MUTUALIZING ANNUITIES.

One of the papers presented at the meeting of the Actuarial Society of America in New York City last week was by Mr. David Parks Fackler, the well-known consulting actuary, under the title of "Annuities with Participation." Mr. Fackler pointed out first that a large number of companies on the North American Continent have not published annuity rates and apparently have no annuity business on their books. He says that this is a regrettable situation since the purchase of annuities offers a safe channel for the savings of inexperienced investors, large numbers of whom lose considerable sums every year through bad investments.

The author then goes on to show that under present rates the return under annuities at ages under fifty is so slightly in excess of the return on Western mortgages and other securities of a fairly good class that practically no annuities are issued under that age, and the bulk of the business is at ages over sixty-five, a condition which results in a marked selection against the companies since only persons feeling that they have chances of longevity above the average will invest their capital in annuities at such advanced ages.

MUTUALIZING THE ANNUITY CONTRACT.

With this statement of the present status of the annuity business of American and Canadian companies, Mr. Fackler proceeds to his main argument that by mutualizing the annuity contract and permitting it to participate in the surplus earnings, the annuity would be popularized and the excessive survivorship now experienced would disappear. In order to guard against overstatement of age, Mr. Fackler proposes that the annuity application should contain rather searching questions designed to show where corroboration of the date of birth given in the application may be obtained. It is then suggested that to induce people to apply for annuities at comparatively young ages, it should be provided that continuous participation in surplus should be given to all male annuitants at ages at entry under fifty and to females entering below age fifty-five, while those who entered at older ages might participate for a limited time, say until age eighty for males and age eighty-five for females. In addition, in order to induce testators to direct the purchase of annuities, the author suggests that when an annuity is bought under the requirements of a will, regardless of the health of a beneficiary, continuous participation is to be given in all cases where the will was made five years before death or where more recent death could not have been foreseen. Inasmuch as the dividends paid must come almost entirely, if not wholly, from the excess interest earnings on the reserves, which will diminish as the ages of the annuitants increase, it will be desirable for practical reasons to withhold in the early years part of the surplus interest from distribution so as to equalize the dividends in the later years. Mr. Fackler outlines a method whereby he thinks this equalization could be effected, making due allowance for the expenses of the company in handling the annuity business.

Mr. Fackler, in the latter part of his paper, discusses the gain and loss exhibit as to annuities, in which no statement is made as to the gain from interest, and states that thus the annuity experience of many companies is made to show a paper loss on account of mortality, though, in reality, there has been a large interest profit. There is also a discussion of the complex calculations and statements regarding annuities for calendar years which lead to anomalous results in the gain and loss exhibits.

The paper concluded with the following:

"The object of this paper is to show that if annuities are mutualized and thus popularized, many persons would buy annuities at younger ages than now, and many would provide in their wills that annuities should be purchased for their heirs and beneficiaries instead of giving them definite sums which might be lost through investment. In the latter way it would happen inevitably that many of the persons for whom annuities would have to be bought according to the terms of the will would be in impaired health and the operation of both influences would be to make the mortality experience more nearly or fully what was expected, while the usefulness of the companies to the community would be extended greatly, giving them a larger hold on public confidence and support."

THE APRIL FIRE LOSS.

The fire loss of the United States and Canada for the month of April, as compiled from the records of the New York *Journal of Commerce*, shows a total of $17,700,800. The following table affords a comparison of the losses by months this year with those of the same months in 1913 and 1912, together with the monthly record for the balance of those years:

	1912.	1913.	1914.
January	$ 35,653,150	$20,193,250	$23,204,700
February	28,601,650	22,084,600	21,744,200
March	16,650,850	17,511,000	25,512,750
April	16,349,400	16,738,250	17,700,800
Total 4 months	$ 97,255,050	$76,526,100	$88,162,450
May	21,012,950	17,225,850	....
June	16,103,450	24,942,700	....
July	15,219,100	20,660,900	....
August	14,158,800	21,180,700	....
September	13,779,300	17,919,300	....
October	13,651,650	14,932,750	....
November	16,172,300	15,207,600	....
December	17,967,000	16,126,450	....
Total for year	$225,320,900	$224,723,350	....

There were some 251 fires during the month of April each of which caused an estimated property damage of $10,000 or over.

The loss for April, 1914, is about $1,000,000 more than the amount chargeable against the same month in 1913 and the total for the first four months of 1914 is nearly $12,000,000 more than the aggregate losses for the same period in 1913, although about $9,000,000 less than that recorded for those months in 1912, when all records for the time were exceeded.

The fire underwriters have had a hard time this year, says the *Journal of Commerce*, and their losses have been so severe that few will be able to make any profit on the year. The fire insurance outlook is anything but satisfactory and fire insurance stocks generally reflect the opinion of underwriters that the future is unfavorable.

Mr. Herbert Walker has been appointed branch manager of the Dominion of Canada Guarantee & Accident Insurance Company at Winnipeg, his territory extending from the head of the Lakes through Eastern Saskatchewan.