

this valuation), for if this latter volume of insurance is excluded from the valuation there has been since last valuation a substantial increase in the deficiency per \$1,000 of insurance on the certificates issued prior to May 1st, 1905.

"From balance sheet No. 2 it will be seen that on the insurance certificates issued prior to May 1st, 1905, the total deficiency has increased from \$5,642,000 to \$5,899,063 (based on the re-rating proposed in my former report), but the insurance in force has decreased in the interval from \$50,642,900 to \$45,526,650 so that the deficiency on this older and larger section has in reality increased on the average from \$111 to \$129 per \$1,000 of insurance.

My instructions being simply to carry out the valuations previously referred to, showing the financial position of the Order at January 1st, 1913, I have refrained from making recommendations in connection therewith. But I may add that in view of the objections (legal and otherwise) raised at last Grand Lodge to the proposed system of liens on certificates issued prior to May 1st, 1905, in addition to the increased re-rating recommended by me, I do not see how any competent person who has carefully and dispassionately weighed all the facts as to the present condition of the Order and who has its permanent interests at heart can now stop short of re-affirming at least the scale of re-rating approved by last Grand Lodge, as a reasonable step towards actuarial solvency."

WORKMEN'S COMPENSATION: ALLOWANCES UNDER NEW ONTARIO LEGISLATION.

The draft of the proposed workmen's compensation bill for the province of Ontario shows the following scale of allowances under this legislation. In the case of an accident which results fatally the scale allows a sum not exceeding \$75 for burial expenses. Where the dependents are a widow or an invalid husband a monthly payment of \$20 is provided; where, in addition, there are one or more dependent children an additional \$5 per month is allowed for each child under the age of 16, the total not to exceed \$40 a month.

Where the dependents are children only the payments may be made \$10 a month to each child under the age of 16 years, the whole not to exceed \$40.

Where the person killed is under the age of 21 years the dependent mother or father may collect payments at the rate of \$20 a month until such time as the son or daughter would have reached that age.

For other dependents not included in the foregoing sub-sections the board is given power to determine the rate of compensation, but in no case can it exceed \$40 a month.

Where a workman is totally disabled he will be able to collect at the rate which will probably be 55 per cent. of his average weekly wages for his last year of employment. This section is designed to benefit the man whose wages are above the level where the general scale would be too low.

It is also provided that in a case of death the payments will not be more than a sum to be fixed, probably 55 per cent. of the average weekly wages of the last year of employment.

INSPECTION OF APPLICANTS IN CASUALTY AND SURETY LINES.

There is an increasing tendency on the part of careful underwriters in many lines of casualty insurance to inspect applicants for the purpose of eliminating, so far as possible, the moral hazard and to gain more complete information about the risk than is obtainable from the application. Such inspections are generally made by bureaus having facilities for this line of work, and whose records are valuable in furnishing information not available from other sources. The charge for such inspections is generally from one to two dollars, and it is apparent that the expense involved precludes inspecting applicants where the premium is small and where there is no reason for suspecting bad faith. On the other hand, information which would lead a company to reject a single bad risk might save the cost of hundreds of such inspections.

Generally speaking, underwriters who avail themselves of this service confine the inspections to cases where the amount of insurance applied for is so large as to make the cost relatively unimportant, or where there is cause to doubt the good faith or reliability of the broker or agent. In such cases it is highly important to ascertain the facts as to the moral character, financial standing and environment of the applicant, and also, whenever possible, to learn what other insurance he carries, if he has ever had a claim against a company, etc. This latter information is supposed to be given in the application, but, unfortunately, the statements of the applicant are not always reliable in this respect. The fact that such statements are warranties may be relied upon for a defense where an action is brought on a claim, but it is not always possible to prove the facts, and, besides, the insurance company is almost invariably at a disadvantage in litigation with a claimant or policyholder. And even if the company successfully defends such a suit the expense involved is necessarily large. The advantage, therefore, of obtaining this information before the policy is issued is obvious.

It is only within the last few years that casualty companies have followed the example of the life companies in inspecting applicants for large policies, and until quite recently such inspections were for the most part confined to the accident and health branch of the business. Now, however, many companies find it to their advantage to make inspections for moral hazard in practically every line. Whether the result justifies the expense is largely a matter of individual judgment, as it is necessarily impossible to determine with any accuracy what proportion of rejected risks would have resulted in claims had the business been accepted, but it is undoubtedly the fact that conservative and successful underwriters are coming more and more to rely on the information bureaus in the selection of risks.—*The Spectator*, N.Y.

During the month of March twenty-five new branch banks were opened in Canada and six closed, making a net gain of nineteen for the month. The provinces of Ontario and Quebec each gained seven, being at the head of the list in this respect. There were three branches closed in Saskatchewan.