

Any reader of Mr. Wright's book who has not given the subject of life insurance a good deal of study will soon arrive at the conclusion that the life insurance policy is a contract, the precise force and effect of which it is not easy to understand. For, in addition to such plain questions as the safe investment of money, economy of expenditure, adequate premiums, &c., there are other matters, more or less technical in their nature, which involve the rights and interests both of the insured and the company, and which require to be properly adjusted in order to render the contract a desirable one. It is with this class of questions that Mr. Wright deals.

Three principal propositions are laid down, which are almost, if not altogether, revolutionary in their effect:—

1. That no policy should extend over the whole possible life.
2. That every policy shall stipulate the *minimum* cash surrender value which the company will pay whenever the policyholder wishes to withdraw, or ceases to be insured.
3. That the working expenses shall be assessed in proportion to the "insurance value" of the policy, so far as they exceed the bare cost of managing the investments.

If the points here raised possess the practical value which Mr. Wright claims for them, if they involve the rights of the policyholder to the extent alleged, then it is evident that in the practical working out of the science of life insurance, the principles of equity have been seriously misapprehended, and the superstructure has been, in some measure, erected on a wrong basis. The question is one for actuaries, and they ought boldly to grapple with it. It can scarcely be expected that the insurance public will accept with alacrity and without explanation a system the equity of which is so vigorously challenged by one who above all others ought to be able to speak truthfully of its merits and defects.

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#### A DAY OF TRIAL.

OCT. 17TH, 1873.—While Life Insurance, in the United States, is in a great measure exempt from the crisis which has overthrown or rudely shaken so many financial firms, it is passing through a period of trial scarcely less severe. We do not now refer specially to the general shrinkage of assets, which, according to present appearances, will greatly affect the balance sheets of the Companies when the reckoning for the present year is made. Where investments have to be found for two hundred and seventy millions of dollars, it is not reasonable to suppose that first class securities would be always at hand for such an enormous sum. In looking over the schedule of assets of some of the Companies recently, we were struck with the large amounts of town, county and township bonds and stock held the school debentures, the railway stock and bonds, manufacturing, insurance and mining stock, in which some of the best Companies have