great responsibility of the trust placed by policy-holders in the hands of the management of the life companies, and believes, as we do, that it devolves upon their management to "give an account of their stewardship," and submit their affairs to the fullest public scrutiny. An important step, which we hope to see followed by all companies at an early date, was taken in this direction when the New York Life published its last annual report, and we hope to see Mr. McCall continue to lead in the good work of much-needed reform along the lines advocated in our columns, and not to halt until it is quite completed. In doing this he will set an example which other companies will be sure to adopt, if not voluntarily, then by force of a growing public opinion. It is certain that properly managed companies have nothing to fear, but on the contrary much to gain in public confidence and patronage, by giving thorough publicity to their transactions. What is needed is some strong man at the head of one of "the giants" to inaugurate this policy, and Mr. McCall's experience, reputation, position and evident aims mark him out as the man for the occasion.

A question of occupancy.

THE old question as to the meaning of the words "vacant or unoccupied," appearing in a fire policy, again cropped up in the case of Esther Hill *vs.* Ohio Insurance Company, brought before the Supreme Court of Michigan on appeal in March last. The company's policy insuring this lady's house, etc., provided that it would become void if the building "be or become vacant or unoccupied and so remain for ten days." The plaintiff, a widow who lived alone, went away twice to take charge of a house and some children thirty miles distant. During her second absence, which lasted about two months, the premises were destroyed by fire. On each occasion the length of her visits was indefinite. She had no intention of abandoning her home, but took away with her only such wearing apparel as was necessary, leaving the rest, all her household goods and furniture, and a quantity of provisions, and left in the barn upon the premises a horse which she owned. A neighbor and his wife who were engaged for the purpose visited the house each day, and looked after the horse and the things in the house generally. The verdict of the Circuit Court was reversed, on the ground that the plaintiff's absence was not intended to be permanent, and the premises were daily visited on her behalf. The decision is only in accordance with common sense, and any other would have been a hard one under the circumstances. If the intention of the clause quoted is to annul the indemnity in such cases, it should be expressed in unmistakable terms, so that the insured may understand the risk incurred when taking his family for an innocent holiday.

The Equitable's Challenge.

PROFESSIONS of reform in the matter of expenses promise to become perennial among life companies. Last year we were treated to a special display of them, but so far fulfilment seems to be further off than ever. The Equitable now comes forward, and in its annual report invites its rivals to a friendly contest in this respect. We are quite in accord with the Equitable when it expresses the opinion that "the question of economy is one which will attract even more attention in the future than it has in the past; and those who seek life assurance will select that company which shows the greatest improvement in this direction, and will refuse to patronize companies whose affairs are conducted extravagantly." In spite of the offers of extraordinary commissions reported to be made by the Society's managers, we will assume that its management believes and means what it says. How is it proposed to carry out the above views? Anyone with the slightest knowledge of the facts knows that the increasingly excessive expenses of the life companies are due to the insane rivalry of each of the "giants" to lead its competitors in the race for new business. We naturally look, therefore, for an announcement of the Society's policy in this respect, and what do we find? Instead of an assurance that the unseemly scramble for first place would be abandoned, we have these words: "It will endeavor so to conduct its affairs that other companies seeking to rival its new business will find that they cannot do so without exceeding its expense rate, or if they strive to equal its economy they will fall below it in new business." There is no evidence here that the mad race is to be given up; on the contrary, the indications are that the Society has no intention to forsake its well known ambition in this direction. The challenge thrown out is a peculiar one of a double-barrelled character. It really means that if the Equitable loses on the score of new business, its expense rate will be lower than those of its successful competitors, or if it loses in the matter of economy it will be able to show a larger volume of new assurances. This looks a little too much like "heads I win, tails you lose."

LIFE ASSURANCE REFORMS.

STATEMENT OF ACCOUNTS.

In our last issue, in dealing with the above subject, we pointed out how the "new cash premium income" of many of the companies is swollen by questionable methods of book-keeping. A somewhat similar operation is gone through for the purpose of in creasing the "renewal cash premium income." We believe this is not done to the same extent as in the case of "new premiums," principally, we presume, for the reason that, as the expenses on renewal receipts do not average over five or six per cent., the maximum inflation of the account which would be practicable would not effect any appreciable reduction in the expense ratio. The following are the items which in our opinion should not be included in this account:—(1) annual dividends declared on "annual dividend" policies and applied to reduce renewal premiums; (2) the difference between "without profit" and "with profit" premiums on policies issued on the former plan; (3) the difference between "reduced premiums" on "anticipated dividend" plans and full tabular premiums on policies issued on the former plan; and (4) the total surplus earned