

In regard to the case of the Knickerbocker Life, which the *Insurance Times* refers to as proving its theory, will that paper inform us how much of the heavy mortality which that Company experienced was due to its reckless habit of taking risks in the Southern States at northern rates. Did the claims from its northern business exceed the expectation? And is it not true that the Company could have survived even in spite of its southern mortality, if it had been honestly managed?

Let the *Times* point out even one economically managed honest life Company which has failed as a result of its heavy death losses. We have seen the statement made on the very best authority that no such case has ever occurred. Why then, be so anxious about the Confederation?

That our readers may understand what security a Company offers which values its liabilities in the way the Confederation does, we have made a rough estimate of how much reserve it would need to have in hand in order to barely carry out its contracts. The basis on which we go is that it will earn six per cent. on its investments, and that its present business could be worked off, without the accession of any new business, at an annual cost of ten per cent. on the premiums. On this basis the reserve would be, at the end of 1881, only about... (probably less)..... \$60,000.00 While the amount actually reserved is..... 591,954.00

Leaving a balance of..... \$531,954.00 more than would, in all probability, be required to work off its policies. Of course we do not mean that the Company would be safe in having only this amount in hand as a reserve. What we do mean is that this is all that would in all probability be needed, and that whatever is held beyond this is a mere guarantee fund. The Confederation has already in hand and set specially aside, in addition to its capital and undivided surplus, a reserve fund which exceeds the really necessary amount by about ten times and yet a theorist comes along and says this reserve is not sufficient; you must put up more to keep the Company even solvent!!

#### INSURANCE LEGISLATION IN THE UNITED STATES.

Our *confrères* in the insurance business across the line are having a trying time with a number of State legislatures this winter. An epidemic seems to be raging in several States that has called the doctors of the profession to the front in an effort to stay the tempest, if they cannot entirely cure it.

*Michigan* legislators are after local boards and the compact system. The Bill introduced there provides that no company shall charge, collect, demand or receive a rate of premium for insuring any property in the State, in excess of the rate charged for like risks in other States.

*North Carolina* has just such another Bill under discussion by its Legislature.

The Legislatures of *Maine, Pennsylvania, Illinois* and *Nebraska* have had the "valued policy" craze. *Maine, Pennsylvania* and *Nebraska* have fully recovered from the attack. *Illinois* is still in the pangs of labor, and there will probably be a "*nascitur mus*," i.e., a nasty muss, if the Bill passes.

*Pennsylvania* has a double-headed Bill aimed at the insurance business. The first is a very good one, and ought to pass. It provides that any policy duly issued shall be conclusive evidence that the premium has been paid thereon, anything in the policy to the contrary notwithstanding. Under this law the Companies will extend credit to their customers at their own peril. The second Bill is in the shape of a "valued policy" law, claimed to be more obnoxious than any heretofore enacted. The Fire Underwriters are very much excited about it.

*California* is also in the valued policy line.

*Minnesota* calls for a two per cent. tax on all insurance business done in the State.

*Missouri* is trying to increase the license fee of agents in the city of St. Louis from \$100 to \$200 for the benefit of the Firemen's Relief Association, just as if fire insurance companies have any use for fire companies.

And so it goes; there seems to be something in the very name of insurance that effects the ordinary legislator as a red rag does a turkey cock, and he makes a dash for it, without the slightest knowledge upon the subject. But, fortunately, the better sense of more conservative members generally prevents any serious harm being done. But while we are thus commenting upon the doings of our neighbors it behooves us to look at home a little, for the Lieutenant-Governor of Quebec, in his speech at the opening of the present session of the Provincial Legislature said that the Government would introduce an Insurance Bill which, while dealing fairly with the Companies, would "more effectually protect the public." We are anxious to learn just where His Excellency thinks that the "public" needs any protection against insurers, and shall watch for the promised "Protective Bill."

#### MANUFACTURERS' MUTUAL INSURANCE SOCIETIES.

It is a favorite theory among certain classes of manufacturers that Insurance Companies charge them too high rates of premium; that they can, by forming a Mutual, or self-insurance Company of all manufacturers of their products, get their insurance for nothing, or next door to it. In this faith many efforts have been made, but almost uniformly they have proved unsuccessful heretofore, and these would-be insurers have been compelled finally to rely for their indemnity upon the stock offices, and pay their prices.

Upon the European Continent this class of insurance affords some striking examples. Prominent among these, just now, is "*The Sugar Manufacturers' Mutual Insurance Company*," of Prague. It is now in its second year, and has 181 members out of the 251 sugar houses in Austrian Hungary.

The amount written for 1882 was 238,658,641 florins, as against 186,761,068 florins for 1880-81; while the premiums reach 683,039 florins for 1882, as compared with 586,828 florins in 1880-81. Of the amount written the Company has carried only 18,032,916 florins with premiums thereon of 51,654 florins: the remainder was reinsured in other offices.