

# The Chronicle

## Insurance & Finance.

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**Another Assessment Failure.** "One more unfortunate" of the assessment class has collapsed this month. The "American Legion of Honour" has joined the majority, it has gone where policyholders cease from troubling, and the weary officers are at rest. In 1890 it had 62,574 members. From that date there has been a rapid decline, a sort of "galloping consumption" by lapses and absence of new members. At closing up its members numbered 8,618, the loss since 1890 having been 53,956. In ten years there were 69,200 lapses; these took all the new members numbering 37,700 and thousands of old ones. Members older than fifty years have had to pay \$24 per month on a \$5,000 policy, and are liable to be called on for double this sum!

**Fraternal Troubles.** The Fraternal Associations in United States are having unpleasant experiences just now. The Treasurer of the Maccabees has defaulted for \$60,000, in reference to which the "United States Review" says:—"A bad black eye has been given the scheme of the fraternal societies, recently launched in Chicago, for a mutual association to provide surety bonds for each other, by the \$60,000 defalcation of C. D. Thompson, Treasurer of the Order of Maccabees. If the plan had been in operation the mutual would have been caught for that amount, and it would have gone out of business promptly. Complications are likely to arise over the surety bonds covering the Treasurer. The line was originally written in the Fidelity and Deposit Co., of Maryland, but in August it was transferred to the National Surety Co. The Courts may have to decide which company is liable." It is singular that the founder of above Order objected to the accumulation of reserve funds by fraternal organizations on the ground that such funds were a temptation to dishonest officers, by which remark he drew

upon himself the denunciation of fraternal officials generally. The lack of proper oversight is a constant danger to these societies. Their officers are very ill-fitted to make investments, as they are rarely men of business. Some "jolly good fellow" is usually made Treasurer or Chief Officer though wholly unqualified. The "Investigator" remarks:—"It should not be forgotten that the ludicrously inadequate reserve which many fraternal are now accumulating is worse than none, because it will not prevent their ultimate insolvency and yet will have made the term insurance, which will have been all that they furnished, unnecessarily costly."

**Elevator Insurance and Inspection.** Several serious accidents in Boston, caused by elevators being out of order, has given prominence again to the question of insuring and inspecting these machines and to the laws relating thereto. An elevator was declared by the Massachusetts Supreme Court not to be a common carrier. This decision, as explained by the "Insurance Press," "does not in any sense relieve owners from liability for injury or death resulting therefrom. The common law and the statute of 1898 in that State provided a remedy which certainly gives suitable compensation for all damages sustained through the negligence of owners or their servants." The immunity of this city from elevator accidents speaks well for their construction and oversight. There is, however, a tendency to rely so unduly upon past records of safety as to neglect systematic inspection by which sources of possible danger may be discovered before an accident occurs. All machinery deteriorates by use, and time develops weaknesses that long were hidden. The inspection of elevators ought to be compulsory under a civic ordinance, as their use has become so general in office buildings and large stores that every possible precaution should be taken to render them absolutely secure.