For our present purpose, in view of the very interesting communication upon the subject of Mutual Insurances, found elsewhere in our columns, we select what is described above as class No. 4: Companies doing a farm or local business on the Mutual plan.

The figures will represent the year terminating Dec. 31, 1879.

Of class No. 4. there were 978 Companies in 23 States presenting results as follows:

ASSETS.

The available assets, premium notes and other assets subject to assessment for payment of losses and expenses were	$511,941,181
All other assets included were	512,797,942
The liabilities for all purposes were	491,462
Leaving surplus to members	512,306,480

INCOME.

The Income for the year was:		
Cash from premium and assessments	$1,178,276	
From other sources	256,268	1,434,544
The Disbursements were:		
For losses	1,014,966	
For expenses	336,306	
For other purposes	73,655	1,424,927
Leaving Balance		$9,617

SURPLUS OR DEFICIENCY OF ASSETS.

781 Companies had a surplus of Cash assets over Cash liabilities of	549,959
116 Companies show a deficiency of	184,960
The risks written in the year	113,299,438
The amount in force at end of year	700,686,327

The various ratios were:

Of expenses to Premiums and Assessments recd	0.2854	p. c.
Of expenses to Total Income	0.2337	"
Of expenses to Total Expenditure	0.2360	"
Of cash Premiums and Assessments to Total Income	0.8214	"
Of total expenditures to Cash income	0.9933	"
Of liability to available Assets	0.5738	"
Of losses paid to premiums and assessments	0.8614	"
Of amount of risks in force to each $1 of assets.	$1.37	

For the purpose of a comparison as to the results of expenses of management between Joint Stock and Mutual offices of class No. 4, of the Census Tables, we append the ratios of the former as far as pertinent, as follows: Of the *joint-stock* Companies doing a fire business there were 388 of which the ratios are:

Of expenses to premium receipts	0.3392	p. c.
Of expenses to total income	0.2915	"
Of expenses to total expenditures	0.3115	"
Of fire losses paid to fire premiums receiv'd	0.5833	"
Of amount of risks in force to each $1 of assets.	$41.82	

From a comparison of these two tables it is apparent that the expense of running the local mutuals was almost or quite equal to the expense of management of the joint stock offices. The ratio of losses to premium receipts offers no figures for comparison with the mutuals, because in the one case the premium is paid at an *estimated* rate in *advance*, and may turn out to be either more or less than was needed to meet the losses; while in the other the premium—in the form of an assessment—is not called for until the *actual cost* of risks have become known *after the loss*. This is the fundamental difference between stock and mutual insurance. In the former any profit arising from an excess of premium charge is the property of the stockholders, and is divided among them pro-rata in the form of dividends. In the mutuals, any saving made upon what would be the stock rate, and what proves to be the mutual rate, is a *profit* which is divided among the policy holders—virtually stockholders—in the form of reduced quotas for subsequent years.

Again: if the comparison of the ratios of the local mutuals be made with the Mutuals of class 3 of the Census Table—those doing a general business on the mutual plan—the ratios will be found largely in favor of the latter, and properly so, because the broader the average of area over which the business extends, the greater will be the sources of income, and the smaller will be the percentage of losses. This proposition is so patent that it needs no demonstration. A local Company, mutual or stock, operating within the limited circuit of a single county or two, has nothing to depend on but the money derived from its membership, or policy holders, within that limit, so, if a loss come the percentage of assessment must be large, or if a stock office, the pro-rata of premium needed to meet the loss will be abnormal, and the only question will be one of time as to when operations must close. "Purely mutual insurance" is a splendid thing, so long as losses hold off; but as soon as they come in thick and fast—a forest fire for instance, as in Michigan and Wisconsin—The elemosynary principle of mutuality drops out, and the thing called insurance turns up among the missing just when most needed.

We have somewhat wandered off the track—*revenons à nos moutons.*

Class 3 of the United States Census, doing a general business on the Mutual plan," presents the following ratios:

Of expenses to premiums and assessments	0.2171
Of expenses to total income	0.1831
Of expenses to total expenditures	0.1841
Of cash premiums and assessments to total income.	0.8434
Of total expenditures to cash income	0.1200
Of liability to available assets	0.3761
Of losses paid to premiums and assessments	0.4659
Of amount at risk to each $1 of assets	$ 9.82

The ratio of cash premium to income and of total expenditure to cash income are more favorable than in class 4. from the fact that class 3 handles more actual money, as premiums are paid partly in cash at the time of insuring. This consideration also affects the amount at risk to each $1 of assets. With these statistics before us it was intended to discuss the communication upon purely Mutual Insurance Companies before referred to; but the length of this article warns us to postpone our intended comparison to a future issue.