

nated otherwise than by death was \$4,890,225, or 76.6 per cent. of the amount issued. As no matured endowments and no surrendered policies for which a consideration is given find a place in these assessment associations, the above amount of terminations represents lapses essentially. The Canadian associations included in the report show much worse by themselves than the average above given, for an amount equal to 98 per cent. of their new issues, not counting deaths, disappeared! Verily, the adhesive force belonging to the co-operative system is almost equal to that which holds together a rope of sand.

AN ORGAN OF the assessment life concerns, the *Fratern Record*, asserts that of seventy-eight old line companies reporting to the New York Insurance Department since 1860, fifty-two have gone into bankruptcy mainly on account of the misappropriation or perversion of "accumulated assets;" to which the *Weekly Underwriter* replies: "The old lie. Some of the fifty-two withdrew from the State and are still in business, some had only a nominal existence, others were re-insured by other companies, and their policyholders were, in a number of instances, secured from loss. In the meantime several thousand assessment concerns, big and little, went to the demnition bowwows." At the best, the failures from the cause named are numerous enough, but they are purely failures of administration and not of the system. Fundamentally, level premium life assurance is infallible, and no company has ever died because of an excessive mortality rate. Exactly the reverse is true of the assessment system, which is fundamentally unsound, and invites failure both from increased mortality and bad administration.

IN OUR ISSUE for February 15th last, we referred briefly to a decision of the Queen's Bench Divisional Court in England, in the case of the surveyor of taxes against a policyholder of the New York Life insurance company, to the effect that although the Income-tax Act provides for the deduction of life assurance premiums from the current annual income of any individual when assessment for the tax is made, yet when such premium is paid to a foreign company the exemption cannot be allowed. The case was taken to the Court of Appeal, which tribunal has now affirmed the decision below, Lord Justice Fry, however, taking a different view from his associates. The language of the Income-tax Act applies to any person insuring "in or with any insurance company existing on November 1st, 1844, or in any or with any insurance company registered pursuant to 7 and 8 Vic., cap. 110." It was held that, though the New York Life existed prior to the date mentioned, yet the Act should be construed as applying only to companies organized under the law of England or existing under that law in 1844. Lord Fry was of the opinion that the spirit of the Act was to relieve all payments for life assurance premiums from the tax, though he concurred in the decision.

OUR CALIFORNIA CONTEMPORARY, the *Pacific Underwriter*, comes to us with some plain talk to the underwriting fraternity of the Coast range on incentives to incendiaryism, the moral hazard, etc. It points out the fact that incendiaryism has become pretty common in San Francisco, and cites several cases unearthed through the efforts of Fire Marshal Towe. Of these our contemporary says: "Each of the culprits was insured for an amount far above the value of the property. They were all poor people, yet they paid premiums on a sum of money far above everything they ever possessed. That they were allowed to do so is the fault of the underwriters accepting the risk, and it is a very serious reflection on a certain feature of our system here." One case is cited where a very poor family insured for \$1,500, and the appraised value of everything possessed was \$45! Another, an Italian barber, who paid for \$350 on his hovel of a shop worth, with outfit, \$95. The *Underwriter* thinks "it is a pretty dangerous temptation to set before people who often go to bed hungry, or who are unacquainted with the sensation of having ready money in their pockets, inasmuch as, in their ignorance, they suppose they are to get all they insure for. We are very sorry for San Francisco. Underwriters in this Eastern country of course never over-insure. Of course not."

FROM AN INTERESTING table in the last *Coast Review* we get a glimpse of fire underwriting experience on the Pacific Coast for ten years, by months. The monthly loss average was \$278,954, the average loss ratio to premiums being 48.4. The unusually heavy losses of 1889 are noticeable in the general average, for, taking nine years ending with 1888, we find the monthly average to be \$226,446, the annual average \$2,717,351, and the loss ratio 42.5. The lowest loss ratio was in 1881—35.5, and the highest in 1889—83.1. The months when the losses were heaviest present an experience for the 10 years differing widely from that noted in the country at large. Thus, on the Pacific Coast the four months of highest loss were June, July, August and September, with May and October not so very far behind. In the whole United States, for fifteen years, the highest monthly averages, according to the *Chronicle Fire Tables*, for 1890, are found in January, February, March, November and December, January taking the lead, with December closely following. On the Coast the conflagration months are exactly the reverse of the general average and experience. Why? Is it on account of the protracted absence of rain, together with the less solid and more combustible character of the buildings, as a whole, west of the "rockies"? It would certainly seem so.

WE NOTICE THAT our contemporary, *Le Prix Courant* of this city, in some comments on the Longue Pointe fire in its issue for May 16, while bestowing deserved commendation on the Royal for prompt payment of the loss, takes occasion to cast a slur on the rank and file of fire insurance companies. It advises large establishments to insure in a gross sum with one