

**Fraternal  
Alarmed.**

The Illinois Supreme Court has recently rendered a decision that has given the Fraternal a scare. As reported in "The Insurance Press" the Court holds that all the funds of a fraternal insurance order are liable for taxation even though there may be death claims outstanding against them, or even if checks have been issued against it in settlement of the death claims. This will catch the Endowment Rank of the Knights of Pythias, which is trying to accumulate a reserve, and expects to have some \$400,000 on hand by the time the taxes are levied, on April 1. The Modern Woodmen has over a million on hand at times, but may escape, owing to the fact that the head banker lives in another state. Plans are being made for a conference of the fraternal, either to carry the case up or secure a repeal of the law. The chief detriment to the fraternal is that the decision will injure the campaign for more adequate rates and the accumulation of reserves, the opponents claiming that such present provision is merely piling up the members' money to be frittered away in taxes. If the case is taken to the Supreme Court of the United States the Endowment Rank of the Knights of Pythias will have to make the case, as it is the only fraternal chartered by Congress, and, therefore, permitted to transfer its cases to the Federal courts. The Knights of Pythias' insurance branch is peculiarly hit by the order, as it is not able to invest its funds in the securities of Illinois corporations, which are not taxed. At the time of the revelations last year of the irregularities in the investment of its funds by the Hinsey administration, the Supreme Lodge ordered that thereafter investments could only be in Government bonds. These net less than 2 per cent., while the order can get 3 per cent. on its bank deposits.

**PELICAN AND BRITISH EMPIRE LIFE OFFICE.**

At a meeting held in London, Eng., on 28th November last, the proposals submitted for effecting an amalgamation of the business of the British Empire Mutual Life Assurance Company and that of the Pelican Life Insurance Company were unanimously adopted.

This change has been under consideration for some months. The Pelican Co. is the oldest company in the world upon the Joint Stock principle, confining its business solely to life insurance and was founded in 1797. It has always held a highly respected reputation amongst British life offices. The following shows the position of each company and the effect of their amalgamation:—

	Assurances in force.	Assets.	Capital.	Income.
	\$	\$	\$	\$
British Empire .....	43,000,000	15,500,000	Mutual	2,000,000
Pelican .....	20,000,000	7,500,000	500,000	900,000
Totals .....	\$63,000,000	\$23,000,000	\$500,000	\$2,900,000

The main points in the proposal for a fusion of the two Companies are:—

1. The reduction of all expenses of management (including commission) in connection with the Policies issued or taken over by the British Empire Company to 10 per cent. of the premium revenue. These expenses have for some years been in excess of 16 per cent., so that on this item there will be an immediate saving to the Members of 6 per cent. upon the premium revenue of £270,000, or, say, £16,000 for the first year. This large saving of expense will obviously make a substantial contribution to the profits, and it is confidently anticipated will place future bonus allotments to Members upon a higher level than they have recently attained.
2. The present funds of the British Empire Company and their accumulations will form a specific Trust for the benefit of the Members of that Company; and the Mutual System will be continued in its full application as regards existing Members, as the whole of the divisible profits will belong to and be apportioned among the Members solely.
3. All Policies and Annuities issued or taken over by the British Empire Company will thus exclusively enjoy the protection of their own ample funds, and will, in addition, be guaranteed by the Paid-up Capital and other Shareholders' Funds and interests of the Pelican Company (which amount in total to upwards of £200,000) besides the uncalled Capital of £900,000.
4. The Combined Company, under the name of the "Pelican and British Empire Life Office," will be administered by a Board consisting of the Boards of the two Companies, and the Staffs of the two Companies will be amalgamated. The General Manager of the Pelican Company will retire and will join the Board of the Combined Company, and the General Manager of the British Empire will become General Manager of the Company.

Mr. A. McDougald, F.S.S., who has for some time been the Canadian Manager of the British Empire Life, will occupy the same position with the Pelican and British Empire Life office."

**CANADIAN FIRE UNDERWRITERS' ASSOCIATION.**

The usual quarterly meeting of the C. F. U. A. was held in Toronto last week, when the usual routine business was transacted.

The Association met a delegation from the Manitoba board of Fire Underwriters consisting of Messrs. W. R. Allan, President, Mr. Waugh, Vice-President; W. T. Kirby and G. A. Woodman. The extension of business in Manitoba was discussed in a very satisfactory manner. The stamping system also came before the meeting.