

THE MUTUAL RESERVE FUND SHUT OUT OF MARYLAND.

The State Insurance Commissioner of Maryland, U.S., has refused to allow the Mutual Reserve Fund Life Association to conduct business any longer in that State. This step has been taken after a prolonged enquiry into the business methods of the Mutual Reserve, and hearing "numerous complaints and enquiries as to the way and manner of its conducting business and as to the financial standing of the company." The Commissioner says, "The facts show such a state of affairs as renders it absolutely necessary, if we desire to protect the interest of policyholders and would be policyholders in this State, that I should notify you of my intention to refuse to issue a license to your Company to do business in this State for the next year, unless your action in laying liens against the old policyholders shall be reserved." The Commissioner proceeds to give the facts developed by his investigation of one case as follows:

"E. D. Buckman secured three policies in your Company in May, 1884. His assessments at that time were \$3.75 on each thousand every two months or \$12.50 per year, with \$2.00 annual dues. Some two years later the assessments were increased to \$5.63. In 1895 they were further increased to \$9.03, in 1898 to \$15.50, in 1899 to \$18.47, in 1900 to \$20.04, in 1901 to \$21.76, every two months, or \$130.56 annually on each thousand dollar policy. According to a table furnished us by counsel for your Company, if Mr. Buckham lives five years longer he will be compelled to pay in cash an additional \$1,000. If he dies in a short time you have notified him that a lien for \$455.60 will be deducted from the face value of the policy. He has already paid to your Company about \$2,800 on the three policies.

I can scarcely believe that if Mr. Buckham or any other policyholder had understood in the beginning that they would have been subjected to such numerous increased assessments and that you claimed the right to place upon each policy a lien amounting to nearly one-half the face value of the policy, that they would have secured insurance in your Company. These largely increased assessments and the laying of this large lien is a virtual confiscation of the policy. In doing this you claim to be acting within your legal rights. This may be true. I do not undertake to settle that question. It seems clear to me, however, that a Company whose financial condition requires such action to be taken is one that I can very well afford to say shall not do business in this State."

The above is a very serious indictment, the force of which is heightened by the Commissioner adding:

"You have a number of old policyholders who have been paying their money into your treasury for some twenty years, and now when they are too

old to secure insurance anywhere else, you jump their assessments to nearly six times what they were originally, and in addition to that levy additional assessments and lay a lien on their policies of nearly one-half its face value. This action upon your part has had the effect of forcing out your old policyholders who find themselves unable in their old age to bear such heavy burdens. The money they have paid in with the idea that they were protecting their families, and laying by something that would help them in the event of death is thus swept away and lost to them forever."

The Baltimore underwriter's comments on the Commissioner's action read: "It is not necessary to enter upon any discussion of the 'lien' feature introduced by the Association. If it is legal, it brings ruin to the policyholders, and without the 'liens,' bankruptcy of the Association would be inevitable. Take either horn of the dilemma and it will be apparent that the charter of the Association ought to be revoked. The Insurance Commissioner of Maryland has taken the only course by which he could protect the people of the State from the practices of a Company which seeks future solvency by wrecking the prospects of present policyholders. He is to be commended as well for this action as for the patience with which he has investigated this matter."

In connection with the above members of Fraternal Assessment Insurance Societies might study the following figures with profit if not with pleasure. They show, says "The Insurance Press," how the membership of the Royal Arcanum is increasing at the higher ages:

Ages	1895.	1896.	1897.	1898.	1899.	1900.
26 years or under....	9,035	9,949	8,895	7,107	7,259	10,270
30 years.....	5,091	5,831	5,774	5,201	5,081	5,459
35 years.....	6,768	7,350	7,134	6,376	6,087	6,676
40 years.....	6,206	6,616	7,146	6,918	7,078	7,715
45 years.....	5,199	5,603	5,545	5,661	5,873	6,344
55 years.....	2,592	2,777	3,019	3,194	3,459	3,836
60 years and over....	7,091	8,179	9,300	10,502	11,871	13,456

ONLY KIND OF MUTUAL FIRE INSURANCE WORTH A PICAYUNE.—The only kind of mutual fire insurance that amounts to a picayune is, to organize fire companies, equip them with the best class of modern apparatus and appliances and provide an ample water supply, sufficient to cope with an extraordinary large blaze, with the requisite number of attachments. Then, whether there are fires or not, let the companies keep in practice by drills at regular periods. One large conflagration, without fire protection, will cost many times more than the money that would be expended in being prepared to meet emergencies, and the loss would be irrecoverable, particularly if dependence had been reposed in the usual run of mutual fire insurance companies.—"American Fireman."