

### PAYMENT OF WAR CLAIMS.

There seems a good deal of unnecessary public discussion and fuss in regard to the question of the payment of claims arising out of the war, by the life insurance companies. It is certain that the companies are anxious to pay with as much promptness as possible every legitimate claim which, as a result of the war, they are called upon to meet. The record of the companies right from the outset of the war, shows that clearly enough to anyone who wishes to ascertain the facts. On the other hand, those in charge of the claims departments of the companies must, of necessity, insist upon the proper proofs of death being produced before claims are paid. The insurance companies are not philanthropic institutions but in the position of trustees for the whole body of their policyholders. They have no real right to be over-generous to claimants at the expense of the general body of policyholders, even if such unauthorised generosity gives them a temporary popularity among an unthinking and sentimental public. Undoubtedly, cases are at present arising where an entirely satisfactory proof of death is practically unobtainable, though death may be a strong presumption. There is the matter, also, of many now reported "missing," regarding whose fate it is impossible to get trustworthy information or form certain conclusions until the end of the war. These difficult cases must necessarily be dealt with individually on their merits and the individual action taken which appears the most appropriate. The natural keenness of the companies to ensure the continuance of a high reputation in the minds of the public is the best possible guarantee that, if any error be made in their action in these cases, it will not be intentionally or deliberately against the claimant.

### THE BANK OF MONTREAL'S REPORT.

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upon the paid-up capital and rest combined, against \$2,108,631—6.6 per cent.—in 1915. The 10 per cent. dividend plus 2 per cent. bonus to shareholders absorbs \$1,920,000; and war tax on bank note circulation \$160,000 (equal to one per cent. on the Bank's paid-up capital), the increased balance on profit and loss account of \$1,414,424 being carried forward against \$1,293,953 last year.

The present statement cannot fail to create a most favorable impression abroad, in quarters where Canada's economic and financial position is being closely scanned. It reveals strikingly the sound principles of conservatism by which Canadian bankers are guiding their actions through the present unprecedented times and indicates that they are completely prepared for any emergency or mishap that may suddenly develop. It remains only to congratulate those actively responsible for this policy on the part of the Bank of Montreal—Sir Vincent Meredith (president) and Sir Frederick Williams-Taylor (general manager) on their very fine achievement during the past year.

To-day, not only are insurance rates the paramount motive for the improvement of private property, but the ideals of civic responsibility for fire protection are largely measurable in terms of the companies' requirements.—J. Grove Smith.

### FRATERNALS' RIGHT TO RAISE RATES.

An important decision has recently been given by the United States Supreme Court that a fraternal order which has the right to amend its constitution may raise its rates *even though there be a stipulation in the policy especially providing against such increase*. From the particulars of the case given by the Insurance Monitor, it appears that the assured concerned had a policy which provided for a stipulated premium, there being a clause referring to a law which provides that the premiums, which were paid monthly, should not be increased during the life of the policy. After making payments regularly for thirty years, the order, the Knights of Pythias, amended its constitution and raised the rates on the particular class of policies to which this member belonged.

The increase of rates was contested by the assured and the case went from court to court, and finally to the United States Supreme Court, which held that the right of a fraternal and benevolent order under its charter to amend its constitution at pleasure, provided that such constitution or amendments thereof do not conflict with the laws of the United States or of any state, extends to an increase in insurance rates. Further: a benevolent and fraternal order having power to alter or amend its constitution at will may raise its insurance rates, notwithstanding a clause in its laws that monthly payments of a member of the endowment rank shall continue the same so long as his membership continues, since this clause is not to be regarded as a contract, but as a regulation, subject to the possibility that a raise in rates may be necessary in order to pay benefits.

### A FAR-REACHING DECISION.

In effect, this decision authorises fraternalists in the United States to sell their policies under false pretences. They can get in as many members as they can, at impossible rates; give them "scraps of paper" professing to assure them that their rates will never be raised; take their good money for 20 or 30 years and finally when re-organisation becomes an absolute necessity, repudiate their contracts and leave their policy or certificate holders in the lurch.

It will be noted that as a result of this decision, fraternalists or assessment concerns are free to make assurances of "adequate rates," which some of them are now pretty free in making, and still have a free hand to raise rates subsequently. The difference between this condition of affairs and old-line level premium insurance is the difference between uncertainty and certainty; the difference between anguish and peace of mind; possibly in some cases the difference between certain poverty in old age, and an old age to some extent at least provided for. Is the privilege of putting on a lot of trumpery regalia and of being decorated occasionally with a meaningless title worth the price?

### LETTERS FROM THE FRONT.

A new issue of "Letters from the Front," the occasional record of the doings of members of the staff of the Canadian Bank of Commerce who are serving with the Colours, is to hand. No fewer than 1,175 officers of the Bank have now taken up military duty. Of these, 67 have made the supreme sacrifice; 129 have been wounded; 3 are missing; 8 are prisoners of war.