

vision a "petty bureaucratic despotism," engrafted upon "free institutions," and not "easy to understand."

There are others than "The Journalist" who will believe, after watching the developments in this wretched Arkansas muddle, that judged by its results:—

"The best method of government supervision of the insurance business ever yet tried is that of Great Britain, established about thirty years ago. It requires all companies to make honest statements of their condition and business every year. These are published under authority of Parliament, but no other meddling is attempted. A national statistical bureau of insurance established by the Government of the United States, together with a repeal of all laws for the supervision of this essentially national business by local governments, is what is imperatively required for the dignity of this magnificent branch of modern enterprise, for the relief of the public from the enormous cost which insurers now pay for the pretended supervision by the States, and for the removal from the business life of the country of one of the most demoralizing influences to which it is now subjected."

Altogether, very few will be found to regret this fight between the insurance companies and the State Legislature of Arkansas if the ultimate result is the abolition of the present system of State supervision of insurance, and the substitution of the "national statistical bureau" recommended by many of the journals published by our neighbours.

IMPORTANT INSURANCE CASE.

The decision given in Brooklyn on Tuesday last in the suit brought by Emil Greef, a policy-holder in the Equitable Life, to recover what he considers to be his share of the Equitable's surplus is thus reported by the New York "Commercial Bulletin":—

"The Appellate Division of the Supreme Court in Brooklyn handed down a decision yesterday afternoon which, it is said, will affect all holders of endowment policies in life insurance companies in the United States. It decides that the holder of an endowment policy is entitled to receive his pro rata share of the entire profits of the company; and that while the directors have discretion to accumulate a reserve for the protection of policy-holders, their discretion does not permit them to roll up immense surpluses. The surplus profits, the opinion declares, should go to the policy-holders. The suit was brought against the Equitable Life Assurance Society of the United States by Emil Greef, a policy-holder, to recover \$7,087.38, which was his share of the Equitable's surplus of \$43,000,000.

The Equitable entered a demurrer to the complaint on the ground that no policy-holder could sue for himself, but must bring the action through the State Attorney-General. The demurrer was sustained by Supreme Court Justice Joseph F. Daly in Manhattan. The appeal was sent to King's County, and the decision of Justice Daly was yesterday reversed, judgment being given for Greef and without leave to the defendant insurance company to answer. That company has 400,000 policy-holders. The case will doubtless be taken by it to the Court of Appeals, and

if the Appellate Court is sustained each of the policy-holders has a right to claim a share in the company's surplus in proportion to the amount of his policy and premiums paid by him."

The question at issue is one of such consequence that the progress of the litigation in this testing of the discretionary power of directors will be watched with great interest.

BRITISH EMPIRE MUTUAL LIFE ASSURANCE COMPANY.

The 52nd Annual Report of the British Empire Mutual Life fully maintains the character of the company for conservative and skillful management, and the report of the Auditors ought to satisfy the most exacting critic of the condition of the business and the value of the investments and property.

The Report and Balance Sheet evidence that healthy increase which is the most desirable in the interests of Policy-holders. The Policies issued amounted to \$3,438,850 out of \$4,884,630 offered. The net Life Premiums Income shows expansion, the amount being \$1,357,906. The Annuity business of the year was more than double that of any previous year. The purchase money received amounted to \$294,165 to secure new Annuities for \$29,605, p.a. This phase of the business presents the surest possible sign of the Company. The Interest Revenue exceeded \$500,000, the rate of the yield on the whole of the Funds, invested and uninvested, after payment of income tax, comparing favorably with the leading British Offices and being well in excess of the rates assumed in the valuation of the liabilities. The death claims at \$800,000 were well within the amount expected, and allow a substantial profit on mortality account.

The cost of managing the business (including commission) was the lowest on record, being 16.94 per cent. of the net life premium income. The cost of the Canadian Branch (including all charges in full) was only 16.83 per cent. In the Indian business the Rupee has been brought into account at the rate of 1s. 4d., instead of 2s.

This is in accordance with the recent practice of similar offices, and is in keeping with the conservatism hitherto displayed by the management of the British Empire.

The audit of the accounts was, as usual, conducted by the professional accountants appointed by the members. At the Annual Meeting the auditors testified in the following satisfactory terms:—

"We found that the business was conducted on sound principles, with a due regard to the caution which should be observed in conducting a business of this kind. It has been especially gratifying to us to find, after having gone most carefully into the market value of the investments and property, that almost everything you have in the balance sheet is below its value. There is no doubt the house property and ground rents, as well as the convertible