

THE EFFRONTERY OF THE I.O.F.

The effrontery of the fraternal societies has become almost proverbial. For years they bluffed the public into believing that their financial condition was thoroughly sound and that anyone who alleged otherwise was *prima facie*, a tool of the insurance interests or something equally despicable. Now that the logic of circumstances has become too much for them, and numerous fraternal societies are making frantic efforts to get themselves out of a mess into financial conditions of more or less safety, their effrontery takes a different tone. Here is the Independent Order of Foresters putting out a statement showing assets at the close of 1913 of \$42,512,003 or considerably more than double what they were at the close of 1912, viz., \$19,568,403.

This enormous increase in assets has been caused by the putting through of the scheme for placing the finances of the Order on a sounder basis than heretofore. As a part of the scheme a lien was put on the certificates of pre-'99 members who are required to pay 4 per cent. interest on up to \$260 per \$1,000 certificate. These liens have been now used to swell the total of the Order's assets.

What the quality of this kind of assets is may be gauged from the fact that last year the I. O. F. had \$50,078,624 insurance terminated, nearly twice the amount of the new insurance effected. It is certain that in this enormous amount of insurance terminated there figured a considerable proportion of old-standing insurance, and it is very probable that many more old members will leave the society this year. The lapsing of every old member who has a lien on his policy means by so much the lessening of the Order's assets as represented above.

Under the present circumstances of the vast amount of discontent and disgust rampant among the members of the Order, the liens on policies are little more than straw assets. They never have and do not now represent real property or value received. Putting them forward as assets, as if they were cash or stocks and debentures is sheer effrontery.

FRAME BUILDINGS.

Careless construction of frame buildings, placed near enough to each other to communicate fires is said to be the cause of large insurance losses in many provincial towns, coupled with ineffective fire fighting apparatus.

TEA AND LIFE INSURANCE.

Why the sale of tea and life insurance should go together, there seems no obvious reason. However, there is a British company which has been running this business for eleven years and it reports that "It is now an established fact that the two requirements—life assurance and tea—can be purchased together from the Company at materially less cost than if obtained separately."

ROYAL EXCHANGE ASSURANCE.

Among the great British insurance companies of the first rank, there is none with a finer reputation than the Royal Exchange Assurance. In the Canadian field, the Royal Exchange is a comparative newcomer, having only begun operations in the Dominion late in 1910. But elsewhere, the Royal Exchange has been carrying on its business nearly two centuries, for it was founded in 1720, and for generations its reputation has been synonymous with the best business traditions of the City of London. Good insurance companies, like good wine, improve with age, and within six years of its second centennial the Royal Exchange is found to be still improving, strengthening and consolidating yet further its strong position, and always among the leaders in the adoption of legitimate new methods of business. Transacting a world-wide business and almost every kind of insurance, it is respected everywhere, alike for its integrity and its enterprise.

CANADIAN ORGANIZATION.

Within a comparatively short time, the Royal Exchange has built up a substantial business in Canada, which is being steadily extended under the direction of Mr. Arthur Barry, manager for Canada. In the fire department, consistently favorable results have been secured. Last year, the Canadian fire premium income of the Royal Exchange reached the substantial figure of \$406,218, an increase of \$75,000 on the 1912 figures, while the losses show the exceedingly moderate ratio to premiums of 39.54 per cent. This is satisfactory evidence that a very good class of business indeed is being obtained in the Canadian field. In addition to its fire business, the Royal Exchange also is now building up a Canadian casualty department, writing sickness, accident, liability and automobile insurance, this department also having the favorable prospect of developing important proportions. The Royal Exchange has the advantage of an influential Canadian directorate consisting of Mr. H. Vincent Meredith, president of the Bank of Montreal, Dr. E. P. Lachapelle, of Montreal, and Mr. J. S. Hough, K.C., of Winnipeg. The results hitherto achieved bespeak for the Company an increasingly important position in Canadian fire insurance with corresponding advantages both to the Company itself and to those associated with it.

LARGE RESOURCES.

Last year the Royal Exchange fire department achieved a premium income of over \$4,400,000, an advance of more than \$200,000 upon that reported for 1912. Losses were favorable absorbing \$2,336,790, or about 53 per cent. of the premiums. An addition of some \$90,000 to maintain the 40 per cent. reserve against unexpired risks was made, bringing