

CANADIAN FRATERNAL INSURANCE GOING FAST DOWNHILL.

There is ample evidence in the returns published by the Dominion Insurance Department that the fraternal societies in Canada are going fast down-hill. Members are lapsing their certificates in considerably greater numbers than new members are being brought in. Four organisations carrying on business on the assessment system report to the Dominion Insurance Department, three being fraternal and the fourth, the Commercial Travellers Mutual Benefit Society. This is their record of business new and terminated during 1913:—

	New Certificates taken up.	Death.	Terminated by Surrender, expiry or lapse.	Total terminated.
Catholic Mutual Benefit Association.....	\$ 2,098,500	\$428,000	\$ 1,294,500	\$ 1,722,500
Commercial Travellers' Mutual Benefit Society.....	242,000	39,000	169,000	208,000
Independent Order of Foresters (Canadian business).....	11,230,862	995,567	20,009,463	21,005,030
Woodmen of the World.....	2,020,300	136,750	1,295,500	1,432,250
Totals, 1913....	\$15,591,662	\$1,599,317	\$22,768,463	\$24,367,780
Totals, 1912....	\$19,167,381	\$1,625,293	\$11,285,447	\$12,910,740

These organisations wrote in 1913 about \$3,600,000 less new business than in 1912. At the end of 1913 they had certificates in force amounting to \$136,244,519, \$8,700,000 less than at the end of 1912, when the amount in force was \$144,913,387. Their surrenders and lapses in 1913 were more than double what they were in 1912 and totalled 146 per cent. of the amount of new certificates issued in 1913.

Insurance organisations in which the members have so little faith that they are getting out as fast as possible and whose new business is on the decline are obviously not desirable organisations for new members.

ROUNDOABOUT METHODS.

In this connection it may be noted that in the United States where the insurance commissioners have for a considerable period been trying to get the fraternal up to the mark as regards solvency, some of the organisations have not yet come up to it and others are trying to reach it by roundabout ways.

The lapse factor has been a matter of consideration, plea having been advanced that it should be taken into account in the valuation reports. The situation has been met by the resolution of the commissioners' fraternal committee that "all valuation reports of life benefits of fraternal societies be made upon the factors of mortality and interest and that no valuation including a lapse factor shall be recognized or accepted." The committee recommended that the rule be adopted in each State.

That will put a damper on the plans to receive credit for lapses that have been caused by the pressure for adequate rates of assessment to meet the demands for sufficient reserves. It says little for the fraternalists that they should cite lapsation as a factor for favor.

GERMAN LIFE COMPANIES AND THE WAR RISK.

A German insurance journal recently received in New York had an interesting note on the effect of the war upon the German life insurance companies. The following is a translation of the note:—

The world war that has so unexpectedly broken out has led many of those under the obligation of military service who have already been called to the colours, also of those who may expect hereafter to be called, to take out life insurance policies, with the inclusion of protection against the war risk, partly entirely new policies and partly, in case where life insurance policies were already being carried, in the shape of a war risk clause added to these already existing policies. For this inclusion of the war risk it is only natural that corresponding additional premiums should be asked. The rates, however, at which the various companies undertake this coverage of the war risk vary very sharply. One South German Mutual life insurance company holds itself out as furnishing life insurance with the inclusion of the war risk without any extra premium at all. Other companies appear to provide such insurance preferably with an extra premium proportionate to the size of the policy; others increase this extra premium in the way of requiring old policies, long outstanding, to pay not only the extra premium, but also the interest on this extra premium from the time when the policy of life insurance was originally issued. Another South German institution undertakes war life insurance at the flat premium rates of 10 per cent. for officers, 8 per cent. for members of the reserve and the second reserve and 4 per cent. for the members of the Landsturm and the medical service. The variation of the conditions under which the various companies will undertake the war risk is, accordingly, very marked. It would perhaps have been better if the association of life assurance companies could have decided upon a uniform method of procedure.

NORTHERN ASSURANCE COMPANY, LIMITED.

The White Cross Insurance Association, Limited, has been registered at Somerset House with a nominal capital of £101 in £1 shares, the objects being to take over the business of the White Cross Insurance Company, Limited (in voluntary liquidation), and to procure all or any policies issued by the Company, to be guaranteed by the Northern Assurance Company, Limited, or any other company or person, etc. £31,000 Consols have been deposited with the Paymaster of the Chancery Court, pursuant to the Assurance Companies Act, 1909. The Company is a private one. The first directors are to be Messrs. H. E. Wilson, W. S. Gayford, W. E. Trenam, T. Forbes, and A. L. Sturge, of whom the first three are nominees of the Northern Assurance Company. —Policyholder.

Mr. H. A. Bailey, of Halifax, N.S., has been appointed manager of the Moncton branch of the Bank of Montreal, succeeding Mr. R. Clark. Mr. Clark has been superannuated. Mr. Bailey has been inspector of the Bank of Montreal branches in the Maritime Provinces and Newfoundland for some years.