

has of late been placed in American companies which have no legal status in Canada. True, many of the risks so placed were what are known as "sprinklered risks," and there was some excuse for our manufacturers or merchants going outside for insurance since our own underwriters were not until recently in a position to handle it on the best terms, not having the needed arrangements for adequate inspection. But now, the C.F.U.A. have, we understand, framed an inspection bureau for this description of risk. As to the repressive measures which our correspondent suggests, while it does seem irrational that there should be laws on the statute book which are not enforced, it must be somebody's fault that they are inoperative. When we have repeatedly suggested to insurance agents that they should make complaint to the proper authorities of underground fire insurance coming to their knowledge, the reply has been: "It should not be our business to be spies and informers. We are not custodians of the law." The letter makes a very fair hit at the manufacturers who go abroad for their insurance while loudly asking for all the protection they can get at home in their own special business of production. And there is something very like an aphorism in the claim that "the insurance companies pay for protection which they do not get, and the manufacturers get protection for which they do not pay."



TROUBLE IN THE A.O.U.W.

The Canadian branch of the Ancient Order of United Workmen seceded, some twenty years ago, from the parent body, whose headquarters are at Meadville, Penn., on account of the Relief Calls coming along too fast to suit them. For some years the Canadian organization prospered apace, because of a circumstance peculiar to all insurance societies, namely, the few deaths that occur within five or six years after passing a favorable medical examination. But to-day, new members being few and the healthiest of the old ones dropping out under extra assessments, there is trouble brewing. Instead of getting the benefit of a Relief Call assessed upon a half million of members, as formerly, the whole money needed to pay the extra death losses has to come from a small number of members. The past year has been somewhat disastrous to the Ontario jurisdiction.

In Grand Lodge, about two years ago, the representatives decided upon a moderate increase of the wretchedly low rates formerly used. The main object of this was to accumulate a Reserve Fund of \$500,000; the interest thereon to be applied in paying the death losses which those increased rates might not cover. But instead of the increased rates meeting all the deaths and leaving a surplus to go into Reserve Fund, it was soon found that that fund itself would have been largely eaten up by the heavy claims of the past year, if some heroic action was not quickly taken. Hence, the executive felt compelled to "take the bull by the horns," and order two extra assessments during 1904. And these two additional calls, it must be kept in mind, were at the increased rates that came into force January 1st, 1904, and which were intended, of themselves, to make extra assessments unnecessary. The old rates, (originally 50 cents per month per \$1,000, without reference to age), were graded a few years ago, so as to run from 60 cents on the youngest up to 90 cents at age 44 and over. But, a year ago this was changed to a step-up rate for each year of

age at entry, so that at 40 to 45, instead of only 90 cents, those elderly people now pay \$1.13, \$1.16, \$1.19, \$1.22, and \$1.25 at age 44, and \$1.30 at 45 and over. Upon the old people this was a rise of about one-half more than formerly.

The two extra assessments made in March and in June last, produced almost a round \$150,000, so that instead of the Reserve Fund being depleted by about \$100,000, as it threatened to be, it stands now at some \$50,000 larger than it was twelve months ago. From \$377,609 on December 31st, 1903, it has grown to \$428,514. It now amounts, through the falling off in membership, to about \$10 per member, or almost \$5 per \$1,000 of certificate carried.

But there is no note of rejoicing among the rank and file over the year's increase of \$50,000 in the funds. It was a costly affair, this addition of about \$1.25 per head to the capital stock. The reason is that despite all the hurrah and whooping-up, and prizes given for propagation work, the number of the brethren willing to pay assessments continues to decline seriously. One year ago the contributors were 43,976. At present only 41,451 are responding to the monthly assessment—a decrease of 2,525. Suppose each of these, and an equal number more of new entrants who also disappeared—5,000 in all—had remained, (and paid 14 assessments, averaging \$2 for their \$2,000 certificates), it is easy to see that \$28 short during 1904, upon 5,000 members, means a loss in contributions equal to \$140,000. Let this state of things continue for about seven years, and it would take a round million dollars to barely cover this loss of cash to the society. And what then would be its condition numerically? A decrease of only 2,500 per annum for seven years would take 17,500 out of the 41,451 of present members, and leave only 24,000 odd. And when 17,500 healthy people have dropped out, or say 40 out of each 100, what name will fitly describe those who remain? Would not the clinging sixty per cent. be largely composed of people too old or too impaired in health to get insurance elsewhere?

And so, something has got to be done, and done quickly, or there will be nothing in the A.O.U.W., of Ontario, worth an effort to save. In that case the sooner all the healthy members look elsewhere for "insurance that insures," the better for their families. But it is evident that the officers are going to try to get the membership to consider another general increase of rates. They called a meeting of the Advisory Committee in September last, and decided to submit two questions to the lodges. One was, whether they favored an increase in the rates; and the other, whether the Ontario Government's minimum scale—called Hunter's rates—should be adopted at next Grand Lodge meeting. These questions have evoked great interest, and two or three other scales are being advocated instead of Hunter's. The old men in the Order want the rates put higher on the younger men, and the young men contend that it is only the ages above 40 which are causing all the trouble, through getting their insurance, in some cases, at less than half the cost price.

In his 1897 report, J. Howard Hunter, the able Inspector of Insurance for Ontario, published a minimum table of rates, deduced from the Canada Life's long mortality experience. This table, he maintained, gave the lowest figures for each age on which any new society, desiring to operate in Ontario, could be allowed to open up for business. It did not include expenses. These must be provided for in such other manner as the society should choose. It was not