

In making a comparison between the growth of the larger and of smaller companies as shown by their respective increases as expressed by percentages, the results are liable to be misleading. Young companies, in the first rush of novelty and initial energy, may raise their business in a single year by 50 or 100 per cent. without having enlarged it to any such extent as to compare with an older company that has grown only at the rate of 5 or 10 per cent. For example, a new company has written policies in its first five years, say, for \$500,000; in the next five years it doubles this by having \$1,000,000 of insurance in force, the increase being 100 per cent. If an older company, at the time the new one starts, has already \$10,000,000 in force, and in five years it increases this by only five per cent., there is an addition made of \$500,000 or as much as the total acquired by the younger company in the same period; then, if in the next five years the same growth occurs of five per cent., the older company adds \$525,000 to its business, by which its total insurance in force is raised to \$11,025,000. That is, while only increasing at the rate of five per cent. yearly, the larger company has acquired more business to extent of \$1,025,000 in the same ten years as its younger rival has secured \$1,000,000, though in the second of its five years the younger company grew at the rate of 100 per cent. Percentage comparisons, in order to be strictly accurate for comparative purposes, need to be made between things equal, or allowance must be made where inequality exists, so as to bring both the things compared on to the same plane. To be quite fair to the companies whose respective rates of growth are compared, it would be desirable to introduce another factor besides the mere volume of business existing at a certain date, that is, the factor of age, and besides these two conditions various terms of years should be considered, which would raise an interesting equation problem. Taking, however, the above figures of "The Spectator," we find that in each year from 1873 to 1894 the three largest life companies were gradually increasing their proportion of the total insurance force from 31.43 to 55.43; then the tide turned, and in each year since 1894 the three largest companies have been growing at a proportionately slower rate, so that between 1894 and 1900 their percentage of the total in force fell from 55.43 to 49.75 per cent. This, however, is 16.32 per cent. greater than in 1873. It might then with accuracy be said that since 1873 the three largest life companies have increased their proportion of the total business from 31.43 per cent. to 49.75 per cent. If the six largest companies are taken, we find parallel comparisons, as from 1873 to 1894 the six companies increased their share from 48.40 per cent. to 70.60 per cent., but since 1894 their proportion has declined from 70.60 to 64.41 per cent.

But, again, it can be said that since 1873 the six largest companies' proportion of the total insurance in force has increased from 48.40 to 64.41 per cent. The ten largest companies increased their share from 61.18 in 1873 to 81.02 in 1889; then there was a decline each year until 1900, when the proportion was 73.97 per cent. The twenty largest companies also reached their maximum proportion of 95.46 per cent. in 1889, since which year their recession has been steady down to 89.74 per cent. in 1900, but, since 1873 the twenty largest life companies have increased their proportion of the total business from 79.62 to 89.74 per cent. Much depends upon the group of years selected for comparisons, and the number of companies included in them has also to be considered. With \$3,004,106,022 of insurance in force in 1889, the twenty companies had 95.46 per cent. of the total business held by thirty-one companies; whereas, with more than double that business, with \$6,234,634,785 insurance in force in 1900, their proportion was only 89.74 of the total business held by forty companies.

The conclusion of our valued contemporary seems justified by the above considerations, viz., that "the larger life companies are not maintaining their proportionate growth as compared with the smaller companies, but are losing ground." This conclusion is made the more justifiable by this further element in the problem, that in number the larger companies are becoming fewer in proportion to the total companies now in active operation. Whether there comes a period in the life of a company, as there does in other organizations, when growth is retarded and at length ceases, whether there is an economic law analogous to the physical ones affecting the growth and decadence of living organisms, or, whether a life insurance company is capable of renewing its youth by continuous expansion year by year to an unlimited period, are questions to which considerable attention will be given during this century.

THE ROYAL INSURANCE COMPANY.

The revenue statement of the Royal Fire Insurance Company for 1900 shows the results of the year's business to have been more satisfactory than might have been anticipated from the generally evil record of last year of enormous losses, not on this continent only, but in other countries where the Royal is represented. It has never yet been known for every field occupied by British fire companies, since their operations became so extended, to have equally disastrous experiences in any one year. Were this to occur with any recognisable periodicity, the present basis of fire insurance would need modification, as the presumption is, that serious disasters in