

If the certificate-holders in this assessment concern realize the meaning of a falling off of over sixteen millions in new business; a loss of over twenty-three millions in business in force; a reduction of one-fourth of the so-called surplus in one year; of unpaid death claims of a million and three-quarters, (an increase of more than eight hundred thousand over the amount due at the same date last year); and an admission of having had to write off over a fifth of a million dollars on account of investment losses, they will be in a better position to discern what their future action should be.

Many of those insured in this association were fully convinced that the statement of its agents justified them in believing that the rates would never require to be advanced, and many even accepted the extraordinary statement that they would not be called on to pay premiums for more than fifteen years.

To all such the great increase in the calls will be a rude shock, and this will be aggravated in the case of those prominent in law, finance or commercial affairs, who have to a more or less extent endorsed the agents who were wily enough to word letters so as to draw out replies that appeared to express confidence in the position of the society as represented by the agent.

Though the report in The Spectator is made to appear in as favorable a light as possible, it is in itself a very strong condemnation of the system of insurance adopted by the Mutual Reserve Fund Life Association. The admission is made that "experience has demonstrated that the old plan of attempting to carry policies to maturity at the same price as was charged when the holders originally became members, was erroneous." This admits of the collapse of the system under which the association first attempted to do business.

Local members, in the fifteen-year class, of the Mutual Reserve Fund Life Association, have received a circular which states very plainly the position of the association toward such members. They are told in a surprisingly straightforward manner that they must now meet the increasing cost of insurance with increasing age, as there is no fund to meet this increasing liability. The circular is as follows:

To Members, Fifteen-Year Class, Mutual Reserve Fund Life Association:—

The call herewith issued is to meet your proportionate share of the mortality of the entire association, and is determined in accordance with the terms of your contract and in virtue of the power reserved to and duty resting upon the association.

The cost of life insurance is necessarily an increasing cost, since increasing age carries increasing liability to death; but the payments by which that cost is to be met may be upon either a level basis or one following the natural increase of cost. In the former case, there must be very considerable accumulation in the earlier years, which will be employed to meet the excess of cost in later years, thus maintaining uniformity of payment. This method was not in use in this association at the time your contract was issued.

The only legitimate modification of the increasing rate of payment presented by the alternate method, under which the association operated exclusively at the time when the fifteen-

year certificates were issued, is through the application of any specially provided accumulation or by savings in death-cost.

The amount provided in the earlier years of this class in the way of accumulation has been employed, under direction of its membership, in maintaining rates below the contract basis and so much below those of current age as to allow no margin of accumulation in the later years, but instead to require the gradual absorption of the earlier accumulations, until all available sums have been so employed, and now this class must depend to pay its proportionate share of the mortality of the association upon the current payments of its members, which must be made large enough to cover that share. There exists no other source from which to meet it.

The members of the fifteen-year class have had the following in return for their payments:

1. Insurance at the actual cost required to pay their share of the mortality based on the experience of the entire association, which has been much less than the mortality in their said class.

2. The entire benefit of their own over-payments.

3. Credit for their full proportionate share of the receipts from interest and other sources.

4. The application, as they have matured, of their bonds at face-value in payment of future dues and assessments.

In the future, as in the past, a member of this class will be charged on account of current death-cost only the same amount as every other member who is of the same age and on whose life the association carries the same risk.

In the future, as in the past, the members of this class will enjoy the full benefit of all payments over cost, if any, that they may make.

In the future, as in the past, not one dollar of their payments over and above the current cost of insurance, calculated on the same basis for all members of the association, will be diverted to make good any deficiencies in the payments of other classes of members.

In the future, as in the past, they will be required to meet their share of the current cost in accordance with the terms of their contracts, as the members of the other classes are and will be required to meet their share.

It is the duty of the management to require full payment from every member for benefits enjoyed. It is the only way in which the duty of the management can be fulfilled and all of its outstanding contracts, exceeding \$300,000,000, be kept absolutely secure. It is upon the basis of duty to every member, and the basis of the principles upon which alone sound and permanent insurance can be given, that the re-apportionment which goes into effect with this call is made.

GEO. D. ELDRIDGE,
Actuary.

INSURANCE NOTES.

W. W. Scrimes, manager for the Hartford Fire Insurance company, at Winnipeg, recently returned from a trip to Chicago, where he went to attend a meeting of insurance men.

After struggling for a year against the ruling of a despotic commissioner, the Mutual Life of New York will rid itself of McNall's bulldozing tactics and quit the state of Kansas. Its attorney, in notifying McNall of the withdrawal of the company, on De-

cember 31st, states that it cannot spend valuable time fighting for a right to do business in Kansas.

The tender of A. C. Archibald, agent at Winnipeg for the Ocean Accident Guarantee corporation, limited, has been accepted by the Winnipeg Firemen's Benevolent association for the accident insurance of its members for the ensuing year, amounting to \$30,000.

Western Business Items.

B. Craig will open a dry goods store at Newdale, Man.

F. Savage, saddlery, Poplar Point, is giving up business.

E. McDonald will return to Wawanesa, Man., and open a jewelry business.

E. Sharpe has sold out his boot and shoe business at Neepawa, Man.

Taylor and Fraser have opened an implement agency at Beulah, Man.

Malin & Ross, general storekeepers, Douglas, Man., advertise their business for sale.

A meeting of the creditors of Geo. Craig & Co., dry goods, Winnipeg, is called for February 21.

The firm of J. & E. Brown, Portage la Prairie, are said to be admitting A. Brown as a partner.

The grain and produce firm of Henry, Forde & Co., of Roseland and Edmonton, will open a branch at Nelson, B. C.

Phillips & Peters, butchers, Elkhorn, are succeeded by A. R. McLeod.

J. M. Baldwin, banker, has opened business at Killarney.

In the advertisement of Arthur Congdon, in this issue, read "300 pairs of snowshoes," instead of 300 pairs of overshoes.

Bryan & Leo, cigar manufacturers, Winnipeg, have dissolved. The business will be continued by Mr. Bryan, under the style of G. F. Bryan & Co.

The trade sale of groceries of the stock of Turner, Macleand & Co. offered this week by Thompson, Codville & Co. Winnipeg, was well attended, and there was a fair amount of buying, though many of the purchases were for small amounts.

A meeting of the executive of the Western Retail Lumbermen's association was held on the day following the annual meeting. John Dick, of Winnipeg, was again chosen for secretary, and his salary was increased from \$600 to \$1,000 per annum.

The Canadian Produce and Packing company, a new local concern recently incorporated, will open business at 128 Princess street next week. Mr. Jos. Carman, who has been the chief mover in the organization of the company, will leave shortly for British Columbia to form western connections for the new company.

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