

THE I. O. F.'S POLICY LIENS.

We are in receipt of a copy of the *Bulletin Assessment Life Insurance Chart* of 1915, which is a useful publication of its kind, but in at least one instance contains figures which are seriously misleading to the uninitiated. The net assets of the Independent Order of Foresters are put down without note or comment as at December 31, 1913, \$42,512,003, and December 31, 1914, \$42,310,642. This bald statement needs explanation. As a part of the scheme for placing the finances of the Order on a sounder basis, which was put through a year or two ago, a lien was placed on the certificates of pre-'99 members who are required to pay 4 per cent. interest on up to \$260 per \$1,000 certificate. These liens are not allowed as assets by the Dominion Insurance Department. In the Government blue book the total assets of the Order are placed for 1913 at \$21,716,115, there being a footnote to the effect that "in addition to these assets the Society has liens on the certificates of members entering before January 1, 1899 . . . the present value of which was ascertained at December 31, 1913, to be \$21,179,311." It will be noticed that the Dominion Insurance Department carefully abstains from calling these liens either assets or additional assets. The same course is followed in the newly-published preliminary report of the business of 1914.

Reasons why for the Insurance Department's caution in this connection are readily understood when it is called to mind that every lapse of his certificate by a pre-'99 member means a decrease by the amount of the lien upon it of these alleged assets. During 1914, these liens decreased in value from \$21,179,311 to \$18,829,970 and it is to be expected that they will be still further decreased this year in view of the discontent that is rampant among the members of the Order. These liens are, in fact, little more than straw assets. They never have represented real property or value received and they do not represent it now.

According to the Government blue books the correct figures of the I.O.F.'s assets at December 31, 1913, are \$21,716,115. In the preliminary report for 1914, the I.O.F.'s assets are given as \$24,036,401. But this total includes a certain amount of interest due and accrued on the policy liens, which members are supposed to pay, but which a good many of them decline to pay. We have the authority of the Dominion Insurance Department for saying that on revision of the I.O.F.'s figures, this interest on policy liens will be treated by the Department in the same way as the liens themselves. So that the real assets of the I.O.F. at the close of last year, as allowed by the Insurance Department, will probably be below \$24,000,000.

It is true that the I.O.F. itself has put forward statements that its assets were over \$40,000,000. But those statements are mere bluff and no excuse at all for an independent publication, which claims to present authentic figures, putting forward figures that without explanation are seriously misleading.

English, French and Russian insurance companies operating in Belgium—75 English, 79 French and five Russian—have been forbidden by the German authorities now in Belgium to write new business or renew existing policies.

UNPROFITABLE FIRE UNDERWRITING IN THE UNITED STATES.

A valuable compilation is presented by the New York Spectator of the combined underwriting operations of seventy-five millionaire fire insurance companies operating in the United States for the ten-year period closing with the year 1914. While net premiums of these companies in the decade reached \$2,350,615,181, the net losses aggregated \$1,340,681,273, and the expenses \$870,789,529, while liabilities increased to the extent of \$133,547,732. So that the net result of ten years' insurance transactions of these companies was a profit of only \$5,596,647 or twenty-four one-hundredths of one per cent. of premiums. Losses took 57.04 per cent.; expenses 37.04 per cent.; increase in liabilities, 5.68 per cent. and underwriting profit, 0.24 per cent.

The Spectator points out that the companies included in the tabulation paid out about \$126,000,000 as a result of the San Francisco conflagration. In theory, the Spectator says, fire insurance premiums should be sufficiently adequate not only to pay losses and expenses and a reasonable compensation to stockholders but also to take care of increasing liabilities and augment surplus funds so that abnormal losses can be met when they occur. But at the earning rate shown for the last decade it would take 225 years for the companies listed to earn enough to pay for another conflagration like that at San Francisco.

MUTUAL LIFE OF NEW YORK'S NEW ENDOWMENT POLICY.

The Mutual Life of New York is issuing a new endowment policy payable on the anniversary of the policy nearest to the seventieth birthday of the policyholder or, of course, at earlier death. The endowment period is for whole years and equal to the difference between the attained age of the policyholder and seventy years.

In default of payment of premium, provided at least three full annual premiums have been paid and no loan has been made on the policy, the cash value of the policy is applied to extended insurance, non-participating and without right to loan, and in cases where the insurance is continued until the end of the endowment period, the amount is then payable in cash if the insured is living. In case of surrender of the contract at any time after three full years' premiums have been paid and not later than three months after default in the payment of premium, and provided no loan has been made, the company will issue paid-up insurance for the cash value, non-participating and payable at age 70 or death. In some cases where a loan has been made, paid-up insurance will be granted for a reduced amount.

The annual premium at age 35 is \$31.98 and at age 50, the limit at which the policy will be issued, is \$61.90.

The company will also shortly issue a new continuous instalment policy.

Within one week recently, the London, England, office of the Royal Insurance Company received intimation of the death of three members of its staff while serving with the colours.