VALUATION OF INSURANCE COMPANIES' SECURITIES.

United States Commissioners Decide in Favor of Prices on June 30.

Superintendent of Insurance Hasbrouck, of New York, has issued the following statement on the subject of the valuation of securities under the present disturbed conditions:—

"Each year the National Convention of Insurance Commissioners of the United States issues a pamphlet containing the value of securities as of December 31. The values in this pamphlet are used in auditing statements of insurance companies in their reports to the superintendents of insurance. Owing to the financial conditions which result from the European war and the consequent closing of the stock market, it will be impracticable this year to obtain valuations as of December 31, 1914. In order that a date satisfactory to the superintendents of insurance throughout the country could be decided upon, Frank Hasbrouck, chairman of the committee on valuation of securities of the National Convention of Insurance Commissioners, communicated with the committee on valuation and requested them to state the date which they favored should be used as a basis for valuing securities. Of the replies received seven of the committee were in favor of June 30, 1914, one favored waiting until December 1 to make a decision and one favored July 30, 1914.

AN UNSATISFACTORY METHOD.

"As a large majority favored June 30, 1914, it was decided that quotations of that date should be used this year as a basis for valuations by insurance companies. In 1907, when a condition somewhat similar to the present one occurred in the financial market, the insurance companies used the so-called average of 13 in arriving at a value for securities—that is, a price for each security for a certain day in each month for twelve months and the last day of the preceding year was obtained and the total divided by 13, which gave the average price then used. This system was not altogether satisfactory, so that this year it has been decided to use a specific date—that of June 30, 1914.

"Conditions prevailing on June 30, were such that the prices then obtainable represented normal conditions. Immediately thereafter rumors of war and the declaration of war were responsible for a marked decline in the value of securities, and it would be unfair to penalize our insurance companies for a condition that is only temporary. There is no doubt at all but that the intrinsic value of securities held by insurance companies has remained unchanged and that the decline in price will be only temporary."

MOTOR CYCLES AND ACCIDENT INSURANCE.

The claim department of the General Accident has advised agents against the writing of policies on men who ride motor cycles. The majority of these accidents are serious and on account of the continually growing use of the motor cycle, a hazardous risk has arisen The percentage of accidents on motor cycles is so great that it makes it almost imperative that some endorsement be attached to policies to the effect that indemnities will be reduced in the event of motor cycle accidents.

The Bank of England's rate of discount was continued yesterday at 5 p.c.

FILM EXCHANGE FIRE RECOMMENDATIONS.

Apropos of a recent film exchange fire, the Missouri inspection bureau has issued a special report in which it submits the following conclusions:—

1. Motion picture films should not be handled or stored in quantities exceeding ten in multiple occupancy office and mercantile buildings, nor above or below grade floor.

2. Each reel of films to be kept in a separate metal or incombustible fibre box with tight fitting cover except when being examined or repaired.

3. All films except those in actual process of repair or test to be kept at all times in approval vaults or safes.

4. Vaults to be constructed of not less than 12-inch brick walls laid in cement and extending from ground, shelving and all fixtures inside vaults to be of incombustible material, and vault to be otherwise in accordance with specifications of National Board of Fire Underwriters.

5. Vault to be vented directly to outside air by an opening not less than 60 square inches for each 100 cubic feet in size of vault.

6. All lights in metal tables to be dispensed with. They are not necessary.

7. All lighting shall be by incandescent electric lights only, protected by wire guards and otherwise in accord with specifications of National Electric Code. Lights in vault to be only in fixed devices attached to ceiling.

8. Approved waste cans to be provided for film scraps.

9. Smoking and carrying of matches to be prohibited.

10. Each repair and test room shall be provided with at least one approved hand fire extinguisher and at least one pail of water and one pail of sand for each vault, safe or cabinet.

11. Motion picture film exchanges should conform in all respects to "Rules and Requirements of the National Board of Fire Underwriters covering the storage and handling of nitro-cellulose films in connection with motion picture film exchanges," as published in a separate pamphlet obtained upon application.

SCOTTISH WIDOWS' FUND.

This fine old company, the largest mutual life company in the United Kingdom, has lately celebrated its centenary and appropriately issues an annual report showing remarkable achievements. A valuation period closed at December 31, 1913, and for the sixth time in succession, covering a total period of 40 years, the very fine bonus is declared of £1 14s, per cent. per annum on existing sums assured and reversionary bonuses. This means that on policies which had been 40 years in force, the reversionary addition now made is at the rate of almost 3 per cent. per annum for the last quinquennium. It may be noted that this handsome bonus is paid after £167,682 had been written off the book values of investments and an investment reserve fund of £400,000 provided while at the same time no credit was taken for house property being £60,000 in excess of book values. The life and annuity funds stood at £21,522,668 at December 31, 1913, the free surplus being £2,203,996.