

Something like 6s. 8d. in the pound is required for expenses, and as the premiums for this class of insurance are high, the profits, after settling claims on a liberal basis, may be said to average 3s. 4d. in the pound. On the face of things, it is foolish for people to pay £2 for 10s. worth of protection, which is what they do when they take valued policies. Let it be admitted that in the event of serious destruction of property in a private house the policyholder would obtain less at settlement under an ordinary policy than under a valued policy; this would be due, not to any niggardliness on the part of the insurance office, but simply to his own probable inability to give a full list of the articles destroyed and adequate evidence of their value. This, in Mr. Schooling's opinion, is the only contingency in which a valued policy would result in benefit to the insured and to him it certainly appears a conservative estimate to assume that not one person out of 1,000 who had fires would gain by having a valued policy. At the same time the possession of a valued policy may bring satisfaction and peace of mind to some people who take them. They are by no means issued indiscriminately, and the additional cost is for the most part a matter of little moment to the class of people who take them.

From a fire insurance point of view, Mr. Schooling sums up the case in regard to valued policies as follows:—

They contravene the essential principle of fire insurance.

They can be issued without risk of loss or fraud in exceptional cases to private householders only.

They can be obtained fairly freely from several sound insurance companies, and, in specially approved cases, from nearly all fire offices.

The cost of valuation is on the average fully as much as the fire insurance premiums, which are the same for valued as for ordinary policies. Practically, therefore, the cost of a valued policy is at least double that of an ordinary policy.

In the case of small claims for partial losses

there is little or no difference between settlements under valued and under ordinary policies.

For total losses and extensive claims the policyholder is likely to save both money and trouble by having a valued policy. Claims of this kind are exceedingly rare.

The suggestion of unfair settlements by the companies affords no shadow of a reason for a valued policy.

An inventory and valuation facilitate settlement of claims under both ordinary and valued policies.

If such a valuation made by a firm of good standing exists, the settlement under an ordinary policy would differ but little, if at all, from that under a valued policy.

A valuation merely for the purpose of fire insurance does not appear to be commercially worth what it costs.

A valuation may be interesting and valuable for other purposes, and is always useful in connection with fire insurance.

It would be bad for the general body of the insured if valued policies were issued except to a limited class of carefully-selected policyholders on the contents of private houses only.

THE CAREER OF ASSESSMENT COMPANIES.

Assessment Associations and Fraternal Societies in the United States over ten years old have over four millions of members; while the total membership of societies of this kind is placed at eight millions, including many members of State legislatures. These latter have played a rather important part during recent years since, in the language of American exchanges, they have been carefully led to believe that the attempts which have been made at the financial reform of assessment societies have been prompted by the desire of the legal reserve companies to eliminate the competition of the fraternal, by imposing upon them rate and reserve requirements, with which it would be impossible for the latter to comply.

Lapses, Death Losses and Membership in 59 Assessment Societies
Transacting business in the United States.

	POLICY ACCOUNT.						MEMBERSHIP.			Deaths Occurring.			Ratio of Death Losses per 1000.		
	1899.		1904.		1909.		1899.	1904.	1909.	1899.	1904.	1909.	1899.	1904.	1909.
	Written	Lapsed.	Written	Lapsed.	Written	Lapsed.									
Group I. — Totals and averages (8 companies, over 35 years).....	10,813	21,260	6,674	9,169	5,486	6,360	129,223	19,971	57,029	3,171	2,927	1,639	24.53	28.27	28.73
Group II. — Totals and averages (16 companies, 30 to 35 years).....	59,453	42,415	99,104	53,658	89,530	66,391	574,671	764,330	829,306	7,168	9,011	10,324	12.47	11.79	12.58
Group III. — Totals and averages (13 companies, 25 to 30 years).....	229,998	58,974	159,065	175,062	211,506	119,798	976,946	1,412,580	764,989	6,094	10,535	17,587	6.23	7.45	16.45
Group IV. — Totals and averages (23 companies, under 20 years)	171,465	42,550	197,202	95,445	274,239	99,990	473,842	982,102	1,542,874	2,826	7,138	11,010	5.96	7.26	7.27
Grand totals and averages (59 companies)...	471,729	165,199	462,045	333,334	580,761	292,542	2,154,682	3,258,983	3,185,198	19,259	29,511	35,560	8.93	9.03	11.11