

stated in the June issue of *The Forester*, that "the members between ages 59 and 60 years, carrying \$21,957,021 of insurance will pay in premiums (on present rates), \$3,268,618. It would result that \$4,391,404 would, in the next ten years, be paid as death benefits, and \$12,295,931 as old-age benefits, or a total of \$16,687,336." From this it is easy to see that an additional sum of \$13,418,718 should come in, from some source, and that therefore the 16,159 members who joined before 1899 and must be settled with inside of ten years, cannot be paid what they expected to receive, unless their present assessments are quadrupled each month, or a heavy extra contribution is laid upon the pre '99 members, who have not yet reached the age of 59 or 60.

Division of Funds.

In accordance with the new Act of Parliament promoted by the officers of the Independent Order of Foresters, the question of dividing the funds into two parts, so that it will be seen how much belongs to the members joining since 1898, is to be submitted to the next session of the Supreme Court. This is to be held in the Temple Building in Toronto, on Tuesday, the 26th inst., when the actuarial tables will be considered, and the provisions of the new statute approved or turned down. A two-third majority will be needed for its adoption. It will be an anxious time.

The total insurance in force that was issued upon the inadequate pre '99 rates is stated to be \$108,536,722, out of the total on the books of some \$240,000,000. The pre '99 members number about 69,000 in all, and appear to have about \$6,000,000 to their credit, out of the \$21,000,000 on hand. But more than twice that amount of shortage will be called for "not later than 1921, by the 16,159 members now between 60 and 70 years of age." How the other 52,841, carrying \$86,579,701 of gross certificates, are to be provided for, is another difficult problem. The Parliament of Canada has put it in the power of the Supreme Court to decide, by a two-third vote, whether each of the 69,000 old members shall pay enough extra assessments to provide the proper re-insurance fund, or whether the liabilities shall be cut down sufficiently to enable the present inadequate rates to be continued to the end.

Decision in Indiana.

In this connection it is important to mention that the United States district court of Indiana has recently handed down its decision on appeal, to the effect that the Knights of Pythias supreme lodge has a legal right to increase its rates, as proposed, upon its \$100,000,000 of insurance, sufficiently to provide and maintain a regular old line reserve fund. This order is also doing a large business in Canada. Like the rest of them, its membership has been disappearing of late, though its funds have been growing larger annually.

A surprise was thrown into the dove-cotes of both regular and irregular insurance companies—both premium-paying and assessment-paying societies—by Ontario's one-chamber legislature, just before its adjournment. A member on the government side of the house persisted in pushing through a most drastic measure designed to compel every Ontario person desiring to have a policy or a certificate, in any company or society operating in Ontario, to furnish proof of his age, and have it admitted by the company or society, or else go without insurance. The Managers' Association got busy and with a strong deputation to the committee to whom the subject was referred, made a vigorous protest. The immediate result was that the member from Orangeville saw it was impossible to succeed in convincing any one that any great evil had resulted from the practice of granting insurance upon the statement of the applicant as to his date of birth, and allowing him thereafter, to either furnish evidence from the family Bible, or the registry office, during the currency of the policy or certificate or, on the other hand, to leave that matter to be attended to by his heirs and the company or society, when making claim for the money.

Never Failed to Collect.

Mr. J. K. Macdonald, for the Managers, showed conclusively, that in no case had there ever been a failure to collect, by reason of inability to prove the correct date of birth. Also, that delay in obtaining proof of age after death had occurred in only a very few cases. The obtaining of letters of administration by the heirs of people who had neglected to make a will, was a much greater source of delay. It was also shown to the committee that in not more than one in eight or ten cases was any proof of age really needed, because of the prevalence of endowment insurance and lapses.

The result was that the bill was hastily re-drawn, and now provides only that the companies shall print on every notice and receipt sent to old members, and must notify all new members, that proof of age and admission thereof is a necessary preliminary to the settlement of the policy. The author of the bill made a final protest, upon the third reading, that it was not his bill at all, and intimated that he would come back with a further amendment at next session. Even as it now stands, it is a

most drastic measure, and it remains to be seen, from a year's experience, whether or not it will give the agents a serious handicap in inducing people to apply for insurance, who have no family records, or elderly relatives to assist them in complying with the law. To many people versed in the business it appears to be the most foolish piece of life insurance legislation ever heard of in any civilized country.

EARL BELIEVED IN LIFE INSURANCE

The will of the late Earl of Leven and Melville, who was succeeded in the title by his brother, the Hon. Archibald Alexander Leslie-Melville, was offered for probate in London recently. The estate is valued at \$3,365,310. The father of the late Earl died in 1906, leaving \$6,500,065, on which the death duties were \$1,250,000. The death duties now payable amount to more than \$600,000, which would be a heavy drain but for the fact that the late Earl effected life insurance policies to cover the possible charges. He also expressed a wish in his will that his successors should insure their lives in a similar manner to cover the increasing death duties.

NEW LIFE COMPANY ORGANIZING

A new life insurance company is being organized, and Mr. H. R. S. McCabe, of Winnipeg, is interested in it. The promoters are now ready to apply for a charter, and this will probably be done some time during August or September. The company, it is said, will be organized and conducted carefully along the lines that experience and the legal regulations make necessary, and it is the intention so to arrange the placing of the stock that business may be commenced with the capital unimpaired.

A report has been published to the effect that the headquarters of the company will be at the head of the Lakes. This is a possibility but not a certainty, and the report was therefore premature.

DATING BACK OF LIFE POLICIES PROHIBITED

One of the acts passed recently by the general assembly of the state of Connecticut is as follows:—

"No policy of life insurance shall be issued or delivered in this state if it shall purport to be issued or to take effect before the application for the insurance was made if thereby the applicant would rate at an age younger than at the date when the application was made according to his age at nearest birthday."

This act was passed, says the Insurance Commissioner, so as to prevent discrimination in favor of the insured by reason of what in effect was misstatement of age. A practice, more or less general, has grown up whereby persons seeking insurance are allowed in connection with their policies to take advantage of an age younger than that given in their application.

THEORY OF LIFE INSURANCE

In a lecture on the history and theory of life insurance before the Western Reserve University by William F. Dix, secretary of the Mutual Life, he said:—

"Just what is the real theory of life insurance, its meaning in its modern guise, stripped of all technicalities? A mutual life insurance company is a company of people banded together to minimize the financial loss suffered by the family of each member on the occasion of his death. By it, the family of each member in the company is provided with a sum of money bearing a scientific relation to the yearly sum the member has paid. Theoretically, the sum of the amounts paid by the company to all the families at the deaths of the several members exactly equals the amount they have been annually paying in small sums, less, of course, the amount necessary to conduct the affairs of the company, and plus the amount which the common fund has earned in compound interest. A life insurance company does not know which individuals out of every one thousand policyholders at the same age insuring at the same time, will die this year, next year, and so on, but it knows that out of that one thousand so many will die this year, so many will die next year, so many the year following, and so on, and mortality statistics in this country are now based on so much experience that they have become an exact science. Thus, the individual knows that as soon as he deposits his first premium, the wealth and the strength of the many are back of him individually.