

THE PLIGHT OF THE ASSESSMENT SOCIETIES.

The recent statement published by Professor M. A. Mackenzie regarding the history of the Ancient Order of United Workmen, of which he has acted as the actuarial adviser in its reconstruction, and the condition of other assessment societies in the province of Ontario, constitutes a most scathing criticism of the conduct of these societies, the more effective in that the criticism is not direct. When it started in 1879, the A. O. U. W. included men of all ages from 21 to 50, taxing each member a dollar a month for the purpose of paying \$2,000 to the heirs of such as might die. During the first twenty years an average of about fourteen assessments were called for each year, small surplus funds being carried forward from year to year after the payment of claims. The Order reached its maximum membership in 1903, with 46,125 members and \$758,635 on hand. "The survivors of the original members," says Professor Mackenzie, "were now between 45 and 74 years of age and they controlled the management. They saw that the increasing assessments necessary to pay the steadily increasing claims would soon frighten away young entrants and freeze out older members." Rates were accordingly re-adjusted more than once, until in 1905 they were raised for all new members to approximately the "Hunter rates." However, the rates of the old members were not raised sufficiently to pay the death claims that arose among them, and the funds on hand in 1905 being utterly insufficient to make up the difference, the reserves created by the contributions of the younger men above what was necessary to meet the younger men's mortality, were drawn upon to such an extent that instead of the assets amounting to several millions in a few years as they should have done, they barely got past one million, held there for a few years and then fell rapidly away to between a half and three-quarters of a million in June of this year. "What claim," asks Professor Mackenzie, "has any surviving old member on the poor remains of the reserve which the rates of the younger men would have built up had the money not been demanded to satisfy the claims of the original members? Who induced these young men to enter the order? What would have happened had no young men come in?"

OTHERS IN THE SAME BOX.

Professor Mackenzie adds:—"There are many unreformed friendly orders in Ontario with very many thousands of members holding certificates for very many millions of dollars, which certificates are worth only a fraction of their face value. The holders of these certificates are all more or less nervous. They look sideways when they ask any young man to join them, and they want to know

the truth, though they dread it. The executive officers of these unreformed orders have guilty consciences over every batch of new members, and they know that each year's delay reduces the value of the surviving certificates, yet these executive officers postpone the inevitable reconstruction, largely because they shrink from being attacked in the press." An Ontario law passed last session obligates these societies to have an actuarial valuation triennially. If the members of an insolvent society do not act to raise the rates, the license of the Society can be cancelled. It is obvious from Professor Mackenzie's statement that a proportion of members of many of the Ontario friendly and assessment societies are in the same position as the old members of the A. O. U. W.—holding certificates which may be worth 100 cents on the dollar should they die off quickly, but which are really worth 50 cents on the dollar, 25 cents or even nothing at all. They are in sorry plight, even if they don't know it.

MUNICIPAL HAIL INSURANCE IN TROUBLE.

Western advices state that the Saskatchewan Municipal Hail Commission will only be able to pay 50 cents on the dollar for hail losses this year. The season was a disastrous one, hail causing great damage to growing crops over widespread areas. Local authorities are reported as considerably disturbed over prospects, and a suggestion which is finding support is that provincial aid in guaranteeing bonds to the amount of the deficit shall be secured, so that farmers who suffered from hail and were insured by the Commission can be paid their losses in full. There is no reserve fund to this scheme, and when a bad year comes along, the policyholders have to suffer. The rate of four cents an acre charged by the Commission is alleged to be much too low to meet losses over a series of years.

MR. JOHN MACEWEN'S SON WINS MILITARY MEDAL.

News has been received in Montreal that Lance-Corporal Ewen MacEwen, 2nd Canadian Divisional Engineers, Brigade Signaller attached to 4th Infantry Brigade, has been awarded the Military Medal. Lance-Corporal MacEwen is a son of Mr. John MacEwen, the popular Montreal superintendent of the Norwich Union Fire, who has received this week the heartiest congratulations of his confreres upon the honour bestowed on his son. Lance-Corporal MacEwen has been at the front in Belgium and France for fourteen months. No particulars have yet been received of the act for which the award has been made, though an officer's letter to a friend refers to it as "a splendid bit of work."

NEW LICENSES.

The Insurance Company of North America has received a Dominion license to transact explosion insurance and the Ocean Accident & Guarantee, one for burglary and automobile insurance.