

ment of these securities show a degree of care in their selection rarely exhibited by any financial corporation.

Since the organization of the Kansas Mutual Life it has never foreclosed a mortgage, and on December 31, 1893, there was not a dollar of principal or interest due and unpaid.

This statement alone shows the highest skill and fidelity in managing that branch of the company's business.

I recommend the careful examination of the reports to me of Mr. Hite and Messrs. Good & Fellows.

In conclusion let me add that in undertaking this examination officially, as superintendent of the insurance department of this state, I have considered it my function to be absolutely impartial and, at the same time, judicial in my findings, and as a public official have aimed thus to make both the examination and my conclusions, always having before me the obligations of my office and the oath to which I subscribed; and I feel certain that I have absolutely done my duty, both to the public and to the company, without fear, favor or prejudice.

S. H. SNIDER,
Superintendent of Insurance.

"D. R. HITE, INSURANCE LAW,
ATTORNEY AT LAW.

TOPEKA, KAN., May 5, 1894.

Hon. S. H. Snider, Superintendent of Insurance,
Topeka, Kan.:

"Sir—Under your direction I commenced an examination of the Kansas Mutual Life Association, of Topeka, Kan., on the 7th day of April, 1894. I herewith submit my report of findings and conclusions, after an exhaustive and searching examination of every certificate and policy contract issued by the company since its organization in 1882. I also carefully examined the securities of the company and the details of its business, verifying the mathematical computations of its reserve, etc. I find as follows:

"The company, under the certificate of authority issued by your department, transacts a life insurance business under the provisions of the old line life insurance laws of Kansas, enacted in 1871, to regulate the business of life insurance.

"The provisions of this act require that life companies of this state must deposit with the treasurer of the state of Kansas the sum of one hundred thousand dollars capital. I find the Kansas Mutual Life has on deposit with the state treasurer approved securities in compliance with the provision above referred to to the amount of one hundred thousand dollars. This amount being derived from the surplus funds of the company, growing out of the contributions of its members, and used for this purpose by a vote of the members of the corporation.

"The provisions of the law above referred to also require the deposit by such life companies of an amount equal to the net present value of all policies outstanding, estimated according to the American Experience Tables of Mortality, and four and one-half per cent interest.

"I find that the Kansas Mutual Life has so deposited an amount equal to the net present value of all outstanding policies upon which premiums have been paid. The aggregate deposit on January 1, 1894, amounting to \$139,000.00.

"I find that the company issues the following forms of policies: Ordinary life, limited payment life, endowment and renewable term.

"All of these contracts are carefully drawn upon the forms approved and used by the standard life insurance companies.

"The rate of premium being invariably estimated upon the Actuarial or Combined Experience Table and four per cent interest, a more stringent rule in favor of the policy holder than the American table and four and one-half per cent. The loaning of the net premium for expense is reasonable and the officers of the company have constantly kept the expense of management and procuring of new business within the amount derived from the loaning.

"I carefully examined the computations of the actuary of the company in the estimate of the reserve upon all of the policy contracts in force, and find his calculations absolutely correct.

"In this connection I think the work of Mr. Blakely, the actuary of the company, entitled to the highest praise, both for extreme accuracy in computation and conservatism in drafting the policy contracts.

"I find that the company is placing in some of its policies guaranteed cash values after the third year. I have examined these contracts and rigidly applied the tables to them for the purpose of determining the ability of the company to fulfill their terms. The result of my investigation along this line satisfies me that the company can undoubtedly carry out the agreement made without calling upon funds other than the contributions of the member holding such policy, even if the present death rate of the company should be enormously increased.

"I find the renewable term policies issued by the company to be in effect the same as those used by the Provident Savings Life of New York, a company managed by the distinguished Sheppard Homans, probably the most thorough life insurance man in this country.

"The reserve upon these policies is carefully computed according to the same standard tables as are applied to other forms of policies issued by the company.

"These contracts are issued in the several approved forms known as yearly renewable term, ten and twenty year renewable term, etc.

"As these policies expire at the intervals for which rates are made, the reserve is much less than upon regular life policies, where the rate of premium is so made as to keep the payments level through the entire life assured. It is worthy of note that these policy contracts were made by the company under the personal supervision of the late Mervin Tabor, actuary, and author of the 'Three Systems of Life Insurance.'

"The system of natural premium (yearly renewable term) insurance is the foundation of all others, the reserve being scientifically determined upon the American or Actuarial tables.

"Before the company, by a meeting of its members, determined upon a compliance with the 'Old Line Life Insurance Law,' it transacted an assessment life insurance business. Of the policies issued during such time there are now outstanding 144. These certificates

are not agreements upon the part of the company to pay any definite sum, but the amount payable to the beneficiaries is wholly dependent upon the result of an assessment of the members liable therefor. These policies can have no possible effect upon the present condition of the company or its ability to meet its maturing obligations.

"As these certificates become claims by reason of the death of the assured an assessment is made to pay the claim.

"It seems hardly necessary to state that purely after death assessment certificates have no present value. Failure to pay an assessment works an immediate forfeiture and creates no liability whatever upon the company to return any part of previous contributions, for the simple reason that such contributions are wholly exhausted in the payment of death claims and proper expenses.

"I find that for all other policy contracts made by the company the reserve now in the hands of the state treasurer is more than required by the laws of the state of Kansas.

"I devoted considerable time to the records of the company as reciting the history of its management.

"The narration is instructive and excellent. From the organization of the company down to this time the record discloses the most anxious regard by the present management for the best interests of its policy and certificate holders.

"No step of even minor importance was taken without deliberation and due consideration for all of the interests entrusted to the care of the officers and directors.

"No change in the plans of the company was made until the fullest opportunity was given to members to see the effect and approve the contemplated action.

"I carefully examined into the expense items, as shown by the books and the report of Messrs. Good & Fellows, the expert accountants called in by you.

"There has never been one cent diverted from the mortuary or other sacred trust funds to pay management or other expenses incident to the procuring of new business.

"The practice of the management in carefully looking ahead and depending upon surplus in the profit and loss account for the payment of the expenses necessarily incurred by a life company in the extension of territory cannot be too highly commended.

"The ratio of expense of the Kansas Mutual Life has been, by me, compared from data at hand with the ratio of expenses of similar companies at the same age, and I find the result highly favorable to the company under consideration.

"In conclusion, I wish to say that the result of an examination, which I believe unusual in its severity, establishes the fact that the Kansas Mutual Life is in splendid condition.

"The records of the company show patience, industry and high executive ability upon the part of the managing officers, and so far as it is possible to judge the future by the past, your examiner is confident that these gentlemen possess all of the requisites necessary to successfully conduct the affairs of the company.

"They are fully aware of the serious responsibility resting upon them, and their administration is a guarantee to the members of the company that their contributions will be guarded by honesty, and invested with intelligence. [Signed] D. R. HITE."

TOPEKA, KAN., May 7, 1894.

Hon. S. H. Snider, Superintendent of Insurance,
State of Kansas, Topeka:

"DEAR SIR—In accordance with your instructions, we have examined the books, accounts and vouchers of the Kansas Mutual Life Association, of Topeka, Kan., for the year 1893, and we herewith hand you the following accounts and schedules of the same duly certified.

- 1—Balance sheet, December 30, 1893.
- 2—Statement of income and disbursements for the year 1893.
- 3—Statement of net invested assets, December 30, 1893.
- 4—Summary of mortuary funds.
- 5—Summary of reserve funds.
- 6—Schedule of accounts payable.
- 7—Schedule of accounts receivable.
- 8—Summary of cash on hand.
- 9—Memorandum death claims paid.
- 10—Memorandum interest on bonds and mortgages.
- 11—Memorandum of increase and decrease of insurance for 1893.

"All of which are self-explanatory. We also checked the footings of the several cash books from the organization of the association in 1882 to December 30, 1893, and, with the exception of an error \$1, were found correct.

"Vouchers—We found vouchers on file for all payments made and the same charged to their proper accounts.

"Death Claims—Their mode of filing papers in this connection is highly commendable, and in examining the papers in each case we find that payments are made promptly.

"We have carefully scrutinized their methods of doing business during our examination, and, in our opinion, they are correct and business like.

"Under their system of book-keeping the details of their business are readily to be ascertained and verified.

"We find their checks and counterchecks commendable and likely to insure the utmost accuracy.

"We wish especially to commend the industry of the officers and clerks in keeping the accounts and records of the association carefully posted to date, and their practice of taking a weekly trial balance, not only indicates attention to their business and the wants of their policy-holders, but also furnishes a proper safeguard against possibility of serious error or loss. In making the examination, the admirable condition of the books and records of the association greatly facilitated our work.

"We are glad to take this occasion to express our appreciation of the courtesy of the officers and employes of the association and their willingness to do everything possible to enable us to make the examination exhaustive.

"We have the honor to be your obedient servants. [Signed] GOOD & FELLOWS,
Public Accountants and Auditors, Chicago,
New York and London.

The "Dogs and the Fleas" is a comical, instructive and intensely interesting book. Of course it is political. See premium list.

THE MARKETS.

CHICAGO, May 14, 1894.

WHEAT—Cash, 56 cents; July, 57½ cents; Sept. 59½ cents.
CORN—Cash, 37½ cents; July, 38½ cents; Sept. 39½ cents.
OATS—Cash, 33½ cents; July, 29½ cents.
PORK—Cash \$12.30.

LIVE STOCK.

KANSAS CITY, May 14, 1894.

CATTLE—Shipping steers, \$3.20@4.40; native cows, \$1.80@3.35; stockers and feeders, \$2.10@3.85; bulls, \$2.50@3.35.
HOGS—Bulk of sales, \$4.80@4.85; lights, yorkers and pigs, \$4.40@4.85.

HORSES.

W. S. Tough & Son, managers of the Kansas City Stock Yards horse and mule department, report the horse market as being particularly active. To the surprise of everyone there were more nice horses with quality and finish and a greater number of buyers than at any time during the past season. Notwithstanding this, prices are unchanged, if anything a little weaker, except on the extra nice ones. The southern trade continues strong on nice tippy drivers. Heavy draft horses are suffering somewhat.

Extra draft, 4 to 7 years.....	\$100 00 @ \$125 00
Good draft, " " " " " "	60 00 " 90 00
Extra drivers " " " " " "	100 00 " 175 00
Good drivers " " " " " "	65 00 " 90 00
Saddles good to extra.....	75 00 " 175 00
Southern mares and geldings.....	35 00 " 75 00
Western range, unbroken.....	30 00 " 50 00
Western ponies.....	12 50 " 30 00

MULES.

Market fairly active. Some considerable demand for good miners. Prices about steady at quotations.

1½, 4 to 7 years, extra.....	\$ 45 00 @ \$ 60 00
14 " " " " " " " "	35 00 " 50 00
hands 4 to 7 years, extra.....	75 00 " 90 00
15 " " " " " " " "	70 00 " 80 00
15½ " " " " " " " "	100 00 " 120 00
15 " " " " " " " "	90 00 " 100 00
16 to 16½, good to extra.....	100 00 " 125 00

WOOL.

Silberman Bros., 212 and 214 Michigan street, Chicago, get out a weekly report of the wool market which they will be glad to send on application. They say:

"The present view of the wool market shows stocks of desirable wools very much depleted. The future for such wools looks bright. Those who will shear well-bred and well-fed sheep this spring need have no fear but what they will obtain fair prices for their wools, as good long, strong staple wools will meet with an active demand. The tariff question, at present writing, still remains in an unsettled condition and, of course, a great deal depends on the action our representatives in Washington may take; yet action of any sort would be better than the present uncertainty. Most grades of wool are now on a free trade basis, though short, brash, and defective wools will probably experience a further decline in the event of free trade."

Prices for Kansas and Nebraska wools are:
Fine (heavy)..... 9c to 10c
Fine (choice)..... 10c to 12c
Fine medium..... 11c to 12c
Medium..... 13c to 15c
Low medium..... 13c to 15c
Coarse..... 12c to 14c
Cotted, etc..... 8c to 10c
Black..... 10c to 12c

Agriculture is the leading business of the West and has better prospects for competence and for profit in the future than any other industry. Send postal card for free sample copy of the Kansas Farmer, with supplement of benefits. Address, Kansas Farmer Company, Topeka, Kan.

You ought to read the new book "The Dogs and the Fleas." See premium list.

Don't fail to look over our book list under the head of premiums. Our books are few but they are the best going, for educational purposes.

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