreciation of the treatment accorded our examiners by every officer and employee of the company. The completeness of the records and accounts, as well as the efficiency of the company's whole management, made the work of our examiners a most pleasant one, and we could not conscientiously do otherwise than commend the conduct of the company and its officers.

We hereto attach a summary of the financial statement showing the condition of the company as at December 31st, 1904.

Respectfully submitted,
NELSON B. HADLEY,
Deputy Commissioner of Insurance.
M. O. ROWLAND,
Examiner, Michigan Insurance Dept.

AFTER THE SPANKING.

Life.
Mrs. Whittier Lowell—In disobeying me, Emerson, you were doing wrong, and I am punishing you to impress it upon your mind.
Emerson—Aren't you mistaken, mamma, in regard to the location of my mind?

Philadelphia Press.
"Oh, I'll get thru all right," boasted the convicted murderer. "There's always some loophole of the law for a fellow."
"Yes," replied his counsel, "but the loophole for you, I'm afraid, is a noose."

Rheumatic Cure Free.

Send us your name and postoffice address and we will send you free ten days' trial treatment of our Casco Blood and Rheumatic Cure, for if you will agree to pay express charges, which amount to about 45 cents, we will send you one month's treatment, and if you are satisfied with results, you pay us \$1.50. If not, pay nothing.

Casco gives quick relief and cures permanently Rheumatism, Neuralgia, Sciatica, Gout, Backache, Creeping Numbness, Stiffness of the Joints, Dropsy, Kidney Diseases, and all blood and skin diseases. It makes no difference whether you are suffering from inflammatory, acute, chronic, nervous, muscular or any other form of rheumatism, or whether every part of your body is aching and every joint is out of shape, Casco will give quick relief and effect a permanent cure. There is no string tied to this proposition; only that no person will receive free more than one trial treatment. We mean just what we say. Address Drs. Rea Bros., Dept. A2, Minneapolis, Minn.

TRANSLATED.

Philadelphia Press.
Sam Johnson—Rastus Skimbone 'done bin a-talkin' a powerful lot 'bout how he's a-rasin' chickens.
"Lhaplet Snow—Sho' he doan' mean 'rasin'"; he means "liftin'."

In Sahara the temperature rises to 150 degrees in the daytime and sinks below the freezing point at night. There is no such variation in the Great American desert.

THE NEW STORE

Take Away This Merchandise

That's about all there is to it just now, but-----

- | | |
|---|--|
| Silks and Velvets | Dress Goods |
| Best quality Corded Wash Silks, all Silk Tafetas, in blue and brown check; also Black Silk with small white designs; values to 50c; yard..... | Neat mixed Mohair Suitings, in checks, plaids, hair-line stripes and mottled effects; good colorings; worth any time 50c to 59c yard; Monday, special..... |
| 19c | 25c |
| Colored Louisines, best quality Colored Tafetas, Plaids, Jacquard Checks, fancy Louisines, novelties, etc., worth to 1.25; yard..... | 54-inch all wool Lattice Cloth, 44-inch German Melrose Suitings, Panama Plaids and Mixed Suitings; worth to \$1.00 yard; special..... |
| 49c | 49c |
| Black 27-inch Peau de Soie and 27-inch Shepherd checks, in brown and white, blue and white, green and white, brown and black, etc.; can't be matched under \$1.00 yard..... | Pure Silk Noile and Wool Suiting effects in grays, brown, greens and Oxford; the fabric for long coats and suits; don't miss seeing them; Monday..... |
| 69c | 75c |

- | | | |
|--|---|--|
| Linen Sale | Millinery Dept. | Suit Dept. |
| Space permits us to mention a few prices only— | Up-to-date, purchase-compelling offerings in all grades of Fall and Winter Millinery. | Skirt Cleanup—50 finely tailored Walking Skirts, in light and dark colors, all this season's styles; worth to \$2.95; \$4.50; Monday..... |
| Russian Crash Towelings—Regular price 10c yard..... | For Monday—A Special Sale of Polos and Turbans, in Silk Felt and Breast styles, with chenille, fancy feather and velvet trimmings, etc., special up from..... | 25 Walking Skirts, plain and plaited, gray and brown Scotch mixtures, beautiful goods and well worth \$8; Monday..... |
| 7c | \$1.49 | \$4.98 |
| Huck Towels—Regular price 12 1/2c each..... | Cut Glass Salts and Peppers, with Sterling Silver Tops, worth every bit of 48c..... | Best Gilt Parlor Papers, in 15c and 20c grades, either width borders; clearance sale price..... |
| 10c | 25c | 5c |
| 66-inch Cream Damask—Heavy all pure linen; regular price 65c yard..... | Children's 14k rolled plate Neck Chains, with soldered links; sell regularly at \$1.48; Monday..... | Best Gilt Parlor Papers, in 15c and 20c grades, either width borders; clearance sale, roll..... |
| 50c | 98c | 10c |
| 72-inch Bleached Damask—Extra fine, pure linen; regular price \$1.25 yard..... | Cuckoo Clocks, fine thing for dens, first-class timekeepers, and worth \$1.00..... | Be sure to bring size of rooms. |
| 89c | 79c | |
| Napkins—All linen, a big lot of extra heavy and fine qualities; worth to \$4 dozen..... | Women's Underwear | Boys' Clothing |
| \$2.50 | Women's White Jersey Ribbed, high neck, long sleeve Vests and tight-knee Pants to match; sizes 5 to 9; 35c values..... | Boys' Suits and Overcoats, sizes 3 to 16; worth \$4.50 to \$7; Monday..... |
| | 21c | \$4.50 |
| Drug Dept. | Women's Jersey Ribbed Wool Vests and Pants, in pretty blue mixed goods (pants made with French bands); should sell at \$1.00; this time..... | Wash Goods |
| Two specials for Monday buyers— | 75c | Satin Stripe Mulls—Beautiful, fine, dainty fabrics; the season's price has been 7 1/2c 19c yard; Monday..... |
| Best Borax, per pkg..... | New Mouldings | Imported Novelties—The real stuff from the best makers of Europe; former prices to 75c yard; special..... |
| 6c | In Picture Department, Main Floor; these prices (on new, fresh stock), good for Monday and Tuesday; they also include the making— | 18c |
| Mennen's Talcum Powder..... | 20c and 25c mouldings, ft..... | Music Dept. |
| 14c | 15c | The Very Latest Hits—Both in vocal and instrumental numbers, always to be found here. We aim to carry just what you want, and if it's sheet music (popular, operatic, classic or sacred), it's here, and at the lowest prices. (Ask to have your favorite piece played.) |
| Orange Flower Skin Food—the best wrinkle remover and skin softener known; absolutely pure—no harmful results afterward; \$1.00 size..... | 12c and 15c mouldings, ft..... | |
| 50c | 10c | |
| Optical Goods | 5c and 6c mouldings, ft..... | |
| So many calls for it that we will again offer our regular 14k gold filled frame, with fine periscope lens (a \$4 article), at..... | 3c | |
| \$1.50 | | |
| Corsets | | |
| Monday's Special Sale. | | |
| The latest styles of R. & G. J. B., C. B., G. D., W. B., Ferris and American Lady Corsets and Waists; dip hip, with double hose supporters; all sizes; worth to \$2; choice..... | | |
| 98c | | |

- | |
|---|
| Mammoth Shoe Dept. |
| Queen During—Those famous shoes for women. They fit where others fail. There is no women's shoe on earth so satisfactory and dainty on a lady's foot. 80 new swagger shapes, all leather. |
| \$3.00 |
| The Famous Victor shoes for women. All the shapes, styles and fit of shoes that cost double. All leathers. You will be pleased; try a pair at |
| \$2.00 |
| 1,000 pairs of School Shoes for Boys and Girls; one style from each line of sizes |
| \$1.00 |

"Don't Worry" PETERSON'S

73-75 South Sixth Street. Trade with Peterson

Special Bargains for Monday

We mention here only a few of the many bargains in house-furnishings to be found in every department of our store. Our prices are right, our terms are right. There's no need to worry if you trade with Peterson.

Library Table This handsome library table is made of solid quarter-sawn oak, finished either in golden oak or weathered oak, heavy turned legs with hand-carved claw feet, fitted with ball-bearing casters; regular price, \$25.00; special.....	Rocker Large, comfortable rocker, springs in seat and back, upholstered in genuine leather, frame of solid oak, finished in either weathered oak or golden oak; regular price \$17; special.....	Dresser A handsome dresser, finished in imperial quarter-sawn oak, has two large drawers and two small serpentine swell top drawers, large French bevel plate mirror. This is the dresser bargain you have been looking for; regular price \$21, special.....
Couch Genuine leather couch, heavy quarter-sawn oak frame, best steel springs, good filling, hair top; full width and full length—a real bargain—regular price \$27.50; special.....	Sideboard A handsome sideboard, well-built, finished golden oak, one large linen drawer, two small drawers, one lined for silver; regular price \$12.45; special.....	Extension Table A substantial extension table, handsomely finished, top pedestal fitted with patent lock; this table will seat 12; regular price \$20; special.....
Sofa Bed Sofa bed like picture, frames finished mahogany or solid oak, golden finish, the best steel springs are used; covers in assorted satins and colors are of the best Veron Velours. This sofa bed has wardrobe for bed clothes, etc.; regular price \$27.50; special.....	Chair A dining room chair, solid oak, golden finish, highly polished, full box seat, upholstered in genuine leather, regular \$3.50; special.....	Rugs and Carpets Visit our Carpet Department. You will find it overflowing with all that is latest and best in floor coverings; the goods are new, the patterns and color effects are the latest, prices always the lowest, quality the highest. We also call your attention to our line of draperies, couch covers and lace curtains.
Range Moore's Steel Range—The latest improvements, are always found on the Moore Steel Range, the best material and best workmanship thruout, double steel walls, interlined with heavy asbestos felt; fire pots, of heavy cast iron, fitted with duplex grates for wood or coal; thermometer in oven door makes baking easy; the hinge top, the handy way to load—self-cleaning damper in pipe is a fuel saver. Come in and ask to be shown.	TERMS \$25.00 on \$25.00 \$50.00 on \$50.00 \$100.00 on \$100.00 \$150.00 on \$150.00	