

CANADIAN VITAL STATISTICS DEFECTIVE.

In a paper published originally in the Monetary Times Annual and now reprinted, Mr. J. P. Moore, A.I.A. calls attention to the defective character of Canadian vital statistics. This matter is under provincial control, and there is not only divergency of methods, but in certain cases, entire lack of statistics. Mr. Moore commends the new Manitoba law, which came into force at the beginning of 1913, as a suitable model for other provinces to follow and suggests that both the Life Officers' Association and the Life Underwriters' Association should take this matter in hand with a view to stirring up the lagging provinces, so that uniformity of vital statistics all over Canada can be secured. Mr. Moore points out that proof of age is necessary to the fulfilment of the life insurance contract. The individual who understates his age is obtaining more insurance than he is entitled to, and he obtains this at the expense, not of the company, but of the other policyholders. Not only is the mortality experience affected, but the bonus distribution also, where made on the basis of age. The Provinces of Ontario and Quebec oblige life companies to limit the benefits to certain fixed sums on the lives of children under ten years of age. In such cases, it is certainly reasonable to expect that where circumstances call for proof, this be obtainable. In Ontario there should be little difficulty in this connection, but in Quebec proof of age in some cases cannot be obtained. In the circumstances, it is difficult to see how a penalty could be imposed on a company which in good faith pays a claim in excess of the limitation, seeing that the province has not done its part in providing the necessary facilities for obtaining proof.

REGISTRATION OF DEATH.

The proper registration of death is perhaps of even greater importance to life insurance companies, continues Mr. Moore, and not only registration, but provision for obtaining certificates as official proof. Here again the Province of Quebec is lacking; it enforces the deposit of a death certificate by the doctor and the compilation of statistics therefrom, but the act contains the extraordinary provision that when the statistics have been compiled, the certificates used are to be destroyed. In the meantime, an application for a copy would be refused, on the ground, it is said, that it might perhaps be used for an improper purpose. The Ontario Vital Statistics Act is open to an objection of this nature, but the Manitoba Act requires (Section 6) that before a search is made the applicant therefor must furnish satisfactory evidence that he has no unlawful or improper purpose. With a similar provision in the acts of the other provinces and with a certain fixed scale of fees, there need be no hesitation in making copies of certificates available to the public.

State rate-making, extended to the 48 States of the Union, inevitably means the end of reliable insurance. There would be gone that power of indemnity which puts united resources underneath a calamity, such as can visit Philadelphia, New York, Baltimore, Newark and many other cities that I could name in many other States. If every individual State is to assume to itself the right to dictate the rates upon which the fire insurance business shall be done, the indemnity itself will be gone.—*Frank Lock.*

THE RISK OF STATE FIRE INSURANCE.

The figures of the fire loss ratio of 1914 of the State of Massachusetts are worth careful study as illustrating the tremendous risk which would be incurred by any state or provincial government under a state or provincial system of fire insurance. Assuming that the State of Massachusetts undertook such an experiment, it is reasonable to suppose, says our contemporary, the Boston Standard, that it would not interfere with the operations of factory and other mutuals, but would insure only the property now written by the stock companies. Taking the figures then of the business of these companies in Massachusetts last year, it will be seen that they collected \$14,145,918 in premiums and paid out \$18,169,939 in losses in the state, that is to say they paid out, in losses alone, \$4,024,020 more than they received in premiums. This says nothing of expenses. Experience has shown it to be extremely unlikely that the state would be able to conduct the business more economically than the fire companies themselves. Their expense ratio will average for the companies writing business directly and not transacting a purely re-insurance business 40 per cent. of the premiums, or another \$5,658,367, which swells their loss to \$9,682,387.

A DISASTROUS RISK.

More than this, the great bulk of the premiums paid by Massachusetts property owners last year was for insurance for periods ranging from two to five years, the unearned premiums at the end of the year being, at a conservative estimate, 60 per cent. of the total, or \$8,487,550, still remaining exposed to a loss ratio which has averaged in Massachusetts for the past ten years 59.9 per cent., and would give further losses to be expected on the year's premiums of \$5,084,042. Add this amount to the \$9,682,387 given above, and it is seen that, while last year's premiums of the stock companies in Massachusetts were \$14,145,918, their losses and expenses on the business will exceed the amount of their premiums by \$14,766,429. What if the state of Massachusetts were to be called upon to assume this loss! An increase in present rates of ten per cent., maintained for ten years at least, would be required to enable it to recoup itself for this one year's loss, if, in the meantime, no other conflagration occurred to necessitate a still further rate increase. A risk that stock fire companies transacting business in forty-eight states can incur with safety may easily prove disastrous to a state carrying its own insurance.

FRANK W. ANTHONY DEAD.

Frank W. Anthony, well known in Canada for his more or less successful attempts to secure insurance from Canadians in fake fire insurance companies, is dead. He passed away a few days ago while awaiting sentence at Wilmington, Delaware, having pleaded guilty to conspiracy and fraudulent use of the mails in connection with three fake fire insurance companies in Delaware. His son and one other man have also pleaded guilty to the charges mentioned above, and several others, including a former United States senator, are awaiting trial on similar charges.