

Official Circular, No. 7.

Selection of Risks.

OFFICE OF THE EXECUTIVE COUNCIL, I. O. F.
TORONTO, CANADA, 31st January, 1891.

To all Subordinate Courts:

BRETHREN,—We have closed another prosperous semi-annual term with a membership that will not be far from 25,000, while our surplus amounts to nearly \$300,000. When we remember that only last June, in our Official Circular, No. 5, we congratulated you on having 20,000 members and a surplus of about \$200,000, we can see at a glance how greatly Providence has prospered the works of our hands.

During the last six months we have paid in Endowment benefits to the widows and orphans of our deceased brothers and in other benefits of the Order the sum of \$68,938.98. We have also in that time paid all the management expenses, have very largely increased our stock of supplies, and still our surplus has gained during the six months nearly one hundred thousand dollars.

The Executive Council are desirous of making the present semi-annual term the most memorable in the history of the Order. Instead of making a gain of only 5,000 in membership and \$1,000 in the surplus during the next six months, we desire to be able to congratulate you at the close of the present term on having secured at least 8,000 new members and increased the surplus to at least \$400,000.00.

Dispensation is hereby granted to all Courts, desirous of availing themselves thereof, to initiate at Charter rates during the months of March, April and May.

The Executive Council will present a set of officers' badges, valued at \$20.00, to each Court which will initiate 20 members between the 28th February and 1st June, next. If any Court secures a prize and has already a set of officers' badges, it can have instead 15 members' badges, or 6 members' sashes.

To the Court that secures the largest number of members the Executive will give a set of the new officers' sashes, valued at \$60.00.

With the February receipts, Courts, who have the FORESTER sent to the individual members, will receive a copy of the mailing list showing the names of the brethren to whom the FORESTER is sent. Court Deputies are requested to hand this to the Financial Secretaries, who are required to compare them with their books, strike out the names of all those who are not in good standing and add any whose names do not appear on the list, and return forthwith to Brother Atwell Fleming, Business Manager of the FORESTER, London, Canada.

By order,

ORONHYATEKHA,

Supreme Chief Ranger.

JOHN. A. MCGILLIVRAY,
Supreme Secretary.

Official Notice H. C. of Ontario.

Brother N. F. Paterson, Q.C., High Chief Ranger of Ontario, has been pleased to commission Brother E. Willfong, as a Provincial D. H. C. R.

By order,

J. B. HALKETT,
High Secretary.

The following paper was prepared and read before the National Fraternal Congress, at its last session, by John J. Acker, Supreme Receiver of the A. O. U. W.:

"The question of selection of risks in admission to membership in any organization, be it old line insurance open co-operative, or fraternal society, is an all important one. It is usually the first one to be settled in the organization of a company or society. Discrimination is made between the races, and in this country is with fraternal organizations almost invariably confined to white persons,—that is, the European race,—probably for the reason that the well known prejudice which exists makes it much more desirable to recruit from that race which predominates in America, and therefore offers a larger field for business and freedom from this prejudice. The habits and education of the white race undoubtedly make them a better class to select from, and more desirable members.

"The second great classification is that of the males and females. While life insurance statistics seem to show the life of the female to be equal to or beyond that of the male, practical experience shows that it is far more difficult to secure as thorough a medical examination of female applicants as that of the opposite sex, and therefore there is greater liability to be imposed upon. In fraternal societies, the mingling of the sexes in lodges is considered by many as a detriment to business; far more liable to those little jealousies which seem so inherent to women, created though she be a little lower than the angels. To this, among other things, can be attributed the fact that the largest of our societies are those who select only from the male population.

"In the third place, age has become a most important factor in the selection of risks, and it may be stated as a general proposition that most companies doing an Insurance business, or furnishing protection on the co-operative plan, have placed the minimum at 21 years, and the maximum at 50 years of age. It is true that some very successful societies accept members at a lower age than 18 years, and others at a higher age than 50 years, but the experience which the history of life insurance shows demonstrates that at the ages prior to 21 years many evils incident to youth and immaturity lessen the expectancy, and very much the same experience is shown by these tables with those above the age of 50. Some of our societies, and especially the leading thinkers in their ranks, have advocated reducing the maximum age to 45 years; and were it the sole question of thereby securing the best risks, I think they would be quite right. However, as we are organized for other purposes than simply selecting only gilt-edged membership, and among such other purposes I may here note that of furnishing aid and assistance to such as may have loved ones depending upon them for support while living, or after death, and as we reach quite a large class between the ages of 45 and 50, it becomes a matter of policy as to how we may furnish the greatest number without seriously trenching upon the rules which will ensure success.

"The fourth question in selection would seem to be that of territory. Here again the experience of insurance, whether it be life or fire, teaches that the greater the distribution of risks the less the liability to loss, whether it be from epidemics or other causes.